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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS, S.A.S., Defendant.	Adv. Pro. No. 16-3151 (BJH)

APPENDIX IN SUPPORT OF DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S DESIGNATION OF MATTERS TO BE INCLUDED IN THE RECORD CONCERNING THE COURT'S PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW REGARDING DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S MOTION TO DISMISS FOR LACK OF SUBJECT MATTER AND PERSONAL JURISDICTION, AND ON THE GROUNDS OF FORUM NON CONVENIENS SIGNED ON MARCH 28, 2017 [DKT. 94]

COMES NOW, Defendant Airbus Helicopters, S.A.S. ("AH"), and hereby submits this Appendix in Support of Defendant Airbus Helicopters, S.A.S.'s Designation of Matters to be Included in the Record Concerning the Court's Proposed Findings of Fact and Conclusions of Law Regarding Defendant Airbus Helicopters, S.A.S.'s Motion to Dismiss for Lack of Subject Matter and personal Jurisdiction, and on the Grounds of Forum Non Conveniens Signed on March 28, 2017 [Dkt. 94], as follows:

Document	**Appendix Page No.**
Complaint [Dkt. 1]	APP000001-APP000033
Defendant Airbus Helicopters, S.A.S.'s Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of *Forum Non Conveniens* [Dkt. 24]	APP000034-APP000038
Appendix in Support of Defendant Airbus Helicopters, S.A.S.'s Motion to Dismiss [Dtk. 26]	APP000039-APP000046
Defendant Airbus Helicopters, S.A.S.'s Amended Brief in Support of Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and *Forum Non Conveniens* [Dkt. 32]	APP000047-APP000080
Notice of Hearing on Defendant's Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of *Forum Non Conveniens* [Dkt. 47]	APP000081-APP000083
Plaintiff's Opposition to Defendant's Motion to Dismiss [Dkt. 63]	APP000084-APP000116
Declaration of Pietro J. Signoracci in Support of Plaintiff's Opposition to Defendant's Motion to Dismiss [Dkt. 64]	APP000117-APP001086

Document	**Appendix Page No.**
Transcript of Hearing on: [#23] Status Conference Re: Motion for Withdrawal of Reference, Filed by Defendant Airbus Helicopters (SAS); [#1] Status Conference Re: Scheduling Order; [#56] Defendant Airbus Helicopters, S.A.S.'s Motion for Continuance of Trial, Stay of Deadlines and Brief in Support, Filed by Defendant Airbus Helicopters (SAS) [Dkt. 73]	APP001087-APP001162
Plaintiff's Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss [Dkt. 74]	APP001163-APP001172
Defendant Airbus Helicopters, S.A.S.'s Supplemental Brief in Support of Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of Forum *Non Conveniens* [Dkt. 75]	APP001173-APP001177
Motion for Leave to File Plaintiff's Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss [Dkt. 76]	APP001178-APP001346
Plaintiff's Witness and Exhibit List for February 28, 2017 Hearing on Defendant's Motion to Dismiss [Dkt. 77]	APP001347-APP001350
Plaintiff's Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss [Dkt. 78]	APP001351-APP001371
Declaration of Martin Flumenbaum in Support of Plaintiff's Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss [Dkt. 79]	APP001372-APP001508
Defendant Airbus Helicopters, S.A.S.'s Witness and Exhibit List for February 28, 2017 Hearing [Dkt. 80]	APP001509-APP001511
Defendant Airbus Helicopters, S.A.S.'s Reply Brief in Support of Motion to Dismiss for Sbject Matter and Personal Jurisdiction, and *Forum Non Conveniens* [Dkt. 81]	APP001512-APP001522
Defendant Airbus Helicopters, S.A.S.'s Supplemental (Corrective) Reply Brief in Support of Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and *Forum Non Conveniens* [Dkt. 82]	APP001523-APP001525

Document	**Appendix Page No.**
Transcript of Hearing on Motion to Dismiss Adversary Proceeding for Lack of Subject Matter and Personal Jurisdiction and on the Grounds of Forum Non Conveniens Filed by Defendant Airbus Helicopters (SAS) [Dkt. 86]	APP001526-APP001634
Plaintiff's Supplemental Memorandum on Post-Hearing Developments Related to Personal Jurisdiction and Abstention [Dkt. 87]	APP001635-APP001643
Declaration of Pietro J. Signoracci in Support of Plaintiff's Supplemental Memorandum on Post-Hearing Developments Related to Personal Jurisdiction and Abstention [Dkt. 88]	APP001644-APP001867
Defendant Airbus Helicopters, S.A.S.'s Response to Plaintiff's Supplemental Memorandum on Post-Hearing Developments Related to Personal Jurisdiction and Abstention [Dkt. 92]	APP001868-APP001874
Proposed Findings of Fact and Conclusions of Law Regarding Defendant Airbus Helicopters, S.A.S.'s Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of Forum Non Coveniens [Dkt. 94]	APP001875-APP001917
Report and Recommendation to the District Court Regarding Case No. 3:17-cv-00075-C (Adv. Pro. No. 16-3151-bjh) [Dkt. 95]	APP001918-APP001933
Plaintiff's Objection to the Bankruptcy Court's Proposed Findings of Fact and Conclusions of Law and Brief in Support [Dkt. 104]	APP001934-APP002381
Court admitted exhibits at February 28, 2017 hearing on Defendant Airbus Helicopters, S.A.S.'s Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of *Forum Non Conveniens* [Dkt. 105]	APP002382
Response to Defendant Airbus Helicopters, S.A.S. to Plaintiff's Objection to the Bankruptcy Court's Proposed Findings of Fact and Conclusions of Law and Brief in Support [Dkt. 106]	APP002383-APP002403

Document	**Appendix Page No.**
Supplemental Appendix in Support of Plaintiff's Objection to the Bankruptcy Court's Proposed Findings of Fact and Conclusions of Law [Dkt. 107]	APP002404-APP002594

Dated: May 3, 2017.

Respectfully submitted,

HIERSCHE, HAYWARD, DRAKELEY
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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on May 3, 2017, a true and correct copy of the above and foregoing document was filed with the court via CM/ECF and served on all parties requesting electronic notification.

/s/ Jason M. Katz
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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	**Chapter 11**
CHC GROUP LTD., *et al.*,	**Case No. 16-31854(BJH)**
Debtor,	**(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP.,	**Adv. Proc Case No. _____**
Plaintiff,	**COMPLAINT**
v.	**(Jury Trial Demanded)**
AIRBUS HELICOPTERS (SAS),	
Defendants.	

Plaintiff ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) ("ECN Capital" or "Plaintiff"), for its Complaint against Defendant Airbus Helicopters (SAS) ("Airbus" or

"Defendant"), respectfully alleges as follows:

NATURE OF THE ACTION

1. Defendant Airbus designs, manufactures, markets, and sells aircraft, including two models of utility helicopters sold under the name "Super Puma"—the Eurocopter EC225 ("EC225") and the Eurocopter AS332 L2 ("AS332 L2").[1]

2. On April 29, 2016, a Super Puma EC225 crashed near Turøy, Norway. All 13 individuals on board were killed. Footage of the accident recorded by a bystander showed that the main rotor blades of the helicopter detached in midair, causing the frame to fall.

3. As a result of the crash and its investigation by the Accident Investigation Board of Norway, civil aviation authorities in the United States, Europe, Norway, and the United Kingdom prohibited the flight and/or commercial use of any EC225 or AS332 L2 due to an unsafe condition caused by a design defect in the helicopters' main gear box, which connects to the helicopter frame the main rotor head that is attached to the main rotor blades. The Accident Investigation Board of Norway, the United Kingdom Civil Aviation Authority, and the United States Federal Aviation Authority specifically concluded that the Super Puma EC225s and the Super Puma AS332 L2s are not safe to fly in their current condition.

4. Plaintiff ECN Capital owns five Super Puma helicopters manufactured by Defendant Airbus—one Super Puma EC225 and four Super Puma AS332 L2s. ECN Capital has suffered damage that is the direct and proximate result of Airbus's negligence, defective

[1] Airbus Helicopters (formerly known as Eurocopter) has changed the names of some Super Puma models; the EC225 is now known as the H225. For purposes of the allegations in this Complaint, Plaintiff will refer to the helicopter models by their names when Plaintiff purchased them.

design, defective manufacturing, failure to warn, violation of implied warranty of merchantability, negligent misrepresentation, and/or fraud regarding the unsafe helicopters. ECN Capital thus brings this action against Airbus to recover ECN Capital's damages, which include, but are not limited to, economic loss, damage to property, lost profits, and costs of recovery, maintenance, storage and replacement of the unsafe and defective helicopters.

THE PARTIES

5. Plaintiff ECN (Aviation) Capital Corp., an Ontario corporation, is a commercial financing business with headquarters in Toronto, Canada. ECN Capital provides commercial aviation financing to customers in the transportation and energy sectors, among others, throughout Canada and the United States, including in Texas.

6. Defendant Airbus Helicopters (SAS) is a *société par actions simplifiée* organized under the laws of France with its principal place of business in Marignane, France. Airbus designs, manufacturers, markets, and sells aircraft, which it markets and services around the world and throughout the United States, including in Texas.

JURISDICTION AND VENUE

7. This is an action seeking damages for negligence, strict products liability, manufacturing defect, design defect, breach of implied warranty of merchantability, negligent misrepresentation and fraud.

8. This Court has jurisdiction under 28 U.S.C. § 1334(b) and (c) because this lawsuit is related to cases filed by CHC Group Ltd. ("CHC Group") and certain of its affiliates (together with CHC Group, collectively the "CHC Debtors") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), which are being jointly administered in this Court under the caption *In re CHC Group Ltd., et al.*, No. 16-31854

(BJH) (the "CHC Bankruptcy Cases"). The outcome of this lawsuit is likely to impact the CHC Debtors' estates in the pending CHC Bankruptcy Cases.

9. Pursuant to 28 U.S.C. §§ 157(a) and 157(b)(1) and the Order dated August 3, 1984 Referring to Bankruptcy Judges for this District any or all proceedings arising in or related to a case under the Bankruptcy Code, this Court may exercise subject matter jurisdiction over this action.

10. This Court also has supplemental jurisdiction over Plaintiff's state law claims pursuant to 28 U.S.C. § 1367(a).

11. This Court has personal jurisdiction over Defendant Airbus because Airbus has appeared in the CHC Bankruptcy Cases pending in this Court to which this action is related. Airbus has filed proofs of claim, filed briefing in connection with discovery motions, and participated as a member of the Official Committee of Unsecured Creditors in the CHC Bankruptcy Cases. Airbus thus has purposefully availed itself of the courts in this District. Additionally, Airbus directed its wrongful conduct toward this State and this District by placing into the stream of commerce defective products that Airbus knew would be reasonably likely to appear in this District or be owned and/or operated by entities doing business in this District. On information and belief, Airbus sold Super Puma EC225s through an Airbus entity that is headquartered in this District, has a substantial presence in Texas, and has accepted jurisdiction in Dallas County, Texas for contracts of sale on Super Puma EC225s.

12. Venue is proper in this District pursuant to 28 U.S.C. § 1409(a) because the CHC Bankruptcy Cases to which this lawsuit is related are pending in this Court. In addition, venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(2) because significant events

giving rise to the claims in this action occurred in this District and because certain property at issue is located in this judicial district. Specifically among other things, on information and belief, CHC Helicopters (Barbados) Limited ("CHC (Barbados)") originally purchased the helicopters at issue from Airbus entities affiliated with Airbus Group, Inc., which has a large presence—29 centers—in the United States and has a subsidiary, Airbus Helicopters, Inc., that is headquartered in Grand Prairie, Texas. Plaintiff purchased the helicopters at issue here from CHC (Barbados), which is one of the CHC Debtors in the CHC Bankruptcy Cases pending in this Court. CHC Group, which is the holding company for CHC (Barbados), bases its corporate officers and global operations center in Irving, Texas. Plaintiff entered into a sale leaseback agreement with CHC (Barbados), whereby Plaintiff would purchase the helicopters from CHC (Barbados) and lease them back to CHC (Barbados) for sublease and operation. These leases were recently rejected by the CHC Debtors in the CHC Bankruptcy Cases. In the alternative, venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(3) because Defendant Airbus is subject to personal jurisdiction in this District.

13. Statement Pursuant to Fed. R. Bankr. P. 7008. This adversary proceeding is a non-core proceeding. The Plaintiff does not consent to entry of final orders or judgment by this Court at this time.

FACTUAL ALLEGATIONS

A. April 29, 2016 Crash

14. The fatal crash on April 29, 2016, involved a Super Puma EC225, registered LN-OJF on charter to Statoil, a Norwegian oil and gas production company. Eleven oil workers were on the flight to be transported from an oil platform in the North Sea to Bergen

Airport, Flesland. All of the eleven passengers and two crew members on board the helicopter died in the crash.

15. Witnesses to the crash reported that they saw that the main rotor blades of the helicopter had separated from the frame in midair. Footage of the accident recorded by a bystander confirmed those accounts, showing the main rotor blades of the helicopter detached from the frame and spinning through the air. The main rotor blades were found on an outcrop approximately 300 yards away from where the helicopter frame crashed into the water of the North Sea.

16. The helicopter that crashed was operated by CHC Helikopter Service AS, a Norway subsidiary of CHC Group and an affiliate of CHC Helicopter, a Canadian company with its headquarters in Richmond, British Columbia, and its corporate officers and global operations center in Irving, Texas. CHC Group, the parent company of both CHC Helikopter Service AS and CHC Helicopter, is a Cayman Islands-based company that has filed for chapter 11 relief in the CHC Bankruptcy Cases, which are currently pending in this Court.

B. <u>Investigation and Groundings</u>

17. On the day of the crash, the Civil Aviation Authority of Norway (the "CAAN") began investigating the wreckage and issued an operational directive banning public and commercial transport flight of EC225 helicopters. The United Kingdom Civil Aviation Authority ("UK CAA") instituted a similar operational directive regarding Super Puma EC225s the next day, on April 30, 2016.

18. The Accident Investigation Board Norway ("AIBN") commenced investigating the cause of the crash. In a preliminary report on the investigation released on May 13, 2016, the AIBN stated that it was "focussing on the examination of the [Main Rotor Head] suspension bar assembly, the main gearbox and the main rotor head." In an update to the

preliminary report issued on May 27, 2016, the AIBN stated that "[d]etailed examination work continues to focus on the MRH suspension bar assembly, the main gearbox and the main rotor head."

19. On June 1, 2016, the AIBN released a preliminary report stating that its examinations of a second stage planet gear of the main gearbox "revealed features strongly consistent with fatigue." The report continued:

> Although preliminary, the AIBN considers these findings to be of such significance that it has decided to issue the following safety recommendation to ensure the continuing airworthiness of the Main Gear Box (MGB).
>
> **Safety Recommendation**
>
> Recent metallurgical findings have revealed features strongly consistent with fatigue in the outer race of a second stage planet gear in the epicyclic module of the MGB. It cannot be ruled out that this signifies a possible safety issue that can affect other MGBs of the same type. The nature of the catastrophic failure of the LN-OJF main rotor system indicates that the current means to detect failure in advance are not effective.

20. The AIBN concluded its June 1, 2016 report with a recommendation that the European Aviation Safety Agency ("EASA") "take immediate action to ensure the safety of the [EC225] Main Gear Box" with respect to all Super Puma EC225s.

21. Widespread groundings of the Super Pumas followed. On June 2, 2016, CAAN expanded its ban on Super Puma EC225s to encompass Super Puma AS332 L2s, which have a similar main gear box design to the Super Puma EC225s, and to encompass all operations, including search and rescue. Also on June 2, 2016, the UK CAA and EASA each issued bans on the flight of Super Puma EC225s and Super Puma AS332 L2s. On June 3, 2016, the United States Federal Aviation Administration ("FAA") issued an Emergency Airworthiness Directive prohibiting all flights of Super Puma EC225s and Super Puma AS332 L2s and defining "the unsafe condition" of the helicopters to be "failure of the main

rotor system, which will result in loss of control of the helicopter." The FAA stated that its ban would remain in place until "the design approval holder develops a modification that addresses the ***unsafe condition*** identified" by the FAA as affecting all Super Puma EC225s and all Super Puma AS332 L2s.

22. In a subsequent preliminary report issued on June 28, 2016, the AIBN concluded that "the accident most likely was the result of a fatigue fracture in one of the second stage planet gears." The AIBN concluded that fatigue to the gears caused a crack in the surface area of the metal, which created debris that should have been detected by magnetic chip detectors housed in the gear box. By Airbus's design, however, there are not adequate means of detection within the main gearbox of the Super Puma EC225s and Super Puma AS332 L2s to effectively detect debris. Airbus utilized a system called HUMS (Health and Usage Monitoring System) to monitor the health and usage of components of the aircraft. The HUMS system is intended to detect abnormal vibrations in the main gearbox area, such as would be caused by the fatigue identified by the AIBN as affecting the gears of the Super Puma EC225s and Super Puma AS332 L2s. The AIBN concluded that the chip detectors and the HUMS system in the Super Puma EC225 involved in the fatal crash failed to identify the fatigue to the gear box, or debris or abnormal vibrations caused by that fatigue.

23. The AIBN's reports and the FAA's Emergency Airworthiness Directive concluded that all Super Pumas EC225s and all Super Puma AS332 L2s had design defects relating to their gear boxes, chip detectors, and/or HUMS systems. The AIBN and the FAA concluded that these helicopters are unsafe and not airworthy.

24. EASA, too, concluded that Super Puma EC225s and Super Puma AS332 L2s are not safe to fly. On October 7, 2016, EASA partially lifted its ban on flights of Super

Puma EC225s and Super Puma AS332 L2s, but only to permit flights of such helicopters that have had their defective parts replaced. EASA also imposed extra inspections and service life limits to the Super Puma EC225s and Super Puma AS332 L2s.

25. AIBN has not made any further updates since the EASA action, and the CAAN and the UK CAA reaffirmed their bans on flights of Super Puma EC225s and Super Puma AS332 L2s after EASA issued its announcement partially lifting its ban. The FAA also has not amended its Emergency Airworthiness Directive declaring all Super Puma EC225s and Super Puma AS332 L2s unsafe and banning their flight.

C. <u>Dangers and Defects of the Super Pumas</u>

26. The designs for the Super Puma EC225 and Super Puma AS332 L2 models were based on the designs for the preceding Airbus SA330 J Puma, a twin-engine Airbus helicopter with a four-blade main rotor that gained civil certification in 1976, and the Super Puma AS332 L, which was certified in 1978. The Super Puma AS332 L2 was certified in 1991, and the Super Puma EC225 was certified in 2004. As the Super Puma family evolved, Airbus increased the power of the engines, lengthened the rotor blades (and, for the EC225, added a fifth blade), and increased the overall weight of the Super Puma AS332 L2 and the Super Puma EC225 as compared to the Super Puma AS332 L and the SA330 J Puma:

	SA330 J	**AS332 L**	**AS332 L2**	**EC225**
Maximum All Up Weight[2] (kg)	7,400	8,600	9,300	11,000
Engine Power (hp)	3,150	3,175	3,690	4,764
Main Rotor Diameter (m)	15	15.6	16.2	16.2
Maximum Speed (km/h)	257	262	277	275.5

27. Airbus's designs for the Super Puma EC225 and the Super Puma AS332 L2 were defective in that, among other things, Airbus did not appropriately update the gear box, chip detectors, and/or HUMS system in order to withstand the increased weight and power of the newer helicopter models, and Airbus negligently failed to sufficiently test how the existing gear box, chip detectors, and/or HUMS system would perform in the heavier and more powerful models. Had Airbus conducted the appropriate tests, it would have realized that its designs for the Super Puma EC225 and the Super Puma AS332 L2 were defective. Airbus thus knew or should have known that the helicopters were unsafe and not airworthy, and that an event like the fatal accident on April 29, 2016 was likely to occur as a natural consequence of the defective design of Airbus's Super Puma EC225 and Super Puma AS332 L2.

28. Since the April 29, 2016 crash of the Super Puma EC225 registered LN-OJF, the offshore helicopter industry has united in discontinuing operation of Super Puma EC225s and all Super Puma AS332 L2s. After all, 13 people on board the Super Puma EC225 were killed when "sudden catastrophic failure" developed in a matter of seconds, causing "the main

[2] The Maximum All Up Weight is the maximum gross weight of the aircraft at which takeoff is permitted.

rotor head [to] suddenly detach[] from the body of the helicopter" at 2,000 feet in the air and "smash[] into a tiny island and burst into flames."[3] Statoil's head of production in Norway called it "one of the worst accidents in Norwegian oil history."[4] The U.K.'s National Union of Rail, Maritime and Transport Workers (RMT) has "heard widespread, strong backlash about the aircraft . . . . This sentiment was echoed in a change.org online petition, purportedly representing North Sea Offshore Oil Workers and their families, which called for the [Super Puma EC225] to be permanently removed from service. It received over 27,000 signatures."[5] Tommy Campbell, the chair of Offshore Coordinating Group (OCG), an "umbrella body of unions representing North Sea oil workers," stated that "workers must not be forced to fly in the [Super Puma EC225]" until the cause of the crash is determined.[6] CHC itself, which is one of the world's largest operators of these aircraft, announced that it would no longer fly Super Puma EC225s "based on customer demand."[7] Even chief executive Gretchen Haskins of HeliOffshore, the global safety association for the offshore helicopter industry, admitted

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[3] *Safety Alert Issued After Metal Fatigue Found in Norway Crash Helicopter*, The Guardian (Jun. 2, 2016), https://www.theguardian.com/world/2016/jun/02/safety-alert-issued-after-metal-fatigue-found-in-norway-crash-helicopter.

[4] Stine Jacobsen & Ole Petter Skonnord, *Oil Rig Helicopter Crashes Off Norway Coast, 13 Presumed Dead*, Reuters (May 3, 2016), http://in.reuters.com/article/norway-helicopter-crash-idINKCN0XQ1GK.

[5] Thierry Dubois, *Airbus Helicopters Braces for Post-Turøy Impact*, Vertical Mag (Aug. 31, 2016), http://www.verticalmag.com/news/airbus-helicopters-braces-post-turoy-impact/.

[6] Hilary Duncanson, *'Mechanical Failure' Caused Norway Helicopter Crash*, The Huffington Post (May 4, 2016), http://www.huffingtonpost.co.uk/2016/05/03/mechanical-failure-caused-norway-helicopter-crash_n_9832530.html.

[7] Laura Paterson, *North Sea Helicopter Firm Says It Will No Longer Use Super Puma H225s Following Fatal Crash*, Daily Record (Jun. 8, 2016), http://www.dailyrecord.co.uk/news/scottish-news/north-sea-helicopter-firm-says-8141489.

that she would not feel comfortable flying in a Super Puma EC225 or a Super Puma AS332 L2: "'For me, it would have to go through all the steps and it has only been through the first ones.'"[8]

29. Members of the oil and gas industry are circulating a report that "claims to have identified a serious problem within the gearbox of the Super Puma [EC225 and AS332 L2] aircraft," according to accounts given to Scottish newspaper The Herald.[9] This report is said to conclude that EASA's "interim action" for replacing parts and monitoring is insufficient and would not eliminate the "potential for catastrophic failure." *Id.* The report also is said to conclude that the deterioration of the gear box that led to the fatal accident was an "inherent characteristic" of all Super Puma EC225s and all Super Puma AS332 L2s.[10]

30. The defects in the Super Puma EC225s and the Super Puma AS332 L2s were not discoverable through a visual or flight delivery inspection.

D. <u>Airbus's False Statements</u>

31. Despite the dangers inherent in the defective design of the Super Puma EC225s and Super Puma AS332 L2s, Defendant Airbus supplied false information in an attempt to assure the market that its products were safe and airworthy. In the Overview for the Super

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[8] Dominic Perry, *Airbus Helicopters Chief Insists Super Puma has Future in North Sea Region*, Flight Global (Oct. 12, 2016), https://www.flightglobal.com/news/articles/airbus-helicopters-chief-insists-super-puma-has-futu-430270/.

[9] Jody Harrison, *Super Puma Has 'Potentially Catastrophic' Design Failure*, The Herald (Oct. 31, 2016), http://www.heraldscotland.com/news/homenews/14832969.Super_Puma_has__potentially_catastrophic__design_failure__report_claims/.

[10] Keith Findlay, *Airbus Silent on Super Puma 'Fault' News Report*, The Press and Journal, Nov. 1, 2016, *available at* http://www.pressreader.com/uk/the-press-and-journal-inverness/20161101/282432758708830.

Puma AS332 L2 on its website, Airbus describes the helicopter as having an "excellent . . . operational safety level" making it "well suited for civil operations, as well as para-public uses."[11] Another Airbus webpage advertises the Super Puma AS332 L2 as "a highly reliable medium-weight helicopter" that "is exceptionally smooth and stable in flight."[12] A webpage advertising the Super Puma EC225 states that the helicopter is "ideally suited for public service missions such as search and rescue" and has a design that "increases operational safety."[13] And the Super Puma EC225 Overview asserts that the helicopter "offers superior . . . reliability" and "sets new standards for safety."[14]

32. In addition, Airbus made false statements to EASA, to the UK Air Accidents Investigation Branch ("AAIB"), and to the public in response to safety recommendations Airbus received after an investigation regarding an April 2009 crash of a Super Puma AS332 L2. On April 1, 2009, a Super Puma AS332 L2, registered G-REDL, crashed off the coast of the United Kingdom with the loss of 16 lives. Like the Super Puma EC225 that crashed in Norway in April 2016, the Super Puma AS332 L2 that crashed in April 2009 also lost its main rotor. The AAIB investigated the 2009 crash and concluded that the Super Puma AS332 L2 suffered a failure of the second stage planet gear of the main gearbox—the same component

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[11] *See H215 (Formerly Known as AS332) Overview*, Airbus Helicopters, Inc., http://airbushelicoptersinc.com/products/H215-overview.asp (last visited Nov. 15, 2016).

[12] *See H215 (Formerly Known as AS332)*, Airbus Helicopters, Inc., http://airbushelicoptersinc.com/products/H215-product.asp (last visited Nov. 15, 2016).

[13] *See H225 (Formerly Known as EC225)*, Airbus Helicopters, Inc., http://airbushelicoptersinc.com/products/H225-product.asp (last visited Nov. 15, 2016).

[14] *See H225 (Formerly Known as EC225) Overview*, Airbus Helicopters, Inc., http://airbushelicoptersinc.com/products/H225-overview.asp (last visited Nov. 15, 2016).

that AIBN say failed in the Super Puma EC225 that crashed in Norway.[15] Airbus assured the AAIB and other regulators, as well as the public, that Airbus had addressed and resolved design and airworthiness issues regarding the Super Puma EC225 and the Super Puma AS332 L2 that related to the issues involved in the 2009 crash. Airbus's false statements—all made prior to Plaintiff's purchase of the Super Puma EC225 and the Super Puma AS332 L2s—gave consumers false confidence that Airbus had addressed and resolved any defects of the Super Puma EC225s or Super Puma AS332 L2s that related to the 2009 crash.

33. At all relevant times that it described the Super Puma EC225s and the Super Puma AS332 L2s as safe, reliable, and airworthy, Airbus knew or should have known that it was supplying false information on which Plaintiff and others would reasonably rely in making purchasing decisions.

E. <u>ECN Capital's Super Pumas</u>

34. Plaintiff ECN Capital owns five Super Puma helicopters manufactured by Defendant Airbus—one EC225 and four AS332 L2s. In 2013, Plaintiff purchased all five of its Super Pumas from CHC (Barbados), which, on information and belief, in turn purchased the helicopters directly from an affiliate of Defendant Airbus. Plaintiff purchased the following aircrafts on the following dates: Super Puma AS332 L2 registration mark G-PUMS on June 5, 2013; Super Puma AS332 L2 registration mark G-PUMM on June 5, 2013; Super Puma EC225LP registration mark G-OAGA on September 26, 2013; Super Puma AS332 L2

[15] AIBN stated in its June 28, 2016 Preliminary Report on the April 29, 2016 accident: "Even though some differences are observed when comparing the [April 2016 EC225] accident with the [April 2009 AS332 L2] accident, the fatigue fractured planet gears, however, show clear similarities." Preliminary Report 28 June 2016, Accident Investigation Board Norway (Jun. 28, 2016), https://www.aibn.no/Aviation/Investigations/16-286?iid=20112&pid=SHT-Report-Attachments.Native-InnerFile-File&attach=1.

registration mark LN-OHE on September 27, 2013; and Super Puma AS332 L2 registration mark G-PUMO on December 6, 2013.

35. After purchasing the Super Pumas from CHC (Barbados), Plaintiff ECN Capital leased the five Super Puma helicopters back to CHC (Barbados) to be subleased and operated by CHC (Barbados). As part of the Sale/Purchase Agreement between Plaintiff and CHC (Barbados), CHC (Barbados) warranted that the helicopters were kept in good repair, condition and appearance in accordance with the relevant aviation authorities. In the Lease Acceptance Certificate for the leases between CHC (Barbados) and Plaintiff ECN Capital, CHC (Barbados) warranted that it fully examined and inspected each helicopter and that the helicopters were airworthy and of satisfactory quality.

36. Under the terms of the lease-back agreement between CHC (Barbados) and Plaintiff ECN Capital, CHC (Barbados) warranted that as lessee, it would at all times cause the helicopters to be "inspected, serviced maintained, overhauled, repaired, modified and tested . . . in accordance with the Manufacturer's applicable maintenance and overhaul manuals, Service Bulletins[16] and other written instructions by the Manufacturer," and in accordance with applicable written mandatory instructions issued by relevant aviation authorities. The lease agreement included a statement that "[t]he aircraft shall be maintained at maintenance facilities approved by the Lessor and the relevant Aviation Authority, so as to keep the same in as good repair and operating condition and appearance as when delivered to Lessee, ordinary wear and tear excepted; in such condition as is necessary to keep the Aircraft Serviceable and enable the certificate of airworthiness to be maintained in good

[16] The term "Service Bulletin" is defined in the agreement to mean "the document containing instructions for continued airworthiness developed by the Manufacturer of the aeronautical product."

standing at all times under the applicable Regulations; in a manner at least comparable to other reputable operators of the same type(s) of aircraft; and in compliance with all mandatory modifications and all Airworthiness Directives issued by the Aviation Authority and the relevant Aviation Authority through permanent modification or repair of the Aircraft."

F. <u>CHC's Bankruptcy</u>

37. After the grounding caused by Defendant Airbus's negligence, defective design, defective manufacturing, failure to warn, violation of implied warranty of merchantability, negligent misrepresentation, and/or fraud, the CHC Debtors filed for relief under the Bankruptcy Code on May 5, 2016 in this Court. (ECF No. 1, Docket 16-31854-bjh.)

38. In its voluntary petition, CHC Group listed its mailing address as Irving, TX, and its principal place of business as Grand Cayman, Cayman Islands. (*Id.*)

39. The CHC entities that are relevant to the present complaint—CHC Group and CHC (Barbados)—are also debtors in the CHC Bankruptcy Cases. Plaintiff purchased the five helicopters at issue from CHC (Barbados), which in turn purchased the helicopters from Airbus.

40. Airbus has been actively involved in the CHC Bankruptcy Cases. First, Airbus is a major creditor in the CHC Bankruptcy Cases. Specifically, on August 22, 2016, Airbus filed the following proofs of claim against the CHC Debtors: (a) Proof of Claim No. 353 seeking a general unsecured claim in the amount of $65,776.05 against Heli-One Canada ULC; (b) Proof of Claim No. 353 seeking an administrative priority claim in the amount of $27,295.18 against Heli-One Canada ULC; (c) Proof of Claim No. 365 seeking a general unsecured claim in the amount of $4,537,633.72 against Heli-One (Norway) AS; and (d)

Proof of Claim No. 365 seeking an administrative priority claim in the amount of $1,573,873.10 against Heli-One (Norway) AS. These claims total $6,204,578.05 and include numerous invoices submitted as part of Airbus's proofs of claim relating to the replacement or maintenance of Super Puma parts. In addition, on May 13, 2016, the United States Trustee appointed Airbus c/o Kevin Cabeniss in Grand Prairie, TX, to the Official Committee of Unsecured Creditors. (ECF No. 115.) Counsel for Airbus also filed Notices of Appearance and motions to appear pro hac vice in the CHC Bankruptcy Cases on June 2, 2016 and June 15, 2016. (ECF Nos. 227, 228, 229, 334, 335, 339.) Further, when Plaintiff ECN Capital filed a motion in the CHC Bankruptcy Cases seeking discovery from the CHC Debtors under Rule 2004 of the Federal Rules of Bankruptcy Procedure, Airbus engaged in discovery motion practice objecting to the motion. (ECF No. 862.)

41. On May 5, 2016, the CHC Debtors filed a First Omnibus Motion with the Court seeking authority to reject certain of their outstanding leases, including leases of the four Super Puma AS332 L2s owned by ECN Capital. (ECF No. 20.) On May 27, 2016, the CHC Debtors filed a Second Omnibus Motion with the Court seeking authority to reject additional outstanding leases, including the lease of the Super Puma EC225 owned by ECN Capital. (ECF No. 210.) The CHC Debtors' requests to reject these five Super Puma leases with ECN Capital were granted by the Court on June 30, 2016. (ECF Nos. 427, 428.) By these and two other motions, the CHC Debtors sought to reject leases of at least forty-six Super Puma AS332 L2s or EC225s owned by nine entities other than ECN Capital. Seven of these entities are creditors in the CHC Bankruptcy Cases.

42. As a result of the CHC Debtors' rejection of their leases with ECN Capital, ECN Capital filed Proofs of Claim Nos. 543, 545, 549, 556, and 575 in the CHC Bankruptcy

Cases against certain of the CHC Debtors seeking over $94 million from each such CHC Debtor. Other entities subject to lease rejections by the CHC Debtors filed similar proofs of claim. To the extent that ECN Capital recovers damages against Airbus through this action, the amount of ECN Capital's claims against the CHC Debtors will be reduced by ECN Capital's recovery. Similarly, if other entities subject to lease rejections by the CHC Debtors obtain damages from Airbus on the basis of Airbus's liability in this action, their claims against the CHC Debtors will be reduced by their recovery. Accordingly, the outcome of Plaintiff's claims in this action will: (a) alter the rights, obligations, and choices of action of creditors against the CHC Debtors; (b) alter the rights, obligations, and choices of action by the CHC Debtors against Airbus; (c) impact the CHC Debtors' estates; and (d) have an effect on the administration of the CHC Debtors' estates.

43. On information and belief, in addition to the Super Pumas for which the CHC Debtors rejected leases in the CHC Bankruptcy Cases, the CHC Debtors own and/or have owned other Super Puma EC225s and/or Super Puma AS332 L2s as well. The CHC Debtors thus could stand to recover damages directly from Airbus for Airbus's negligence, defective design, defective manufacturing, failure to warn, violation of implied warranty of merchantability, negligent misrepresentation, and/or fraud, which recovery would accrue to the benefit of the CHC Debtors' estates.

G. <u>Injury to ECN Capital</u>

44. The grounding of the Super Pumas owned by Plaintiff by the civil aviation authorities, and the findings by the AIBN and FAA that the helicopters are not safe to fly in their current condition, has caused ECN Capital damage that is the direct and proximate result of Airbus's negligence, defective design, defective manufacturing, failure to warn, violation

of implied warranty of merchantability, negligent misrepresentation, and/or fraud. ECN Capital has suffered and/or will continue to suffer damages including but not limited to economic loss (including but not limited to the amount of the value of ECN Capital's five Super Puma helicopters), damage to property, lost profits (including but not limited to the amount ECN Capital could have earned through leasing the Super Puma helicopters, were it not for Defendant Airbus's negligence that resulted in a ban on flying the Super Pumas), and costs of recovery, maintenance, storage and replacement.

45. By this action against Defendant Airbus, Plaintiff ECN Capital seeks relief for its damages caused by Defendant Airbus's negligence, defective design, defective manufacturing, failure to warn, violation of implied warranty of merchantability, negligent misrepresentation, and/or fraud.

FIRST CLAIM FOR RELIEF
(Negligence)

46. Paragraphs 1 through 45 of the Complaint are hereby repeated and realleged as if fully set forth herein.

47. Defendant had a duty to exercise reasonable care in the designing, researching, manufacturing, marketing, supplying, promoting, sale, testing, quality assurance, quality control, and/or distribution of the Super Puma EC225s and Super Puma AS332 L2s into the stream of commerce, including a duty to assure that the Super Puma EC225s and Super Puma AS332 L2s would not cause harm to purchasers.

48. Defendant failed to exercise reasonable care in the designing, researching, manufacturing, marketing, supplying, promoting, sale, testing, quality assurance, quality control, and/or distribution of the Super Puma EC225s and Super Puma AS332 L2s into interstate commerce in that Defendant knew or should have known that purchasers and

operators were at risk for suffering harmful effects from it including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

49. The negligence of Defendant, its agents, servants, and/or employees, included but was not limited to the following acts and/or omissions:

a. Negligently designing and/or manufacturing the Super Puma EC225s and Super Puma AS332 L2s in a manner that was dangerous to purchasers and operators;

b. Designing, manufacturing, marketing, selling, and/or distributing the Super Puma EC225s and Super Puma AS332 L2s without adequately, sufficiently, or thoroughly testing them to determine whether or not the Super Puma EC225s and Super Puma AS332 L2s were safe for use;

c. Negligently failing to adequately and correctly warn Plaintiff of the dangers of the Super Puma EC225s and Super Puma AS332 L2s;

d. Negligently failing to recall the dangerous and defective Super Puma EC225s and Super Puma AS332 L2s at the earliest date that it became known that the Super Puma EC225s and Super Puma AS332 L2s were, in fact, dangerous and defective;

e. Negligently advertising and recommending the use of the Super Puma EC225s and Super Puma AS332 L2s despite the fact that Defendant knew or should have known of their dangerous propensities;

f. Negligently representing that the Super Puma EC225s and Super Puma AS332 L2s were safe for use for their intended purpose, when, in fact, they were unsafe; and

g. Otherwise acting carelessly and/or negligently.

50. Defendant knew or should have known that the Super Puma EC225s and Super Puma AS332 L2s were unsafe and unfit for use by reason of the dangers to their purchasers and operators.

51. Defendant under-reported, underestimated and downplayed the serious danger of the Super Puma EC225s and Super Puma AS332 L2s.

52. Defendant was negligent in the designing, researching, supplying, manufacturing, promoting, packaging, distributing, testing, advertising, warning, marketing and sale of the Super Puma EC225s and Super Puma AS332 L2s in that Defendant:

a. Failed to use due care in designing and manufacturing the Super Puma EC225s and Super Puma AS332 L2s so as to avoid dangers to purchasers and operators;

b. Failed to accompany the Super Puma EC225s and Super Puma AS332 L2s with proper warnings;

c. Failed to accompany the Super Puma EC225s and Super Puma AS332 L2s with proper instructions for use, maintenance and/or monitoring;

d. Failed to conduct adequate testing to determine the safety of the Super Puma EC225s and Super Puma AS332 L2s; and

e. Otherwise acted carelessly and/or negligently.

53. Despite the fact that Defendant knew or should have known that the Super Puma EC225s and Super Puma AS332 L2s caused harm to purchasers and operators, Defendant continued to market, manufacture, distribute and/or sell the Super Puma EC225s and Super Puma AS332 L2s.

54. Defendant knew or should have known that consumers such as Plaintiff would suffer foreseeable injury, and/or be at increased risk of suffering injury as a result of Defendant's failure to exercise ordinary care.

55. Defendant's negligence was the proximate cause of Plaintiff's economic loss which Plaintiff has suffered and/or will continue to suffer.

56. Plaintiff has suffered, is likely to suffer, and will continue to suffer actual damages and diverted sales in an amount to be proven at trial and irreparable injuries as a proximate result of Defendant's wrongful acts.

57. In performing the foregoing acts and omissions, Defendant acted fraudulently and with malice so as to justify an award of punitive and exemplary damages.

SECOND CLAIM FOR RELIEF
(Strict Products Liability – Manufacturing Defect)

58. Paragraphs 1 through 57 of the Complaint are hereby repeated and realleged as if fully set forth herein.

59. Defendant designed, researched, manufactured, tested, advertised, promoted, marketed, sold, and/or distributed the Super Puma EC225 and Super Puma AS332 L2s that Plaintiff purchased.

60. The Super Puma EC225 and Super Puma AS332 L2s that Plaintiff purchased were defective in their manufacture when they left the hands of Defendant, posing a serious

risk that they could fail and therefore give rise to damages including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

61. As a direct and proximate result of Defendant's placement of the defective Super Puma EC225s and Super Puma AS332 L2s into the stream of commerce, Plaintiff experienced and/or will experience severe harmful effects including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

62. Plaintiff is likely to suffer, has suffered, and/or will continue to suffer damages and irreparable injuries as a result of Defendant's wrongful acts.

63. In performing the foregoing acts and omissions, Defendant acted fraudulently and with malice so as to justify an award of punitive and exemplary damages.

THIRD CLAIM FOR RELIEF
(Strict Products Liability – Design Defect)

64. Paragraphs 1 through 63 of the Complaint are hereby repeated and realleged as if fully set forth herein.

65. Defendant designed, researched, manufactured, tested, advertised, promoted, marketed, sold, and/or distributed the Super Puma EC225 and Super Puma AS332 L2s that Plaintiff purchased.

66. The Super Puma EC225s and Super Puma AS332 L2s designed, researched, manufactured, tested, advertised, promoted, marketed, sold and/or distributed by Defendant were in an unsafe, defective, and inherently dangerous condition that was dangerous to purchasers such as Plaintiff.

67. The Super Puma EC225s and Super Puma AS332 L2s designed, researched, manufactured, tested, advertised, promoted, marketed, sold and/or distributed by Defendant were in an unsafe, defective, and inherently dangerous condition at the time they left Defendant's possession.

68. The Super Puma EC225s and Super Puma AS332 L2s were expected to and did reach the usual purchasers and operators without substantial change in the condition in which the Super Puma EC225s and Super Puma AS332 L2s were designed, produced, manufactured, sold, distributed, and marketed by Defendant.

69. The unsafe, defective, and inherently dangerous condition of the Super Puma EC225 and Super Puma AS332 L2s was a cause of harm to Plaintiff.

70. The Super Puma EC225 and Super Puma AS332 L2s failed to perform as safely as an ordinary consumer would expect when used in an intended or reasonably foreseeable manner.

71. The Super Puma EC225 and Super Puma AS332 L2s posed a risk of danger inherent in the design which outweighed the benefits of that design.

72. Defendant knew, or should have known, that the Super Puma EC225 and Super Puma AS332 L2s were in a defective condition, and were inherently dangerous and unsafe.

73. Defendant voluntarily designed the Super Puma EC225s and Super Puma AS332 L2s in a dangerous condition for use by the public and by Plaintiff.

74. Defendant had a duty to create a product that was not unreasonably dangerous for its normal, intended use.

75. Defendant designed, researched, manufactured, tested, advertised, promoted, marketed, sold and distributed a defective product which, when used in its intended or reasonably foreseeable manner, created an unreasonable risk to consumers and to Plaintiff, and Defendant is therefore strictly liable for the damages suffered by Plaintiff.

76. As a direct and proximate result of Defendant's placement of the defective Super Puma EC225s and Super Puma AS332 L2s into the stream of commerce, Plaintiff experienced and/or will experience damages including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

77. Plaintiff is likely to suffer, has suffered, and/or will continue to suffer damages and irreparable injuries as a result of Defendant's wrongful acts.

78. In performing the foregoing acts and omissions, Defendant acted fraudulently and with malice so as to justify an award of punitive and exemplary damages.

FOURTH CLAIM FOR RELIEF
(Strict Products Liability – Inadequate Warning)

79. Paragraphs 1 through 78 of the Complaint are hereby repeated and realleged as if fully set forth herein.

80. Defendant designed, manufactured, tested, marketed and distributed into the stream of commerce the Super Puma EC225s and Super Puma AS332 L2s.

81. The Super Puma EC225s and Super Puma AS332 L2s placed into the stream of commerce by Defendant were defective due to inadequate warning, because Defendant knew or should have known that the gearboxes, chip detectors, and/or HUMS systems of the Super Puma EC225s and Super Puma AS332 L2s could fail and therefore give rise to damages including but not limited to economic loss, damage to property, lost profits, and

costs of recovery maintenance, storage and replacement, but Defendant failed to give consumers adequate warning of such risks.

82. As a direct and proximate result of Defendant's placement of the defective Super Puma EC225s and Super Puma AS332 L2s into the stream of commerce, Plaintiff experienced damages including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

83. Plaintiff is likely to suffer, has suffered, and will continue to suffer damages and irreparable injuries as a result of Defendant's wrongful acts.

84. In performing the foregoing acts and omissions, Defendant acted fraudulently and with malice so as to justify an award of punitive and exemplary damages.

FIFTH CLAIM FOR RELIEF
(Breach of Implied Warranty of Merchantability)

85. Paragraphs 1 through 84 of the Complaint are hereby repeated and realleged as if fully set forth herein.

86. Defendant Airbus designed, manufactured, tested, marketed and distributed into the stream of commerce the Super Puma EC225s and Super Puma AS332 L2s.

87. At the time Defendant designed, manufactured, tested, marketed and distributed into the stream of commerce the Super Puma EC225s and Super Puma AS332 L2s, Defendant knew the use for which the Super Puma EC225s and Super Puma AS332 L2s were intended, and impliedly warranted the Super Puma EC225s and Super Puma AS332 L2s to be of merchantable quality and safe for such use.

88. Plaintiff reasonably relied upon the skill and judgment of Defendant as to whether the Super Puma EC225s and Super Puma AS332 L2s were of merchantable quality and safe for their intended use.

89. Contrary to Defendant's implied warranties, the Super Puma EC225s and Super Puma AS332 L2s were not of merchantable quality or safe for its intended use, because the Super Puma EC225s and Super Puma AS332 L2s were unreasonably dangerous as described above.

90. As a direct and proximate result of Defendant's breach of implied warranties regarding the safety and airworthiness of the Super Puma EC225s and Super Puma AS332 L2s, Plaintiff has suffered significant damages, including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

91. Plaintiff is likely to suffer, has suffered, and will continue to suffer damages and irreparable injuries as a result of Defendant's wrongful acts.

92. In taking the actions and omissions that caused these damages, Defendant acted fraudulently and with malice so as to justify an award of punitive and exemplary damages.

SIXTH CLAIM FOR RELIEF
(Negligent Misrepresentation)

93. Paragraphs 1 through 92 of the Complaint are hereby repeated and realleged as if fully set forth herein.

94. Defendant supplied false information to the public and to Plaintiff regarding the airworthiness and safety of the Super Puma EC225s and Super Puma AS332 L2s. Specifically, among other things, Airbus advertised the Super Puma EC225s and Super Puma AS332 L2s as "highly reliable" helicopters that set "new standards for safety".

95. Defendant provided this false information to induce the public and Plaintiff to purchase Super Puma EC225s and Super Puma AS332 L2s.

96. Defendant knew or should have known that the information it supplied regarding the purported airworthiness and safety of the Super Puma EC225s and Super Puma AS332 L2s to induce Plaintiff to purchase Super Puma EC225s and Super Puma AS332 L2s was false.

97. Defendant was negligent in obtaining or communicating false information regarding the purported airworthiness and safety of the Super Pumas.

98. Plaintiff relied on the false information supplied by Defendant to Plaintiff's detriment by purchasing and leasing a Super Puma EC225 and Super Puma AS332 L2s.

99. Plaintiff was justified in its reliance on the false information supplied by Defendant regarding the purported airworthiness and safety of the Super Pumas.

100. As a direct and proximate result of Defendant's negligent misrepresentations, Plaintiff has suffered significant damages, including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

101. Plaintiff is likely to suffer, has suffered, and will continue to suffer damages and irreparable injuries as a result of Defendant's wrongful acts.

SEVENTH CLAIM FOR RELIEF
(Fraud)

102. Paragraphs 1 through 101 of the Complaint are hereby repeated and realleged as if fully set forth herein.

103. Defendant made representations to Plaintiff that the Super Puma EC225s and Super Puma AS332 L2s were airworthy, safe helicopters. Specifically, among other things, Airbus advertised the Super Puma EC225s and Super Puma AS332 L2s as "highly reliable" helicopters that set "new standards for safety".

104. Before it marketed the Super Puma EC225 and Super Puma AS332 L2s that Plaintiff purchased, Defendant knew or should have known of the unreasonable dangers and serious risks that the Super Puma EC225 and Super Puma AS332 L2s posed to Plaintiff.

105. As specifically described in detail above, Defendant knew that the gearboxes, chip detectors, and/or HUMS systems of the Super Puma EC225s and Super Puma AS332 L2s could fail and therefore give rise to subject owners and operators to damages including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

106. Defendant's representations that the Super Puma EC225s and Super Puma AS332 L2s were airworthy and safe were false.

107. Plaintiff did not know of the falsity of Defendant's statements regarding the Super Puma EC225s and Super Puma AS332 L2s.

108. Plaintiff relied upon and accepted as truthful Defendant's representations regarding the Super Puma EC225s and Super Puma AS332 L2s.

109. Plaintiff had a right to reply on Defendant's representations. Had Plaintiff known that the Super Puma EC225s and Super Puma AS332 L2s were unsafe and not airworthy, Plaintiff would not have purchased the Super Puma EC225 or the Super Puma AS332 L2s.

110. As a direct and proximate result of Defendant's fraudulent representations, Plaintiff has suffered significant damages, including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

111. Plaintiff is likely to suffer, has suffered, and will continue to suffer damages and irreparable injuries as a result of Defendant's wrongful act

PRAYER FOR RELIEF

WHEREFORE, Plaintiff ECN Capital prays for judgment against Defendant Airbus as follows:

A. That judgment be entered in favor of Plaintiff ECN Capital and against Defendant Airbus, for damages in such amounts as may be proven at trial;

B. That Plaintiff ECN Capital be awarded compensation for damages Plaintiff ECN Capital has sustained in consequence of Defendant Airbus's wrongful conduct in such amounts as may be proven at trial;

C. That punitive and exemplary damages be entered against Defendant Airbus in such amounts as may be proven at trial;

D. That Plaintiff ECN Capital be granted compensation for its attorneys' fees and costs;

E. That Plaintiff ECN Capital be granted prejudgment and postjudgment interest; and

F. That Plaintiff ECN Capital have such other relief as this Court deems just and equitable.

DEMAND FOR JURY TRIAL

Plaintiff ECN Capital hereby demands a trial by jury on all issues and claims so triable.

Dated: November 17, 2016
Dallas, Texas

KANE RUSSELL COLEMAN & LOGAN PC

By: */s/George H. Barber*
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Counsel for Plaintiff
ECN Capital (Aviation) Corp.

B1040 (FORM 1040) (12/15)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)	**ADVERSARY PROCEEDING NUMBER** (Court Use Only)
PLAINTIFFS ECN CAPITAL (AVIATION) CORP.	**DEFENDANTS** AIRBUS HELICOPTERS (SAS)
ATTORNEYS (Firm Name, Address, and Telephone No.) George H. Barber, Robert N. LeMay, Kane Russell Coleman & Logan PC, 3700 Thanksgiving Tower, 1601 Elm Street, Dallas, TX 75201, 214.777.4264	**ATTORNEYS** (If Known)
PARTY (Check One Box Only) ☐ Debtor ☐ U.S. Trustee/Bankruptcy Admin ☒ Creditor ☐ Other ☐ Trustee	**PARTY** (Check One Box Only) ☐ Debtor ☐ U.S. Trustee/Bankruptcy Admin ☒ Creditor ☐ Other ☐ Trustee

CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED)

This is an action seeking damages for negligence, strict products liability, manufacturing defect, design defect, breach of implied warranty of merchantability, negligent misrepresentation and fraud.

NATURE OF SUIT

(Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)

FRBP 7001(1) – Recovery of Money/Property
- ☐ 11-Recovery of money/property - §542 turnover of property
- ☐ 12-Recovery of money/property - §547 preference
- ☐ 13-Recovery of money/property - §548 fraudulent transfer
- ☒ 14-Recovery of money/property - other

FRBP 7001(2) – Validity, Priority or Extent of Lien
- ☐ 21-Validity, priority or extent of lien or other interest in property

FRBP 7001(3) – Approval of Sale of Property
- ☐ 31-Approval of sale of property of estate and of a co-owner - §363(h)

FRBP 7001(4) – Objection/Revocation of Discharge
- ☐ 41-Objection / revocation of discharge - §727(c),(d),(e)

FRBP 7001(5) – Revocation of Confirmation
- ☐ 51-Revocation of confirmation

FRBP 7001(6) – Dischargeability
- ☐ 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims
- ☐ 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud
- ☐ 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny

(continued next column)

FRBP 7001(6) – Dischargeability (continued)
- ☐ 61-Dischargeability - §523(a)(5), domestic support
- ☐ 68-Dischargeability - §523(a)(6), willful and malicious injury
- ☐ 63-Dischargeability - §523(a)(8), student loan
- ☐ 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support)
- ☐ 65-Dischargeability - other

FRBP 7001(7) – Injunctive Relief
- ☐ 71-Injunctive relief – imposition of stay
- ☐ 72-Injunctive relief – other

FRBP 7001(8) Subordination of Claim or Interest
- ☐ 81-Subordination of claim or interest

FRBP 7001(9) Declaratory Judgment
- ☐ 91-Declaratory judgment

FRBP 7001(10) Determination of Removed Action
- ☐ 01-Determination of removed claim or cause

Other
- ☐ SS-SIPA Case – 15 U.S.C. §§78aaa *et.seq.*
- ☐ 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)

☐ Check if this case involves a substantive issue of state law	☐ Check if this is asserted to be a class action under FRCP 23
☒ Check if a jury trial is demanded in complaint	Demand $ Amount to be Determined

Other Relief Sought

B1040 (FORM 1040) (12/15)

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR CHC Group Ltd, et al	BANKRUPTCY CASE NO. 16-31854 (BJH)	
DISTRICT IN WHICH CASE IS PENDING Northern District of Texas	DIVISION OFFICE Dallas	NAME OF JUDGE Barbara J. Houser
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISION OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) George Barber		
DATE November 17, 2016	PRINT NAME OF ATTORNEY (OR PLAINTIFF) George H. Barber, Attorney for Plaintiff	

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court's Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and **Defendants.** Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.

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ATTORNEYS FOR DEFENDANT AIRBUS HELICOPTERS, S.A.S.

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

In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS, S.A.S., Defendant.	Adv. Pro. No. 16-3151 (BJH)

DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S MOTION TO DISMISS FOR LACK OF SUBJECT MATTER AND PERSONAL JURISDICTION, AND ON THE GROUNDS OF *FORUM NON CONVENIENS*

Defendant Airbus Helicopters S.A.S. ("AH") moves to dismiss the above-captioned adversary proceeding complaint filed by ECN Capital (Aviation) Corp. ("ECN"), and respectfully states as follows:

AH moves to dismiss this action pursuant to Fed. R. Bankr. P. 7012(b) and Fed. R. Civ. P. 12(b)(1) and (b)(2) because the Court lacks subject matter jurisdiction over this action and lacks personal jurisdiction over AH. Even if the Court finds that it has jurisdiction, it should abstain from hearing this matter under 28 U.S.C. § 1334(c)(1), or on the grounds of *forum non conveniens*, so that it may be heard in the courts of France. Pursuant to Local Bankruptcy Rule 7007-1(d), the substantive bases for the Motion to Dismiss are set forth in AH's brief in support of the Motion to Dismiss.

For the reasons set forth in that brief, AH respectfully requests the court to grant the Motion to Dismiss and grant such other relief to which AH may be entitled.

Dated: January 3, 2017.

Respectfully submitted,

HIERSCHE, HAYWARD, DRAKELEY & URBACH, P.C.

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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on January 3, 2017, a true and correct copy of the above and foregoing document was filed with the court via CM/ECF and served on all parties requesting electronic notification.

/s/ Jason M. Katz
Jason M. Katz

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS, S.A.S., Defendant.	Adv. Pro. No. 16-3151 (BJH)

ORDER GRANTING MOTION TO DISMISS FOR LACK OF SUBJECT MATTER AND PERSONAL JURISDICTION, AND ON THE GROUNDS OF *FORUM NON CONVENIENS*

CAME ON FOR CONSIDERATION, the *Defendant Airbus Helicopters, S.A.S.'s ("AH's") Motion to Dismiss For Lack of Subject Matter and Personal Jurisdiction, and on the*

Grounds of Forum Non Conveniens, and the materials submitted in support of that Motion, the Court has determined that AH's Motion to Dismiss should be, and hereby is, GRANTED and the adversary proceeding DISMISSED.

 # # # End of Order # # #

SUBMITTED BY:

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NORTHERN DISTRICT OF TEXAS
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In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS, S.A.S., Defendant.	Adv. Pro. No. 16-3151 (BJH)

APPENDIX IN SUPPORT OF DEFENDANT AIRBUS HELICOPTERS S.A.S.'S MOTION TO DISMISS

EXHIBIT	DESCRIPTION	PAGE
A	Declaration of Michel Gouraud In Support of Defendant Airbus Helicopter S.A.S.'s Motion to Dismiss	001
B	Addendum to Proof of Claim 543 of Element Capital Corp., page 14	005

Dated: January 3, 2017.

Respectfully submitted,

HIERSCHE, HAYWARD, DRAKELEY & URBACH, P.C.

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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on January 3, 2017, a true and correct copy of the above and foregoing document was filed with the court via CM/ECF and served on all parties requesting electronic notification.

/s/ Jason M. Katz
Jason M. Katz

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS, S.A.S., Defendant.	Adv. Pro. No. 16-3151 (BJH)

DECLARATION OF MICHEL GOURAUD IN SUPPORT OF DEFENDANT AIRBUS HELICOPTERS S.A.S.'S MOTION TO DISMISS

I, Michel Gouraud, declare:

1. I am employed as Head of Distribution and Services Network at Airbus Helicopters SAS ("AH"), formerly known as Eurocopter, SAS. I am over the age of eighteen and have never been convicted of a felony. I make this declaration in support of AH's Motion to Dismiss in this lawsuit, and for no other purpose.

2. I have personal knowledge of the matters set forth herein based on my employment with AH and review of company records, and I could competently testify about them if called upon as a witness.

3. AH is a French company organized and existing under the laws of France. Its principal place of business is in Marignane, France, where it designs, obtains certification of, manufactures, sells and supports certain Airbus Helicopters model helicopters, including Super

Puma helicopters, and from where it maintains a website and produces marketing materials for helicopters it distributes. AH also conducts aircraft certification and related technical activities, including investigating incidents and accidents, from its place of business in France.

4. AH does not sell helicopters through its website.

5. AH has never temporarily moved its primary offices or business operations to the United States. AH has no real property, offices, phone numbers, bank accounts, or employees who are permanently assigned in the United States. AH is not licensed to do business in the United States and does not transact its business in the United States.

6. The Super Puma helicopters at issue in this lawsuit were designed and manufactured by AH in France. They include AS332 L2, Serial No. 2467, U.K. Registration No. G-PUMO; AS332 L2, Serial No. 2474, Norway Registration No. LN-OHE; AS332 L2, Serial No. 2477, U.K. Registration No. G-PUMM; AS332 L2, Serial No. 2504, U.K. Registration No. G-PUMS; EC225 LP, Serial No. 2878, U.K. Registration No. G-OAGA.

7. AH sold the first four of these helicopters (Serial Nos. 2467, 2474, 2477 and 2504) in France to CHC Scotia Limited of Great Yarmouth in Norfolk, Great Britain. Those helicopters were delivered at AH's place of business in France. The last of the helicopters (Serial No. 2878) was sold and delivered by AH in France to CHC Leasing (Ireland) Limited, of Dublin, Ireland.

8. AH did not sell any of these helicopters to ECN Capital (Aviation) Corp.

9. AH does not sell Super Puma helicopters in the United States.

10. AH's involvement with investigative and certification authorities from Europe and the United Kingdom over Super Puma accidents in 2009 in the North Sea and 2016 in

Norway, including activity related to the groundings and the returns to service of Super Puma helicopters in 2016, occurred from AH's place of business in France.

11. Airbus Helicopters, Inc. ("AHI"), headquartered in Grand Prairie, Texas, is a separate and independent company from AH, with its own management, employees, facilities, bank accounts and operation control. AH does not own AHI.

12. Airbus Group, Inc. ("AGI"), headquartered in Herndon, Virginia, is a separate and independent company from AH, with its own management, employees, facilities, bank accounts and operation control. AH does not own AGI.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed in Le Bourget, FRANCE, on this 23rd day of December, 2016.

Michel Gouraud

EXHIBIT B

equal to the Asset Value Guarantee Amount for each Rejected Aircraft, which is the maximum amount that the Lessor would be entitled to recover under the Asset Value Guarantee. The claim arising under the Asset Value Guarantee for each Rejected Aircraft is set forth below:

Aircraft	**Asset Value Guarantee Amount**
AS 332 L2 2504	**$2,038,500**
AS 332 L2 2477	**$2,050,500**
AS 332 L2 2474	**$1,992,000**
EC 225 2878	**$2,900,000**
AS 332 L2 2467	**$2,068,500**
Total:	**$11,049,500**

Potential Credits in Favor of the Lessee

Security Deposit

24. Pursuant to the Master Lease, the Lessor held the Security Deposit as security for the Lessee's obligations under all Lease Contracts. In connection with the final allowance of its claim, the Lessor may reduce the amount of its claim relating to the Rejected Aircraft by an amount up to the Security Deposit for the Rejected Aircraft. The Lessee and Lessor agreed that the Security Deposit was the absolute and unconditional property of the Lessor.

Proceeds of a Sale of the Aircraft

25. To the extent provided in the Asset Value Guarantee, the amount due by the Debtor as AV Guarantor under the Asset Value Guarantee with respect to a Rejected Aircraft may be reduced by a portion of the Gross Sale Proceeds related to such Rejected Aircraft.

Reservation of Rights

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DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S AMENDED BRIEF IN SUPPORT OF MOTION TO DISMISS FOR LACK OF SUBJECT MATTER AND PERSONAL JURISDICTION, AND *FORUM NON CONVENIENS*

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INTRODUCTION

This adversary proceeding is a complex tort and aviation products liability lawsuit. Plaintiff ECN Capital (Aviation) Corp. ("ECN") owns five *Super Puma* helicopters that were designed and manufactured in France by Defendant Airbus Helicopters S.A.S. ("AH"). AH sold and delivered the helicopters in France to European purchasers, not ECN, which later purchased them from third parties. The helicopters are registered and located outside of the United States. ECN asserts that it has suffered economic loss due to an alleged defect in the helicopters. Its claim is based on an unfinished investigation being conducted by European authorities into a Super Puma accident in Norway and precautionary flight bans imposed on Super Puma helicopters by European and other authorities, many of which have been lifted.

This is a standalone lawsuit about ECN's dissatisfaction with its Super Pumas, and it was not properly brought as an adversary proceeding. ECN concedes that it is a non-core proceeding, as it must since the lawsuit does not involve claims arising under the Bankruptcy Code, does not involve any of the debtors in the above-captioned main bankruptcy proceedings of the CHC Group debtor entities (the "CHC Debtors" or "Debtors"), does not pertain to Debtors' property, and its resolution will not affect the bankruptcy proceeding. The adversary proceeding is not "related to" the bankruptcy, and because there is no other basis for federal jurisdiction, the action should be dismissed pursuant to Fed. R. Civ. P. 12(b)(1). The action is also unrelated to any contacts between France-based AH and the United States. AH should therefore be dismissed pursuant to Fed. R. Civ. P. 12(b)(2) for lack of personal jurisdiction.

Even if the Court finds that it has jurisdiction, it should exercise its discretion to abstain from hearing this foreign-centered dispute under 28 U.S.C. § 1334(c)(1) or on the grounds of *forum non conveniens*. Abstention is appropriate because the parties to this noncore proceeding

do not consent to the bankruptcy court's orders or judgments, and have demanded a jury trial, and the tort claims are not governed by bankruptcy laws. This Court has previously abstained in the interest of comity and judicial efficiency under very similar circumstances. Dismissal on *forum non conveniens* grounds is appropriate because the action does not involve parties from the United States, does not pertain to events or property in the United States, will almost certainly be governed by foreign law, and involves witnesses and evidence located entirely outside of the United States, much of it in a foreign language. France has a far superior interest in adjudicating claims made by a Canadian company against a French company over alleged conduct that, if it occurred at all, happened in France.[1]

STATEMENT OF FACTS

ECN is an Ontario corporation headquartered in Toronto, Canada. [Complaint, ¶ 5.] AH is a French company organized and existing under the laws of France. [Declaration of Michel Gouraud, ¶ 3. (Appx. Ex. A, at 2).] AH designs, obtains certification of, manufactures, sells and supports certain Airbus Helicopters model helicopters in France, including the Super Puma, and it maintains a website and produces marketing materials for the helicopters it distributes in France. [*Id*. (Appx. Ex. A, at 2-3).] AH does not sell helicopters through its website. [*Id.* at ¶ 4 (Appx. Ex. A, at 3).] AH conducts aircraft certification and technical activities, including accident investigation, from France. [*Id.* at ¶ 3 (Appx. Ex. A, at 3).] AH has never temporarily

[1] AH has also filed a motion to withdraw the reference as it relates to this adversary proceeding. AH agrees with ECN that this proceeding is non-core, and AH does not consent to the entry of final orders or judgments by the Bankruptcy Court in, nor in matters connected with, this adversary proceeding. Further, AH's motion to dismiss is brought without prejudice to the right to later supplement it with additional information and without waiver of any rights, privileges, or defenses including, but not limited to the arbitrability of ECN's claims.

moved its primary offices or these business operations to the United States. [*Id.* at ¶ 5 (Appx. Ex. A, at 3).] AH has no real property, offices, phone numbers, bank accounts, or employees who are permanently assigned in the United States. [*Id.*] AH is not licensed to do business in the United States and does not transact its business in the United States. [*Id.*] AH does not sell Super Puma helicopters in the United States. [*Id.* at ¶ 9 (Appx. Ex. A, at 3).] Two Airbus affiliated entities are located in the United States – Airbus Group, Inc. ("AGI"), headquartered in Virginia, and Airbus Helicopters, Inc. ("AHI"), headquartered in Texas. [*Id.* at ¶¶ 11-12 (Appx. Ex. A, at 4).] However, both are separate and independent companies from AH, are not owned by AH, and have their own separate management, facilities, bank accounts, employees and internal operational control. [*Id.* (Appx. Ex. A, at 4).]

AH designed and manufactured the following Super Puma helicopters in France: AS332 L2, Serial No. 2467, U.K. Reg. No. G-PUMO; AS332 L2, Serial No. 2474, Norway Reg. No. LN-OHE; AS332 L2, Serial No. 2477, U.K. Reg. No. G-PUMM; AS332 L2, Serial No. 2504, U.K. Reg. No. G-PUMS; EC225 LP, Serial No. 2878, U.K. Reg. No. G-OAGA. [*Id.* at ¶ 6 (Appx. Ex. A, at 3).] AH sold and delivered the first four of these helicopters (Serial Nos. 2467, 2474, 2477 and 2504) in France to CHC Scotia Limited of Great Yarmouth in Norfolk, Great Britain. [*Id.* at ¶ 7 (Appx. Ex. A, at 3).] Helicopter Serial No. 2878 was sold and delivered by AH in France to CHC Leasing (Ireland) Limited, of Dublin, Ireland. [*Id.*] AH's standard sale agreements are governed under French law, and mandate as a first step an attempt to resolve any dispute by negotiation lasting no less than three months. [AH Obj. to ECN Mot. for 2004 Examination of Debtors, Case No. 16-31854-bjh11, ¶ 11 (ECF No. 862).] If that requirement is satisfied and the dispute is not yet resolved, disputes must be resolved pursuant to binding

arbitration in Paris, France, conducted in accordance with International Chamber of Commerce ("ICC") international arbitration rules. [*Id*.]

ECN alleges that it purchased these five helicopters from a company called CHC Helicopters (Barbados) Limited ("CHCB"), and then leased them back to CHCB, which is a debtor in the CHC Group bankruptcy cases. [Complaint, ¶ 34.] Debtors report the physical location of the helicopters in Canada, Poland and Scotland. [May 5, 2016 Omnibus Mot., Case No. 16-31854, at Schedule 1 – Page 6-7 (ECF No. 20); May 27, 2016 Omnibus Mot., Case No. 16-31854, Schedule 1 – Page 24 (ECF No. 210).] As part of its efforts to reduce its fleet by as much as 90 helicopters by rejecting leases, including other manufacturer's helicopters such as Sikorsky and Augusta Westland, Debtors rejected their leases for ECN's five Super Pumas. [Oct. 28, 2016 Omnibus Mot., Case No. 16-31854, ¶ 12 and generally Schedule 1 (ECF No. 1090).] Debtors explained the reason for the lease rejections:

> As part of their ongoing efforts to reduce costs and maximize fleet flexibility, the Debtors have identified Excess Equipment that no longer fits into the Debtors' business plan and, accordingly, will no longer be utilized by the Debtors and have no utility or value to the Debtors. The Debtors entered into the Leases and related agreements in a different economic climate than the one facing the Debtors' industry today. Today, with the ongoing downturn in the Debtors' industry, these same helicopters are no longer necessary to the Debtors' operations.

[May 5, 2016 Omnibus Mot., Case No. 16-31854, ¶ 40 (ECF No. 20); May 27, 2016 Omnibus Mot., Case No. 16-31854, ¶ 41 (ECF No. 210).] At a May 6, 2016 hearing in the Bankruptcy Court, the CHC Debtors further explained:

> A few important points about CHC: Its principal business is to provide those helicopter services for large, long-distance, crew changes on offshore production facilities and drilling rigs for major national and international oil and gas companies. Although CHC manages its operations in Irving, Texas, it operates a global business across six continents. As a result, CHC's business is closely tied to the state of the oil and gas industries.

> The rapid and unexpected decline in oil prices that the industry has had in the past couple years has led to a significant decline in offshore oil exploration, cost reduction measures for production, operation, and there's been a substantial decrease in the demand for those offshore drilling services. As a result, the demand for helicopter services has declined.

[Transcript of May 6, 2016 Hearing, Case No. 16-31854, 17:5-19 (ECF No. 1435-19).]

On April 29, 2016 a Super Puma helicopter operated by a CHC-related entity crashed in Norway killing all on board. [Complaint, ¶ 14.] The cause of that accident is under investigation by the Civil Aviation Authority of Norway (the "CAAN") and the Accident Investigation Board of Norway ("AIBN"). [*Id.* at ¶¶ 17-18.] AH has provided technical support to investigative and certification authorities from its place of business in France. [Gouraud Decl., ¶ 3 (Appx. Ex. A, at 3).] Following the lead of the European Aviation Safety Agency ("EASA"), civil aviation authorities in various parts of the world issued temporary flight restrictions following the accident while its cause is investigated. [Complaint, ¶ 17.] EASA has since lifted the flight ban, subject to certain maintenance requirements. [*Id.* at ¶ 24.]

On November 17, 2016, citing the Norway accident and grounding as evidence of a defect, ECN filed this adversary proceeding asserting negligence, strict products liability, breach of implied warranty of merchantability, negligent misrepresentation and fraud causes of action against AH seeking economic loss. [*Id.* at ¶¶ 42, 44, 46-111.] ECN's Complaint states that it is a non-core proceeding, that ECN does not consent to the entry of final orders or judgment by this Court, and that ECN demands a jury trial. [*Id.* at ¶ 13, p. 31.]

ARGUMENT

I. The Court Lacks Subject Matter Jurisdiction over this Action

This action between two foreign corporations lacks diversity of citizenship jurisdiction, and does not involve a claim arising under federal law. 28 U.S.C. §§ 1331, 1332(a). ECN concedes that it is a non-core proceeding that does not arise under title 11. [Complaint, ¶¶ 8, 13.] ECN asserts that federal jurisdiction exists under 28 U.S.C. § 1334(b) because it is "related to" the bankruptcy and because the Court can exercise its supplemental jurisdiction. [*Id.* at ¶¶ 8-10.] Neither basis for federal jurisdiction exists.

A matter is related to bankruptcy when "the outcome of that proceeding could *conceivably* have any effect on the estate being administered in bankruptcy." *Matter of Walker*, 51 F.3d 562, 569 (5th Cir. 1995) (internal citations omitted). A proceeding could conceivably affect the estate "if the outcome could alter the debtor's rights, liabilities, options, or freedom of action (either positively or negatively) and which in any way impacts upon the handling and administration of the bankrupt estate.' Conversely, 'bankruptcy courts have no jurisdiction over proceedings that have no effect on the debtor.'" *Id.* at 569 (internal citations omitted).

While it may be broad, "related to" jurisdiction "cannot be limitless." *Celotex Corp. v. Edwards*, 514 U.S. 300, 308 (1995) (citing *Pacor, Inc. v. Higgins*, 743 F.2d 984, 994 (3d Cir. 1984); *In re TMT Procurement Corp.*, 764 F.3d 512, 526 (5th Cir. 2014). Bankruptcy jurisdiction does not extend, for example, to actions based on state law between non-debtors over non-estate property because it would not have any effect on the bankruptcy. *In re TMT Procurement Corp.*, 764 F.3d at 526. The Fifth Circuit has explained:

> We note that a bankruptcy court does have jurisdiction to resolve a dispute between third parties 'if it is impossible to administer completely the estate of the bankrupt without determining the controversy.' Even if resolution of the

> controversy might have a 'chilling effect' on the financing of the arrangement plan, or might reduce claims against the debtor's estate, exercising jurisdiction over a collateral controversy is improper where it is 'possible' to administer the estate without resolving the controversy.

Matter of Paso Del Norte Oil Co., 755 F.2d 421, 425 (5th Cir. 1985) (internal citations omitted).

Moreover, "[b]ankruptcy courts do not ordinarily have jurisdiction over disputes between non-debtors where the dispute does not involve property of the estate, does not affect the administration of the estate and the resolution of the inter-creditor dispute will not affect the recovery of creditors under a confirmed plan." *Harbour Oaks Dev. Corp. v. Southtrust Bank, N.A.*, 224 B.R. 228, 230 (Bankr. M.D. Fla. 1998) (citations omitted). Further, "'[a] bankruptcy court only has jurisdiction over property owned by or in the actual or constructive possession of the debtor.'" *Herd v. Herd*, Case Nos. 06-10851, 06-1128, 2007 Bankr. LEXIS 2958, *14 (U.S. Bankr. E.D. Tenn. Aug. 28, 2007) (quoting *Weng v. Farb (In re K & L Ltd)*, 741 F.2d 1023 (7th Cir. 1984)). "When property is no longer part of a bankruptcy estate and when the determination of rights thereto would not affect any dispute by creditors over property that was part of the estate, the bankruptcy court lacks jurisdiction to determine the rights to the property." *Id.* (citing *Matter of Edwards*, 962 F.2d 641, 643 (7th Cir. 1992)).

ECN's action does not involve claims against the CHC Debtors and does not involve their estates' property. The helicopters are owned by ECN, and the leases have already been rejected by the CHC Debtors. Whether ECN can recover from AH for its own, separate alleged economic loss caused by the groundings will have no effect on the Debtors' estates. The sources of damages to ECN in the proceedings are completely separate – rejected leases (bankruptcy) versus the grounding (adversary). Moreover, to the extent ECN recovers damages from AH in

this lawsuit, that money would go to ECN, not the CHC Debtors. Courts decline to find "related to" jurisdiction in such circumstances:

> Likewise, if Yashiro succeeds against the Non-Debtor Defendants on its breach of contract and fraud claims, its recovery will not effect debtor's estate because it will be payable to Yashiro, and Yashiro does not allege or demonstrate otherwise. Non-Debtor Defendants are correct that because Yashiro's claims against them will not impact Falchi's estate, they are not "related to" his chapter 11 case and must be dismissed pursuant to Rule 12(b)(1).

Yashiro Co. v. Falchi (In re Falchi), Case Nos. 97 B 43080, 97-9057A, 1998 Bankr. LEXIS 622, *17-20 (U.S. Bankr. S.D.N.Y. May 26, 1998) (citations omitted); *Singer v. Adamson*, 334 B.R. 1, 11 (Bankr. D. Mass. 2005) ("if Singer were to prevail on her claims against the non-debtor defendants, any damages she could recover would not be available for distribution to the Debtor's creditors as they would not be assets of the bankruptcy estate").

ECN's assertion that the Court may exercise supplemental jurisdiction contravenes clear Fifth Circuit law. *Matter of Walker*, 51 F.3d at 573; *Matter of Bass*, 171 F.3d 1016, 1023-24 (5th Cir. 1999) ("we have held that bankruptcy courts cannot exercise supplemental jurisdiction"). This Court lack subject matter jurisdiction over this action.

II. The Court Should Abstain from Hearing this Foreign Dispute

Even if the Court finds jurisdiction, it should exercise its discretion to abstain from hearing this matter. Title 28 U.S.C. § 1334(c)(1) states: "nothing in this section prevents a district court in the interest of justice, or in the interest of comity with State courts or respect for State law, from abstaining from hearing a particular proceeding arising under title 11 or arising in or relating to a case under title 11." While this statute speaks in terms of the states, the Fifth Circuit has explained that it applies to foreign tribunals. *Baumgart v. Fairchild Aircraft Corp.*, 981 F.2d 824, 833 (5th Cir. 1993); *see also In re Regus Bus. Ctr. Corp.*, 301 B.R. 122, 127-29

(Bankr. S.D.N.Y. 2003) (bankruptcy court abstained from hearing dispute between two English corporations over a transaction that was negotiated in England and governed by English law).

This Court abstained from hearing claims asserted in an adversary proceeding against a non-debtor defendant under very similar circumstances. *See Kimpel v. Meyrowitz*, Nos. 06-31660-BJH-11, 10-03227, 2010 Bankr. LEXIS 4853, at *18-23 (U.S. Bankr. N.D. Tex. Dec, 20, 2010) (Houser, J.). The Court abstained for multiple reasons, including: abstention would have no effect on the efficient administration of the bankruptcy and would not affect the adversary proceeding's parties' rights in the bankruptcy; the Complaint raised purely state law claims; there was no federal jurisdiction other than "related-to" bankruptcy jurisdiction; the claims had little to do with the bankruptcy; the claims were non-core; it was feasible for the claims to proceed in a non-bankruptcy court; a jury trial was demanded; one party did not consent to the Court's entry of final judgment; and the Court knew nothing more about the claims other than what was alleged in the Complaint, which any other judge could learn. *Id.*

"It is a burden on this Court's docket to litigate state law claims against non-debtor defendants," the Court explained, "when the outcome of that litigation will have such little effect on the bankruptcy estate, causing this factor to weigh in favor of abstention." *Id.* at *21-22. Further, "resources are better spent hearing live disputes in (i) [the Court's] active bankruptcy cases, and (ii) 'related to' proceedings that have a more substantial impact upon an active bankruptcy estate. If [the adversary proceeding plaintiffs] believe that they have legitimate claims against the non-debtor defendants, they can sue them in whatever other forum they believe is appropriate and credit their claim here with any recoveries received in that other forum." *Id.* at *23.

ECN's action presents many of the same reasons for abstention that compelled this Court to abstain in *Kimpel*. It is a dispute between non-debtors that will have no effect on the efficient administration of the CHC Debtors' bankruptcy cases. There is no possible basis for federal jurisdiction other than "related-to" bankruptcy jurisdiction. This matter involves complex aviation product liability claims that are highly technical and can take years to prepare for trial, with discovery taking place in at least two foreign countries, and could take several weeks to try to a jury. It does not involve rights arising under bankruptcy or federal law, is non-core, and involves parties who demand a jury trial and do not consent to this Court's entry of orders or final judgment. There is no reason for this Court to expend its resources on this matter having no United States connection when a French forum has a far greater interest in adjudicating claims of alleged misconduct by a French company that will likely be governed by French law.

Other judges in this district have abstained under similar circumstances. *See, e.g.*, *Efurd v. Baylor Health Care Sys.*, No. 3:14-cv-556, 2015 U.S. Dist. LEXIS 179080, at *10 (N.D. Tex. March 25, 2015) (abstaining from hearing non-core action based solely on state law medical malpractice claims where there was no independent basis for jurisdiction other than "related to" jurisdiction); *Barbee v. Colonial Healthcare Ctr., Inc.*, No. 3:03-cv-1658-N, 2004 U.S. Dist. LEXIS 4868, at *8-9 (N.D. Tex. March 22, 2004) (affirming bankruptcy court's permissive abstention of cross-claim between two non-debtors where there was no federal jurisdiction absent the bankruptcy case, the action involved state law matters, resolution of the matter would not affect the bankruptcy and would be better accomplished in alternative forum); *P.O'B. Apollo Tacoma, L.P. v. TJX Cos.*, No. 3:02-cv-0222-H, 2002 U.S. Dist. LEXIS 18702, at *2-5 (N.D. Tex. Oct. 3, 2002) (abstaining from hearing non-core proceeding where remand of claims

between non-debtors would have little or no effect on the efficient administration of the estate of the debtor, the matter involved purely state law).

III. The Court Lacks Personal Jurisdiction over AH

Even if the Court has subject matter jurisdiction, it should dismiss AH because ECN cannot meet its burden of establishing personal jurisdiction over AH. *Seiferth v. Helicopteros Atuneros, Inc.*, 472 F.3d 266, 270 (5th Cir. 2006) (plaintiff bears the burden on personal jurisdiction). When subject matter jurisdiction is premised on bankruptcy jurisdiction, the relevant inquiry for personal jurisdiction, under the nationwide contacts standard of Fed. R. Bankr. P. 7004(f) in cases involving a foreign defendant, is whether the defendant has constitutionally-sufficient minimum contacts with the United States. *Searcy v. Knight*, 2009 Bankr. LEXIS 5586, at *18-22 (U.S. Bankr. W.D. La. Dec. 22, 2009).

A court may exercise either general or specific jurisdiction. *Id.* at *21. For general jurisdiction, the defendant's contacts with the United States must be so continuous and systematic as to render it "at home" in the United States. *Daimler AG v. Bauman*, 134 S. Ct. 746, 761 (2014); *Patterson v. Aker Solutions Incorporated*, 826 F.3d 231, 234 (5th Cir. 2016). For specific jurisdiction, the plaintiff's causes of action must arise out of or result from the defendant's purposeful contacts with the United States. *Monkton Ins. Servs., Ltd. v. Ritter*, 768 F.3d 429, 432-33 (5th Cir. 2014).

ECN asserts that AH is subject to personal jurisdiction because it has appeared as a creditor in the bankruptcy proceeding, because AH has placed Super Puma helicopters into the stream of commerce knowing that they might be operated or owned by entities in Texas, and because an affiliated company, AHI, has sold Super Puma helicopters with contracts calling for

jurisdiction in Texas. [Complaint, ¶ 11.] None of these allegations, if true, would establish personal jurisdiction over AH.

A. AH Did Not Consent to Personal Jurisdiction

ECN asserts personal jurisdiction exists over AH because it filed proofs of claim and briefing in the bankruptcy proceeding and participated in related meetings. Courts recognize that by filing a proof of claim a creditor may submit itself to personal jurisdiction for counterclaims asserted by the debtor. *See, e.g.*, *In re Schwinn Bicycle Co.*, 182 B.R. 526, 530–31 (U.S. Bankr. N.D. Ill. 1995); *see also In re Sun W. Distributors, Inc.*, 69 B.R. 861, 864 (U.S. Bankr. S.D. Cal. 1987). This principle does not extend to unrelated claims by co-creditors. If filing a proof of claim in the jurisdiction selected by a debtor meant that a creditor submitted to the bankruptcy court's jurisdiction for any claims by co-creditors, then every time a foreign creditor like AH protected its rights in a United States bankruptcy proceeding, said defendant would be subjecting itself to the general jurisdiction of United States courts. This result would violate a fundamental tenet of personal jurisdiction law – that jurisdiction must be based on the *defendant's* purposeful contacts with the forum, not third party actions. *Pervasive Software, Inc. v. Lexware GMBH & Co. KG*, 688 F.3d 214, 220 (5th Cir. 2012); *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 474-75 (1985) ("The unilateral activity of those who claim some relationship with a nonresident defendant cannot satisfy the requirement of contact with the forum State.")).

B. The Court Lacks General Jurisdiction Because AH is not "At Home" in the US

In *Daimler*, the Supreme Court explained that the general jurisdiction inquiry "is not whether a foreign corporation's in-forum contacts can be said to be in some sense 'continuous and systematic,' it is whether that corporation's 'affiliations with the State are so 'continuous and systematic' as to render [it] essentially at home in the forum State.'" 134 S. Ct. at 761 (quoting

Goodyear Dunlop Tires Operations, S.A. v. Brown, 564 U.S. 915, 919, 131 S. Ct. 2846, 180 L. Ed. 2d 796 (2011)). Only in an "exceptional case," will a corporation be deemed "at home" in a place other than its principal place of business or place of incorporation. *Id.* at 761 n.19. The Court cited to *Perkins v. Benguet Consol. Mining Co.*, 342 U.S. 437 (1952) as an example of such an exceptional case where the Court found general jurisdiction over a Philippines company whose president had temporarily moved the company's headquarters to Ohio during the Second World War, from where the president conducted the company's day-to-day business activities. *Id.* at 756 n.8. The Fifth Circuit recognizes that after *Daimler* it is "incredibly difficult to establish general jurisdiction in a forum other than the place of incorporation or principal place of business." *Monkton*, 768 F.3d at 432.

AH's place of incorporation and principal place of business are in France. [Complaint, ¶ 6; *see also* Gouraud Decl., ¶ 3 (Appx. Ex. A, at 2).] ECN does not allege any facts showing this to be an "exceptional case," as in *Perkins*, and AH has never temporarily moved its operations to the United States [Gouraud Decl., ¶ 5 (Appx. Ex. A, at 3).] That two separate and independent Airbus affiliated companies (AGI and AHI) are located in the United States does not support the exercise of general jurisdiction over AH. *Daimler*, 134 S. Ct. at 759-62 (no general jurisdiction over a German manufacturer whose exclusive United States distributor was "at home" in the forum); *see also Patterson*, 826 F.3d at 234-37 (no general jurisdiction over Norwegian company that had an American affiliate in Houston, and had agreements to assign employees to the affiliate). Moreover, AH structures its transactions by conducting them in France and selling helicopters with contracts governed by French arbitration forum clauses and French law provisions specifically to avoid being subject to the general jurisdiction of courts outside of France. *Bearry v. Beech Aircraft Corp.*, 818 F.2d 370, 375-76 (5th Cir. 1987) ("But Beech

exercised its right to structure its affairs in a manner calculated to shield it from the general jurisdiction of the courts of other states such as Texas, carefully requiring the negotiation, completion, and performance of all contracts in Kansas. Beech has not afforded itself the benefits and protections of the laws of Texas, but instead has calculatedly avoided them.").

C. The Court Lacks Specific Jurisdiction Over AH for ECN's Claims

1. AH Has No United States Contacts Related to ECN's Causes of Action

Specific jurisdiction "focuses on the relationship among the defendant, the forum, and the litigation." *Monkton*, 768 F.3d at 432–33 (quoting *Walden v. Fiore*, 134 S.Ct. 1115, 1121 (2014)). "For a [forum] to exercise jurisdiction consistent with due process, the defendant's suit-related conduct must create a substantial connection with the [forum]." *Id*. at 433; *Pervasive Software*, 688 F.3d at 220 ("Specific jurisdiction . . . depends on an 'affiliatio[n] between the forum and the underlying controversy,' principally, activity or an occurrence that takes place in the forum State and is therefore subject to the State's regulation.") (internal quotation omitted).

To establish specific jurisdiction, ECN must show that AH "purposely directed its activities toward the [United States] or purposefully availed itself of the privileges of conducting activities [here]" and that each of its causes of action "arises out of or results from the [AH's] forum-related contacts." *Monkton*, 768 at 433 (quoting *Seiferth v. Helicopteros Atuneros, Inc.*, 472 F.3d 266, 271 (5th Cir. 2006)). AH has not purposefully directed activity or purposefully availed itself of the United States in any way related to ECN's claims.

ECN's design and manufacturing defect claims arise out of AH's actions in France. *See Sulak v. American Eurocopter Corp.*, 901 F. Supp. 2d 834, 837, 844 (N.D. Tex. 2012) (finding for choice of law purposes that AH designed the helicopter at issue in France and that "any defects in the helicopter would have occurred where it was designed and manufactured:

France.") (citing *Perez v. Lockheed Corp. (In re Air Disaster at Ramstein Air Base, Ger.)*, 81 F.3d 570, 577 (5th Cir. 1996) (holding strict-liability place of conduct is where product was designed, manufactured, and entered the commerce stream)). ECN's failure to warn claim arises where the helicopters are operated, which is not the United States. *Id.* Further, the Super Puma accidents that ECN alleges are proof of the defect took place outside of the United States and were investigated by foreign authorities with assistance from AH in France. To the extent ECN can assert a warranty claim as a subsequent purchaser of used goods, it would be for a breach of a warranty that allegedly occurred when the helicopters left AH's possession as part of their original sale in France. *See, e.g., Shows v. Man Engines & Components, Inc.*, 364 S.W.3d 348, 354 (Tex. App. 2012).[2]

ECN's claims for negligent misrepresentation and fraud also arise from alleged conduct by AH that would not have occurred in the United States. Maintaining a passive website in France does not subject AH to personal jurisdiction in the United States. *McFadin v. Gerber*, 587 F.3d 753, 762 (5th Cir. 2009); *Mink v. AAAA Dev. LLC*, 190 F.3d 333, 336-37 (5th Cir. 1999). Moreover, even if ECN had shown that AH made a false statement in the United States, ECN is located in Canada, and none of the relevant transactions occurred in or involved parties from the United States. *Panda Brandywine Corp. v. Potomac Elec. Power Co.*, 253 F.3d 865, 869-70 (5th Cir. 2001) (affirming district court's finding of no specific jurisdiction when plaintiff made only conclusory jurisdictional allegations that were unrelated to defendant's claims); *cf. Wien Air Alaska, Inc. v. Brandt*, 195 F.3d 208, 213 (5th Cir. 1999) (contrasting exercise of personal jurisdiction over defendant where the actual content of the communication with the

[2] AH cites Texas law for illustrative purposes only and does not contend or otherwise concede that Texas law applies to ECN's claims.

forum gives rise to the tort from cases where it did not); *Fairchild v. Barot*, 946 F. Supp.2d 573, 578-79 (N.D. Tex. 2013) (applying Fifth Circuit's approach in *Wien* to find specific jurisdiction because communications to the forum formed the basis of the claim).

2. Stream of Commerce Jurisdiction Over AH Does Not Exist

Stream of commerce jurisdiction may exist if a nonresident defendant "delivered the product into the stream of commerce with the expectation that it *would be purchased by or used by consumers in the forum state*." *Ainsworth v. Moffett Eng'g, Ltd.*, 716 F.3d 174, 177 (5th Cir. 2013) (emphasis added). ECN does not allege that the helicopters were owned, operated or caused an injury in the United States, as they are registered and located abroad.

ECN asserts that AHI in Texas has sold other Super Puma helicopters manufactured by AH. Even if ECN had alleged that these helicopters are located in the United States, the United States Supreme Court and the Fifth Circuit have rejected stream of commerce jurisdiction when the claim is not related to the actual product in the forum. *Goodyear Dunlop Tires Ops., S.A. v. Brown*, 564 U.S. 915, 927, 930 n.6 (2011) (no jurisdiction over French tire manufacturing defendant in North Carolina for injuries caused by a defective tire located in France where other tires manufactured by the defendant were found in North Carolina – "even regularly occurring sales of a product in a State do not justify the exercise of jurisdiction over a claim unrelated to those sales."); *cf. World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 297 (1980) (where "the sale of a product . . . is not simply an isolated occurrence, but arises from the efforts of the manufacturer or distributor to serve . . . the market for its product in [several] States, it is not unreasonable to subject it to suit in one of those States if its allegedly defective merchandise *has there been the source of injury to its owner or to others*") (emphasis added)); *Alpine View Co. Ltd. v. Atlas Copco AB*, 205 F.3d 208, 216 (5th Cir. 2000) (no specific jurisdiction over a

Swedish corporation whose products entered the forum when the alleged harm in the forum did not stem from the corporation's delivery of products into the stream of commerce); *Bearry*, 818 F.2d 370 at 375 ("We disagree with the district court's conclusion that the 'stream of commerce' will support a finding of general jurisdiction. In specific jurisdiction cases, the defendant may have, at a minimum, one contact with the forum state – *the product or conduct that caused injury there*.") (emphasis added).

3. The Exercise of Jurisdiction Would Offend Traditional Notions of Fair Play and Substantial Justice

If this Court finds that ECN's claims arise from purposeful contacts by AH in the United States, it should still decline to exercise jurisdiction because doing so would be unreasonable and unfair to AH. *Seiferth*, 472 F.3d at 276. To make this determination, the Court should evaluate:

> (1) the burden on the nonresident defendant; (2) the interests of the forum state; (3) the plaintiff's interest in obtaining relief; (4) the interstate judicial system's interest in the most efficient resolution of controversies; and (5) the shared interests of the several states in furthering fundamental social policies.

Id. All of these factors weigh heavily against the exercise of personal jurisdiction over AH in this case. As discussed, the United States has no interest in hearing a dispute between a Canadian company and a French company regarding helicopters that were designed, manufactured and sold in France, were not owned or operated in the United States, and did not cause an injury in the United States. ECN's interest in efficient relief may be met using dispute resolution procedures available in France, where AH and its documents and witnesses are located, which can efficiently apply French law, and which have a great interest in resolving ECN's claim that a French company designed, manufactured and sold a defective product and made false statements about the product on French soil. Under these circumstances, it would be unfair to force AH to defend against these claims in a court in Texas, where its witnesses would

be forced to testify in a second language, when AH has done nothing in or directed at Texas, or the United States, related to the helicopters, ECN's claims or its alleged damages.

IV. This Action Should Be Dismissed Pursuant to the Doctrine of *Forum Non Conveniens*

The doctrine of *forum non conveniens* allows a court to decline jurisdiction if after weighing private and public interest factors it decides that the case should be heard in an alternative forum. *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 507 (1947); *Moreno v. LG Elecs., USA Inc.*, 800 F.3d 692, 699 (5th Cir. 2015). "The essence of the *forum non conveniens* doctrine is that a court may decline jurisdiction and may actually dismiss a case, even when the case is properly before the court, if the case more conveniently could be tried in another forum." *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 313 (5th Cir. 2008). An adversary proceeding may be dismissed on *forum non conveniens* grounds. *Baumgart*, 981 F.2d at 834 (bankruptcy code venue provisions do not abrogate the doctrine of *forum non conveniens* in the context of foreign transfers); *Bancredit Cayman Ltd. v. Santana*, Nos. 06-11026, 08-1147, 2008 Bankr. LEXIS 3544, at *24-28 (U.S. Bankr. S.D.N.Y. Nov. 25, 2008).

A. France is an Available, Alternative Forum That Offers an Adequate Remedy

France is an alternate forum because AH is amenable to process there and its tribunals offer some remedy. *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 254 n. 22 (1981); *Moreno*, 800 F.3d at 699. Federal courts in the United States recognize that the French legal system provides an adequate alternative forum. *E.g.*, *Reyno*, 454 U.S. at 252 n.18 ("[r]ules roughly equivalent to American strict liability are effective in France").[3]

[3] *See also In re Air Crash over the Mid-Atlantic on June 1, 2009*, 760 F. Supp. 2d 832, 842 (N.D. Cal. 2010) ("the Court concludes that France is an adequate, alternative forum" for claims involving French airline and French aircraft manufacturer over foreign aircraft accident) (citing *Dattner v. Conagra Foods, Inc.*, 91 Fed. Appx. 179, **2 (2d Cir. 2004) (affirming district

(Footnote continued on next page)

B. The Public and Private Interest Factors Weigh Heavily in Favor of Dismissal

1. The Private Interest Factors

The private-interest factors include "the relative ease of access to sources of proof; availability of compulsory process for attendance of unwilling, and the cost of obtaining attendance of willing, witnesses; possibility of view of premises, if view would be appropriate to the action; and all other practical problems that make trial of a case easy, expeditious and inexpensive." *Gilbert*, 330 U.S. at 508; *Weber v. PACT XPP Techs., AG*, 811 F.3d 758, 766-67 (5th Cir. 2016).

The evidence relevant to ECN's claims against AH is located in France, including documents and witnesses related to: the design, manufacture, certification of and sale of the helicopters; statements made on AH's website or in its marketing materials; AH's involvement with investigation of the Norway accident and related Super Puma technical issues. [Gouraud Decl., ¶ 3 (Appx. Ex. A, at 2-3).] What little is not in France is likely elsewhere in Europe (where European authorities are investigating the Norway accident) or in Canada where ECN is located; none of it would be in the United States. *See supra* at 2-5. The cost and burden of bringing evidence and witnesses from Europe to Texas for a matter having no connection with Texas or the United States weigh heavily in favor of dismissal. *See, e.g., Camejo v. Ocean Drilling & Exploration*, 838 F.2d 1374, 1381 (5th Cir. 1988) ("Compulsory process for Brazilian witnesses is unavailable in a Texas forum. The cost of bringing Brazilian witnesses to Houston

court dismissal on *forum non conveniens* grounds following conclusion that France was an adequate alternative forum); *Gschwind v. Cessna Aircraft Co.*, 161 F.3d 602, 606-07 (10th Cir. 1998) (France is an adequate forum)); *Mediterranean Golf, Inc. v. Hirsh*, 783 F. Supp. 835, 841, 841 n.6 (D.N.J. 1991) (observing that "French law does permit recovery for claims based in fraud, breach of fiduciary duty and breach of contract," and has "a very broad statutory basis for tort liability.").

is very high. All the information regarding the Plaintiff's damages is in Brazil. The rig was and still is in Brazil. The local interest of Brazil in determining a case involving the death of one of its citizens is great; Texas courts have no comparable interest in the case."); *Automated Marine Propulsion Sys. v. Aalborg Ciserv Int'l A/S*, 859 F. Supp. 263, 268 (S.D. Tex. 1994) ("The only evidence before the Court indicates that almost all of the activities forming the basis of this lawsuit occurred in Sweden and other European countries . . . Obviously, therefore, access to these sources of proof will be much less burdensome in Sweden than in Galveston.").

Moreover, third party witnesses and documents located in Europe related to the Norway accident and groundings are outside the compulsory subpoena power of this Court. Likewise, third party witnesses and documents related to ownership, operation, and maintenance of the helicopters are presumably located in Poland, Scotland, and Canada. *See supra* at 4. Even if discovery from such witnesses could be obtained under this Court's auspices, such witnesses still could not be compelled to attend trial in Texas, depriving the jury the opportunity to assess their demeanor and veracity. *See, e.g.*, *Gilbert*., 330 U.S. at 511 ("to fix the place of trial at a point where litigants cannot compel personal attendance and may be forced to try their cases on deposition, is to create a condition not satisfactory to court, jury or most litigants"); *Seguros Comercial Americas, S.A. de C. V. v. American Pres. Lines*, 933 F. Supp. 1301, 1312 (S.D. Tex. 1996) ("conducting a substantial portion of a trial on deposition testimony. . . precludes the trier of fact from the important function of evaluating the credibility of witnesses"). A French court would face none of these problems. *See In re Air Crash over the Mid-Atlantic*, 760 F. Supp. 2d at 844 n.8 (finding in lawsuit against French defendants from foreign aircraft accident that "France is also the location of significant amounts of relevant damages evidence, and it will likely be easier in France to obtain damages evidence from the other Europeans in these

lawsuits.") (citing European Council Regulation 1206/2001; *Magnin v. Teledyne Cont. Motors*, 91 F.3d 1424, 1429-30 (11th Cir. 1996) ("Witnesses such as the crash investigators, eyewitnesses to the crash, the owner of the aircraft, those who maintained it, and the damage witnesses, are all in France.")). At best, these third-party witnesses and documents would only be available in the United States, if at all, through reliance on the Hague Convention or letters rogatory, but the need to rely on these "incredibly burdensome" processes supports dismissal. *Vivendi S.A. v. T-Mobile USA, Inc.*, No. C06-1524, 2008 U.S. Dist. LEXIS 118523, at *37 (W.D. Wash. June 5, 2008), *aff'd* 586 F.3d 689 (9th Cir. 2009).

The United States Supreme Court has stated, and the Fifth Circuit agrees, that a *forum non conveniens* "dismissal will ordinarily be appropriate where trial in the plaintiff's chosen forum imposes a heavy burden on the defendant or the court, and where the plaintiff is unable to offer any specific reasons of convenience supporting his choice." *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 249 (1981); *Moreno v. LG Elecs., USA Inc.*, 800 F.3d 692, 699 (5th Cir. 2015). In terms of "practical problems that make trial of a case easy, expeditious and inexpensive," *Gilbert*, 330 U.S. at 508, this forum selected by ECN is very inconvenient for AH and the Court. In this case, convenience could not have been a reason supporting ECN's choice of a Texas forum. Moreover, the Supreme Court and Fifth Circuit agree that, as a foreign plaintiff, ECN's choice of forum is subject to less deference than would a resident plaintiff. *Reyno*, 454 U.S. at 255-56; *Moreno*, 800 F.3d at 699. [4]

[4] Addressing U.S. companies with international operations, the Fifth Circuit has instructed that "'parties who choose to engage in international transactions should know that when their foreign operations lead to litigation they cannot expect always to bring their foreign opponents into a United States forum when every reasonable consideration leads to the conclusion that the site of the litigation should be elsewhere.'" *DTEX, LLC v. BBVA Bancomer, S.A.*, 508 F.3d 785, 795 (5th Cir. 2007) (per curiam) (quoting *Contact Lumber Co. v. P.T. Moges Shipping Co., Ltd.*,
(Footnote continued on next page)

2. The Public Interest Factors

The public-interest factors include "the administrative difficulties flowing from court congestion; the 'local interest in having localized controversies decided at home'; the interest in having the trial of a diversity case in a forum that is at home with the law that must govern the action; the avoidance of unnecessary problems in conflict of laws, or in the application of foreign law; and the unfairness of burdening citizens in an unrelated forum with jury duty." *Reyno*, 454 U.S. at 241 n.6 (quoting *Gilbert*, 330 U.S. at 509). "The central question a court must answer when considering the public interest is whether the case has a general nexus with the forum sufficient to justify the forum's commitment of judicial time and resources to it." *Seguros Comercial Americas*, 933 F. Supp. at 1313.

The taxpayers of the United States, this Court, and jurors within this district should not be burdened with this dispute brought by a Canadian company against a French company that relates to the sales of helicopters built and sold in France. *Boonma v. Bredimus*, No. 3:05-cv-0684-D, 2005 U.S. Dist. LEXIS 15587, at *17 (N.D. Tex. July 29, 2005) ("Jury duty is a burden that ought not to be imposed upon the people of a community which has no relation to the litigation. Texas jurors have little connection with the case because the plaintiff is Thai and all the conduct occurred in Thailand.") (quoting *Gulf Oil*, 330 U.S. at 508-09); *Pain v. United Tech. Corp.*, 637 F.2d 775, 792 (D.C. Cir. 1980) (where helicopter that was owned, operated and maintained by a Norwegian corporation crashed in Norwegian waters and the resulting investigation evidence and wreckage were located in Norway, "jury duty for this matter ought

918 F.2d 1446, 1450 (9th Cir. 1990)). This injunction applies with even greater force where, as here, ECN also is a foreign company that seeks to use U.S. courts to litigate claims arising from a foreign transaction against another foreign company.

not be imposed upon the people of the District of Columbia, nor should local dockets be clogged by appeals in this case.”).

France, by contrast, has a strong interest in a claim regarding alleged misconduct committed in France by a French company subject to French and European regulations. *E.g.*, *Jennings v. The Boeing Co.*, 660 F. Supp. 796, 808 (E.D. Pa. 1987) (dismissing a Scottish helicopter crash case, recognizing that “the English and Scottish governments have an intensely local interest in regulating the sale and operation of aircraft within their territory”); *Dahl v. United Technologies Corp.*, 632 F.2d 1027, 1031-1033 (3d Cir. 1980) (finding that Norway’s interest in regulating aircraft safety was equal if not superior to the United States’ even where the aircraft was manufactured in the United States).

French tribunals are also in a far better position to apply what will most likely be French laws and/or European regulations on the claims against AH. The Fifth Circuit “has not determined whether the independent judgment test or the forum state’s choice-of-law rules should be applied in bankruptcy.” *MC Asset Recovery LLC v. Commerzbank A.G.*, 675 F.3d 530, 536 (5th Cir. 2012) (citing *Woods—Tucker Leasing Corp. v. Hutcheson—Ingram Dev. Co.*, 642 F.2d 744, 748 (5th Cir. 1981)). Because the most significant relationship test that Texas courts apply to tort claims and the independent judgment test are “essentially synonymous,” this Court need not decide which applies in this case. *Id.* (citations and quotations omitted). Under either test, it is clear on the facts discussed herein that the laws of France would apply to these claims against a French manufacturer for conduct that occurred in France, where not a single interest of the United States is involved. *In re Air Crash over the Mid-Atlantic*, 760 F. Supp. 2d at 847 (noting that while “the Court need not definitively determine which law will apply to these actions before dismissing on forum non conveniens grounds . . . the possibility that French law

will apply is an additional factor favoring dismissal") (citations omitted); *Simcox v. McDermott Int'l, Inc.*, 152 F.R.D. 689, 697-698 (S.D. Tex. 1994) ("It would be far more practical to try this case in the courts of a country well-versed in the applicable law."); *Villar v. Crowley Maritime Corp*., 780 F. Supp. 1467, 1485 (S.D. Tex. 1992) ("A Philippine court is better placed to apply Philippine law, and at least as well placed to apply Panamanian and Saudi Arabian law, than is a Texas court.").

The United States Supreme Court and the Fifth Circuit have affirmed many dismissals of product liability lawsuits on *forum non conveniens* grounds when the controversy centers in another country and involves foreign products, foreign plaintiffs and foreign injuries. *See, e.g.*, *Reyno*, 454 U.S. at 257-61 (dismissal of Scottish air crash products liability action brought by foreign plaintiffs where the crash and most of the evidence was located abroad); *Moreno*, 800 F.3d at 699 (dismissal of action by Mexican resident against Mexican defendants over injuries that occurred in Mexico); *Vasquez v. Bridgestone/Firestone, Inc*., 325 F.3d 665, 672-73 (5th Cir. 2003) (same); *Gonzalez v. Chrysler Corp.*, 301 F.3d 377, 382–83 (5th Cir. 2002)(dismissal where victim and plaintiff were Mexican, the accident took place in Mexico, where the car was purchased, and the car was not manufactured in Texas); *Baumgart*, 981 F.2d at 836-37 (dismissal of German air crash products liability case involving foreign plaintiffs – "The airline crash itself and other principal events surrounding the accident took place in Germany, the vast majority of the expected evidence and anticipated witnesses are located in Germany, and Germany is the residence of all plaintiffs and of three potential third-party defendants."); *Empresa Lineas Maritimas Argentinas, S.A. v. Schichau-Unterweser, A.G.*, 955 F.2d 368, 370-76 (5th Cir. 1992) (dismissal of action brought by Argentinian company against Dutch company over boat that sank

off Bermuda while en route to the United States). This Court should do the same and dismiss this action on *forum non conveniens* grounds.

CONCLUSION

For the foregoing reasons, Defendant Airbus Helicopters, S.A.S. requests that this Court dismiss ECN's adversary proceeding and award AH all further relief to which it may be entitled.

DEMAND FOR JURY TRIAL

Without waiver of its objection to the Court's personal jurisdiction, the convenience of the forum, or any other rights, privileges, or defenses, including but not limited to the arbitrability of the claims, AH hereby demands a trial by jury on all issues and claims so triable, and does not consent to jury trial before the bankruptcy court.

Dated: January 4, 2017.

Respectfully submitted,

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I, the undersigned, hereby certify that on January 4, 2017, a true and correct copy of the above and foregoing document was filed with the court via CM/ECF and served on all parties requesting electronic notification.

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

In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS SAS, Defendant.	Adv. Pro. No. 16-3151 (BJH)

NOTICE OF HEARING ON DEFENDANT'S MOTION TO DISMISS FOR LACK OF SUBJECT MATTER AND PERSONAL JURISDICTION, AND ON THE GROUNDS OF *FORUM NON CONVENIENS*

PLEASE TAKE NOTICE that a hearing on Defendant's Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of *Forum Non Conveniens* has been

scheduled for hearing on **February 28, 2017 at 9:00 A.M.** before the Honorable Chief Bankruptcy Judge Barbara J. Houser, United States Bankruptcy Judge, Northern District of Texas, Dallas Division, located at 1100 Commerce Street, Room 1424 (Courtroom #2), 14th Floor, Dallas, Texas 75242.

Dated: January 9, 2017.

Respectfully submitted,

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I, the undersigned, hereby certify that on January 9, 2017, a true and correct copy of the above and foregoing document was filed with the court via CM/ECF and served on all parties requesting electronic notification.

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., et al., Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Adv. No. 16-03151-bjh** **Plaintiff's Opposition To Defendant's Motion To Dismiss**

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Plaintiff ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) ("ECN Capital"), by its undersigned attorneys, files this Memorandum of Law in Opposition to Defendant Airbus Helicopters S.A.S.'s ("Airbus") Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction and *Forum non Conveniens*, and respectfully would show the Court as follows:

PRELIMINARY STATEMENT

Airbus does not dispute that ECN Capital's Complaint adequately states claims against Airbus for its defective design of EC225 and AS332 L2 helicopters it manufactured and sold. Instead, Airbus moves for dismissal of the Complaint solely on the basis of jurisdictional arguments, all of which are without merit.

The Motion to Dismiss makes one thing clear: Airbus does not want to litigate ECN Capital's claims in this forum. But Airbus voluntarily came to this Court and filed claims in these bankruptcy cases in hopes of recovering millions of dollars from the Debtors, who were owners, lessors, and/or operators of Airbus's EC225 and AS332 L2 helicopters—including the EC225 helicopter that crashed in April 2016, killing all 13 passengers and crew on board; the four AS332 L2s and one EC225 owned by ECN Capital that have been grounded since the April 2016 crash and that are the subject of the Complaint; and scores more EC225 and AS332 L2 helicopters owned outright by the Debtors or by other creditors in these bankruptcy cases. As much as Airbus may wish to avoid this Court's jurisdiction over ECN Capital's claims, settled law establishes that the claims and the parties are properly before this Court.

First, Airbus incorrectly contends that this Court lacks subject matter jurisdiction to hear ECN Capital's claims. Airbus misstates the legal standard for subject matter jurisdiction in this context, and completely ignores the close connection between this adversary proceeding and the rights, liabilities, and/or property of the Debtors in the related bankruptcy cases. As made clear by allegations in the Complaint—which, for purposes of deciding Airbus's motion, must be

taken as true and interpreted in the light most favorable to ECN Capital—a recovery by ECN Capital in this adversary proceeding could provide an enormous benefit to the Debtors' stakeholders. If, for example, ECN Capital succeeds on any of its claims, Airbus could be liable to the Debtors on collateral estoppel grounds for claims arising from the April 2016 crash and subsequent grounding—which claims the Debtors have expressly preserved and which involve substantially similar facts and circumstances to those at issue here. Any recovery by the Debtors in such actions post-emergence could augment their going-concern value for the benefit of their future stakeholders—*i.e.*, the Debtors' constituents that will receive a substantial portion of the reorganized Debtors' equity. Additionally, any recovery by ECN Capital in this action or by the Debtors' creditors in separate actions against Airbus could reduce the Debtors' liability on such parties' proofs of claim. Accordingly, this adversary proceeding satisfies the relevant legal threshold for related-to jurisdiction in that it "could *conceivably* have an effect" on the Debtors' estates. The cases on which Airbus relies to argue that subject matter jurisdiction does not exist are inapplicable, as they involved plaintiffs who failed to allege any connection between their claims and the debtors' estates, or who had filed actions in state court.

Second, Airbus asks the Court to refrain from exercising its lawful jurisdiction on the grounds of permissive abstention. Airbus again relies on inapposite cases and ignores the impact of ECN Capital's claims on the rights, liabilities, and/or property of the Debtors. Contrary to Airbus's protestations, the facts here, when viewed in the context of the relevant legal standard, weigh heavily in favor of this Court exercising its jurisdiction over ECN Capital's claims.

Third, Airbus incorrectly asserts that this Court lacks personal jurisdiction over Airbus. Airbus first appeared in these cases nearly eight months ago, represented by U.S. counsel. Since then, Airbus has, among other things, filed proofs of claims against the Debtors, served on the

Creditors' Committee (and in such capacity was represented by a U.S. employee of Airbus based in Dallas, Texas), and filed briefing on discovery motions in the bankruptcy cases. After all that, Airbus audaciously claims that it has not availed itself of this Court's jurisdiction and is not present before the Court for the purpose of these proceedings. The case law is to the contrary, and makes clear that once a party avails itself of the jurisdiction of a court by filing claims before that court, the party is subject to the personal jurisdiction of the court for claims arising out of the same set of facts. Having filed proofs of claim in these bankruptcy cases concerning the same helicopters that are the subject of ECN Capital's claims, Airbus has submitted to the Court's jurisdiction for this "related to" adversary proceeding. Without citing any legal authority in support of its position, Airbus attempts to cast doubt on the common sense principle underlying "related to" jurisdiction, by absurdly mischaracterizing its impact and pretending that a finding of personal jurisdiction here would mean that Airbus necessarily is subject to the general jurisdiction of *all* U.S. courts for *any* action brought by *any* party on *any* set of facts. That plainly is not the case. Rather, courts uniformly hold that when a foreign entity submits a proof of claim in a bankruptcy case, it submits to the jurisdiction of *that bankruptcy court* for adversary proceedings *related to those proofs of claim*. Airbus cannot avoid the consequences of its assertive presence in these bankruptcy cases. Moreover, to the extent a minimum contacts analysis is required, the proper scope of such an analysis is nationwide, taking into account all of Airbus's activity in the U.S. In addition to filing litigation in this forum (represented by U.S. counsel and with a U.S. employee sitting on the Creditors' Committee), Airbus has admitted that it does business in the U.S., that its U.S.-based affiliates sell EC225 and AS332 L2 helicopters in the U.S. to U.S. companies for use in the U.S., and that Airbus and its U.S.-based affiliates

deliver EC225 and AS332 L2 helicopters to the U.S. These contacts are sufficient to establish personal jurisdiction over Airbus in these proceedings.

Fourth, Airbus requests that the Court refrain from exercising its lawful jurisdiction on the grounds of *forum non conveniens*, and instead send the case to France for adjudication. The law imposes a heavy burden on Airbus to overcome the presumption in favor of ECN Capital's choice of forum, and Airbus fails to meet it. Airbus points to forum selection clauses in third-party contracts setting France as its preferred place of adjudication, but ECN Capital is not a party to those contracts and is not limited by their provisions. Airbus again asserts that there is no connection between this adversary proceeding and the bankruptcy cases, but ECN Capital's claims are intertwined with the claims, liabilities, and property of the Debtors and the value of the consideration—*i.e.*, the Debtors' post-reorganization equity—that will be distributed to their creditors under the chapter 11 plan. Airbus contends that the Court has no familiarity with the facts underlying ECN Capital's claims, but that is plainly inaccurate—the relevant parties have appeared before this Court during these chapter 11 cases, and this Court is familiar with the nature of the helicopters at issue and the facts underlying the April 2016 accident and subsequent grounding. Airbus complains of the burden of coming to Texas to litigate this case, yet Airbus has voluntarily made itself present already in this forum, and submitted to this Court's jurisdiction, through its substantial participation in the bankruptcy cases. Moreover, Airbus is involved in civil litigation in Texas state court in connection with claims brought by plaintiffs on the same set of facts that underlie ECN Capital's claims. There is no question why Airbus wants to litigate in France—France owns 10% of the voting stock of Airbus's direct parent company, and Airbus is engaged in blatant forum shopping. Airbus has failed to meet its heavy burden for

dismissal, and the Court thus should deny Airbus's request to send the claims to France, where Airbus will all but control the proceedings and their outcome. Airbus's motion should be denied.

FACTUAL BACKGROUND

ECN Capital's well-pled claims arise out of the April 2016 crash of an Airbus-manufactured EC225 helicopter operated by CHC Group Ltd. ("CHC"), the investigations and groundings resulting therefrom, and the subsequent chapter 11 cases filed by CHC and its affiliates, in which ECN Capital and Airbus are creditors. The facts underlying the claims are set forth in the allegations of the Complaint, which must be accepted as true for purposes of this motion.[1] ECN Capital sets forth here the salient facts relating to the Motion to Dismiss.

The Parties to the Adversary Proceeding

ECN Capital, an Ontario corporation, is a commercial financing business with headquarters in Toronto, Canada. (¶ 5.)[2] With its principal place of operations in North America, ECN Capital serves customers in the transportation and energy sectors throughout Canada and the U.S., including in Texas. (*Id.*)

Airbus is organized under the laws of France with its principal place of business in Marignane, France. (¶ 6.) Airbus designs, manufactures, markets, and sells aircraft, including two models of utility helicopters sold under the name "Super Puma"—the Eurocopter EC225 ("EC225") and the Eurocopter AS332 L2 ("AS332 L2"). (¶ 1.) Airbus markets EC225 and AS332 L2 helicopters for distribution and services for operation around the world and throughout the U.S., including in Texas. (¶ 6.) Airbus is primarily owned by its parent

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[1] Airbus moves for dismissal under Fed. R. Civ. P. Rules 12(b)(1) and 12(b)(2). "[W]hen deciding whether to grant a 12(b)(1) motion, the Court 'must accept all factual allegations in the plaintiffs complaint as true.'" *In re Wilborn*, 401 B.R. 872, 877 (Bankr. S.D. Tex. 2009) (quoting *Ramming* v. *United States*, 281 F.3d 158, 161 (5th Cir. 2001)). "In determining whether a *prima facie* case for personal jurisdiction exists on a [12(b)(2)] motion to dismiss, uncontroverted factual allegations in the plaintiff's complaint must be taken as true." *Seghers* v. *El Bizri*, 513 F. Supp. 2d 694, 703 (N.D. Tex. 2007).

[2] All references herein to "¶ __" are to the Complaint filed by ECN Capital on November 17, 2016 (the "Complaint"). All references herein to "Ex. __" are to the accompanying Declaration of Pietro J. Signoracci dated January 27, 2017.

company, Airbus Group, S.E. ("Airbus Group").[3] France has a significant ownership interest in Airbus Group, holding over 10% of its voting stock.[4] Airbus Group is the direct parent company of Airbus Group, Inc. ("AGI"), a Delaware corporation headquartered in Virginia, which is the direct parent of Airbus Helicopters, Inc. ("AHI"), a Delaware corporation headquartered in Texas.[5] Airbus sells and delivers EC225 and AS332 L2 helicopters to AHI for sale, delivery, and operation in the U.S., including in Texas.

2016 Crash and Grounding

On April 29, 2016, an EC225 crashed near Turøy, Norway, killing all 13 individuals on board (the "2016 Crash"). (¶ 1.) Preliminary investigative reports from the 2016 Crash identified unsafe conditions in the design of the main gear box of AS332 L2s and EC225s, which connects to the helicopter frame the main rotor head that is attached to the main rotor blades. (¶¶ 3, 17–21.) The 2016 Crash and related investigations led various civil aviation authorities to issue regulations and directives that caused a total grounding of all AS332 L2s and EC225s (the "2016 Grounding"). (¶¶ 3, 17–25.)

CHC Bankruptcy

Approximately one week after the 2016 Crash, on May 5, 2016, CHC and certain of its affiliates (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, jointly administered in this Court under the caption *In re CHC Group Ltd., et al.*, No. 16-31854 (BJH) (the "Bankruptcy Cases"). (¶ 37.)

ECN Capital, a creditor in the Bankruptcy Cases, filed five separate proofs of claim against certain of the Debtors seeking a total of over $94 million from each such Debtor. (¶ 42.) These claims relate to the rejection by certain Debtors of outstanding leases between those

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[3] *See* Ex. A (Airbus Helicopters SAS: Private Company Information).
[4] *See* Ex. B (Airbus Group Registration Document 2015) p. 7.
[5] *See* Ex. C (Airbus Group Inc. Corporate Tree).

Debtors and ECN Capital, including leases of four AS332 L2s and one EC225 owned by ECN Capital, which were subject to the 2016 Grounding. (*Id.*; *see also* ¶¶ 4, 34.)

In May 2016, the United States Trustee appointed Airbus to the Official Committee of Unsecured Creditors (the "Creditors' Committee"), care of Kevin Cabaniss in Grand Prairie, TX. (¶ 11.) In June 2016, Airbus's U.S. counsel filed notices of appearance in the Bankruptcy Cases on behalf of Airbus. (¶ 40.) In August 2016, Airbus filed proofs of claim in the Bankruptcy Cases against certain of the Debtors seeking a total of over $6.2 million for claims relating to EC225s and AS332 L2s owned, leased, and/or operated by CHC. (*Id.*) Airbus also filed briefing in connection with discovery motions in the Bankruptcy Cases. (*Id.*)

The Debtors owned, leased, and/or operated dozens of EC225s and AS332 L2s grounded by the 2016 Crash, causing substantial harm to the Debtors' operations and restructuring.[6] The Debtors have explained that they suffered harm as a result. At a May 6, 2016 hearing in the Bankruptcy Cases, counsel for the Debtors stated: "[The EC225] has been temporarily grounded in certain jurisdictions and that has had an impact on our fleet reconfiguration, which is central to our restructuring."[7] The Chief Restructuring Officer of CHC stated at the same hearing that a halt on flight of EC225s "could have a major difference on the aircraft values" of the Debtors' fleet.[8] In its 2016 Form 10-K filing with the Securities and Exchange Commission, CHC stated:

- "A significant portion of our property and equipment, funded residual value guarantees and related assets is tied to the aircraft type H225." (Ex. I at p. 9.)
- "We have also suffered costs due to . . . [the April 2016] accident . . . ." (*Id.* at p. 3.)
- "[The 2016 Grounding] will adversely impact our business, financial condition and results of operations . . . . We may lose revenue . . . due [to] the [2016 Grounding]." (*Id.* at p. 6.)

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[6] ¶¶ 41, 43. The Debtors owned or leased at least 51 EC225s or AS332 L2s after the 2016 Grounding commenced. *See* Ex. D (Debtors' First Omnibus Motion [Dkt. No. 20]); Ex. E (Debtors' Second Omnibus Motion [Dkt. No. 210]); Ex. F (Debtors' Third Omnibus Motion [Dkt. No. 250]); Ex. G (Debtors' Omnibus Motion [Dkt. No. 275]). The original purchase price of these 51 helicopters likely exceeded $1 billion.

[7] *See* Ex. H (Excerpt of Tr. of 5/6/2016 H'r'g [Dkt. No. 105]) 17:25–18:3.

[8] *Id.*

On December 19, 2016, the Debtors filed a second amended reorganization plan (the "Plan") and a related disclosure statement (the "Disclosure Statement"). In the Disclosure Statement, the Debtors expressly stated that neither the Disclosure Statement nor the Plan:

> attempts to alter any rights or claims (whatever such rights or claims may be) that any debtor, creditor, lessor, or third party may have against any OEM (original equipment manufacturer) of any helicopter or helicopter component arising out of accidents involving the "EC 225" and "AS 332 L2" helicopter types and resulting regulatory actions, including, without limitation, the April 29, 2016 EC 225 helicopter type accident near the Flesland Airport in Bergen, Norway and resulting regulatory suspension of flight operations.[9]

On January 24, 2017, the Debtors filed a motion for an order authorizing the Debtors to settle certain claims between the Debtors and Airbus. The proposed settlement similarly reserves the Debtors' claims against Airbus arising out of the 2016 Crash and the 2016 Grounding.[10]

ECN Capital's Complaint

The Complaint asserts, among other things, claims against Airbus for defective design and breach of implied warranty of merchantability regarding Airbus's manufacturing, marketing, and sale of the EC225 and the AS332 L2. (*See* ¶¶ 46–111.) The Complaint includes uncontroverted allegations demonstrating that ECN Capital's claims would likely have an impact on the rights, liabilities, and/or property of the Debtors' estates (and, at the very least, "could conceivably have an effect" on the Debtors' estates), and thus are related to the Bankruptcy Cases. (*See, e.g.*, ¶¶ 8, 43.) The Complaint also includes uncontroverted allegations demonstrating this Court's personal jurisdiction over Airbus. (*See, e.g.*, ¶¶ 11, 40.)

Related Actions Against Airbus and Its Affiliates

Other owners of EC225s filed similar claims against Airbus and/or its affiliates in Texas state court. (¶ 11.) On July 28, 2016, Wells Fargo filed breach of warranty and contract claims

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[9] *See* Ex. J (Disclosure Statement [Dkt. No. 1379]) p. 39.
[10] *See* Ex. K (Motion for Order [Dkt. No. 1536]) p. 37 § 8(g).

against AHI regarding three EC225s Wells Fargo purchased from AHI.[11] On November 21, 2016, Era Group Inc. ("Era") filed breach of express and implied warranty claims against AHI and Airbus regarding ten EC225s Era purchased from AHI (the "Era Complaint").[12] Like ECN Capital's Complaint, the Wells Fargo Complaint and the Era Complaint state claims for, among other things, damages suffered by the plaintiffs relating to the 2016 Grounding.

ARGUMENT

I. This Court Has Subject Matter Jurisdiction over ECN Capital's Claims, Which Are Related to the Bankruptcy Cases.

As ECN Capital demonstrated in the Complaint, in allegations that must be taken as true,[13] the claims in this adversary proceeding would likely impact the CHC Debtors' estates in the Bankruptcy Cases. (¶¶ 8–12, 40–43.) Thus, this Court has subject matter jurisdiction to hear ECN Capital's claims under 28 U.S.C. § 1334(b), which provides that "the district courts shall have original but not exclusive jurisdiction of all civil proceedings arising under title 11, or arising in *or related to* cases under title 11." 28 U.S.C. § 1334(b) (emphasis added).

The Fifth Circuit has taken a broad view of claims that are "related to" bankruptcy proceedings, holding that "[a] proceeding is 'related to' a bankruptcy if the outcome of that proceeding *could conceivably have any effect* on the estate being administered in bankruptcy." *In re Bass*, 171 F.3d 1016, 1022 (5th Cir. 1999) (emphasis added) (quoting *In re Walker*, 51 F. 3d 562, 569 (5th Cir. 1995)).[14] Indeed, this Court has highlighted the Fifth Circuit's ruling that "an action is related to bankruptcy if the outcome could alter the debtor's rights, liabilities,

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[11] *See* Ex. L (Wells Fargo Complaint [*Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc.*, DC-16-09090 (Tex. Dist. Ct., filed Jul. 28, 2016) Dkt. No. 2]).

[12] *See* Ex. M (Era Complaint [*Era Group Inc.* v. *Airbus Helicopters Inc., et al.*, DC-16-15017 (Tex. Dist. Ct., filed Nov. 21, 2016) Dkt. No. 2]).

[13] *See supra* n.1.

[14] *See also Randall & Blake, Inc.,* v. *Evans* (*In re Canion*), 196 F.3d 579, 585 (5th Cir. 1999) (holding that the test for "related to" jurisdiction is whether the outcome of the proceeding could conceivably have an effect on the bankruptcy estate being administered).

options, or freedom of action (either positively or negatively)." *Kimpel* v. *Meyrowitz* (*In re Meyrowitz*), Nos. 06-31660-BJH-11, 10-03227, 2010 WL 5292066, at *5 (U.S. Bankr. N.D. Tex. Dec. 20, 2010) (Houser, J.) (quoting *In re Bass*, 171 F.3d at 1022).[15]

Here, there is no question that the outcome of ECN Capital's claims could conceivably have an effect on the rights, liabilities, claims, and/or property of the Debtors and the administration of their estates. Most significantly, ECN Capital's claims could pave the way for numerous other lawsuits against Airbus by similarly situated plaintiffs—including the Debtors. If Airbus is held liable for its defective design of the EC225s and AS332 L2s in this action, such plaintiffs could rely on collateral estoppel to recover from Airbus for similar claims arising from the 2016 Crash and the 2016 Grounding. The Debtors must believe that such claims are valuable given that, notwithstanding that they entered into a "global" settlement with Airbus, they expressly preserved these claims for the benefit of the reorganized Debtors and their creditors. The Debtors' post-emergence recovery from Airbus could enhance their going-concern value for the benefit of their equity holders—*i.e.*, the Debtors' constituents that will receive a substantial portion of the reorganized Debtors' equity under the Plan. As such, the Debtors' stakeholders could reap the rewards of ECN Capital's litigation in the form of an increase in the value of their post-emergence equity, and, thus, ECN's Capital's claims could have a significant and meaningful economic impact on these estates.

Additionally, the outcome of ECN Capital's claims against Airbus could reduce the Debtors' liability to ECN Capital on its proofs of claim. The five helicopters that are the subject

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[15] As another court explained:

> [I]if the bankruptcy estate could suffer any conceivable benefit or detriment as a result of the determination of the adversary proceeding, then bankruptcy jurisdiction exists. The benefit can take the form of disallowance of claims against the estate or the actual recovery of assets; the detriment can take the form of either the allowance of claims against the estate or the potential loss of assets due to any number of theories.

In re Michigan Real Estate Ins. Trust, 87 B.R. 447, 458 (E.D. Mich. 1988).

of ECN Capital's claims against Airbus are the same five helicopters that ECN Capital leased to certain of the Debtors, which leases the Debtors rejected due in part to operational difficulties arising from the 2016 Grounding, and which rejection formed the basis of ECN Capital's proofs of claim against the Debtors. And, creditors who were similarly impacted by the 2016 Crash could—like the Debtors—bring successful claims against Airbus on collateral estoppel grounds, which could further reduce the Debtors' liability on account of such creditors' proofs of claim. This alone is sufficient to establish "related to" subject matter jurisdiction. *See In re Horn*, 264 B.R. 848, 849 & n.1 (Bankr. E.D. Tex. 2001) ("Courts . . . have held that a claim between two non-debtors that will potentially reduce the bankruptcy estate's liabilities produces an effect on the estate sufficient to confer 'related to' jurisdiction.").[16] The Court consequently has subject matter jurisdiction over ECN Capital's claims.[17]

Airbus argues this Court lacks subject matter jurisdiction because ECN Capital's claims are not asserted against the Debtors, are non-core claims, and do not involve the property of the

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[16] *See also Owens Illinois, Inc.* v. *Rapid American Corp* (*In re Celotex Corp.*), 124 F.3d 619, 626 (4th Cir. 1997) (finding "related to" jurisdiction when a creditor's claim against a non-debtor would reduce its claim in bankruptcy); *Kaonohi Ohana, Ltd.* v. *Sutherland*, 873 F.2d 1302, 1306–07 (9th Cir. 1989) (upholding "related to" jurisdiction over third-party action where remedy in third-party action would reduce amount of claim against bankruptcy estate). This Court, in a case cited in Airbus's own Motion to Dismiss briefing, concluded that subject matter jurisdiction is established where the outcome of non-core claims in an adversary proceeding by a creditor against a non-debtor could reduce the size of the creditor's claim against the debtor:

> To the extent the [creditor-plaintiffs] prevail on any of the[ir] claims [against non-debtor defendants], obtain judgments against [non-debtor defendants], and then ultimately collect on those judgments, the [creditor-plaintiffs'] allowable claims against the [debtors'] bankruptcy estate would be reduced by any such recovery. . . . Thus, it is "conceivable" that the outcome of the [creditor-plaintiffs'] claims against [non-debtor defendants] could "alter the debtor's liabilities and impact the handling and administration of the bankruptcy estate. Accordingly, the Court concludes that it has "related to" jurisdiction over the claims asserted against [non-debtor defendants] in the Complaint.

In re Meyrowitz, 2010 WL 5292066, at *6. Airbus's brief in fact cites a number of cases in which the bankruptcy court held that it had "related to" subject matter jurisdiction over non-core adversary claims against a non-debtor defendant. *See* Airbus Br. pp. 10–11 (citing *Barbee* v. *Colonial Healthcare Ctr., Inc.*, No. 3:03-cv-1658-N, 2004 U.S. Dist. LEXIS 4868, at *8–9 (N.D. Tex. Mar. 22, 2004), and *P.O'B. Apollo Tacoma, L.P.* v. *TJX Cos.*, No. 3:02-cv-0222-H, 2002 U.S. Dist. LEXIS 18702, at *2–5 (N.D. Tex. Oct. 3, 2002)).

[17] *See Passmore* v. *Baylor Health Care Sys.*, 823 F.3d 292, 296 (5th Cir. 2016) (finding "related to" subject matter jurisdiction where outcome of creditor's adversary proceeding could lead to claims by other parties impacting the estate); *8300 Newburgh Rd. Partnership* v. *Time Constr., Inc. (In re Time Constr., Inc.)*, 43 F.3d 1041, 1045 (6th Cir. 1995) (explicitly applying same standard as Fifth Circuit and noting that third-party action was related to bankruptcy because outcome of action would impact value of debtor's property).

Debtors' estates. (Airbus Br. pp. 6–8.) Settled case law establishes that these are not legitimate bases to deny § 1334(b) subject matter jurisdiction over claims that are related to bankruptcy cases. Courts in the Fifth Circuit and elsewhere have confirmed that "related to" jurisdiction extends to claims brought in adversary proceedings that do not involve the debtor as a party,[18] to "non-core claims",[19] and to claims that concern property that does not belong to the debtor.[20]

The authorities Airbus points to are not to the contrary. While Airbus relies on *Singer* v. *Adamson*, 334 B.R. 1, 11 (Bankr. D. Mass. 2005), the court in that case held that it was compelled to decline jurisdiction as a result of "exceptional circumstances" of the adversary proceeding, including the fact that plaintiff's claims against non-debtor defendants could "have no conceivable effect on the administration of th[e] bankruptcy estate," in part because the estate had already been fully administered. That is not the case here, where the outcome of Plaintiff's claims in this adversary proceeding will directly impact rights, liabilities, and property involved in the administration of the Debtors' estates, which have not been fully administered.[21] In

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[18] *Matter of Zale Corp.*, 62 F.3d 746, 752 (Bankr. 5th Cir. 1995) (stating that a purpose of § 1334(b) "is to force into the bankruptcy court suits to which *the debtor need not be a party* but which may affect the amount of property in the bankrupt estate") (emphasis added) (quoting *Zerand–Bernal Group, Inc.* v. *Cox*, 23 F.3d 159, 161–62 (7th Cir. 1994)).

[19] *In re Enron Corp. Sec., Derivative & "ERISA" Litig.*, No. Civ.A. G-02-0299, 2002 WL 32107216, at *10 (S.D. Tex. Aug. 12, 2002) (holding that abstention was not warranted in non-core proceeding "[e]ven though the . . . suit . . . involve[d] adjudication of rights between nondebtor parties"); *see also Carr* v. *Michigan Real Estate Ins. Trust* (*In re Michigan Real Estate Ins. Trust*), 87 B.R. 447 (E.D. Mich. 1988) (finding that adversary claims, though "not core proceedings . . . are, however, otherwise related to" bankruptcy proceedings, and therefore were "well within the subject matter jurisdiction of the district court to determine" under § 1334(b)).

[20] *Walker* v. *Cadle Co.* (*In re Walker*), 51 F.3d 562, 565 (5th Cir. 1995) ("§ 1334(b) gives bankruptcy courts jurisdiction over 'more than [] simply proceedings involving the property of the estate.'") (quoting *Celotex Corp.* v. *Edwards*, 115 S.Ct. 1493, 1498 (1995)).

[21] Subject matter jurisdiction over this adversary proceeding is determined at the time ECN Capital filed its claims, and any subsequent confirmation of a reorganization plan in the Bankruptcy Cases would not divest the bankruptcy court of subject matter jurisdiction over the adversary proceeding. *See Nuveen Mun. Trust* v. *Withumsmith Brown, P.C.*, 692 F.3d 283, 299–300 (3d Cir. 2012) (holding that subject matter jurisdiction is determined when the action is filed, regardless of whether the debtor's reorganization plan is confirmed while the action is pending) (citing *Grupo Dataflux* v. *Atlas Global Grp., L.P.*, 541 U.S. 567 (2004)); *Fried* v. *Lehman Bros. Real Estate Assocs. III, L.P.*, 496 B.R. 706, 710 (S.D.N.Y. 2013) (holding that confirmation of a plan did not divest the court of "related to" subject matter jurisdiction where it existed prior to confirmation, and that to hold otherwise would "create perverse incentives for the parties to engage in delay and gamesmanship"); *see also In re Doctors Hosp. 1997, L.P.*, 351 B.R. 813, 829 n.10 (Bankr. S.D. Tex. 2006) (holding that the

particular, under the Plan, the reorganized Debtors expressly retained all claims and "Causes of Action" (as defined in the Plan) they had prior to the effective date of the Plan (unless otherwise released), including claims against Airbus arising from the 2016 Crash and 2016 Grounding.[22]

Airbus also quotes at length from the decision in *Yashiro Co.* v. *Falchi* (*In re Falchi*), Case No. 97 B 43080, 1998 WL 274679 (Bankr. S.D.N.Y. May 26, 1998). In *Falchi*, the court held that the plaintiff's claims would not conceivably have an impact on the rights, liabilities, or property of the debtor because the claims concerned only property that was in the possession of the non-debtor adversary defendant, and would not affect any property of the debtor. 1998 WL 274679, at *7. As alleged in the Complaint and explained above, ECN Capital's claims in this adversary proceeding concern property that is the subject of ECN Capital's claims in the Bankruptcy Cases and will have a direct impact on the value of the Debtors' estates. This Court accordingly has subject matter jurisdiction over this adversary proceeding under § 1334(b).

II. This Court Should Not Abstain from Exercising Subject Matter Jurisdiction over ECN Capital's Claims.

Airbus argues that the Court should abstain, under 28 U.S.C. § 1334(c)(1), from exercising its lawful jurisdiction over these claims, but has not satisfied its burden of establishing that permissive abstention is warranted.[23] Airbus's arguments on this point suffer from the same fatal flaws as its arguments against subject matter jurisdiction. While Airbus argues that resolution of this dispute "will have no effect" on the Debtors' estates, ECN Capital's well-pled allegations demonstrate just the opposite.

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bankruptcy court has and retains subject matter jurisdiction over an adversary proceeding filed pre-confirmation if, at the time of filing, the outcome of the claims could conceivably have an impact on the debtor's estate).

22 *See* Ex. N (Second Amended Joint Chapter 11 Plan [Dkt. No. 1371]) §§1.1, 10.7, 10.12.

23 *See In re Residential Capital, LLC*, 515 B.R. 52, 67 ("The movant bears the burden of establishing that permissive abstention [under § 1334(c)(1)] is warranted.") (Bankr. S.D.N.Y. 2014). Airbus argues only for permissive abstention under 28 U.S.C. § 1334(c)(1). *See* Airbus Br. pp. 8–11. Airbus does not argue for mandatory abstention under 28 U.S.C. § 1334(c)(2). Mandatory abstention is appropriate only where a state court proceeding has been "commenced and can be timely adjudicated in a state forum," which is not the case here. *See* 28 U.S.C. § 1334(c)(2); *see In re TXNB Internal Case*, 483 F.3d 292, 300 (5th Cir. 2007).

Tellingly, Airbus fails to provide any framework to determine whether permissive abstention would be appropriate here. Airbus merely points to a few cases in which permissive abstention was granted and wrongly asserts that those cases involved "similar circumstances" as the case here. Airbus Br. at pp. 9, 10. To the contrary, those cases are readily distinguishable because both parties to this adversary proceeding are creditors in the Bankruptcy Cases, no state court action has been commenced concerning ECN Capital's claims, and the outcome of ECN Capital's claims will directly impact the rights, liabilities, and/or property of the Debtors estates:

- In *In re Meyrowitz*, the adversary plaintiff had not filed a proof of claim in the bankruptcy, and this Court found that the claims in the adversary proceeding "ha[d] little to do with the main [] bankruptcy case" and that their outcome would have "no real effect on the efficient administration of the [] bankruptcy estate." 2010 WL 5292066, at *7. This Court thus permissively abstained to reserve the Court's resources for "'related to' proceedings that have a more substantial impact upon an active bankruptcy estate." *Id.* at 8.

- In *Efurd* v. *Baylor Health Care Sys.*, No. 3:14-cv-556, 2015 WL 11027603 (N.D. Tex. Mar. 25, 2015), the court stated it was "likely required [] to abstain from hearing this action" on mandatory abstention grounds, given that a state court proceeding concerning the claims had been commenced. 2015 WL 11027603, at *4.

- In *Barbee* v. *Colonial Healthcare Ctr., Inc.*, No. 3:03-cv-1658-N, 2004 WL 609394, at *2 (N.D. Tex. Mar. 22, 2004), the court abstained only after finding that "the resolution [of the claims in the adversary proceeding] would not impact the bankruptcy estate."

- In *P.O'B. Apollo Tacoma, L.P.* v. *TJX Cos.*, No. 3:02-cv-0222-H, 2002 WL 31246633 (N.D. Tex. Oct. 3, 2002), the plaintiff had no involvement in the bankruptcy in question when it filed a breach of contract claim against a non-debtor defendant in state court. The defendant removed the state court action to federal court and sought to join it with the bankruptcy case on the grounds that the defendant had an indemnification agreement with the debtor. The court held that such connection was too attenuated to preclude permissive abstention, especially considering that plaintiff already had commenced its action in state court and neither plaintiff nor defendant was a debtor in the bankruptcy proceedings. *Id.* at *2.

Airbus in fact provides no applicable precedent supporting its request that the Court abstain from exercising the jurisdiction it has to adjudicate ECN Capital's claims.

Rather than taking Airbus at its word that "similar circumstances" exist here to warrant permissive abstention, the Court should look to the appropriate legal standard for analyzing

requests for permissive abstention under 28 U.S.C. § 1334(c)(1). In *In re MontCrest Energy, Inc.*, this Court set out 12 factors that may be considered in a permissive abstention analysis:

(1) the effect, or lack thereof, on the efficient administration of the estate if a court recommends abstention;
(2) the extent to which state law issues predominate over bankruptcy issues;
(3) the difficulty or unsettled nature of the applicable state law;
(4) the presence of a related proceeding commenced in state court or other nonbankruptcy court;
(5) the jurisdictional basis, if any, other than 28 U.S.C. § 1334;
(6) the degree of relatedness [] of the proceeding to the main bankruptcy case;
(7) the substance rather than form of an asserted "core" proceeding;
(8) the feasibility of severing state law claims from core bankruptcy matters to allow judgments to be entered in state court . . . ;
(9) the burden on the bankruptcy court's docket;
(10) the likelihood that the commencement of the proceeding in bankruptcy court involves forum shopping by one of the parties;
(11) the existence of a right to a jury trial; and
(12) the presence in the proceeding of nondebtor parties.[24]

Courts have held that "[t]hese factors should be flexibly applied since 'their relevance and importance will vary with the particular circumstances of each case, and no one factor is necessarily determinative.'"[25] In this case, the most important factors all weigh heavily in favor of declining Airbus's request for permissive abstention. Six of the factors—**Factors 1, 3, 4, 6, 9, and 10**—clearly weigh against abstention. Because ECN Capital's claims are closely related to the value of the Debtors' estates (**Factor 6**), abstention would negatively affect the efficient administration of the Debtors' estates by, among other things, delaying adjudication of claims by creditors against the Debtors or by the Debtors against Airbus (**Factor 1**). For the same reasons, it would not be unduly burdensome for the Court to adjudicate ECN Capital's claims in the adversary proceeding, as they are closely related to the Debtors' rights, liabilities, and property (**Factor 9**). Abstention also is strongly disfavored in cases like this one, where no proceeding

[24] *In re MontCrest*, 2014 WL 6982643, at *7 (Bankr. N.D. Tex. Dec. 9, 2014).
[25] *In re Hearthside Baking Co., Inc.*, 391 B.R. 807, 817 (Bankr. N.D. Ill. 2008) (quoting *Matter of Chicago, Milwaukee, St. Paul & Pacific R. Co.*, 6 F.3d 1184, 1189 (7th Cir. 1993)).

involving ECN Capital's claims against Airbus has been commenced in state court or any other non-bankruptcy court (**Factor 4**). Further, abstention is unwarranted because ECN Capital's claims do not involve difficult or unsettled areas of law (**Factor 3**), and because Airbus does not suggest that ECN Capital engaged in forum-shopping by commencing the adversary proceeding (**Factor 10**)—in fact, it is Airbus that has engaged in forum-shopping by seeking permissive abstention, as discussed further below in Section IV (*see infra*, pp. 23–25).

The remaining factors do not, on balance, suggest that abstention should be granted. Two of the factors—**Factors 7 and 8**—are not applicable here, because the adversary proceeding does not involve core claims. Two more factors—**Factors 2 and 5**—have very little relevance here, where Airbus does not assert that ECN Capital's claims ought to be heard in state court. Indeed, Airbus has not consented to jurisdiction in state court, and Airbus is fighting jurisdiction in related product liability actions brought against Airbus in Texas state court by other owners or operators of EC225s regarding damages arising from the 2016 Crash. One factor—**Factor 12**—is neutral in this context, as the adversary proceeding involves two non-debtor parties, but both non-debtor parties are creditors in the Bankruptcy Cases, and certain of the Debtors at a minimum will be necessary witnesses in this proceeding and will have a substantial interest in the outcome of the claims by (creditor) ECN Capital against (creditor) Airbus.[26] That leaves just one factor—**Factor 11**—favoring abstention, as the parties request a jury trial. But bankruptcy courts routinely exercise jurisdiction, and deny requests for permissive abstention, where one or more party has requested a jury trial.[27]

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[26] In any event, a bankruptcy court "may consider 'related to' actions between third party non-debtors under 28 U.S.C. § 1334(b) in appropriate circumstances." *Estate of Johnny Fisher* v. *JPMorgan Chase Bank, N.A.* (*In re Fort Worth Osteopathic Hosp., Inc.*), 406 B.R. 741, 745 (Bankr. N.D. Tex. 2009).

[27] For example, in *In re Freeway Foods of Greensboro, Inc.*, 449 B.R. 860, 889–90 (Bankr. M.D.N.C. 2011) the court explained:

> Because mandatory abstention does not apply, and because the majority of the factors in this case weigh against permissive abstention and equitable remand, the Motion to Remand will be denied. For the time

III. This Court Has Personal Jurisdiction over Airbus in this Action.

A. By Participating in the Bankruptcy Cases, Airbus Has Submitted Itself to Personal Jurisdiction for ECN Capital's Related Claims.

Airbus admits that by filing proofs of claim in the Bankruptcy Cases it has submitted itself to personal jurisdiction for related claims. (Airbus Br. p. 12.) Without citing any authority for the proposition, Airbus argues that its submission extends only to claims brought by the Debtors. (*Id.*) Airbus argues that the Court must hold that the principle "does not extend to *unrelated* claims by co-creditors," (*id.* (emphasis added)), claiming that a finding of jurisdiction here would be tantamount to a ruling that by filing a proof of claim Airbus "would be subjecting itself to the *general jurisdiction* of United States courts" for any claim arising from any set of facts. (*Id.* (emphasis added).)

Airbus's arguments are pure hyperbole. This adversary proceeding is not an "unrelated claim," as Airbus suggests. As explained above, ECN Capital's claims are inextricably linked to the facts underlying the Bankruptcy Cases and the Debtors' estates. ECN Capital by no means suggests that Airbus has submitted itself to the general jurisdiction of all U.S. courts for any claim by any party, regardless of the underlying facts giving rise to the claim. Rather, Airbus has

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being, the Adversary Proceeding will proceed in this Court. The Court realizes that issues involving the right to a jury trial will eventually need to be addressed by the parties. They can agree to a bench trial before this Court. 28 U.S.C. § 157(c)(2). They can agree to a jury trial before this Court. 28 U.S.C. § 157(e); Fed. R. Bankr. P. 9015(b). They can move the United States District Court to withdraw the reference so that a jury trial may be held there. 28 U.S.C. § 157(d); *see, e.g.*, *Hutson* v. *Bay Harbour Mgmt., L.C.*, No. 1:06CV01037, 2007 WL 1434834, at *1 (M.D.N.C. May 11, 2007) (withdrawing a matter from the bankruptcy court solely for the purpose of conducting a jury trial).

See also Snider v. *Sherman*, 2007 WL 1174441, at *44–45 (E.D. Cal. Apr. 19, 2007) (holding that request for jury trial does not preclude exercise of bankruptcy court's discretion over adversary proceeding, given availability of procedures in bankruptcy court and district court to hold jury trial at appropriate time). Courts also have held that a party, like Airbus, should not be rewarded for its refusal to consent to a jury trial before the bankruptcy court in furtherance of its attempt to seek abstention. *In re Schlotzky's, Inc.*, 351 B.R. 430, 437 (Bankr. W.D. Tex. 2006) ("Nor ought we to institute a rule of decision that in effect rewards the party seeking abstention if that party insists on being as obstructionist as possible by refusing to consent either to the entry of final judgment by the bankruptcy judge or the conduct of a jury trial by that court.").

submitted itself to the specific personal jurisdiction of this Court for claims related to the Bankruptcy Cases in which Airbus filed its own proofs of claim.

It is well established that when a party avails itself of a court's jurisdiction, it cannot escape claims related to the proceedings. In Texas, "[v]oluntarily filing a lawsuit in a jurisdiction is a purposeful availment of the jurisdiction's facilities and can subject a party to personal jurisdiction in another lawsuit when the lawsuits arise from the same general transaction."[28] That a party has previously chosen to litigate in a court eliminates any claim it has that defending another case in that forum—even if brought by other litigants—would be "unreasonably burdensome."[29] Bankruptcy courts have applied this principle to the precise issue here, holding that by filing a proof of claim in a bankruptcy case, a foreign creditor consents to personal jurisdiction of the bankruptcy court for related adversary proceedings.[30]

Moreover, Airbus has done more than simply file claims against the Debtors in the Bankruptcy Cases. Airbus jockeyed to become a member of the Creditors' Committee, represented by its Texas-based employee, Kevin Cabaniss, and subsequently has attended various Creditors' Committee meetings in this forum. When ECN Capital filed a Motion for an Order Directing 2004 Examination of Debtors in the Bankruptcy Cases, Airbus filed an objection

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[28] *Int'l Transactions, Ltd.* v. *Embotelladora Agral Regionmontana SA de CV*, 277 F. Supp. 2d 654, 667–68 (N.D. Tex. 2002) (holding that defendant had purposefully availed itself of the forum court because it had brought two lawsuits in the same district against a third party relating to a dispute arising out of similar facts) (quoting *Primera Vista S.P.R. de R.L.* v. *Banca Serfin, S.A. Institucion de Banca Multiple Grupo Financiero Serfin*, 974 S.W.2d 918, 926 (Tex. App.–El Paso 1998)).

[29] *See Hess* v. *Bumbo Int'l Trust*, 954 F. Supp. 2d 590, 597 (S.D. Tex. 2013) (holding that foreign entity purposefully availed itself of the forum court, for purposes of consumer product liability claim, when it filed litigation against its prior distributor in the federal court in Texas).

[30] *See, e.g.*, *Secs. Inv. Prot. Corp.* v. *Bernard L. Madoff Inv.*, 460 B.R. 106, 117 (Bankr. S.D.N.Y. 2011) (participation in bankruptcy cases demonstrated "consent to personal jurisdiction in . . . adversary proceeding") (citing *In re Deak & Co., Inc.*, 63 B.R. 422, 431 (Bankr. S.D.N.Y. 1986) (holding that foreign defendant-creditors effectively consented to personal jurisdiction by purposefully availing themselves of the protections afforded by United States bankruptcy law)); *In re Quality Lease and Rental Holdings, LLC*, 2016 WL 416961, at *5 (Bankr. S.D. Tex. Feb. 1, 2016) ("Filing a proof of claim brings a creditor within the equitable jurisdiction of a bankruptcy court."); *see also* U.S. Dep't of Justice, U.S. Attorneys' Manual § 1-188, https://www.justice.gov/usam/civil-resource-manual-188-bankruptcy-jurisdiction-personal-jurisdiction ("[A] foreigner filing a proof of claim submits to the personal jurisdiction of the bankruptcy court.").

and actively litigated to prevent ECN Capital from obtaining documents in the Debtors' possession regarding the EC225 and AS332 L2s that are the subject of ECN Capital's claims against Airbus here and of ECN Capital's proofs of claim against the Debtors in the Bankruptcy Cases. Given Airbus's assertive presence in the Bankruptcy Cases—including with regard to the very helicopters that are the subject of this adversary proceeding—Airbus cannot escape the personal jurisdiction to which it submitted. *See Secs. Inv. Prot. Corp.* v. *Bernard L. Madoff Inv.*, 460 B.R. 106, 114–115 (Bankr. S.D.N.Y. 2011) (exercising personal jurisdiction in adversary proceeding on grounds that defendant "has been and remains a 'player' in the bankruptcy").

B. This Court Has Specific Jurisdiction over Airbus for ECN Capital's Claims.

This Court also has specific personal jurisdiction over Airbus for the purposes of hearing ECN Capital's claims on account of Airbus's relevant contacts with the U.S. Courts in the Fifth Circuit follow a three-step analysis to determine whether specific jurisdiction exists:

> (1) whether the defendant has minimum contacts with the forum state, i.e., whether it purposely directed its activities toward the forum state or purposefully availed itself of the privileges of conducting activities there; (2) whether the plaintiff's cause of action arises out of or results from the defendant's forum-related contacts; and (3) whether the exercise of personal jurisdiction is fair and reasonable.

Luci Bags LLC v. *Younique, LLC*, 2017 WL 77943, at *2 (E.D. Tex. Jan. 9, 2017). "If the plaintiff successfully satisfies the first two steps, the burden shifts to the defendant to defeat jurisdiction by showing that its exercise would be unfair or unreasonable." *Sarkar* v. *Petrol. Co. of Trinidad & Tobago Ltd.*, 2016 WL 3568114, at *14 (S.D. Tex. June 23, 2016).

"A plaintiff may establish specific jurisdiction over a nonresident defendant by showing that the defendant purposefully directed his activities at residents of the forum and that the litigation results from injuries that arise out of *or relate to* those activities." *Verde* v. *Stoneridge, Inc.*, 2015 WL 1384373, at *3 (E.D. Tex. Mar. 23, 2015) (emphasis added) (internal quotation omitted). "Even a *single act* by a defendant may establish specific jurisdiction if the act in the

forum state is substantially related to the suit." *Luci Bags*, 2017 WL 77943, at *2 (emphasis added) (citing *Moncrief Oil Int'l* v. *OAO Gazprom*, 481 F.3d 309, 311 (5th Cir. 2007)).

In this adversary proceeding brought pursuant to § 1334(b), the relevant forum state is not Texas, but the entire U.S.[31] Airbus falsely claims in its Motion to Dismiss that it has no U.S. contacts or activity relevant to ECN Capital's claims. Airbus's own statements in its filings in other cases in the U.S.—including cases in Texas regarding the EC225 and AS332 L2 helicopters at issue here—prove otherwise. In the Era Complaint, Louisiana-based owners of EC225s asserted product liability claims regarding Airbus's defective design of EC225s, in Texas state court, against Airbus and its U.S.-based affiliate, AHI.[32] In a responsive pleading Airbus filed in the case earlier this month, Airbus admitted that it sold EC225s to its U.S. affiliate, AHI, "with final delivery [of the EC225s] occurring at [AHI's] facility in Texas." (Ex. O (Special Appearance) p. 4.) Airbus also admitted that AHI in turn sold the EC225s to U.S. purchasers (including Louisiana-based Era) for operation in the U.S. *Id.* Airbus admitted that it "has sold helicopters, including the [EC225s] at issue, to [AHI], a distributor in Texas;" and that Airbus-manufactured EC225s "passed through Texas-based transactions between [AHI] and their Louisiana purchasers, and four [EC225s] passed physically though Texas." *Id.* p. 14. Airbus also has acknowledged, as further set forth in its proofs of claim in the Bankruptcy Cases, that Airbus has sold and delivered EC225 and AS332 L2 helicopters and/or parts to Texas-based CHC and its affiliates. (*See* Ex. P (Airbus Proofs of Claim Nos. 353, 365).) These CHC entities,

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[31] *In re Celotex*, 124 F.3d at 630 ("[W]hen an action is in federal court on 'related to' jurisdiction, the sovereign exercising authority is the United States, not the individual state where the federal court is sitting."); *In re Paques*, 277 B.R. 615, 633 (Bankr. E.D. Pa. 2000) ("[T]he proper exercise of personal jurisdiction [in 'related to' proceedings] must focus upon the minimum contacts of [foreign defendant] with the United States.").

[32] *See* Ex. M (Era Complaint).

headquartered in Texas, act as nationwide distributors, sellers, and operators of Airbus-manufactured helicopters.[33]

Courts in the Fifth Circuit have held that such contacts are sufficient to establish specific personal jurisdiction on claims like those ECN Capital asserts here over a foreign defendant manufacturer on a stream of commerce theory. In *Verde* v. *Stoneridge*, *Inc.*, 2015 WL 1384373 (E.D. Tex. Mar. 23, 2015), the court held that specific personal jurisdiction existed over a defendant manufacturer for product liability, design defect, and negligence claims where the manufacturer delivered products to a distributor without limiting distribution to the forum state. 2015 WL 1384373, at *3–4. The court in *Verde* relied on the Fifth Circuit's decision in *Bean Dredging Corp.* v. *Dredge Tech. Corp.*, 744 F.2d 1081 (5th Cir. 1984), which similarly held that specific personal jurisdiction existed for product liability and negligence claims against a foreign manufacturer that did not seek to limit the sale, distribution, or use of its products in the forum state. 744 F.2d at 1085; *Verde*, 2015 WL 1384373, at *4; *see also Luv n' care, Ltd.* v. *Insta–Mix, Inc.*, 438 F.3d 465, 470–71 (5th Cir. 2006), *cert. denied*, 548 U.S. 904 (2006) (finding jurisdiction over defendant that expected its products to be purchased in the forum state).

Airbus cannot credibly claim unfairness where it submitted to the jurisdiction of this Court by actively participating in the Bankruptcy Cases and delivering products into the stream of commerce without restricting their distribution—indeed, with knowledge the products would be marketed, sold, distributed, and delivered by U.S. entities to U.S. entities for operation in the U.S. *See Verde*, 2015 WL 1384373, at *3–4; *Bean Dredging*, 744 F.2d at 1085. Airbus's burden

[33] Airbus attempts to distance itself from its U.S. affiliates, *see* Airbus Br. pp. 3, 13, but the fact that Kevin Cabaniss is both an employee of U.S.-based AHI and the designated representative for Airbus Helicopters (SAS) on the Creditors' Committee undermines this position. In any event, as explained below, Airbus's distribution of its products into the U.S.—whether through its own affiliate or through an unaffiliated distributor—gives rise to specific personal jurisdiction over ECN Capital's claims. *See, e.g.*, *Verde* v. *Stoneridge*, *Inc.*, 2015 WL 1384373, at *3–4 (E.D. Tex. Mar. 23, 2015).

of litigating in this jurisdiction—where it sold and sent its helicopters, where it chose to file its claims, and where it is currently defending other lawsuits regarding the same helicopters—does not preclude this Court's reasonable exercise of personal jurisdiction over Airbus. *See Verde*, 2015 WL 1384373, at *5.[34] In addition to Airbus's substantial participation in the Bankruptcy Cases, where both ECN Capital and Airbus have filed proofs of claims regarding EC225s and AS332 L2s, Airbus's contacts with the U.S. provide a sufficient basis for exercising specific personal jurisdiction in this case.[35]

IV. This Court Should Deny Airbus's Attempt To Forum-Shop.

Airbus argues that the Court should abstain from exercising the jurisdiction it has to hear ECN Capital's claims and dismiss this case on *forum non conveniens* grounds because the action involves two foreign entities and concerns some events that occurred in foreign districts. (Airbus Br. pp. 18–24.) Airbus fails to meet its heavy burden for dismissal on such grounds.

"'A defendant invoking *forum non conveniens* ordinarily bears a heavy burden in opposing plaintiff's chosen forum.'" *Tempur-Pedic Int'l, Inc.* v. *Go Satellite Inc.*, 758 F. Supp. 2d 366, 379 (N.D. Tex. 2010) (quoting *Sinochem Int'l Co.* v. *Malaysia Int'l Shipping Corp.*, 549 U.S. 422, 430 (2007)); *see also Alpine View Co. Ltd.* v. *Atlas Copco AB*, 205 F.3d 208, 222 (5th Cir. 2000) ("[T]he court must give the relevant deference to the plaintiff's choice of forum."). Dismissal on grounds of *forum non conveniens* is only permitted where there is an adequate alternative forum that is "substantially more convenient" *for all parties*. *Snaza* v. *Howard Johnson Franchise Sys., Inc.*, 2008 WL 5383155, at *2 (N.D. Tex. Dec. 24, 2008).

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[34] *See also First Capital Asset Mgmt., Inc.* v. *Brickellbush, Inc.*, 218 F. Supp. 2d 369, 403 (S.D.N.Y. 2002) (finding personal jurisdiction over Swiss defendant despite "significant" burden).

[35] In a case concerning alleged defects in another model of helicopter it manufactured that was sold and delivered to and operated in the U.S., Airbus admitted that it is subject to jurisdiction in the U.S. *See* Airbus Answer ¶ 2.1, *Newman* v. *Airbus Helicopters Inc., et al.*, No. 16-2-26710-6 SEA (Wash. Super. Ct., filed Nov. 1, 2016).

Airbus fails to prove, or even argue, that France is a "substantially more convenient" forum for ECN Capital, which is headquartered in North America, regularly does business in Texas, and—like Airbus—is currently participating in the Bankruptcy Cases in this Court, to which its claims in this adversary proceeding are related. In similar circumstances, courts have ruled that "related to" claims in adversary proceedings should be adjudicated in the Court where the bankruptcy cases are pending. *In re Bernard L. Madoff Inv. Secs. LLC*, 418 B.R. 75, 82 (Bankr. S.D.N.Y. 2009) ("[T]he most efficient resolution of the controversy would be in the United States, where the inextricably-related [bankruptcy] is ongoing before this Court.").

Airbus argues that dismissal is appropriate because, in certain Airbus contracts (to which ECN Capital is *not* a party), France is designated as the governing law and chosen forum. This fact is irrelevant to the *forum non conveniens* analysis, as ECN Capital is not a party to any such contract with Airbus and has not asserted breach of contract claims against Airbus. Airbus also suggests dismissal is appropriate because this matter has "no connection with Texas or the United States." (Airbus Br. 19.) That is patently false. As explained above, this adversary proceeding is closely related to the Bankruptcy Cases, in which both ECN Capital and Airbus are creditors—with each party's proofs of claim concerning the helicopters at issue in this lawsuit—and ECN Capital's claims are intertwined with the claims, liabilities, and property of the Debtors. Airbus also contends that the Court has no familiarity with the facts underlying ECN Capital's claims, but this again is false. From months of presiding over the proceedings in the Bankruptcy Cases, this Court has become familiar with the parties to this action; the factual circumstances giving rise to ECN Capital's claims; and the property that is the subject of, and will be affected by, this adversary proceeding. Airbus claims that none of the evidence relevant to ECN Capital's claims is in the U.S., but this is untrue—among the federal aviation authorities

investigating the 2016 Crash is the U.S. Federal Aviation Authority, which issued *from Fort Worth, Texas* an Emergency Airworthiness Directive requiring the grounding of all EC225s and AS332 L2s in response to the 2016 Crash.[36] Airbus also refers to issues of "comity" and the fact that certain of Airbus's contracts designate France as the governing law and chosen forum for disputes. International comity is an appropriate concern in a *forum non conveniens* analysis only if the movant shows that a true conflict of law exists, which Airbus has not done.[37] Airbus's grounds for *forum non conveniens* dismissal are pure pretext.

Airbus's real reason for wanting to escape this Court's jurisdiction and force ECN Capital to adjudicate its claims in France is clear. The government of France owns over 10% of the voting stock in Airbus's parent company, Airbus Group.[38] Until recently, France held an even greater stake in Airbus Group. In 2014, France sold off a small portion of its holdings in Airbus Group. Airbus Group's Chief Executive, Thomas Enders, acknowledged that the sale was designed to reduce—but not eliminate—the direct influence the French government held over the company, and to help Airbus Group become a more "normal" firm.[39] Courts do not dismiss cases on grounds of *forum non conveniens*, however, where one of the parties is likely to be treated unfairly. *Alpine View Co. Ltd.* v. *Atlas Copco AB*, 205 F.3d 208, 221 (5th Cir. 2000). Courts especially disfavor requests like Airbus's, where a foreign defendant attempts to move a case from its proper forum to the foreign defendant's home turf. *Magnolia Ocean Shipping Corp.* v. *M/V Marco Azul*, 1981 A.M.C. 2071, 2075, (E.D. Va. 1981) ("[T]he Supreme Court, as well as other courts in our federal system, has demonstrated a strong reluctance to applying the doctrine of *forum non conveniens* where the foreigners involved belonged to different nations.").

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[36] *See* Ex. Q (June 3, 2016 FAA Airworthiness Directive).
[37] *See In re Maxwell Comm. Corp.*, 93 F.3d 1036, 1049 (2d Cir. 1996) ("International comity comes into play only when there is a true conflict between American law and that of a foreign jurisdiction.").
[38] *See* Ex. B (Airbus Group Registration Document 2015) p. 90.
[39] *See* Ex. R (Ruth David, *France Selling $618 Million Airbus Stake to Institutions*, Bloomberg (Jan. 16, 2014)).

CONCLUSION

For the foregoing reasons, this Court should deny Defendant's Motion to Dismiss the Complaint.

Dated: January 27, 2017
Dallas, Texas

Respectfully submitted,

KANE RUSSELL COLEMAN & LOGAN PC

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CERTIFICATE OF SERVICE

I hereby certify that, on January 27, 2017, I caused the foregoing Opposition to Defendant's Motion to Dismiss to be served via electronic mail and First Class U.S. Mail, postage prepaid, to the following counsel of record for the Defendant:

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Adv. No. 16-03151-bjh** **Declaration of Pietro J. Signoracci in Support of Plaintiff's Opposition to <u>Defendant's Motion To Dismiss</u>**

I, Pietro J. Signoracci, declare, under penalty of perjury, pursuant to 28 U.S.C. § 1746, as follows:

1. I am an attorney at law associated with the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP, with offices at 1285 Avenue of the Americas, New York, NY 10019, (212) 373-3000, psignoracci@paulweiss.com. I have personal knowledge of the facts set forth herein, and could and would testify thereto if called as a witness.

2. This declaration is made in support of Plaintiff ECN Capital (Aviation) Corp.'s (f/k/a Element Capital Corp.) ("ECN Capital") Memorandum of Law in Opposition to Defendant Airbus Helicopters S.A.S.'s ("Airbus") Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction and *Forum non Conveniens*.

3. Attached as **Exhibit A** is a true and correct copy of Airbus Helicopters SAS: Private Company Information, Bloomberg, last visited January 26, 2017.

4. Attached as **Exhibit B** is a true and correct copy of excerpts from the Airbus Group Registration Document 2015, filed with and approved by the Autoriteit Financiële Markten on April 5, 2016.

5. Attached as **Exhibit C** is a true and correct copy of the Airbus Group Inc. Corporate Tree, S&P Capital IQ, last visited January 24, 2017.

6. Attached as **Exhibit D** is a true and correct copy of the Debtors' First Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code filed by the Debtors as Docket No. 20 in the Bankruptcy Cases on May 5, 2016.

7. Attached as **Exhibit E** is a true and correct copy of the Debtors' Second Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain

Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code filed by the Debtors as Docket No. 210 in the Bankruptcy Cases on May 27, 2016.

8. Attached as **Exhibit F** is a true and correct copy of the Debtors' Third Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code filed by the Debtors as Docket No. 250 in the Bankruptcy Cases on June 6, 2016.

9. Attached as **Exhibit G** is a true and correct copy of the Debtors' Omnibus Motion for Entry of an Order Authorizing the Debtors to (i) Abandon Certain Aircraft Pursuant to Section 554(a) of the Bankruptcy Code, (ii) Transfer Title to Certain Aircraft Pursuant to Section 363(b) of the Bankruptcy Code and (iii) Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code filed by the Debtors as Docket No. 275 in the Bankruptcy Cases on June 8, 2016.

10. Attached as **Exhibit H** is a true and correct copy of excerpts from the Transcript of the May 6, 2016 Hearing on Notice of Designation As Complex Chapter 11 Case filed as Docket No. 105 in the Bankruptcy Cases on May 12, 2016.

11. Attached as **Exhibit I** is a true and correct copy of excerpts from the Securities and Exchange Commission Form 10-K for CHC Group Ltd. dated July 15, 2016.

12. Attached as **Exhibit J** is a true and correct copy of the Revised Disclosure Statement for the Second Amended Joint Chapter 11 Plan of CHC Group Ltd. and Its Affiliated Debtors filed by the Debtors as Docket No. 1379 in the Bankruptcy Cases on December 20, 2016.

13. Attached as **Exhibit K** is a true and correct copy of the Debtors' Motion for an Order Pursuant to Sections 105, 363, and 365 of the Bankruptcy Code and

Federal Rules of Bankruptcy Procedure 6004(h), 6006, and 9019 Authorizing the Debtors to Enter into and Perform Under the 2017 Omnibus Restructure Agreement with Airbus Helicopters (SAS) Regarding Certain of the Debtors' Executory Contracts filed by the Debtors as Docket No. 1536 in the Bankruptcy Cases on January 24, 2017.

14. Attached as **Exhibit L** is a true and correct copy of the Complaint filed as Docket No. 2 in *Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc.*, DC-16-09090 (Tex. Dist. Ct., Dall. County) on July 28, 2016.

15. Attached as **Exhibit M** is a true and correct copy of the Complaint filed as Docket No. 2 in *Era Group Inc.* v. *Airbus Helicopters Inc., et al.*, DC-16-15017 (Tex. Dist. Ct., Dall. County) on November 21, 2016.

16. Attached as **Exhibit N** is a true and correct copy of the Second Amended Joint Chapter 11 Plan filed by the Debtors as Docket No. 1371 on December 19, 2016.

17. Attached as **Exhibit O** is a true and correct copy of the Special Appearance of Defendant Airbus Helicopters, S.A.S. filed as Docket No. 20 in *Era Group Inc.* v. *Airbus Helicopters Inc., et al.*, DC-16-15017 (Tex. Dist. Ct., Dall. County) on January 12, 2017.

18. Attached as **Exhibit P** is a true and correct copy of excerpts from Proofs of Claim Nos. 353 and 365 filed by Airbus in the Bankruptcy Cases on August 22, 2016.

19. Attached as **Exhibit Q** is a true and correct copy of the FAA Airworthiness Directive FAA-2016-8032, 14 CFR 39 (Jul. 5, 2016), issued on June 3, 2016.

20. Attached as **Exhibit R** is a true and correct copy of Ruth David, *France Selling $618 Million Airbus Stake to Institutions*, Bloomberg, dated January 16, 2014.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 27, 2017
New York, New York

Pietro J. Signoracci

Exhibit A

Aerospace and Defense
Company Overview of Airbus Helicopters SAS

January 26, 2017 10:22 AM ET

Snapshot **People**

Company Overview

Airbus Helicopters SAS designs and manufactures a range of civil and military helicopters. It also offers airplane components that include doors and fairings, and military aircraft components; technical and logistics support services that include fleet management, failure analysis/repair procedures, technical documentation, and software maintenance and modification; modification/upgrades that include the integration of new systems and avionic upgrades; maintenance, repair, and overhaul; and logistics and spare parts services that include material management and warehouse management. The company has a network of service centers, training facilities, distributors, and agents in France and internationally. Airbus Helicopters SAS was formerly known as Eurocopter SAS and changed its name to Airbus Helicopters SAS in January 2014. The company was founded in 1992 and is based in Marignane, France with engineering design offices in Poland, France, Germany, and Spain. It has subsidiaries in La Courneuve Cedex, France; and Donauwörth and Calden, Germany. Airbus Helicopters SAS operates as a subsidiary of Airbus Group SE.

Hide Detailed Description

International Airport
Marseille-Provence
Cedex
Marignane, 13725
France

Phone: 33 4 42 85 85 85
Fax: 33 4 42 85 85 00
www.airbushelicopters.com

Founded in **1992**

Key Executives For Airbus Helicopters SAS

Mr. Guillaume Faury
Chief Executive Officer and President
Age: 48

Ms. Gerlinde Honold
Executive Vice President of Finance

Mr. Stephane Ginoux
Chief Executive Officer of Eurocopter Japan
Age: 49

Mr. Juan Carlos Martinez Saiz
Managing Director
Age: 55

Mr. Christian Gras
Executive Vice President of Customers
Age: 58

Compensation as of Fiscal Year 2016.

Airbus Helicopters SAS Key Developments

Airbus Helicopters Delivers First Three Panther Helicopters to PT Dirgantara Indonesia

Nov 25 16

Airbus Helicopters has delivered the first three AS565 MBe Panther helicopters to industrial partner PT Dirgantara Indonesia during a ceremony held at its headquarters in Marignane, France. The delivery is part of an agreement under which Airbus will supply 11 AS565 MBe helicopters to its Indonesian industrial partner, which as the design authority will carry out reassembling and outfitting of the rotorcraft in-country. The outfitting is expected to cover the installation of the anti-submarine warfare (ASW) suite, such as dipping sonar and torpedo launch systems. The ASW suite will enable the Indonesian Navy to carry out demanding missions. The AS565 MBe helicopter is the naval version of Airbus' Panther family and has been designed as an all-weather, multi-role medium rotorcraft, capable of deploying for operations from ship decks, offshore locations and land-based sites. Equipped with two Safran Arriel 2N engines, the AS565 MBe helicopter can operate in high and hot conditions at a maximum speed of 165k and a range of 780km. The helicopters are fitted with a new main gearbox, the latest-generation tail rotor and a four-axis autopilot that minimizes crew workload and facilitates better mission performance.

Airbus Helicopters Signs a Contract with Japan Coast Guard for the Purchase of an Additional H225

Mar 14 16

Airbus Helicopters has signed a contract with Japan Coast Guard (JCG) for the purchase of an additional H225. JCG, which already operates five H225s, has ordered this additional aircraft as part of its fleet renewal plans. The helicopter is scheduled for delivery by the end of 2018. This H225 will be equipped with the most advanced search and rescue mission systems and operated in security enforcement, territorial sea guard duties as well as disaster relief missions.

Airbus Helicopters Announces Executive Appointments

Mar 4 16

Airbus Helicopters has appointed Ben Bridge as the executive vice president of global business and Matthieu Louvot as the executive vice president of customer support and services. Both Global Business and Support & Services functions are now sitting at the company's Executive Committee. These appointments are effective 1 April 2016. Ben Bridge, who will report to Airbus Helicopters President and CEO Guillaume Faury, joins from BAE Systems where he acted as Regional Managing Director Europe & Americas, and previously as Managing Director Middle East & Africa. He brings a 17-year experience with BAE Systems in international sales & marketing and will drive business growth for Airbus Helicopters. Matthieu Louvot currently serves as Head of Customer Support & Services. He will now join the Executive Committee and report to Guillaume Faury. Dominique Maudet, who had held the position Executive Vice-President Global Business & Services since May 2011, is appointed as Head of Airbus Group Strategic Defence Relations, also effective 1 April 2016. In this position he will report to Marwan Lahoud, Executive Vice-President International, Strategy & Public Affairs and Member of the Group Executive Committee.

Similar Private Companies By Industry

Company Name	Region
6 Mouv SA	Europe
ACB S.A.	Europe
ACH Engineering SA	Europe
AD Industrie SAS	Europe
Aéro Capital S.A.S.	Europe

Recent Private Companies Transactions

Type Date	Target
Bankruptcy May 5, 2016	CHC Group Ltd.

Exhibit B

Registration **Document**

2015

APP000126

Airbus Group SE (the **"Company"** and together with its subsidiaries the **"Group"**) is a Dutch company, which is listed in France, Germany and Spain. The applicable regulations with respect to public information and protection of investors, as well as the commitments made by the Company to securities and market authorities, are described in this Registration Document (the **"Registration Document"**).

On 27 May 2015 at the Annual General Meeting of Shareholders (the "AGM") of Airbus Group N.V., the conversion into a European Company was approved with the overwhelming majority of 99.99%. The conversion became effective on 28 May. Airbus Group N.V. is now called Airbus Group SE.

In addition to historical information, this Registration Document includes forward-looking statements. The forward-looking statements are generally identified by the use of forward-looking words, such as "anticipate", "believe", "estimate", "expect", "intend", "plan", "project", "predict", "will", "should", "may" or other variations of such terms, or by discussion of strategy. These statements relate to the Company's future prospects, developments and business strategies and are based on analyses or forecasts of future results and estimates of amounts not yet determinable. These forward-looking statements represent the view of the Company only as of the dates they are made, and the Company disclaims any obligation to update forward-looking statements, except as may be otherwise required by law. The forward-looking statements in this Registration Document involve known and unknown risks, uncertainties and other factors that could cause the Company's actual future results, performance and achievements to differ materially from those forecasted or suggested herein. These include changes in general economic and business conditions, as well as the factors described under "Risk Factors" below.

This Registration Document was prepared in accordance with Annex 1 of EC Regulation No. 809 / 2004, filed in English with, and approved by, the *Autoriteit Financiële Markten* (the "AFM") on 5 April 2016 in its capacity as competent authority under the *Wet op het financieel toezicht* (as amended) pursuant to Directive 2003 / 71 / EC. This Registration Document may be used in support of a financial transaction as a document forming part of a prospectus in accordance with Directive 2003 / 71 / EC only if it is supplemented by a securities note and a summary approved by the AFM.

AIRBUS GROUP

Registration **Document**

| 2015 |

Risk Factors

1 ▪ Information on Group Activities

2 ▪ Management's Discussion and Analysis of Financial Condition and Results of Operations

3 ▪ General Description of the Company and its Share Capital

4 ▪ Corporate Governance

5 ▪ Entity Responsible for the Registration Document

AIRBUS GROUP

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3.2.4 Securities Granting Access to the Company's Share Capital

Except for stock options granted for the subscription of the Company's shares (See "— Corporate Governance — 4.3.3 Long-Term Incentive Plans" and "Notes to the IFRS Consolidated Financial Statements — Note 30: Share-based payment") and convertible bonds (See "Notes to the IFRS Consolidated Financial Statements — Note 34.3 Financial liabilities"), there are no securities that give access, immediately or over time, to the share capital of the Company.

The table below shows the total potential dilution that would occur if all the stock options issued as of 31 December 2015 were exercised:

	Number of shares	Percentage of diluted capital	Number of voting rights	Percentage of diluted voting rights[1]
Total number of Company shares issued as of 31 December 2015	785,344,784	99.331%	785,344,784	99.331%
Total number of Company shares which may be issued following exercise of stock options	264,500	0.034%	264,500	0.034%
Total number of bonds convertible into Company shares which may be issued	5,022,990	0.635%	5,022,990	0.635%
Total potential Company share capital	**790,632,274**	**100%**	**790,632,274**	**100%**

(1) The potential dilutive effect on capital and voting rights of the exercise of these stock options may be limited as a result of the Company's share purchase programmes and in the case of subsequent cancellation of repurchased shares. See "— 3.3.7.1 Dutch law and information on share repurchase programmes".

3.2.5 Changes in the Issued Share Capital

Date	Nature of Transaction	Nominal value per share	Number of shares issued / cancelled	Premium[1]	Total number of issued shares after transaction	Total issued capital after transaction
20 June 2013	Cancellation of shares upon authorisation granted by the Extraordinary General Meeting held on 27 March 2013	€1	47,648,691	-	779,719,254	€779,719,254
29 July 2013	Issue of shares for the purpose of an employee offering	€1	2,113,245	€57,580,650	781,832,499	€781,832,499
27 September 2013	Cancellation of shares upon authorisation granted by the Extraordinary General Meeting held on 27 March 2013	€1	3,099,657	-	778,732,842	€778,732,842
27 September 2013	Cancellation of shares upon authorisation granted by the Annual Shareholders' Meeting held on 29 May 2013	€1	2,448,884	-	776,283,958	€776,283,958
In 2013	Issue of shares following exercise of options granted to employees[2]	€1	6,873,677	€176,017,918	783,157,635	€783,157,635
In 2014	Issue of shares following exercise of options granted to employees[2]	€1	1,871,419	€50,619,684	784,780,585	€784,780,585
In 2015	Cancellation of shares upon authorisation granted by the Annual Shareholders' Meeting held on 27 May 2015	€1	2,885,243	-	785,333,784	€785,333,784
In 2015	Issue of shares following exercise of options granted to employees[2]	€1	1,910,428	-	785,344,784	€785,344,784

(1) The costs (net of taxes) related to the initial public offering of the shares of the Company in July 2000 have been offset against share premium for an amount of €55,849,772.
(2) For information on stock option plans under which these options were granted to the Company's employees, see "— Corporate Governance — 4.3.3 Long-Term Incentive Plans".

In 2015, the Group's employees exercised 1,910,428 stock options granted to them through the Stock Option Plans launched by the Company. As a result, 1,910,428 new shares were issued in the course of 2015.

During 2015, (i) the Company repurchased in aggregate 4,078,346 shares and (ii) 2,885,243 treasury shares were cancelled.

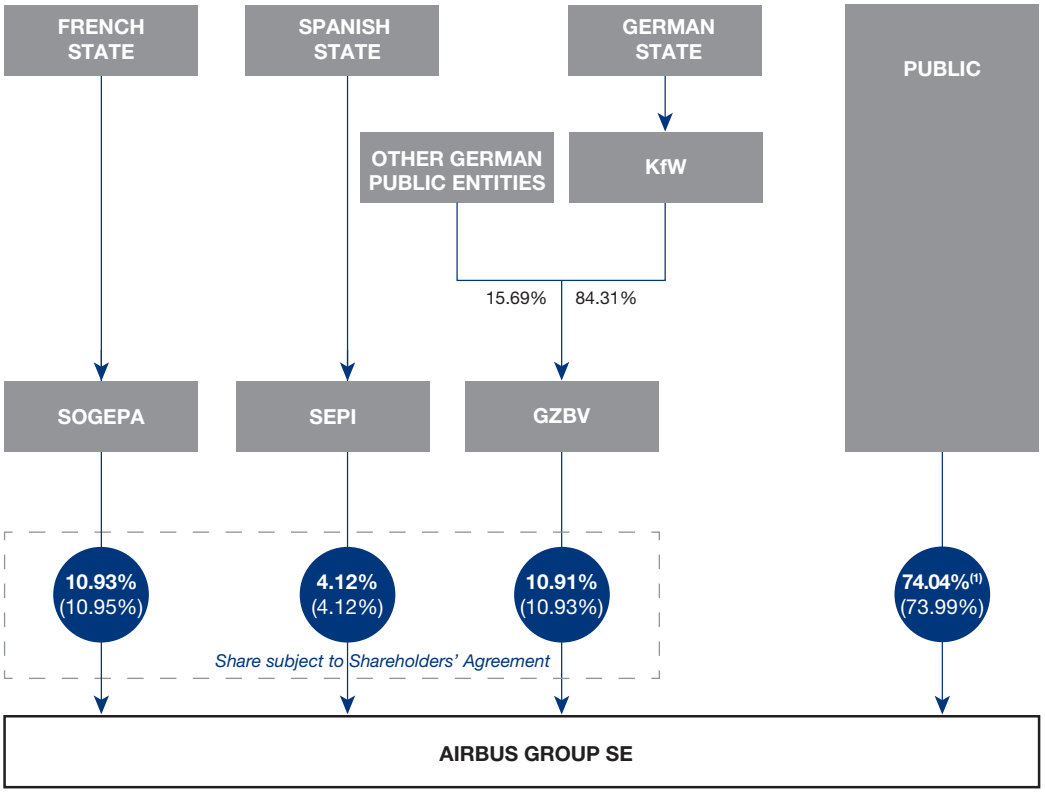
3.3 Shareholdings and Voting Rights

3.3.1 Shareholding Structure at the end of 2015

As of 31 December 2015, the French State held 10.93% of the outstanding Company shares through *Société de Gestion de Participations Aéronautiques* ("**Sogepa**"), the German State held 10.91% through Gesellschaft zur Beteiligungsverwaltung GZBV mbH & Co. KG ("**GZBV**"), a subsidiary of Kreditanstalt für Wiederaufbau ("**KfW**"), a public law institution serving domestic and international policy objectives of the Government of the Federal Republic of Germany, and the Spanish State held 4.12% through *Sociedad Estatal de Participaciones Industriales* ("**SEPI**"). The public (including the Group's employees) and the Company held, respectively, 73.85% and 0.19% of the Company's share capital.

The diagram below shows the ownership structure of the Company as of 31 December 2015 (% of capital and of voting rights (in parentheses) before exercise of outstanding stock options granted for the subscription of Airbus Group shares). See "— Corporate Governance — 4.3.3 Long-Term Incentive Plans".

OWNERSHIP STRUCTURE OF AIRBUS GROUP SE AS OF 31 DECEMBER 2015



(1) Including shares held by the Company itself (0.19%).

In addition, the below listed entities have notified the AFM of their substantial interest in the Company as of 31 December 2015. For further details, please refer to the website of the AFM at: **www.afm.nl**:

- BlackRock, Inc. (4.20% of the capital interest and 4.99% of the voting rights); and
- Capital Group International Inc. together with Capital Research and Management Company (5.02% of the voting rights).

As of 31 December 2015, the Company held, directly or indirectly through another company in which the Company holds directly or indirectly more than 50% of the share capital, 1,474,057 of its own shares, equal to 0.19% of issued share capital. The treasury shares owned by the Company do not carry voting rights.

For the number of shares and voting rights held by Members of the Board of Directors and Group Executive Committee, see "— Corporate Governance — 4.2.1 Remuneration Policy".

Approximately 2.01% of the share capital (and voting rights) was held by the Company's employees as of 31 December 2015.

3.3.2 Relationships with Principal Shareholders

On 5 December 2012, the Company, its then-core shareholders — Daimler AG ("**Daimler**"), Daimler Aerospace AG ("**DASA**"), Société de Gestion de l'Aéronautique, de la Défense et de l'Espace ("**Sogeade**"), Lagardère SCA ("**Lagardère**"), Société de Gestion de Participations Aéronautiques ("**Sogepa**") and Sociedad Estatal de Participaciones Industriales ("**SEPI**") — and Kreditanstalt für Wiederaufbau ("**KfW**"), a public law institution serving domestic and international policy objectives of the Government of the Federal Republic of Germany, reached an agreement (the "**Multiparty Agreement**") on far-reaching changes to the Company's shareholding structure and governance. The Multiparty Agreement was aimed at further normalising and simplifying the governance of the Company while securing a shareholding structure that allowed France, Germany and Spain to protect their legitimate strategic interests. This represented a major step forward in the evolution of the governance of the Company.

The Multiparty Agreement provided for significant changes to the Company's shareholding structure. In addition, a series of related transactions (collectively referred to as the "**Consummation**") occurred shortly after the Extraordinary General Meeting of the shareholders held on 27 March 2013. This resulted in several changes in the governance of the Company, including changes in the composition of the Board of Directors and its internal rules, as well as amendments to the Articles of Association of the Company. The participation agreement among the Company's former core shareholders, as at 31 December 2012 including KfW, was terminated and replaced in part by a more limited shareholders' agreement (the "**Shareholders' Agreement**") among only Gesellschaft zur Beteiligungsverwaltung GZBV mbH & Co. KG ("**GZBV**"), a subsidiary of KfW, Sogepa and SEPI.

The Shareholders' Agreement does not give the parties to it any rights to designate Members of the Board of Directors or management team or to participate in the governance of the Company. Finally, the Multiparty Agreement provided for the entry into state security agreements with each of the French State and German State, which will be described in more detail below, and certain further undertakings of the Company with respect to selected matters that affect the interests of the Current Consortium Members.

3.3.2.1 Corporate Governance Arrangements

After the Consummation, the corporate governance arrangements of the Company were substantially changed. These changes are intended to further normalise and simplify the Company's corporate governance, reflecting an emphasis on best corporate governance practices and the absence of a controlling shareholder group. Certain changes to the Company's corporate governance arrangements were provided for in the Articles of Association, including (i) disclosure obligations for shareholders that apply when their interests in the Company reach or cross certain thresholds and (ii) ownership restrictions prohibiting any shareholder from holding an interest of more than 15% of the share capital or voting rights of the Company, acting alone or in concert with others. See sections 3.1.11 and 3.1.12 above. In addition, there were changes in the composition of the Board of Directors and its internal rules. See section 4 below.

3.3.2.2 Core Shareholder Arrangements

Grandfathering Agreement

At the Consummation, the French State, Sogepa, the German State, KfW and GZBV (all parties together the "**Parties**" and each, individually, as a "**Party**") entered into an agreement with respect to certain grandfathering rights under the Articles of Association. Below is a summary of such agreement.

Individual Grandfathering Rights

A Party that is individually grandfathered pursuant to Article 16.1. b of the Articles of Association (such Party holding "**Individual Grandfathering Rights**") shall remain individually grandfathered in accordance with the Articles of Association if the new concert with respect to the Company (the "**Concert**") is subsequently terminated (for instance by terminating the Shareholders' Agreement) or if it exits the Concert.

Designed and produced by W
Annual Review: W
Registration Document and Financial Statements: Labrador

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Airbus Group SE

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BP 90112
31703 Blagnac Cedex
France

AIRBUS
GROUP

Exhibit C

S&P Capital IQ | Airbus Group Inc. > Corporate Tree

Corporate Structure Tree

Expand All | Collapse All | Filter Relationship Types | Search Companies |

Click to expand corporate tree upwards

Airbus Group Inc.
Parent Company
LTM Total Revenues (MM): 6.77 | **LTM Net Income (MM):** - | **LFQ Total Debt (MM):** -
Headquarters: Herndon, Virginia | United States

Airbus Defense and Space, Inc.
Current Subsidiary/Operating Unit | **Stake Type:** Majority | **% Owned:** 100.00
LTM Total Revenues (MM): 381.73 | **LTM Net Income (MM):** - | **LFQ Total Debt (MM):** -
Headquarters: Herndon, Virginia | United States

Airbus Military U K Ltd
Current Subsidiary/Operating Unit | **Stake Type:** Majority | **% Owned:** -
LTM Total Revenues (MM): 13.58 | **LTM Net Income (MM):** - | **LFQ Total Debt (MM):** -
Headquarters: United Kingdom

Airbus Helicopters, Inc.
Current Subsidiary/Operating Unit | **Stake Type:** Majority | **% Owned:** -
LTM Total Revenues (MM): 195.84 | **LTM Net Income (MM):** - | **LFQ Total Debt (MM):** -

Headquarters: Grand Prairie, Texas | United States

EADS North America Defense Company, Inc.
Current Subsidiary/Operating Unit | **Stake Type:** Majority | **% Owned:** 100.00
LTM Total Revenues (MM): - | **LTM Net Income (MM):** - | **LFQ Total Debt (MM):** -
Headquarters: Arlington, Virginia | United States

EADS Secure Networks North America, Inc
Current Subsidiary/Operating Unit | **Stake Type:** Majority | **% Owned:** -
LTM Total Revenues (MM): 5.67 | **LTM Net Income (MM):** - | **LFQ Total Debt (MM):** -
Headquarters: United States

Company Information

Name: Airbus Group Inc.

Relationship: Parent Company

Parent Company: Airbus Group SE (ENXTPA:AIR)

Ultimate Corporate Parent: Airbus Group SE (ENXTPA:AIR)

Majority Investor: (% Owned) Airbus Group SE (ENXTPA:AIR) (100.00%)

Minority Investor(s): (% Owned) -

Investors (unknown stake): -

Business Description: Airbus Group Inc. develops and provides defense and homeland security, commercial aviation, helicopters, and telecommunications and service solutions. The company supplies helicopters to the coast guard; ocean sentry aircraft for coast guard maritime... More >>

Headquarters: Herndon, Virginia | United States

Primary Industry: Aerospace and Defense

LTM Total Rev. (MM): 6.77
Net Income (MM): -
LFQ Total Assets (MM): -
LFQ Total Debt (MM): -
Period End Date: -

Most Recent S&P Rating -

Recent Related Transactions (Size in $mm)

Announced Date	Transaction Type	Size
Apr-22-2008	Merger/Acquisition	350.00
Jan-10-2007	Merger/Acquisition	-
Jun-08-2006	Merger/Acquisition	-
Jul-29-2005	Merger/Acquisition	-

Viewing 1-4 of 4 Transactions

* denotes proprietary relationship information.

Exhibit D

Objection Deadline: TBD
Hearing Date: TBD

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Proposed Special Aircraft Attorneys for Debtors and Debtors in Possession

This Omnibus Motion seeks, in part, to reject certain executory contracts and unexpired leases. If you have received this Motion and are a contract-counterparty to an agreement with the Debtors, please review Schedule 1, attached hereto, to determine if this Motion affects your agreement and your rights thereunder.

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

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	:	
In re:	:	**Chapter 11**
	:	
CHC GROUP LTD. *et al.*,	:	**Case No. 16– _____ ( )**
	:	
	:	
Debtors.	:	**(Joint Administration Requested)**
	:	
----------	x	

DEBTORS' FIRST OMNIBUS MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE DEBTORS TO REJECT CERTAIN EQUIPMENT LEASES AND SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"),[1] respectfully represent:

Relief Requested

1. The Debtors respectfully request that this Court enter an order, substantially in the form attached hereto as Exhibit B (the "**Order**"), authorizing them, pursuant to sections 105(a) and 365(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 6006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), to reject certain equipment leases (the "**Leases**") for helicopters and other related equipment identified on Schedule 1 attached hereto that the Debtors no longer need in the operation of their business (collectively, the "**Excess Equipment**") and certain sublease agreements identified on Schedule 2 attached hereto (the "**Subleases**") and relating to certain Excess Equipment identified on Schedule 2 (the "**Subleased Equipment**").

Jurisdiction and Venue

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

Background

3. On the date hereof (the "**Petition Date**"), each of the Debtors commenced with this Court a voluntary case under chapter 11 of title 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

[1] A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, where applicable, is attached hereto as **Exhibit A**.

4. Contemporaneously herewith, the Debtors have filed a motion seeking joint administration of these chapter 11 cases.

The Debtors' Businesses

5. The Debtors, together with their non-debtor affiliates (collectively, "**CHC**"), comprise a global commercial helicopter service company, primarily engaged in providing helicopter services to the offshore oil and gas industry. CHC also provides helicopter services for search and rescue and emergency medical services to various government agencies. In addition, CHC maintains the industry's largest independent helicopter maintenance, repair, and overhaul business (such business, an "**MRO**"), which services helicopter fleets for both CHC as well as third-party customers. CHC manages its domestic and overseas businesses from Irving, Texas and its sales force from an office in Houston, Texas. CHC maintains one of its primary engine overhaul facilities in Fort Collins, Colorado. Only certain entities within CHC – primarily the issuers or guarantors of the Debtors' funded debt – are Debtors in these proceedings. CHC's other entities, including certain operating entities, are not debtors in these cases and are continuing to conduct their businesses in the ordinary course.

6. Additional information about the Debtors' businesses, capital structure and the circumstances leading to the commencement of these chapter 11 cases can be found in the *Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief* (the "**Del Genio Declaration**"), filed concurrently herewith.

Basis for Relief

7. In connection with the commencement of these chapter 11 cases, CHC has undertaken to formulate a revised business plan to address the high cost/weakened revenue environment. As an ongoing component of that plan and of the chapter 11 process, CHC has identified cost savings to be achieved through a significant reduction in their fleet by eliminating

helicopters and other related equipment that currently are not, or soon will not be, used to generate revenue in CHC's businesses. In addition, CHC is in the process of reducing the complexity of its fleet, which will decrease costs associated with crew training, inventory and maintenance. This reduction and rationalization of CHC's fleet will create a significant surplus of helicopters and other related equipment owned and leased by CHC.

8. CHC maintains a fleet of approximately 230 helicopters comprised of the medium variant (8 to 15 passengers) and heavy variant (16 to 26 passengers) collectively (the "CHC Fleet"). A significant portion of the fleet is comprised of new technology helicopters which have greater range, passenger capacity, enhanced safety systems, and the ability to operate in variable conditions. Of the 230 helicopters in the fleet, CHC owns 67 helicopters and CHC leases the remainder from various third-party lessors. In most cases CHC subleases aircraft to affiliated operating entities. These leasing structures provide maximum regulatory and business flexibility.

9. Based on current market conditions, a significant reduction in the Debtors leased fleet size and related expenses is required to improve the Debtors' financial position and flexibility and position the Debtors to take advantage of opportunities that may arise out of the current industry downturn.

10. The Debtors have undertaken to accelerate their fleet replacement strategy in exiting from non-revenue generating aircraft and five older technology helicopter types, in order to first meet their customers' demands for newer technology helicopters and then reduce the number of different helicopters types in their fleet. The Debtors expect to reduce their fleet to approximately 75 aircraft by 2017, with approximately 90 aircraft to be returned in the next sixty (60) days. The near-term returns include approximately 16 Sikorsky S-76, 18 Airbus

AS332, 16 Sikorsky S-92, 20 Airbus H225, 1 Airbus EC155 and 19 AgustaWestland AW139 helicopters.

11. In accordance with this analysis, CHC has decided to retire immediately or has already retired certain helicopters and related equipment from its fleet. The Excess Equipment is not necessary for CHC's continued operation or successful reorganization. Accordingly, CHC seeks to eliminate the costs associated with retaining such Excess Equipment.

12. The requested relief will (i) allow for immediate rejection of the Leases and the Subleases and eliminate unnecessary obligations of the Debtors; (ii) establish an orderly, efficient process for the surrender and return of the Excess Equipment and related documentation; (iii) preserve the uninterrupted operation of CHC's business; and (iv) reduce the very substantial costs and disruptions that otherwise would be incurred in connection with replacing engines currently installed on rejected helicopters with the originally installed engines. The requested relief will also ensure that lessors under the rejected Leases (the "**Lessors**") are provided with procedures for the documentation of title to the helicopters and related equipment that are surrendered and returned to them through the surrender and return process. As part of CHC's revised business plan, CHC expects to reduce its fleet over the next sixty (60) days by approximately 90 helicopters. CHC will continue to analyze its fleet and, as a result of this ongoing analysis, CHC believes it is likely that a substantial number of additional helicopters and related equipment will be retired in the future.

Replacement of Helicopter Parts and Equipment

13. The process of rejecting the Leases is extremely complicated, particularly when rejecting and returning approximately 90 helicopters in a very short period of time. One of the difficult aspects of this process is addressing the standard practice in the helicopter industry

of "pooling" of helicopter parts, including engines, across an operator's helicopter fleet as well as with third-party MROs and such MROs' customers' helicopter fleets.

14. All helicopters need regular maintenance. Many helicopter parts, including engines, are "time-limited" in that they are installed on a helicopter and permitted to be operated on the helicopter for a fixed interval of flight hours, cycles or calendar time that is specific to the type of part. At the end of the applicable interval, the part is "run-out", and the operator must remove it from the helicopter and install on the helicopter another "fresh" part of the same type with all or a portion of the applicable interval remaining in order to continue operating the helicopter. Helicopter parts may also be removed from a helicopter and replaced because they are damaged or otherwise unserviceable and require testing or repair. For some types of helicopter parts, when they are run-out or unserviceable, they are removed from the helicopter and discarded. For other types of helicopter parts, including engines, when they are run-out or unserviceable, they are removed from the helicopter and sent to an MRO for scheduled maintenance to replenish the applicable interval of the run-out part or for testing and repair of the unserviceable part, as applicable.

15. Scheduled maintenance, testing and repair services performed by an MRO are detailed, time-consuming processes. In addition, MROs are not in all the same locations as their customers' helicopter bases, which are located all over the world, including in remote areas, and accordingly transporting run-out and unserviceable parts from a helicopter base to an MRO and back again can take considerable time and expense. Accordingly, to avoid frequent and lengthy disruptions in helicopter operation schedules due to scheduled maintenance, testing and repair of helicopter parts that become run-out or unserviceable during the course of each helicopter's operation, it is standard in the helicopter industry for an MRO, on an ongoing basis,

both to receive run-out and unserviceable parts from all of its different customers and to provide these customers with a supply of other fresh or serviceable parts of the same type for installation and use on such customers' helicopters. When an MRO has finished its maintenance, testing and repair processes such that a run-out or unserviceable part is fresh or serviceable, as applicable, that fresh or serviceable part goes into the same parts pool that supplies all of the MRO's customers. To facilitate this kind of MRO parts pooling arrangement (an "**MRO Pooling Arrangement**"), the MRO's arrangements with its different customers typically will contemplate that title to run-out or unserviceable parts that the customer sends to the MRO will vest in the MRO, and title to the supply of fresh or serviceable parts that the MRO sends to a customer will vest in the customer or in the owner/lessor of the aircraft on which such fresh or serviceable part is installed. Accordingly, the parts that a customer receives from an MRO and installs on a helicopter are often not the same parts that were originally installed on the helicopter, and in many cases will be a part originally installed on a helicopter operated by a different customer.

16. The engines in CHC's helicopter fleet are maintained, tested and repaired under MRO Pooling Arrangements by both CHC's own MRO as well as third-party MROs. Accordingly, due to these MRO Pooling Arrangements and given the large size of CHC's helicopter fleet and its continued operation for many years, on any given day, a significant portion of the helicopters in CHC's fleet will not have installed on them those engines that were originally installed on the helicopter at the commencement of the applicable lease (the "**Original Equipment**"), and given the breadth of CHC's worldwide operations, much of such Original Equipment will be located in different parts of the world than the applicable helicopter subject to

such lease and, in fact, may be installed on the helicopters of third-party operators or owned and possessed by an MRO and used in such MRO's shared pool.

17. Replacement of engines and other parts will occur multiple times for each helicopter during the term of the applicable lease and during the life of a helicopter. Typically, helicopter leases identify the Original Equipment and other parts by serial number. As the Original Equipment or other parts become run-out or unserviceable in the course of the helicopter's operation, the operator will remove and replace such parts with other fresh or serviceable parts during the term of the applicable lease. Moreover, as it is in the interest of the lessors that the helicopter is in an operating condition during the lease term, helicopter leases typically require the lessee to remove run-out or unserviceable parts and replace them with other parts that have time remaining in the applicable interval and are serviceable, and many leases will require that at lease expiry the helicopter is returned to the applicable lessor with minimum flight hours, cycles or calendar days, as the case may be, before scheduled removal of specific parts.

18. To accommodate this standard and necessary practice, helicopter leases and mortgages typically include provisions contemplating the removal and replacement of engines under certain circumstances. Thus, in the case of a helicopter lease, the substitution provisions would contemplate that the lessee cause title to a replacement engine to be conveyed to the lessor and contemporaneously the lessor relinquish title to the engine being replaced. Similarly, in the case of a helicopter mortgage, the substitution provisions would contemplate that the mortgagor subject a replacement engine to the mortgage and contemporaneously the secured party relinquish its lien on the engine being replaced.

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19. Substantially all of CHC's helicopter leases include provisions contemplating the removal and replacement of engines and parts under the applicable lease, including provisions permitting CHC to "substitute" other engines under the lease under certain circumstances. In addition, many of CHC's leases follow CHC's general policy of not permitting filings or registrations of the applicable Lessor's interest in any particular engines then subject to the lease, as CHC views such filings or registrations as inconsistent with or hampering the ordinary course replacement of engines in CHC's helicopter fleet and MRO Pooling Arrangements.

20. Requiring CHC to return with each helicopter the Original Equipment would be monumentally burdensome, expensive and disruptive to CHC's business, inasmuch as this process would require CHC to ground and remove all affected helicopters from revenue generating operations much earlier than would otherwise be necessary in order to remove the then affixed engines, transport each removed engine to the location of the helicopter subject to the applicable lease, and replace each removed engine with the engine identified in the applicable lease, assuming such engine is even currently in CHC's possession as part of CHC's engine pool. Thus, the operations and maintenance schedules for each affected helicopter would be disrupted, thereby adding to the complexity, burden, expense and loss of revenue. In addition, with respect to any Original Equipment installed on a helicopter that is no longer in CHC's fleet or is now part of an MRO's engine pool, it may not be possible for CHC to reacquire such Original Equipment to return to the applicable Lessor, since such engine may be installed and operating in the fleet of another operator and title to such engine would have been conveyed by an original equipment manufacturer ("**OEM**") or MRO, as the case may be, to such operator. The burden, expense and disruption to CHC's business and fleet operations would be multiplied

significantly given that 44 helicopters are being returned as part of this motion and an additional approximately 45 helicopters are expected to be returned in the very near term, with potentially additional helicopters to be surrendered and returned in the medium term as CHC continues to review its fleet needs.

21. Moreover, in order to accomplish this task absent the relief requested, CHC might need to establish one or more maintenance lines at each helicopter base and at its MRO maintenance locations dedicated solely to replacing engines or contract the work to outside repair companies or MROs. As a result, CHC would need to hire additional maintenance workers, pay significant overtime expenses and incur significant outside contractor expenses to coordinate and perform engine replacements in connection with Excess Equipment returns. The cost of this incremental labor and these operations would be significant and particularly onerous for CHC at a time when CHC is taking every possible measure to preserve cash and limit unnecessary costs.

22. Furthermore, given the number of helicopters that would have to be taken out of service, the engine replacements could lead to lengthy disruptions in service to CHC's customers, which may cause CHC's customers to cancel their contracts or assess penalties against CHC that would impact revenues to the detriment of the estates and all parties in interest.

23. Each helicopter model has specific types of rotor blades, engines and other parts approved for use with such helicopter model. All engines of a specific model and version are the same. The only difference in value of two engines of the same model and version is a function of the differences in the condition and remaining maintenance cycle interval as between the two engines. Most leases provide that a lessor is entitled to receive an engine with the condition and remaining maintenance cycle interval specified in the lease. It is standard practice

in the industry that when an engine is removed and sent to an MRO for overhaul and repair, the MRO will provide to the operator for installation on the helicopter an overhauled and repaired engine that would be in better condition than the engine removed from the helicopter. Therefore, upon installation of the replacement engine from the MRO, the lessor for that helicopter receives a more valuable part than the part removed.

24. Additional information about CHC's fleet operations and the standard maintenance and pooling practices in the helicopter industry can be found in the *Declaration of Michael B. Cox in Support of the Debtors' First Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* (the "**Cox Declaration**"), filed concurrently herewith.

25. Upon return of leased helicopters, if not already completed during the term of the lease, CHC will facilitate bills of sale and title transfers on replacement engines. Given the large number of helicopters being returned by CHC, a streamlined procedure is needed to allow for the efficient return of each helicopter.

26. CHC proposes that the procedures set forth below create a reasonable, cost-effective, orderly process for the nearly contemporaneous return of Excess Equipment and related documentation.

Procedures

27. The Debtors ask that the Court approve the following procedures regarding the Leases, Subleases and Excess Equipment that are the subject of this motion ("**Procedures**").

A. Filing Proofs of Claim

28. The Debtors propose that any claims arising out of any rejection effected pursuant to these Procedures must timely be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which prepetition general unsecured claims must be filed (the "**Bar Date**"), on or before the later of (i) the Bar Date or (ii) 30 days after the Effective Date with respect to the item of Excess Equipment or with respect to the Sublease to which such claim relates, as the case may be. Any claim not timely filed will be irrevocably barred.

B. Provision of Records and Documents

29. Upon effectiveness of rejection or as soon as reasonably practicable thereafter, the Debtors shall make available to the applicable Lessors records and documents relating to such Excess Equipment that are readily available. If such Excess Equipment is Replacement Equipment, the Debtors shall make available records and documents that are readily available relating to such Replacement Equipment instead of those relating to any equipment previously installed (but no longer installed) on the helicopter in accordance with the foregoing.

C. Return and Retrieval of Helicopters

30. The Debtors have provided information on the schedules and exhibits attached hereto that will assist the Lessors in retrieving the Excess Equipment.

31. If any of the engines (the "**Replacement Equipment**") installed on or returned with a helicopter (the "**Affected Equipment**") at the time of surrender and return by the Debtors have not been previously substituted pursuant to the terms of the relevant Lease, the following guidelines shall apply:

a. If requested, and subject to paragraphs (b) through (e) below, the Debtors shall formalize the transfer of the Debtors' right, title and interest in such Replacement Equipment to the relevant Lessor free and clear of all liens, claims and encumbrances (except for permitted liens under the relevant Lease) by providing a bill of sale to the Lessor of such Replacement Equipment.

b. If the Replacement Equipment is encumbered by a recorded lien or mortgage that is not a permitted lien under the relevant Lease, at the Debtor's election: (i) such lien or mortgage shall be released from such Replacement Equipment and shall attach to substitute equipment designated by the Debtors and having a value and utility at least equal to the Replacement Equipment (the "**Substitute Equipment**"), (ii) the Debtors shall facilitate the lifting and release of such lien or mortgage on such Replacement Equipment, (iii) the Replacement Equipment shall be replaced with Substitute Equipment of the same model and version as such Replacement Equipment, or (iv) the Replacement Equipment shall not be returned to the Lessor and the Lessor shall instead receive as part of the Lessor's damages claim, if any, a pre-petition claim for the value of an engine of the same model and version returned in compliance with the return conditions set forth in the Lease. In the case of (iii) and (iv) above, the Debtors may remove the Replacement Equipment from the Affected Equipment.

c. If the transfer documentation contemplated herein was not formalized at the time of the removal of the Original Equipment, the relevant Lessor shall simultaneously deliver, or cause to be delivered, to the Debtors a bill of sale for the Original Equipment, transferring such Original Equipment to the Debtors (or to a third party designated by the Debtors) free and clear of all liens, claims and encumbrances (except for liens permitted under the Lease or the Lessor's financings.

d. If the Replacement Equipment and the Original Equipment are beneficially owned by the relevant Lessor or by the same beneficial owner and leased to the Debtors under separate leases, then it shall be sufficient for the Debtors to surrender such Replacement Equipment to the Lessor in lieu of the Original Equipment. The Replacement Equipment shall thereafter be released from the relevant Lease and any liens in favor of the indenture trustee or other secured party with respect to such replacement lease or mortgage, and the Original Equipment shall be subject to such lease or mortgage and any such liens.

e. In lieu of providing Replacement Equipment pursuant to these Procedures, the Debtors may, in their sole discretion, make the Original Equipment available to an affected Lessor at the location where it is situated, whether or not the Original Equipment is at the same location as the Affected Equipment, or make Substitute Equipment available to the affected Lessor at the location where the Affected Equipment is situated. In these circumstances, the Debtors may remove the Replacement Equipment from the Affected Equipment.

32. If a lessor of Original Equipment or Replacement Equipment does not deliver title documents or if a secured party with a lien on Original Equipment or Replacement Equipment does not deliver documents necessary to release its liens, each as required in these procedures, the Debtors shall be entitled to move for an Order to Show Cause to compel such lessor to transfer title to such equipment or to compel such secured party to release its liens. In such an instance, such lessor or such secured party, as the case may be, shall also be liable to the Debtors and the affected Lessor for any damages arising out of or in connection with such lessor's or such secured party's delay, including legal and other fees. The Debtors and the affected Lessor shall also be entitled to continue to use such equipment until title is transferred or the liens are released as set forth herein.

33. The Debtors also ask this Court to enter an Order providing that if the Lessor affected by the rejection of a Lease does not retrieve or otherwise take control of the relevant Excess Equipment from the locations provided on Schedule 1 within 15 days after the Effective Date, such Lessor shall be responsible to the Debtors for the subsequent costs of, and all risks attendant to, storing such equipment and for other attendant costs as determined by the Debtors, including costs of insuring the Excess Equipment. If the Lessor does not remove the Excess Equipment or otherwise contract with the Debtors or a third party for storage of the Excess Equipment, the Debtors may file a motion to compel removal of the Excess Equipment and/or payment to the Debtors of storage and other attendant costs including without limitation all legal fees. The Excess Equipment will be made available to the Lessor "as is, where is" and the Debtors specifically make neither representations nor warranties regarding the Excess Equipment.

34. To preserve the value of the Excess Equipment before the appropriate Lessor takes possession, the Debtors will maintain their current insurance coverage and continue the existing storage maintenance program, if applicable, until the earlier of: (i) the fifteenth (15th) day after the later of the date of entry of the Order and the relevant Effective Date; or (ii) the date on which the appropriate Lessor takes possession of the Excess Equipment. Thereafter, however, the Debtors shall cease insuring and maintaining the Excess Equipment.

D. Debtors' Cooperation In Making Related Aviation Authority Filings

35. Upon written request from an affected Lessor, the Debtors agree to cooperate reasonably with such Lessor with respect to the execution of, or provision of, information required for a lease termination document to be filed with the aviation authority in the applicable jurisdiction in connection with such Excess Equipment. In addition, the Debtors

ask this Court to enter an order providing that once the affected Lessor retrieves or takes control of such Excess Equipment, such Lessor or the authorized party under an Irrevocable De-Registration and Export Request Authorization ("**IDERA**") or a power of attorney provided by the Debtors, if any, shall be permitted to request the cancellation, or transfer to a party designated by such Lessor, of such helicopter's registration on such aviation authority's register. However, the affected Lessor shall be solely responsible for all costs associated with such documentation and the filing thereof with the relevant aviation authority or registry.

E. Debtors' Further Actions to Implement Approved Rejections

36. The Debtors submit that the proposed actions and Procedures are reasonable, in the best interests of the estates, and should be approved by this Court. Accordingly, the Debtors seek authorization to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the procedures.

Rejection of the Leases and the Subleases Is in the Best Interests of the Debtors and Their Estates and Creditors, Is Supported By the Debtors' Business Judgment, and Should Be Approved By the Court

37. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a); *see also NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 521 (1984); *In re Lavigne*, 114 F.3d 379, 386 (2d Cir. 1997). "**[**T**]**he purpose behind allowing the assumption or rejection of executory contracts is to permit the trustee or debtor-in-possession to use valuable property of the estate and to 'renounce title to and abandon burdensome property.'" *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993); *see also Matter of Murexco Petroleum, Inc.*,

15 F.3d 60, 62 (5th Cir. 1994) (noting that Section 365 "allows a trustee to relieve the bankruptcy estate of burdensome agreements which have not been completely performed.")

38. The standard applied to determine whether the rejection of an unexpired lease should be authorized is the "business judgment" standard. *See In re Penn Traffic Co.*, 524 F.3d 373, 383 (2d Cir. 2008); *In re Old Carco LLC*, 406 B.R. 180, 188 (Bankr. S.D.N.Y. 2009); *see also In re Orion Pictures Corp.*, 4 F.3d 1095, 1098-99 (2d Cir. 1993); *In re Minges*, 602 F.2d 38, 42 (2d Cir. 1979); *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 513 (1984); *In re Roman Crest Fruit, Inc.*, 35 B.R. 939, 949 (S.D.N.Y. 1983). Courts defer to a debtor's business judgment in rejecting an unexpired lease, and upon finding that a debtor has exercised its sound business judgment, approve the rejection under section 365(a) of the Bankruptcy Code. *See Bildisco & Bildisco*, 465 U.S. at 523 (recognizing the "business judgment" standard used to approve rejection of executory contracts); *Nostas Assocs. v. Costich (In re Klein Sleep Products, Inc.)*, 78 F.3d 18, 25 (2d Cir. 1996) (recognizing the "business judgment" standard used to approve rejection of executory contracts); *In re Minges*, 602 F.2d 38, 42-43 (2d Cir. 1979) (holding that the "business judgment" test is appropriate for determining when an executory contract can be rejected); *In re G Survivor Corp.*, 171 B.R. 755, 757 (Bankr. S.D.N.Y. 1994) (approving rejection of license by debtor because such rejection satisfied the "business judgment" test); *In re Child World, Inc.*, 142 B.R. 87, 89 (Bankr. S.D.N.Y. 1992) (stating that a debtor may assume or reject an unexpired lease under § 365(a) in the exercise of its "business judgment"); *In re Pilgrim's Pride Corp.*, 403 B.R. 413, 426 (Bankr. N.D. Tex. 2009) (holding that, absent public policy necessitating a more stringent standard, business judgment standard applies to a rejection decision under § 365(a)); *Richmond Leasing Co. v. Capital Bank, N.A.*, 762

F.2d 1303, 1307 (5th Cir. 1985) (applying business judgment standard to the determination of whether a rejection decision was proper under § 365).

39. The "business judgment" standard is not a strict standard; it requires only a showing that either assumption or rejection of the executory contract or unexpired lease will benefit the debtor's estate. *See In re Helm*, 335 B.R. 528, 538 (Bankr. S.D.N.Y. 1996) ("To meet the business judgment test, the debtor in possession must 'establish that rejection will benefit the estate.'") (citation omitted); *In re Balco Equities, Inc.*, 323 B.R. 85, 99 (Bankr. S.D.N.Y 2005) ("In determining whether the debtor has employed reasonable business discretion, the court for the most part must only determine that the rejection will likely benefit the estate.") (quoting *G Survivor*, 171 B.R. at 757). Further, under the business judgment standard, "[a] debtor's decision to reject an executory contract must be summary affirmed unless it is the product of 'bad faith, or whim or caprice'" *In re Trans World Airlines, Inc.,* 261 B.R. 103, 121 (Bankr. D. Del. 2001).

40. As part of their ongoing efforts to reduce costs and maximize fleet flexibility, the Debtors have identified Excess Equipment that no longer fits into the Debtors' business plan and, accordingly, will no longer be utilized by the Debtors and have no utility or value to the Debtors. The Debtors entered into the Leases and related agreements in a different economic climate than the one facing the Debtors' industry today. Today, with the ongoing downturn in the Debtors' industry, these same helicopters are no longer necessary to the Debtors' operations. As of the date hereof, the Debtors have taken or will take all of the Excess Equipment out of service. Consequently, the unused equipment is, or will be, languishing in expensive storage space without generating any value for the Debtors' estates and the Excess Equipment is nothing more than a cash drain on the Debtors' businesses. Thus, the Excess

Equipment is burdensome to the Debtors and is no longer beneficial to the Debtors or their estates. If the rejection of the Leases is approved, the Debtors will maintain sufficient helicopters to operate their businesses and meet their customers' needs.

41. With respect to the Subleased Equipment, in almost all cases upon termination of each related Lease, the Debtors and the parties operating the helicopters are required to terminate the applicable Subleases and return such helicopters to the Lessors. As the Debtors' structural cost-cutting measures contemplate the return of the Excess Equipment subject to the subleases, it is not economical for the Debtors to continue to lease the Subleased Equipment from the applicable Lessors on terms that are burdensome to the Debtors and in turn sublease such equipment to the Sublessees on terms that are not overall beneficial to the Debtors or their estates, therefore the Subleases are burdensome to the Debtors and are no longer beneficial to the Debtors or their estates.

Nunc Pro Tunc Relief is Appropriate

42. Bankruptcy courts are empowered to grant retroactive rejection of a contract or lease under Section 105(a) and 365(a) of the Bankruptcy Code. *See Thinking Machs. Corp. v. Mellon Fin. Servs. Corp. (In re Thinking Machines Corp.),* 67 F.3d 1021, 1028-29 (1st Cir. 1995) (indicating "rejection under section 365(a) does not take effect until judicial approval is secured, but the approving court has the equitable power, in suitable cases, to order a rejection to operate retroactively" to the motion filing date); *see also Pacific Shore Dev., LLC v. At Home Corp (In re At Home Corp.),* 392 F.3d 1064, 1067 (9th Cir. 2004) (same); *In re Chi-Chi's, Inc.* 305 B.R. 396, 399 (Bankr. D. Del. 2004) ("[T]he court's power to grant retroactive relief is derived from the bankruptcy court's equitable powers to long as it promises to be the purposes of §365(a)).

43. The Debtors submit that the rejection of the Leases should be effective as of the relevant Effective Date. The Debtors are not using the Excess Equipment and such equipment will be available for the relevant Lessor to retrieve on such date. This relief will expedite the Debtors' relief from burdensome obligations and provide the Lessors with the information necessary for them to retrieve the equipment. See, e.g., *BP Energy Co. v. Bethlehem Steel Corp.*, 2002 WL 31548723, at * 3 (S.D.N.Y., Nov. 15, 2002) (finding that retroactive rejection is valid when the balance of equities favor such treatment); *In re Jamesway Corp.*, 179 B.R. 33, 38 (S.D.N.Y. 1995) (finding that a court may approve retroactive rejection); see also *In re At Home Corp.*, 392 F.3d 1064, 1071 (9th Cir. 2004) (same); *In re Thinking Mach. Corp. v. Mellon Fin. Servs.*, 67 F.3d 1021, 1028 (1st Cir. 1995) (approving retroactive orders of rejection where the balance of the equities favors such relief).

44. The equities of these cases favor rejection of the Leases and Subleases *nunc pro tunc* to the Petition Date. Rejection *nunc pro tunc* will permit the Debtors to reduce the burdensome costs and avoid additional, unnecessary claims that may be incurred under the Leases and Subleases that are not necessary to the Debtors' operations going forward. Furthermore, the counterparties will not be unduly prejudiced if the Leases and Subleases are rejected *nunc pro tunc* to the Petition Date as the Debtors have already ceased using the Excess Equipment and the Lessors may immediately retrieve and take possession of the Excess Equipment. Therefore, rejection of the Excess Equipment, Leases, Subleases and related agreements *nunc pro tunc* to the Petition Date is in the best interests of the Debtors' estates and creditors and constitutes a proper exercise of the Debtors' sound business judgment.

Reservation of Rights

45. Nothing contained herein is intended or shall be construed as (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 any parties in interest to the Excess Equipment, Subleased Equipment, or Leases or Subleases under applicable nonbankruptcy law or (iii) a waiver of any claims or causes of action which may exist against any parties in interest to the Excess Equipment, Subleased Equipment, or Leases or Subleases. The Debtors are in the process of reviewing these matters and reserve all of their rights under the Bankruptcy Code.

Notice

46. No trustee, examiner or creditors' committee has been appointed in these chapter 11 cases. Notice of this Motion shall be given to: (i) the Office of the United States Trustee for the Northern District of Texas; (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 certain secured lenders 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) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) in the case of Excess Equipment, the Lessors, the beneficial owners of such equipment (if different and if known) and the Indenture Parties (if known), if any; and (x) in

the case of the Subleases, the Sublessees. Due to the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

47. No previous request for the relief sought herein has been made to this or any other Court.

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WHEREFORE, the Debtors respectfully request that the Court enter an order (a) authorizing the Debtors to reject the Leases and the Subleases and (b) granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York
May 5, 2016

By: /s/ Jasmine Ball

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Proposed Attorneys for Debtors and Debtors in Possession

EXHIBIT A

Debtors

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

Alphabetical Index of Parties Listed in Schedules 1 and 2

Notice Parties: Schedule 1	Row(s)
Bank of Utah	38, 39, 41, 43
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Export Development Canada	3-7
GE Capital Equipment Finance Ltd.	14
HFSI Limited	15
HSBC France	30, 32-35
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Wells Fargo Bank Northwest, N.A.	21
Wells Fargo Bank Northwest, National Association	40, 44
Wilmington Trust SP Services (Dublin) Limited)	8, 22-29

Notice Parties: Schedule 2	Row(s)
Atlantic Aviation Ltd.	37, 47
BHS - Brazilian Helicopter Services Taxi Aereo SA	18, 20, 26, 51, 53, 61
CHC Helicopters (Mauritius) Limited	30, 31, 32, 33, 34, 35
CHC Helicopters Netherlands BV	28
CHC Helikopter Service AS	1, 6, 12, 14
CHC Scotia Limited	3, 5, 7, 8, 10, 11, 13, 15, 16, 27, 48, 49

Schedule 1

EXCESS EQUIPMENT[1]

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
1	CHC Helicopters (Barbados) SRL	Lessor: Lombard North Central Plc Lombard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS United Kingdom Head of Helicopter Finance, Lombard Specialist Finance 280 Bishopsgate London EC2M 4RB United Kingdom Fax: +1 202 565 3558 Borrower: The Royal Bank of Scotland Plc Head of Finance The Quadrangle, The Promenade, Cheltenham GL50 1PX, United Kingdom Fax: 01242 233519	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: EC225 Serial Number: 2707	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 13172 13201	North Denes Airfield, Caister Road, Great Yarmouth, NR30 5TF United Kingdom	Petition Date

[1] For each helicopter and lease that is being rejected, each other related transaction document to which a Debtor is a party that is integral to such leasing transaction (including, without limitation, any lessee or sublessee consent in connection with any lease) also will be deemed part of this Schedule 1 and shall be rejected with respect to such helicopter if the related helicopter lease is rejected. References to any agreement to be rejected are to the applicable agreement and other operative documents, as may have been amended, modified or supplemented from time to time and as is in effect as of the date hereof. As a matter of administrative convenience, in some cases the Debtors have listed the original parties to the documents without taking into account any succession of trustees or any other transfers from one party to another. The fact that the current parties to a particular agreement may not have been named in this Schedule is not intended to change the treatment of the documents. The current parties to the agreements are being noticed pursuant to this Notice. In addition, out of an abundance of caution, the Debtors have listed certain leases or contracts on this Schedule 1 that have already terminated or expired in accordance with the terms of such leases or contracts.

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
2	Heli-One Leasing ULC	Lessor: Lombard North Central Plc Lombard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS United Kingdom Head of Helicopter Finance, Lombard Specialist Finance280 Bishopsgate London EC2M 4RB United Kingdom Fax: +1 202 565 3558 Lender: The Royal Bank of Scotland PlcAddress: Head of FinanceThe Quadrangle, The Promenade, Cheltenham GL50 1PX, United KingdomFax: 01242 233519	Manufacturer: Sikorsky Model: S76C++ Serial Number:760711	Manufacturer: Turbomeca Model: Arriel 2S2 Serial Numbers: 42158 42161	Heritage Hangar - 7630 Montreal Street, Delta, V4K 0A7 Canada	Petition Date
3	Heliworld Leasing Limited	Lessor: Lombard North Central Plc Lombard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS United Kingdom Head of Helicopter Finance, Lombard Specialist Finance 280 Bishopsgate London EC2M 4RB United Kingdom Fax: +1 202 565 3558 Lender: Export Development Canada Loan Portfolio Manager Asset Management Transportation 151 O'Connor Street Ottawa, Ontario K1A 1K3 Canada Fax: 613 598 3186 Borrower: The Royal Bank of Scotland Plc	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L Serial Number: 2053	Manufacturer: Turbomeca Model: Makila 1A Serial Numbers: 437 454	CHC Helikopter Service Flyplassvegen 250, 4055 Stavanger Lufthavn, Norway	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
		Head of Finance The Quadrangle, The Promenade, Cheltenham GL50 1PX, United Kingdom Fax: 01242 233519				
4	CHC Helicopters (Barbados) SRL	Lessor: Lombard North Central Plc Lombard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS United Kingdom Head of Helicopter Finance, Lombard Specialist Finance 280 Bishopsgate London EC2M 4RB United Kingdom Fax: +1 202 565 3558 Lender: Export Development Canada Loan Portfolio Manager Asset Management Transportation 151 O'Connor Street Ottawa, Ontario K1A 1K3 Canada Fax: 613 598 3186 Borrower: The Royal Bank of Scotland Plc Head of Finance The Quadrangle, The Promenade, Cheltenham GL50 1PX, United Kingdom Fax: 01242 233519	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L2 Serial Number: 2395	Manufacturer: Turbomeca Model: Makila 1A2 Serial Numbers: 3103 1162	Heli-One Poland Sp. z o.o. Jasionka 94736-002 Jasionka, Poland	Petition Date
5	Heli-One Leasing ULC	Lessor: Lombard North Central Plc Lombard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS United Kingdom Head of Helicopter Finance, Lombard Specialist Finance 280 Bishopsgate London EC2M 4RB United	Manufacturer: Sikorsky Model: S76C++ Serial Number:760687	Manufacturer: Turbomeca Model: Arriel 2S2 Serial Numbers: 42169 42048	H1 Hangar - 4300 - 80th Street, Delta, V4K 3N3 Canada	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
		Kingdom Fax: +1 202 565 3558 Lender: Export Development Canada Loan Portfolio Manager Asset Management Transportation 151 O'Connor Street Ottawa, Ontario K1A 1K3 Canada Fax: 613 598 3186 Borrower: The Royal Bank of Scotland Plc Head of Finance The Quadrangle, The Promenade, Cheltenham GL50 1PX, United Kingdom Fax: 01242 233519				
6	Heli-One Leasing ULC	Lessor: Lombard North Central Plc Lombard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS United Kingdom Head of Helicopter Finance, Lombard Specialist Finance 280 Bishopsgate London EC2M 4RB United Kingdom Fax: +1 202 565 3558 Lender: Export Development Canada Loan Portfolio Manager Asset Management Transportation 151 O'Connor Street Ottawa, Ontario K1A 1K3 Canada Fax: 613 598 3186 Borrower: The Royal Bank of Scotland Plc Head of Finance	Manufacturer: Sikorsky Model: S76C++ Serial Number:760743	Manufacturer: Turbomeca Model: Arriel 2S2 Serial Numbers: 42083 21041	Hangar 3 - Unit 3, 4340 King Street, Delta, V4K 0A5 Canada	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
		The Quadrangle, The Promenade, Cheltenham GL50 1PX, United Kingdom Fax: 01242 233519				
7	Heli-One Leasing ULC	Lessor: Lombard North Central Plc Lombard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS United Kingdom Head of Helicopter Finance, Lombard Specialist Finance 280 Bishopsgate London EC2M 4RB United Kingdom Fax: +1 202 565 3558 Lender: Export Development Canada Loan Portfolio Manager Asset Management Transportation 151 O'Connor Street Ottawa, Ontario K1A 1K3 Canada Fax: 613 598 3186 Borrower: The Royal Bank of Scotland Plc Head of Finance The Quadrangle, The Promenade, Cheltenham GL50 1PX, United Kingdom Fax: 01242 233519	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L2 Serial Number: 2567	Manufacturer: Turbomeca Model: Makila 1A2 Serial Numbers: 409 217	Heli-One Poland Sp. z o.o. Jasionka 94736-002 Jasionka, Poland	Petition Date
8	Heliworld Leasing Limited	Lessor: Milestone Aviation Holding Group No. 1 Limited Address: William Kelly Minerva House, 2nd Floor, Simmonscourt Road, Ballsbridge, Dublin 4 Ireland Copy: William Kelly Classon House, Dundrum	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L2 Serial Number:2592	Manufacturer: Turbomeca Model: Makila 1A2 Serial Numbers: 3104 3008	Heli-One Poland Sp. z o.o.Jasionka 94736-002 Jasionka, Poland	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
		Business Park, Dundrum Road , Dublin 14 Ireland Fax: 353 1 477 3385 Trustee: Wilmington Trust SP Services (Dublin) Limited Address: Managing Director Fourth Floor, 3 George's Dock, IFSC Dublin 1, Ireland Fax: + 353 1 477 3385				
9	CHC Helicopters (Barbados) SRL	Lessor: Element Capital Corp. Address: Michael Beland, Chief Financial Officer; Chris Marshall, Corporate Secretary 161 Bay Street, Suite 4600, PO Box 621, Toronto, Ontario, M5J 2S1 Canada Fax: +1 888 77 28129	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L2 Serial Number: 2467	Manufacturer: Turbomeca Model: Makila 1A2 Serial Numbers: 3163 3151	Heli-One Poland Sp. z o.o. Jasionka 947 36-002 Jasionka, Poland	Petition Date
10	CHC Helicopters (Barbados) SRL	Lessor: Element Capital Corp. Address: Michael Beland, Chief Financial Officer; Chris Marshall, Corporate Secretary 161 Bay Street, Suite 4600, PO Box 621, Toronto, Ontario, M5J 2S1 Canada Fax: +1 888 77 28129	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L2 Serial Number: 2474	Manufacturer: Turbomeca Model: Makila 1A2 Serial Numbers: 3179 3162	Hangar 6 - Unit 6, 4340 King Street, Delta, V4K 0A5 Canada	Petition Date
11	CHC Helicopters (Barbados) SRL	Lessor: Element Capital Corp. Address: Michael Beland, Chief Financial Officer; Chris Marshall, Corporate Secretary 161 Bay Street, Suite 4600, PO Box 621, Toronto, Ontario, M5J 2S1 Canada Fax: +1 888 77 28129	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L2 Serial Number: 2477	Manufacturer: Turbomeca Model: Makila 1A2 Serial Numbers: 3161 3166	Heli-One Poland Sp. z o.o.Jasionka 94736-002 Jasionka, Poland	Petition Date
12	CHC	Lessor:	Manufacturer: Sikorsky	Manufacturer: Turbomeca	Avenida Antonio Carlos	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
	Helicopters (Barbados) SRL	Element Capital Corp. Address: Michael Beland, Chief Financial Officer; Chris Marshall, Corporate Secretary 161 Bay Street, Suite 4600, PO Box 621, Toronto, Ontario, M5J 2S1 Canada Fax: +1 888 77 28129	Model: S76C+ Serial Number: 760568	Model: Arriel 2S1 Serial Numbers: 20602TEC 20759TEC	Junqueira de Moraes – N° 979 – Bairro Aeroporto – Imburo – Macae – RJ – Brazil CEP 27970000	
13	CHC Helicopters (Barbados) SRL	Lessor: Element Capital Corp. Address: Michael Beland, Chief Financial Officer; Chris Marshall, Corporate Secretary 161 Bay Street, Suite 4600, PO Box 621, Toronto, Ontario, M5J 2S1 Canada Fax: +1 888 77 28129	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L2 Serial Number: 2504	Manufacturer: Turbomeca Model: Makila 1A2 Serial Numbers: 3007 3168	Hangar 6 - Unit 6, 4340 King Street, Delta, V4K 0A5 Canada	Petition Date
14	CHC Helicopters (Barbados) Limited	Lessor: GE Capital Equipment Finance Ltd. Address: The Ark, 201 Talgarth Road, London, W6 8BJ United Kingdom Fax: +44 844 8920 845	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L2 Serial Number: 2613	Manufacturer: Turbomeca Model: Makila 1A2 Serial Numbers: 3021 3016	CHC Helikopter Service Flyplassvegen 250, 4055 Stavanger Lufthavn, Norway	Petition Date
15	CHC Helicopters (Barbados) SRL	Lessor: Sandycove Aviation Limited 41 Forbes Quay Sir John Rogerson's Quay Dublin 2 Ireland Fax: +44 20 7245 0681 Copy:Libra Group Services13-14 Hobart Place, London SW1W 0HH Fax: +44 20 7245 0681	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: EC225 Serial Number: 2902	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 13061 13187	CHC Scotia Ltd, North Hangar, Hutton Road, Aberdeen Airport, Dyce, AB21 0LT Canada	Petition Date
16	CHC Helicopters (Barbados) Limited	Lessor: Leonardo Helicopter (4) LLC Address: Corporate Trust Administration	Manufacturer: AugustaWestland Model: AW139	Manufacturer: Pratt & Whitney Canada Model: PT6C-67C	Fireblade Aviation, Denel Precinct, Astro Park, Atlas Road, Bonero Park, Johannesburg, South Africa	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
		1100 North Market St., Wilmington DE 19890-1605 USA Fax: (302) 636-4140 Agent: BNP Paribas SA Axel Rorhlich; Herve va der Elst 21 place du Marche Saint-Honore, Paris, France 75002 Fax: +33 1 4298 1203 Copy: BNP Paribas SA Commercial Support & Loan Implementation 21 place du Marche Saint-Honore, Paris, France 75002 Fax: '+33 1 4298 1203	Serial Number: 31414	Serial Numbers: PCE-KB1029 PCE-KB0903		
17	CHC Helicopters (Barbados) Limited	Lessor: Leonardo Helicopter (5) LLC Address: Corporate Trust Administration 1100 North Market St., Wilmington DE 19890-1605 USA Fax: (302) 636-4140 Agent: BNP Paribas SA Axel Rorhlich; Herve va der Elst 21 place du Marche Saint-Honore, Paris, France 75002 Fax: +33 1 4298 1203 Copy: BNP Paribas SA Commercial Support & Loan Implementation 21 place du Marche Saint-Honore, Paris, France 75002 Fax: +33 1 4298 1203	Manufacturer: AugustaWestland Model: AW139 Serial Number:31418	Manufacturer: Pratt & Whitney Canada Model: PT6C-67C Serial Numbers: PCE-KB1046 PCE-KB1080	Fireblade Aviation, Denel Precinct, Astro Park, Atlas Road, Bonero Park, Johannesburg, South Africa	Petition Date
18	CHC Helicopters (Barbados)	Lessor: Leonardo Helicopter (7) LLC	Manufacturer: AugustaWestland	Manufacturer: Pratt & Whitney Canada	Snake Island Integrated Free Zone, Snake Island, Apapa, Lagos, Nigeria	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
	Limited	Address: Corporate Trust Administration 1100 North Market St., Wilmington DE 19890-1605 USA Fax: (302) 636-4140 Agent: BNP Paribas SA Axel Rorhlich; Herve va der Elst 21 place du Marche Saint-Honore, Paris, France 75002 Fax: +33 1 4298 1203 Copy: BNP Paribas SA Commercial Support & Loan Implementation 21 place du Marche Saint-Honore, Paris, France 75002 Fax: +33 1 4298 1203	Model: AW139 Serial Number:31458	Model: PT6C-67C Serial Numbers:PCE-KB1195PCE-KB1218		
19	CHC Helicopters (Barbados) SRL	Lessor: Lobo Leasing SPV A Limited Address: The Arch, Blackrock Business Park, Carysfort Avenue, Blackrock, Co. Dublin Ireland	Manufacturer: AugustaWestland Model: AW139 Serial Number: 31540	Manufacturer: Pratt & Whitney Canada Model: PT6C-67C Serial Numbers: PCE-KB1271 PCE-KB1323	Helicopter and Engine Location: Snake Island Integrated Free Zone, Snake Island, Apapa, Lagos, Nigeria	Petition Date
20	CHC Helicopters (Barbados) SRL	Lessor: Lobo Leasing SPV A Limited Address: The Arch, Blackrock Business Park, Carysfort Avenue, Blackrock, Co. Dublin Ireland	Manufacturer: Sikorsky Model: S76C+ Serial Number: 760546	Manufacturer: Turbomeca Model: Arriel 2S1 Serial Numbers: 20616TEC 20750TEC	Helicopter and Engine Location: Estrada Velha de Arraial do Cabo – S/N – Aeroporto Cabo Frio – RJ – Brazil – CEP 22775-000	Petition Date
21	CHC Helicopters (Barbados) SRL	Lessor: Macquarie Rotorcraft Leasing (Ireland) Ltd Address: C/O Macquarie Rotorcraft Leasing (Ireland) Limited, 1st Floor, Connaught House, 1 Burlington Road, Dublin 4 Ireland	Manufacturer: AugustaWestland Model: AW139 Serial Number:31070	Manufacturer: Pratt & Whitney Canada Model: PT6C-67C Serial Numbers: PCE-KB0219 PCE-KB0036	Heli-One Poland Sp. z o.o.Jasionka 94736-002 Jasionka, Poland	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
		Copy: Two Embarcadero Center, Ste. 200 San Francisco, CA 94111 USA Trustee: Wells Fargo Bank Northwest, N.A Contract Management Group c/o Macquarie Rotorcraft Leasing (Ireland) Limited1st Floor, Connaught House1 Burlington Rd.Dublin 4 Ireland				
22	CHC Helicopters (Barbados) Limited	Lessor: Milestone Aviation Holding Group No. 25 Limited Address: William Kelly Minerva House, 2nd Floor, Simmonscourt Road, Ballsbridge, Dublin 4 Ireland Fax: 353 1 296 5159 Copy: Wilmington Trust Company Corporate Trust Administration 1100 North Market Street, Wilmington, DE 19890 Fax: (302) 636-4140 Trustee: Wilmington Trust SP Services (Dublin) Limited Address: Managing DirectorFourth Floor, 3 George's Dock, IFSC Dublin 1, Ireland Fax: + 353 1 477 3385	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: EC225 Serial Number:2899	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 13297 13296	Estrada Velha de Arraial do Cabo -S/N –Aeroporto Cabo Frio – RJ – Brazil – CEP 22775-000	Petition Date
23	CHC Leasing (Ireland) Limited	Lessor: Milestone Aviation Holding Group No. 1 Limited Address: William Kelly Minerva House, 2nd Floor,	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L2	Manufacturer: Turbomeca Model: Makila 1A2 Serial Numbers: 238	Heli-One Poland Sp. z o.o.Jasionka 94736-002 Jasionka, Poland	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
		Simmonscourt Road, Ballsbridge, Dublin 4 Ireland Fax: 353 1 296 5159 William Kelly Units 23 & 24 Classon House, Dundrum Business Park, Dundrum, Dublin 14 Ireland Fax: 353 1 296 5159 Trustee: Wilmington Trust SP Services (Dublin) Limited Address: Managing Director Fourth Floor, 3 George's Dock, IFSC Dublin 1, Ireland Fax: + 353 1 477 3385	Serial Number: 2393	3086		
24	CHC Helicopters (Barbados) Limited	Lessor: Milestone Aviation Holding Group No. 20 Limited Address: William Kelly Minerva House, 2nd Floor, Simmonscourt Road, Ballsbridge, Dublin 4 Ireland Fax: 353 1 296 5159 William Kelly Units 23 & 24 Classon House, Dundrum Business Park, Dundrum, Dublin 14 Ireland Fax: 353 1 296 5159 Trustee: Wilmington Trust SP Services (Dublin) Limited Address: Managing Director Fourth Floor, 3 George's Dock, IFSC Dublin 1, Ireland Fax: + 353 1 477 3385	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L2 Serial Number:2617	Manufacturer: Turbomeca Model: Makila 1A2 Serial Numbers: 3127 3110	Heli-One Poland Sp. z o.o.Jasionka 94736-002 Jasionka, Poland	Petition Date
25	CHC Helicopters (Barbados)	Lessor: Milestone Aviation Holding Group No. 25 Limited	Manufacturer: AugustaWestland	Manufacturer: Pratt & Whitney Canada	Agar - 4740 Agar Drive, Richmond, V7B 1A3 Canada	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
	Limited	Address: William Kelly Minerva House, 2nd Floor, Simmonscourt Road, Ballsbridge, Dublin 4 Ireland Fax: 353 1 296 5159 William Kelly Units 23 & 24 Classon House, Dundrum Business Park, Dundrum, Dublin 14 Ireland Fax: 353 1 296 5159 Trustee: Wilmington Trust SP Services (Dublin) Limited Address: Managing Director Fourth Floor, 3 George's Dock, IFSC Dublin 1, Ireland Fax: + 353 1 477 3385	Model: AW139 Serial Number:31474	Model: PT6C-67C Serial Numbers: PCE-KB1047 PCE-KB1222		
26	CHC Helicopters (Barbados) Limited	Lessor: Milestone Aviation Holding Group No. 25 Limited Address: William Kelly Minerva House, 2nd Floor, Simmonscourt Road, Ballsbridge, Dublin 4 Ireland Fax: 353 1 296 5159 William Kelly Units 23 & 24 Classon House, Dundrum Business Park, Dundrum, Dublin 14 Ireland Fax: 353 1 296 5159 Trustee: Wilmington Trust SP Services (Dublin) Limited Address: Managing Director Fourth Floor, 3 George's Dock, IFSC Dublin 1, Ireland Fax: + 353 1 477 3385	Manufacturer: AugustaWestland Model: AW139 Serial Number:31479	Manufacturer: Pratt & Whitney Canada Model: PT6C-67C Serial Numbers: PCE-KB1194 PCE-KB1245	Agar - 4740 Agar Drive, Richmond, V7B 1A3 Canada	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
27	CHC Helicopters (Barbados) Limited	Lessor: Milestone Aviation Holding Group No. 8 Limited Address: William Kelly Minerva House, 2nd Floor, Simmonscourt Road, Ballsbridge, Dublin 4 Ireland Trustee: Wilmington Trust SP Services (Dublin) Limited Address: Managing Director Fourth Floor, 3 George's Dock, IFSC Dublin 1, Ireland Fax: + 353 1 477 3385	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L2 Serial Number: 2398	Manufacturer: Turbomeca Model: Makila 1A2 Serial Numbers: 3097 3184	Heli-One Poland Sp. z o.o. Jasionka 947 36-002 Jasionka, Poland	Petition Date
28	CHC Helicopters (Barbados) SRL	Lessor: Milestone Aviation Holding Group No. 8 Limited William Kelly Minerva House, 2nd Floor Simmonscourt Road Ballsbridge, Dublin 4 Ireland Fax: 353 1 296 5159 William Kelly Units 23 & 24 Classon House Dundrum Business Park Dundrum, Dublin 14 IrelandFax: 353 1 296 5159 Trustee: Wilmington Trust SP Services (Dublin) Limited Managing Director Fourth Floor, 3 George's Dock, IFSC Dublin	Manufacturer: Sikorsky Model: S76C++ Serial Number: 760622	Manufacturer: Turbomeca Model: Arriel 2S2 Serial Numbers: 21021 42233	Agar - 4740 Agar Drive, Richmond, V7B 1A3 Canada	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
		Ireland Fax: + 353 1 477 3385				
29	Heliworld Leasing Limited	Lessor:Milestone Aviation Holding Group No. 8 Limited William Kelly Minerva House, 2nd Floor Simmonscourt Road, Ballsbridge Dublin 4 Ireland Fax: 353 1 296 5159 William Kelly Units 23 & 24 Classon House Dundrum Business Park Dundrum, Dublin 14 Ireland Fax: 353 1 296 5159 Trustee: Wilmington Trust SP Services (Dublin) Limited Managing Director Fourth Floor, 3 George's Dock, IFSC Dublin 1 Ireland Fax: + 353 1 477 3385	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L2 Serial Number: 2601	Manufacturer: Turbomeca Model: Makila 1A2 Serial Numbers: 3096 3178	Heli-One Poland Sp. z o.o. Jasionka 94736-002 Jasionka, Poland	Petition Date
30	CHC Helicopters (Barbados) SRL	Lessor:Parilease S.A.S. Noelle Courtin 16 rue de L'Hanovre Paris 75002 France Fax: +33 1 4298 1203 Agent: HSBC France	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: EC155B1 Serial Number: 6802	Manufacturer: Turbomeca Model: Arriel 2C2 Serial Numbers: 26019 26074	Luchthavenweg 18 (in DHA hangar), 1786 PP, Den Helder, The Netherlands	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
		Vincent Nelson 103, Avenue de Champs Elysees Paris 75008 France vincent.nelson@hsbc.fr Fax: +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas SA Commercial Support & Loan Implementation 37, Place du Marche Saint-Honore Paris 75001 France Fax: +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France marie-cecile.fournier@sgcib.com Fax: +33 1 4692 4597				
31	CHC Helicopters (Barbados) SRL	Lessor: Parilease S.A.S. Noelle Courtin 16 rue de L'Hanovre Paris 75002 France Fax: +33 1 4298 1203	Manufacturer: AugustaWestland Model: AW139 Serial Number: 31485	Manufacturer: Pratt & Whitney Canada Model: PT6C-67C Serial Numbers: PCE-KB1220 PCE-KB1002	Luchthavenweg 18 (in DHA hangar), 1786 PP, Den Helder, The Netherlands	Petition Date
32	CHC Helicopters (Barbados) SRL	Lessor: Parilease S.A.S. Noelle Courtin 16 rue de L'Hanovre Paris 75002 France	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: EC225	Manufacturer: Turbomeca Model: Makila 2A Serial Numbers: 1055	Estrada Velha de Arraial do Cabo - S/N° –Aeroporto Cabo Frio – RJ – Brazil – CEP 22775-000	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
		Fax: +33 1 4298 1203 Agent: HSBC France Vincent Nelson 103, Avenue de Champs Elysees Paris 75008 France vincent.nelson@hsbc.fr Fax: +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas SA Commercial Support & Loan Implementation 37, Place du Marche Saint-Honore Paris 75001 France Fax: +33 1 4316 8184	Serial Number: 2708	1162		
33	CHC Helicopters (Barbados) SRL	Lessor: Parilease S.A.S. Address: Noelle Courtin 16 rue de L'Hanovre Paris 75002 France Fax: +33 1 4298 1203 Agent: HSBC France Vincent Nelson 103, Avenue de Champs Elysees Paris 75008 vincent.nelson@hsbc.fr Fax: +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas SA Commercial Support & Loan Implementation 37, Place du Marche Saint-Honore Paris 75001 France Fax: +33 1 4316 8184	Manufacturer: Airbus Helicopters Airbus Helicopters (formerly Eurocopter) Model: EC225 Serial Number: 2722	Manufacturer: Turbomeca Model: Makila 2A Serial Numbers: 1051 1107	Estrada Velha de Arraial do Cabo S/N – Hangar BHS – CEP 22775-000 – Cabo Frio-RJ, São Tomé, Brazil	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
34	Heliworld Leasing Limited	Lessor: Parilease S.A.S. Address: Noelle Courtin 16 rue de L'Hanovre Paris 75002 France Fax: +33 1 4298 1203 Agent: BNP Paribas SA Commercial Support & Loan Implementation 37, Place du Marche Saint-Honore Paris 75001 France Fax: +33 1 4316 8184 Mandated Lead Arranger:HSBC FranceVincent Nelson103, Avenue de Champs Elysees Paris 5008 vincent.nelson@hsbc.fr Fax: +33 1 5813 8169 Societe Generale Marie Cecile Fournier17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France marie-cecile.fournier@sgcib.com Fax: +33 1 4692 4597	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: EC225 Serial Number: 2768	Manufacturer: Turbomeca Model: Makila 2A1 Serial numbers: 13079 13072	Lot 32 Karasek Way Karratha Airport WA Australia	Petition Date
35	Heliworld Leasing Limited	Lessor: Parilease S.A.S. Address: Noelle Courtin 16 rue de L'Hanovre Paris 75002 France Fax: +33 1 4298 1203 Agent: BNP Paribas SA Commercial Support & Loan Implementation	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: EC225 Serial Number: 2775	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 13061 13187	Lot 32 Karasek Way Karratha Airport WA Australia	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
		37, Place du Marche Saint-Honore Paris 75001 France Fax: +33 1 4316 8184 Mandated Lead Arranger: HSBC France Vincent Nelson103, Avenue de Champs Elysees Paris 75008 vincent.nelson@hsbc.fr Fax: +33 1 5813 8169 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 Francemarie-cecile.fournier@sgcib.com Fax: +33 1 4692 4597				
36	Heli-One Leasing (Norway) AS	Lessor: Sparebank 1 SR-Finans AS Address: Ole Magnus Baekkelund Petroleumsvn 6, Postboks 114 Forus Stavenger 4065 Norway Fax: 47 51 44 48 80	Manufacturer: Airbus Helicopters (formerly Eurocopter) Model: AS332L2 Serial Number: 2594	Manufacturer: Turbomeca Model: Makila 1A2 Serial Numbers: 3077 3180	CHC Helikopter Service Flyplassvegen 250, 4055 Stavanger Lufthavn, Norway	Petition Date
37	CHC Helicopters (Barbados) SRL	Lessor: Waypoint Asset Co 3 Limited Address:Todd Wolynski 8 Riverpoint, Bishops Quay, Limerick, Ireland Fax: +353 61 445022	Manufacturer: AugustaWestland Model: AW139 Serial Number:31498	Manufacturer: Pratt & Whitney Canada Model: PT6C-67C Serial Numbers: PCE-KB1283 PCE-KB1316	Helicopter and Engine Location:Hangar, 83 Gordon Garrett Drive, Geraldton Airport, Moonyoonooka, WA, 6532 Australia	Petition Date
38	CHC Helicopters (Barbados) SRL	Lessor: Waypoint Asset Co 3 Limited Address: Todd Wolynski 8 Riverpoint, Bishops Quay	Manufacturer: AugustaWestland Model: AW139 Serial Number:	Manufacturer: Pratt & Whitney Canada Model: PT6C-67C Serial Numbers:	Fireblade Aviation, Denel Precinct, Astro Park, Atlas Road, Bonero Park, Johannesburg, South Africa	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
		Limerick, Ireland Fax: +353 61 445022 Owner Trustee: Bank of Utah 200 E. South Temple, Suite 201, Salt Lake City, UT84111 Fax: +1 801 781 2775	31141	PCE-KB0371 PCE-KB0364		
39	CHC Helicopters (Barbados) SRL	Lessor: Waypoint Asset Co 3 Limited Address: Todd Wolynski 8 Riverpoint, Bishops Quay Limerick, Ireland Fax: +353 61 445022 Owner Trustee: Bank of Utah 200 E. South Temple, Suite 201, Salt Lake City, UT84111 Fax: +1 801 781 2775	Manufacturer: AugustaWestland Model: AW139 Serial Number: 41005	Manufacturer: Pratt & Whitney Canada Model: PT6C-67C Serial Numbers: PCE-KB0154 PCE-KB0534	CHC Scotia Ltd, CHC Hangar, Humberside Airport, Ulceby, Humberside, DN39 6YH United Kingdom	Petition Date
40	CHC Helicopters (Barbados) SRL	Lessor: Waypoint Asset Co 3 LimitedAddress: Todd Wolynski 8 Riverpoint, Bishops Quay Limerick, Ireland Fax: +353 61 445022 Trustee: Wells Fargo Bank Northwest, National Association 260 North Charles Lindbergh Drive, MAC U1240-026, Salt Lake City, UT 84116 USA Fax: +1 801 246 7142	Manufacturer: Sikorsky Model: S76C++ Serial Numbers:760651	Manufacturer: Turbomeca Model: Arriel 2S2 Serial Numbers: 42057 42020	Heli-One Canada, 4300 80th Street, Delta, BC, Canada, V4K 3N3	Petition Date
41	CHC	Lessor:	Manufacturer:	Manufacturer:	CHC Scotia Ltd, CHC Hangar,	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
	Helicopters (Barbados) SRL	Waypoint Asset Co 3 Limited Address: Todd Wolynski 8 Riverpoint, Bishops Quay, Limerick Ireland Fax: +353 61 445022 Owner Trustee: Bank of Utah 200 E. South Temple, Suite 201, Salt Lake City, UT84111 Fax: +1 801 781 2775	AugustaWestland Model: AW139 Serial Number: 41210	Pratt & Whitney Canada Model: PT6C-67C Serial Numbers: None.	Humberside Airport, Ulceby, Humberside, DN39 6YH United Kingdom	
42	Heli-One Leasing ULC	Lessor: Waypoint Asset Co 6 Limited Address: Todd Wolynski 8 Riverpoint, Bishops Quay, Limerick Ireland Fax: +353 61 445022	Manufacturer: Sikorsky Model: S76C++ Serial Numbers:760764	Manufacturer: Turbomeca Model: Arriel 2S2 Serial Numbers: 42165 42312TEC	Heli-One Poland Sp. z o.o.Jasionka 94736-002 Jasionka, Poland	Petition Date
43	Heli-One Leasing ULC	Lessor: Waypoint Asset Co 8 Limited Address: Todd Wolynski 8 Riverpoint, Bishops Quay Limerick, Ireland Fax: +353 61 445022 Owner Trustee: Bank of Utah Address: 200 E. South Temple, Suite 201, Salt Lake City, UT 84111 USA Fax: +1 801 781 2775 Joshua Eyre 200 E. South Temple, Suite 201, Salt Lake City, UT 84111 USA	Manufacturer: Sikorsky Model: S76C++ Serial Numbers: 760765	Manufacturer: Turbomeca Model: Arriel 2S2 Serial Numbers: 42130 42086	Heli-One Canada, 4300 80th Street, Delta, BC, Canada, V4K 3N3	Petition Date

Row	Debtor	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial No.	Associated Engines, Mfr. Model and Serial Nos.	Location of Helicopter and Engines	Effective Date of Rejection
		jeyre@bankofutah.com Fax: +353 61 445022				
44	CHC Helicopters (Barbados) SRL	Lessor: Waypoint Asset Company No. 2 (Ireland) Limited Address: Todd Wolynski 8 Riverpoint, Bishops Quay Limerick, Ireland Fax: +353 61 445022 Owner Trustee: Wells Fargo Bank Northwest, National Association Address: 260 North Charles Lindbergh Drive, MAC U1240-026 Salt Lake City, UT 84116 USA Fax: +1 801 246 7142 Michael Arsenault 260 North Charles Lindbergh Drive, MAC U1240-026 Salt Lake City, UT 84116 USA Fax: +1 801 246 7142	Manufacturer: Sikorsky Model: S76C++ Serial Number:760734	Manufacturer: TurbomecaModel: Arriel 2S2 Serial Numbers: 42314TEC 42272	Estrada Velha de Arraial do Cabo - S/N –Aeroporto Cabo Frio – RJ – Brazil – CEP 22775-000	Petition Date

Schedule 2[1]

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
1	2053	Sublease	Heliworld Leasing Limited	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	Petition Date
2	2393	Sublease	CHC Leasing (Ireland) Limited	CHC Global Operations International ULC	Petition Date
3	2395	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	Petition Date
4	2398	Sublease	CHC Helicopters (Barbados) Limited	CHC Global Operations International ULC	Petition Date
5	2467	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited CHC House Howe Moss Drive, Aberdeen, AB21 0GL, Scotland	Petition Date
6	2474	Sublease	CHC Helicopters	CHC Helikopter Service AS	Petition Date

[1] For each helicopter, lease, sublease and related agreements that are being rejected, each other related transaction document to which a Debtor is a party that is integral to such leasing transaction (including, without limitation, any lessee or sublessee consent to any transaction in connection with any lease) also will be deemed part of this Schedule 2 and shall be rejected with respect to such helicopter if the related helicopter lease is rejected. References to any agreement to be rejected are to the applicable agreement and other operative documents, as may have been amended, modified or supplemented from time to time and as is in effect as of the date hereof. As a matter of administrative convenience, in some cases the Debtors have listed the original parties to the documents without taking into account any succession of trustees or any other transfers from one party to another. The fact that the current parties to a particular agreement may not have been named in this Schedule is not intended to change the treatment of the documents. The current parties to the agreements are being noticed pursuant to this Notice. In addition, out of an abundance of caution, the Debtors have listed certain leases or contracts on this Schedule 2 that have already terminated or expired in accordance with the terms of such leases or contracts.

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
			(Barbados) SRL	Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	
7	2477	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited CHC House Howe Moss Drive, Aberdeen, AB21 0GL, Scotland	Petition Date
8	2504	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited CHC House Howe Moss Drive, Aberdeen, AB21 0GL, Scotland	Petition Date
9	2567	Sublease	Heli-One Leasing ULC	CHC Leasing (Ireland) Limited	Petition Date
10	2567	Sub-Sublease	CHC Leasing (Ireland) Limited	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	Petition Date
11	2592	Sublease	Heliworld Leasing Limited	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	Petition Date
12	2594	Sublease	Heli-One Leasing (Norway) AS	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	Petition Date
13	2601	Sublease	Heliworld Leasing Limited	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	Petition Date

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
14	2613	Sublease	CHC Helicopters (Barbados) Limited	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	Petition Date
15	2617	Sublease	CHC Helicopters (Barbados) Limited	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	Petition Date
16	2707	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited CHC House Howe Moss Drive, Aberdeen, AB21 0GL, Scotland	Petition Date
17	2708	Sublease	CHC Helicopters (Barbados) SRL	Capital Aviation Services BV	Petition Date
18	2708	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	Petition Date
19	2722	Sublease	CHC Helicopters (Barbados) SRL	Capital Aviation Services BV	Petition Date
20	2722	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	Petition Date
21	2768	Sublease	Heliworld Leasing Limited	CHC Helicopter Australia Pty. Ltd.	Petition Date
22	2768	Sub-Sublease	CHC Helicopter Australia Pty. Ltd.	Lloyd Helicopters Pty. Ltd.	Petition Date

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
23	2775	Sublease	Heliworld Leasing Limited	CHC Helicopter Australia Pty. Ltd.	Petition Date
24	2775	Sub-Sublease	CHC Helicopter Australia Pty. Ltd.	Lloyd Helicopters Pty. Ltd.	Petition Date
25	2899	Sublease	CHC Helicopters (Barbados) Limited	Capital Aviation Services BV	Petition Date
26	2899	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	Petition Date
27	2902	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	Petition Date
28	6802	Sublease	CHC Helicopters (Barbados) SRL	CHC Helicopters Netherlands BV Luchthavenweg 18, 1786 PP, Den Helder, the Netherlands	Petition Date
29	31070	Sublease	CHC Helicopters (Barbados) SRL	CHC Global Operations International ULC	Petition Date
30	31141	Sublease	CHC Helicopters (Barbados) SRL	CHC Helicopters (Mauritius) Limited c/o CIM Corporate Services Ltd., Cascades Building, 33 Edith Cavell Street, Port Louis, Mauritius	Petition Date
31	31141	Sub-Sublease	CHC Helicopters (Mauritius) Limited c/o CIM Corporate Services Ltd., Cascades Building, 33 Edith Cavell Street, Port Louis,	CHC Global Operations Canada (2008) ULC	Petition Date

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
			Mauritius		
32	31414	Sublease	CHC Helicopters (Barbados) Limited	CHC Helicopters (Mauritius) Limited 10 Frere Felix de Valois St., Port Louis, Mauritius	Petition Date
33	31414	Sub-Sublease	CHC Helicopters (Mauritius) Limited 10 Frere Felix de Valois St., Port Louis, Mauritius	CHC Global Operations Canada (2008) ULC	Petition Date
34	31418	Sublease	CHC Helicopters (Barbados) Limited	CHC Helicopters (Mauritius) Limited 10 Frere Felix de Valois St., Port Louis, Mauritius	Petition Date
35	31418	Sub-Sublease	CHC Helicopters (Mauritius) Limited 10 Frere Felix de Valois St., Port Louis, Mauritius	CHC Global Operations Canada (2008) ULC	Petition Date
36	31458	Sublease	CHC Helicopters (Barbados) Limited	Heliworld Leasing Limited	Petition Date
37	31458	Sub-Sublease	Heliworld Leasing Limited	Atlantic Aviation Ltd. 12 Oyinkan Abayomi Drive, Ikoi Lagos, Nigeria	Petition Date
38	31474	Sublease	CHC Helicopters (Barbados) Limited	CHC Global Operations International ULC	Petition Date
39	31479	Sublease	CHC Helicopters (Barbados) Limited	CHC Global Operations International ULC	Petition Date
40	31485	Sublease	CHC Helicopters (Barbados) SRL	Heliworld Leasing Limited	Petition Date
41	31485	Sub-Sublease	Heliworld Leasing Limited	CHC Helicopter Australia Pty. Ltd.	Petition Date
42	31485	Sub-Sub-Sublease	CHC Helicopter Australia Pty. Ltd.	Lloyd Helicopters Pty. Ltd.	Petition Date
43	31498	Sublease	CHC Helicopters (Barbados) SRL	Heliworld Leasing Limited	Petition Date

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
44	31498	Sub-Sublease	Heliworld Leasing Limited	CHC Helicopter Australia Pty. Ltd.	Petition Date
45	31498	Sub-Sub-Sublease	CHC Helicopter Australia Pty. Ltd.	Lloyd Helicopters Pty. Ltd.	Petition Date
46	31540	Sublease	CHC Helicopters (Barbados) SRL	Heliworld Leasing Limited	Petition Date
47	31540	Sub-Sublease	Heliworld Leasing Limited	Atlantic Aviation Ltd. 12 Oyinkan Abayomi Drive, Ikoi Lagos, Nigeria	Petition Date
48	41005	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	Petition Date
49	41210	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	Petition Date
50	760546	Sublease	CHC Helicopters (Barbados) SRL	Capital Aviation Services BV	Petition Date
51	760546	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	Petition Date
52	760568	Sublease	CHC Helicopters (Barbados) SRL	Capital Aviation Services BV	Petition Date
53	760568	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199,	Petition Date

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
				Suite 202, Rio de Janeiro, Brazil	
54	760622	Sublease	CHC Helicopters (Barbados) SRL	CHC Global Operations International ULC	Petition Date
55	760651	Sublease	CHC Helicopters (Barbados) SRL	CHC Global Operations International ULC	Petition Date
56	760687	Sublease	Heli-One Leasing ULC	CHC Leasing (Ireland) Limited	Petition Date
57	760687	Sub-Sublease	CHC Leasing (Ireland) Limited	CHC Global Operations Canada (2008) ULC	Petition Date
58	760711	Sublease	Heli-One Leasing ULC	CHC Leasing (Ireland) Limited	Petition Date
59	760711	Sub-Sublease	CHC Leasing (Ireland) Limited	CHC Global Operations Canada (2008) ULC	Petition Date
60	760734	Sublease	CHC Helicopters (Barbados) SRL	Capital Aviation Services BV	Petition Date
61	760734	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	Petition Date
62	760743	Sublease	Heli-One Leasing ULC	CHC Leasing (Ireland) Limited	Petition Date
63	760743	Sub-Sublease	CHC Leasing (Ireland) Limited	CHC Global Operations Canada (2008) ULC	Petition Date
64	760764	Sublease	Heli-One Leasing ULC	CHC Global Operations International ULC	Petition Date
65	760765	Sublease	Heli-One Leasing ULC	Heliworld Leasing Limited	Petition Date
66	760765	Sub-Sublease	Heliworld Leasing Limited	CHC Global Operations Canada (2008) ULC	Petition Date

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Exhibit B

Proposed Form of Order

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

----------	x	
	:	
In re:	:	**Chapter 11**
	:	
CHC GROUP LTD. *et al.*,	:	**Case No. 16– _____ ( )**
	:	
	:	
Debtors.	:	**(Joint Administration Requested)**
	:	
----------	x	

ORDER GRANTING DEBTORS' FIRST OMNIBUS MOTION TO REJECT CERTAIN EQUIPMENT LEASES AND SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

Upon the motion dated May 5, 2016 (the "**Motion**")[1] of CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), for authorization pursuant to section 365 of the Bankruptcy Code and Bankruptcy Rule 6006 to reject the leases ("**Leases**") for helicopters and other related equipment identified

[1] Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

on Schedule 1 to the Motion (collectively, the "**Excess Equipment**") and the sublease agreements identified on Schedule 2 to the Motion (the "**Subleases**") and relating to certain Excess Equipment identified on Schedule 2 to the Motion (the "**Subleased Equipment**"); and upon consideration of (i) the Declaration of Robert A. Del Genio in Support of First-Day Motions and Applications, dated as of the Petition Date and (ii) the Declaration of Michael B. Cox in Support of the Debtors First Motion to Reject Certain Equipment Leases and Subleases, dated as of the Petition Date; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b)(2); 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, (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 certain secured lenders 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) the Securities and Exchange Commission,

(viii) the Internal Revenue Service, (ix) in the case of Excess Equipment, the Lessors, the beneficial owners of such equipment (if different and if known) and the Indenture Parties (if known), if any, and (x) in the case of the Subleases, the Sublessees; and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the "**Hearing**"); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted.

2. Pursuant to section 365 of the Bankruptcy Code and Bankruptcy Rule 6006, (a) the rejection of each of the Leases of Excess Equipment listed on Schedule 1 to the Motion is authorized and approved as of the relevant Effective Date (as set forth next to each item of Excess Equipment on Schedule 1 to the Motion) and (b) the rejection of each of the Subleases listed on Schedule 2 to the Motion is authorized and approved as of the relevant Effective Date of the Leases underlying the Subleased Equipment (as set forth next to each Sublease listed on Schedule 2 to the Motion).

3. Each rejected Lease, Sublease and related transaction agreement set forth on Schedule 1 and Schedule 2 to the Motion is hereby rejected by the Debtors party thereto.

4. The Debtors shall, upon the effectiveness of rejection or as soon as reasonably practicable after the Effective Date, make available to the applicable Lessors records

and documents relating to such Lessors' Excess Equipment that are readily available. If such Excess Equipment is Replacement Equipment, the Debtors shall make available records and documents that are readily available relating to such Replacement Equipment.

5. Upon written request from an affected Lessor, the Debtors shall cooperate reasonably with such Lessor with respect to the execution of, or provision of, information required for a lease termination document or other documentation, as appropriate, to be filed with the aviation authority in the applicable jurisdiction in connection with such Excess Equipment, provided that the affected Lessor shall be solely responsible for all costs associated with such documentation and for the filing thereof with such relevant aviation authority or register.

6. Once the affected Lessor retrieves or takes control of its Excess Equipment, such Lessor or the authorized party under an IDERA or a power of attorney provided by the Debtors, if any, shall be permitted to request the cancellation, or transfer to a party designated by such Lessor, of such helicopter's registration on an aviation authority's register, provided that the affected Lessor shall be solely responsible for all costs associated with such request or transfer.

7. The Debtors are authorized (i) to maintain their current insurance coverage and continue the existing storage maintenance program applicable to each item of Excess Equipment until the earlier of (a) the fifteenth (15th) day after the later of the date of entry of the Order and the relevant Effective Date and (b) the date on which the appropriate Lessor takes possession of such Excess Equipment and (ii) thereafter to cease insuring and maintaining such Excess Equipment.

8. If the Lessor affected by the rejection of a Lease does not retrieve or

otherwise take control of the relevant Excess Equipment from the locations provided on Schedule 1 to the Motion within 15 days after the Effective Date, such Lessor shall be responsible to the Debtors for the subsequent costs of, and all risks attendant to, storing such equipment and for other attendant costs as determined by the Debtors, including costs of insuring the Excess Equipment. If the Lessor does not remove the Excess Equipment or otherwise contract with the Debtors or a third party for storage of the Excess Equipment, the Debtors may file a motion to compel removal of the Excess Equipment and/or payment to the Debtors of storage and other attendant costs including without limitation all legal fees.

9. Subject to ordered paragraphs 10 through 13, if any Replacement Equipment installed on, or returned with, the Affected Equipment has not been previously substituted pursuant to the terms of the relevant Lease, the Debtors may, if requested by the affected Lessor, formalize the transfer of the Debtors' right, title and interest in such Replacement Equipment to the Lessor free and clear of all liens, claims and encumbrances (except for permitted liens under the relevant Lease) by providing a bill of sale to the Lessor of such Replacement Equipment.

10. If the Replacement Equipment is encumbered by a recorded lien or mortgage that is not permitted under the relevant Lease, at the Debtor's election: (i) such lien or mortgage shall be released from such Replacement Equipment and shall attach to Substitute Equipment, (ii) the Debtors shall facilitate the lifting and release of such lien or mortgage on such Replacement Equipment, (iii) the Replacement Equipment shall be replaced with Substitute Equipment of the same model and version, or (iv) the Replacement Equipment shall not be returned to the Lessor and the Lessor shall instead receive as part of the Lessor's damages claim, if any, a pre-petition claim for the value of an engine of the same model and version returned in

compliance with the return conditions set forth in the Lease; in the case of (iii) and (iv), the Debtors may remove the Replacement Equipment from the Affected Equipment.

11. If the transfer documentation contemplated in the Motion was not formalized at the time of the removal of the Original Equipment, the relevant Lessor shall simultaneously deliver, or cause to be delivered, to the Debtors a bill of sale for the Original Equipment, transferring such Original Equipment to the Debtors (or to a third party designated by the Debtors) free and clear of all liens, claims and encumbrances (except for liens permitted under the Lease or the Lessor's financings.

12. If the Replacement Equipment and the Original Equipment are beneficially owned by the relevant Lessor or by the same beneficial owner and leased to the Debtors under separate leases, then the Debtors may surrender such Replacement Equipment to the Lessor in lieu of the Original Equipment and the Replacement Equipment shall thereafter be released from the relevant Lease and any liens in favor of the secured party with respect to such Replacement Equipment, and the Original Equipment shall be subject to such lease or mortgage and any such liens.

13. In lieu of providing Replacement Equipment pursuant to the Procedures, the Debtors may, in the Debtors' sole discretion, make the Original Equipment available to an affected Lessor at the location where such Original Equipment is situated, whether or not the Original Equipment is at the same location as the Affected Equipment, or make Substitute Equipment available to the affected Lessor at the location where the Affected Equipment is situated, and in these circumstances, the Debtors may remove the Replacement Equipment from the Affected Equipment.

14. If a lessor of Original Equipment or Replacement Equipment does not

deliver title documents, or if a secured party with a lien on Original Equipment or Replacement Equipment does not deliver documents necessary to release its liens, each as required in the Procedures, the Debtors shall be entitled to move for an Order to Show Cause to compel such lessor to transfer title to such equipment or to compel such secured party to release its liens. In such an instance, such lessor or such secured party, as the case may be, shall also be liable to the Debtors and the affected Lessor for any damages arising out of or in connection with such lessor's or such secured party's delay, including legal and other fees.

15. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the rejections approved hereby.

16. Claims arising out of any rejection effected pursuant to these procedures must timely be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which prepetition general unsecured claims must be filed (the "**Bar Date**"), on or before the later of (i) the Bar Date, or (ii) 30 days after the Effective Date with respect to the item of Excess Equipment or with respect to the Sublease to which such claim relates, as the case may be. Any claim not timely filed will be irrevocably barred.

17. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a), 6006, 6007 and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

###END OF ORDER###

Respectfully Submitted,

DEBEVOISE & PLIMPTON LLP

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Proposed Special Aircraft Attorneys for Debtors and Debtors in Possession

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-and-

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Proposed Attorneys for Debtors and Debtors in Possession

Exhibit E

Objection Deadline: June 20, 2016 at 4:00 p.m. (CT)
Hearing Date: June 27, 2016 at 9:00 a.m. (CT)

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Proposed Special Aircraft Attorneys for Debtors and Debtors in Possession

This Omnibus Motion seeks, in part, to reject certain executory contracts and unexpired leases. If you have received this Motion and are a contract-counterparty to an agreement with the Debtors, please review Schedule 1, attached hereto, to determine if this Motion affects your agreement and your rights thereunder.

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

In re:	**Chapter 11**
CHC GROUP LTD. *et al.*,[1]	**Case No. 16– 31854 (BJH)**
Debtors.	**(Jointly Administered)**

[1] A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, where applicable, is attached hereto as Exhibit A.

DEBTORS' SECOND OMNIBUS MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE DEBTORS TO REJECT CERTAIN EQUIPMENT LEASES AND SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

A HEARING WILL BE CONDUCTED ON THIS MATTER ON JUNE 27, 2016 AT 9:00 A.M. IN COURTROOM #2, 14TH FLOOR OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, EARLE CABEL FEDERAL BUILDING, 1100 COMMERCE ST., DALLAS, TEXAS 75242.

TO THE HONORABLE BARBARA J. HOUSER, UNITED STATES BANKRUPTCY JUDGE:

CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), respectfully represent:

Relief Requested

1. The Debtors respectfully request that this Court enter an order, substantially in the form attached hereto as Exhibit B (the "**Order**"), authorizing them, pursuant to sections 105(a) and 365(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 6006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), to reject certain equipment leases (the "**Leases**") for helicopters and other related equipment identified on Schedule 1 attached hereto that the Debtors no longer need in the operation of their business (collectively, the "**Excess Equipment**") and certain sublease agreements identified on Schedule 2 attached hereto (the "**Subleases**") and relating to certain Excess Equipment identified on Schedule 2 (the "**Subleased Equipment**").

Jurisdiction and Venue

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

Background

3. On May 5, 2016 (the "**Petition Date**"), each of the Debtors commenced with this Court a voluntary case under chapter 11 of title 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas [Docket No. 52].

The Debtors' Businesses

5. The Debtors, together with their non-debtor affiliates (collectively, "**CHC**"), comprise a global commercial helicopter services company, primarily engaged in providing helicopter services to the offshore oil and gas industry. CHC also provides helicopter services for search and rescue and emergency medical services to various government agencies. In addition, CHC maintains the industry's largest independent helicopter maintenance, repair, and overhaul business (such business, an "**MRO**"), which services helicopter fleets for both CHC as well as third-party customers. CHC manages its domestic and overseas businesses from its headquarters in Irving, Texas and its sales force from an office in Houston, Texas. CHC maintains one of its primary engine overhaul facilities in Fort Collins, Colorado. Only certain entities within CHC – primarily the issuers or guarantors of the Debtors' funded debt – are Debtors in these proceedings. CHC's other entities, including certain operating entities, are not debtors in these cases and are continuing to conduct their businesses in the ordinary course.

6. Additional information about the Debtors' businesses, capital structure and the circumstances leading to the commencement of these chapter 11 cases can be found in

the *Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief* (the "**Del Genio Declaration**")[Docket No. 13].

Basis for Relief

7. In connection with the commencement of its chapter 11 cases, CHC has undertaken to formulate a revised business plan to address the high cost/weakened revenue environment. As an ongoing component of that plan and of the chapter 11 process, CHC has identified cost savings to be achieved through a significant reduction in their fleet by eliminating helicopters and other related equipment that currently are not, or soon will not be, used to generate revenue in CHC's businesses. In addition, CHC is in the process of reducing the complexity of its fleet, which will decrease costs associated with crew training, inventory and maintenance. This reduction and rationalization of CHC's fleet will create a significant surplus of helicopters and other related equipment owned and leased by CHC.

8. CHC maintains a fleet of approximately 230 helicopters comprised of the medium variant (8 to 15 passengers) and heavy variant (16 to 26 passengers) collectively (the "**CHC Fleet**"). A significant portion of the CHC Fleet is comprised of new technology helicopters which have greater range, passenger capacity, enhanced safety systems, and the ability to operate in variable conditions. Of the 230 helicopters in the CHC Fleet, CHC owns 67 helicopters and CHC leases the remainder from various third-party lessors. In most cases CHC subleases aircraft to affiliated operating entities. These leasing structures provide maximum regulatory and business flexibility.

9. Based on current market conditions, a significant reduction in the Debtors leased fleet size and related expenses is required to improve the Debtors' financial position and flexibility and position the Debtors to take advantage of opportunities that may arise out of the current industry downturn.

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10. The Debtors have undertaken to accelerate their fleet replacement strategy in exiting from non-revenue generating aircraft and five older technology helicopter types, in order to first meet their customers' demands for newer technology helicopters and then reduce the number of different helicopters types in their fleet. The Debtors expect to reduce their fleet to approximately 75 productive aircraft by the end of calendar year 2017, with approximately 90 aircraft to be returned within sixty (60) days after the Petition Date. The Debtors have already filed the *First Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* [Docket No. 20] (the "**First Omnibus Rejection Motion**") seeking authority to reject 44 aircraft.

11. In accordance with this analysis, CHC has decided to retire or has already retired certain helicopters and related equipment from its fleet, as set forth on Schedules 1 and 2 attached hereto. The Excess Equipment is not necessary for CHC's continued operation or successful reorganization. Accordingly, CHC seeks to eliminate the costs associated with retaining such Excess Equipment.

12. The requested relief will (i) allow for immediate rejection of the Leases and the Subleases and eliminate unnecessary obligations of the Debtors; (ii) establish an orderly, efficient process for the surrender and return of the Excess Equipment and related documentation; (iii) preserve the uninterrupted operation of CHC's business; and (iv) reduce the very substantial costs and disruptions that otherwise would be incurred in connection with replacing engines currently installed on rejected helicopters with the originally installed engines. The requested relief will also ensure that lessors under the rejected Leases (the "**Lessors**") are provided with procedures for the documentation of title to the helicopters and related equipment that are surrendered and returned to them through the surrender and return process. As part of

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CHC's revised business plan, CHC expects to reduce its fleet by approximately 90 helicopters within sixty (60) days after the Petition Date. CHC will continue to analyze its fleet and, as a result of this ongoing analysis, CHC believes it is likely that additional helicopters and related equipment may be retired in the future.

Replacement of Helicopter Parts and Equipment

13. The process of rejecting the Leases is extremely complicated, particularly when rejecting and returning approximately 90 helicopters in a very short period of time. One of the difficult aspects of this process is addressing the standard practice in the helicopter industry of "pooling" of helicopter parts, including engines, across an operator's helicopter fleet as well as with third-party MROs and such MROs' customers' helicopter fleets.

14. All helicopters need regular maintenance. Many helicopter parts, including engines, are "time-limited" in that they are installed on a helicopter and permitted to be operated on the helicopter for a fixed interval of flight hours, cycles or calendar time that is specific to the type of part. At the end of the applicable interval, the part is "run-out", and the operator must remove it from the helicopter and install on the helicopter another "fresh" part of the same type with all or a portion of the applicable interval remaining in order to continue operating the helicopter. Helicopter parts may also be removed from a helicopter and replaced because they are damaged or otherwise unserviceable and require testing or repair. For some types of helicopter parts, when they are run-out or unserviceable, they are removed from the helicopter and discarded. For other types of helicopter parts, including engines, when they are run-out or unserviceable, they are removed from the helicopter and sent to an MRO for scheduled maintenance to replenish the applicable interval of the run-out part or for testing and repair of the unserviceable part, as applicable.

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15. Scheduled maintenance, testing and repair services performed by an MRO are detailed, time-consuming processes. In addition, MROs are not in all the same locations as their customers' helicopter bases, which are located all over the world, including in remote areas, and accordingly transporting run-out and unserviceable parts from a helicopter base to an MRO and back again can take considerable time and expense. Accordingly, to avoid frequent and lengthy disruptions in helicopter operation schedules due to scheduled maintenance, testing and repair of helicopter parts that become run-out or unserviceable during the course of each helicopter's operation, it is standard in the helicopter industry for an MRO, on an ongoing basis, both to receive run-out and unserviceable parts from all of its different customers and to provide these customers with a supply of other fresh or serviceable parts of the same type for installation and use on such customers' helicopters. When an MRO has finished its maintenance, testing and repair processes such that a run-out or unserviceable part is fresh or serviceable, as applicable, that fresh or serviceable part goes into the same parts pool that supplies all of the MRO's customers. To facilitate this kind of MRO parts pooling arrangement (an "**MRO Pooling Arrangement**"), the MRO's arrangements with its different customers typically will contemplate that title to run-out or unserviceable parts that the customer sends to the MRO will vest in the MRO, and title to the supply of fresh or serviceable parts that the MRO sends to a customer will vest in the customer or in the owner/lessor of the aircraft on which such fresh or serviceable part is installed. Accordingly, the parts that a customer receives from an MRO and installs on a helicopter are often not the same parts that were originally installed on the helicopter, and in many cases will be a part originally installed on a helicopter operated by a different customer.

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16. The engines in CHC's helicopter fleet are maintained, tested and repaired under MRO Pooling Arrangements by both CHC's own MRO as well as third-party MROs. Accordingly, due to these MRO Pooling Arrangements and given the large size of CHC's helicopter fleet and its continued operation for many years, on any given day, a significant portion of the helicopters in CHC's fleet will not have installed on them those engines that were originally installed on the helicopter at the commencement of the applicable lease (the "**Original Equipment**"), and given the breadth of CHC's worldwide operations, much of such Original Equipment will be located in different parts of the world than the applicable helicopter subject to such lease and, in fact, may be installed on the helicopters of third-party operators or owned and possessed by an MRO and used in such MRO's shared pool.

17. Replacement of engines and other parts will occur multiple times for each helicopter during the term of the applicable lease and during the life of a helicopter. Typically, helicopter leases identify the Original Equipment and other parts by serial number. As the Original Equipment or other parts become run-out or unserviceable in the course of the helicopter's operation, the operator will remove and replace such parts with other fresh or serviceable parts during the term of the applicable lease. Moreover, as it is in the interest of the lessors that the helicopter is in an operating condition during the lease term, helicopter leases typically require the lessee to remove run-out or unserviceable parts and replace them with other parts that have time remaining in the applicable interval and are serviceable, and many leases will require that at lease expiry the helicopter is returned to the applicable lessor with minimum flight hours, cycles or calendar days, as the case may be, before scheduled removal of specific parts.

18. To accommodate this standard and necessary practice, helicopter leases and mortgages typically include provisions contemplating the removal and replacement of engines under certain circumstances. Thus, in the case of a helicopter lease, the substitution provisions would contemplate that the lessee cause title to a replacement engine to be conveyed to the lessor and contemporaneously the lessor relinquish title to the engine being replaced. Similarly, in the case of a helicopter mortgage, the substitution provisions would contemplate that the mortgagor subject a replacement engine to the mortgage and contemporaneously the secured party relinquish its lien on the engine being replaced.

19. Substantially all of CHC's helicopter leases include provisions contemplating the removal and replacement of engines and parts under the applicable lease, including provisions permitting CHC to "substitute" other engines under the lease under certain circumstances. In addition, many of CHC's leases follow CHC's general policy of not permitting filings or registrations of the applicable Lessor's interest in any particular engines then subject to the lease, as CHC views such filings or registrations as inconsistent with or hampering the ordinary course replacement of engines in CHC's helicopter fleet and MRO Pooling Arrangements.

20. Requiring CHC to return with each helicopter the Original Equipment would be monumentally burdensome, expensive and disruptive to CHC's business, inasmuch as this process would require CHC to ground and remove all affected helicopters from revenue generating operations much earlier than would otherwise be necessary in order to remove the then affixed engines, transport each removed engine to the location of the helicopter subject to the applicable lease, and replace each removed engine with the engine identified in the applicable lease, assuming such engine is even currently in CHC's possession as part of CHC's

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engine pool. Thus, the operations and maintenance schedules for each affected helicopter would be disrupted, thereby adding to the complexity, burden, expense and loss of revenue. In addition, with respect to any Original Equipment installed on a helicopter that is no longer in CHC's fleet or is now part of an MRO's engine pool, it may not be possible for CHC to reacquire such Original Equipment to return to the applicable Lessor, since such engine may be installed and operating in the fleet of another operator and title to such engine would have been conveyed by an original equipment manufacturer ("**OEM**") or MRO, as the case may be, to such operator. The burden, expense and disruption to CHC's business and fleet operations would be multiplied significantly given that the Debtors are seeking to return 40 helicopters in connection with this motion, in addition to the 44 helicopters contemplated by the First Omnibus Rejection Motion. In addition, more helicopters may be surrendered and returned in the medium term as CHC continues to review its fleet needs.

21. Moreover, in order to accomplish this task absent the relief requested, CHC might need to establish one or more maintenance lines at each helicopter base and at its MRO maintenance locations dedicated solely to replacing engines or contract the work to outside repair companies or MROs. As a result, CHC would need to hire additional maintenance workers, pay significant overtime expenses and incur significant outside contractor expenses to coordinate and perform engine replacements in connection with Excess Equipment returns. The cost of this incremental labor and these operations would be significant and particularly onerous for CHC at a time when CHC is taking every possible measure to preserve cash and limit unnecessary costs.

22. Furthermore, given the number of helicopters that would have to be taken out of service, the engine replacements could lead to lengthy disruptions in service to CHC's

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customers, which may cause CHC's customers to cancel their contracts or assess penalties against CHC that would impact revenues to the detriment of the estates and all parties in interest.

23. Each helicopter model has specific types of rotor blades, engines and other parts approved for use with such helicopter model. All engines of a specific model and version are the same. The only difference in value of two engines of the same model and version is a function of the differences in the condition and remaining maintenance cycle interval as between the two engines. Most leases provide that a lessor is entitled to receive an engine with the condition and remaining maintenance cycle interval specified in the lease. It is standard practice in the industry that when an engine is removed and sent to an MRO for overhaul and repair, the MRO will provide to the operator for installation on the helicopter an overhauled and repaired engine that would be in better condition than the engine removed from the helicopter. Therefore, upon installation of the replacement engine from the MRO, the lessor for that helicopter receives a more valuable part than the part removed.

24. Additional information about CHC's fleet operations and the standard maintenance and pooling practices in the helicopter industry can be found in the *Declaration of Michael B. Cox in Support of the Debtors' Second Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* (the "**Cox Declaration**"), filed concurrently herewith.

25. Upon return of leased helicopters, if not already completed during the term of the lease, CHC will facilitate bills of sale and title transfers on replacement engines. Given the large number of helicopters being returned by CHC, a streamlined procedure is needed to allow for the efficient return of each helicopter.

26. CHC proposes that the procedures set forth below create a reasonable, cost-effective, orderly process for the nearly contemporaneous return of Excess Equipment and related documentation.

Procedures

27. The Debtors ask that the Court approve the following procedures regarding the Leases, Subleases and Excess Equipment that are the subject of this motion ("**Procedures**"), which are consistent with the procedures sought in the First Omnibus Rejection Motion.

A. Filing Proofs of Claim

28. The Debtors propose that any claims arising out of any rejection effected pursuant to these Procedures must timely be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which prepetition general unsecured claims must be filed (the "**Bar Date**"), on or before the later of (i) the Bar Date or (ii) 30 days after the Effective Date (as indicated on the attached Schedule 1) with respect to the item of Excess Equipment or with respect to the Sublease to which such claim relates, as the case may be. Any claim not timely filed will be irrevocably barred.

B. Provision of Records and Documents

29. Upon effectiveness of rejection or as soon as reasonably practicable thereafter, the Debtors shall make available to the applicable Lessors records and documents relating to such Excess Equipment that are readily available. If such Excess Equipment is Replacement Equipment, the Debtors shall make available records and documents that are readily available relating to such Replacement Equipment instead of those relating to any

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equipment previously installed (but no longer installed) on the helicopter in accordance with the foregoing.

C. Return and Retrieval of Helicopters

30. The Debtors have provided information on the schedules and exhibits attached hereto that will assist the Lessors in retrieving the Excess Equipment.

31. If any of the engines (the "**Replacement Equipment**") installed on or returned with a helicopter (the "**Affected Equipment**") at the time of surrender and return by the Debtors have not been previously substituted pursuant to the terms of the relevant Lease, the following guidelines shall apply:

a. If requested, and subject to paragraphs (b) through (e) below, the Debtors shall formalize the transfer of the Debtors' right, title and interest in such Replacement Equipment to the relevant Lessor free and clear of all liens, claims and encumbrances (except for permitted liens under the relevant Lease) by providing a bill of sale to the Lessor of such Replacement Equipment.

b. If the Replacement Equipment is encumbered by a recorded lien or mortgage that is not a permitted lien under the relevant Lease, at the Debtor's election: (i) such lien or mortgage shall be released from such Replacement Equipment and shall attach to substitute equipment designated by the Debtors and having a value and utility at least equal to the Replacement Equipment (the "**Substitute Equipment**"), (ii) the Debtors shall facilitate the lifting and release of such lien or mortgage on such Replacement Equipment, (iii) the Replacement Equipment shall be replaced with Substitute Equipment of the same model and version as such Replacement Equipment, or (iv) the Replacement Equipment shall not be returned to the Lessor and the Lessor shall instead receive as part of the Lessor's damages claim,

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if any, a pre-petition claim for the value of an engine of the same model and version returned in compliance with the return conditions set forth in the Lease. In the case of (iii) and (iv) above, the Debtors may remove the Replacement Equipment from the Affected Equipment.

c. If the transfer documentation contemplated herein was not formalized at the time of the removal of the Original Equipment, the relevant Lessor shall simultaneously deliver, or cause to be delivered, to the Debtors a bill of sale for the Original Equipment, transferring such Original Equipment to the Debtors (or to a third party designated by the Debtors) free and clear of all liens, claims and encumbrances (except for liens permitted under the Lease or the Lessor's financings.

d. If the Replacement Equipment and the Original Equipment are beneficially owned by the relevant Lessor or by the same beneficial owner and leased to the Debtors under separate leases, then it shall be sufficient for the Debtors to surrender such Replacement Equipment to the Lessor in lieu of the Original Equipment. The Replacement Equipment shall thereafter be released from the relevant Lease and any liens in favor of the indenture trustee or other secured party with respect to such replacement lease or mortgage, and the Original Equipment shall be subject to such lease or mortgage and any such liens.

e. In lieu of providing Replacement Equipment pursuant to these Procedures, the Debtors may, in their sole discretion, make the Original Equipment available to an affected Lessor at the location where it is situated, whether or not the Original Equipment is at the same location as the Affected Equipment, or make Substitute Equipment available to the affected Lessor at the location where the Affected Equipment is situated. In these circumstances, the Debtors may remove the Replacement Equipment from the Affected Equipment.

32. If a lessor of Original Equipment or Replacement Equipment does not deliver title documents or if a secured party with a lien on Original Equipment or Replacement Equipment does not deliver documents necessary to release its liens, each as required in these procedures, the Debtors shall be entitled to move for an Order to Show Cause to compel such lessor to transfer title to such equipment or to compel such secured party to release its liens. In such an instance, such lessor or such secured party, as the case may be, shall also be liable to the Debtors and the affected Lessor for any damages arising out of or in connection with such lessor's or such secured party's delay, including legal and other fees. The Debtors and the affected Lessor shall also be entitled to continue to use such equipment until title is transferred or the liens are released as set forth herein.

33. The Debtors also ask this Court to enter an Order providing that if the Lessor affected by the rejection of a Lease does not retrieve or otherwise take control of the relevant Excess Equipment from the locations provided on Schedule 1 within 15 days after the later of the date of entry of the Order and the relevant Effective Date, such Lessor shall be responsible to the Debtors for the subsequent costs of, and all risks attendant to, storing such equipment and for other attendant costs as determined by the Debtors, including costs of insuring the Excess Equipment. If the Lessor does not remove the Excess Equipment or otherwise contract with the Debtors or a third party for storage of the Excess Equipment, the Debtors may file a motion to compel removal of the Excess Equipment and/or payment to the Debtors of storage and other attendant costs including without limitation all legal fees. The Excess Equipment will be made available to the Lessor "as is, where is" and the Debtors specifically make neither representations nor warranties regarding the Excess Equipment.

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34. To preserve the value of the Excess Equipment before the appropriate Lessor takes possession, the Debtors will maintain their current insurance coverage and continue the existing storage maintenance program, if applicable, until the earlier of: (i) the fifteenth (15th) day after the later of the date of entry of the Order and the relevant Effective Date; or (ii) the date on which the appropriate Lessor takes possession of the Excess Equipment. Thereafter, however, the Debtors shall cease insuring and maintaining the Excess Equipment.

D. Debtors' Cooperation in Making Related Aviation Authority Filings

35. Upon written request from an affected Lessor, the Debtors agree to cooperate reasonably with such Lessor with respect to the execution of, or provision of, information required for a lease termination document to be filed with the aviation authority in the applicable jurisdiction in connection with such Excess Equipment. In addition, the Debtors ask this Court to enter an order providing that once the affected Lessor retrieves or takes control of such Excess Equipment, such Lessor or the authorized party under an Irrevocable De-Registration and Export Request Authorization ("**IDERA**") or a power of attorney provided by the Debtors, if any, shall be permitted to request the cancellation, or transfer to a party designated by such Lessor, of such helicopter's registration on such aviation authority's register. However, the affected Lessor shall be solely responsible for all costs associated with such documentation and the filing thereof with the relevant aviation authority or registry.

E. Debtors' Further Actions to Implement Approved Rejections

36. The Debtors submit that the proposed actions and Procedures are reasonable, in the best interests of the estates, and should be approved by this Court. Accordingly, the Debtors seek authorization to execute and deliver all instruments and

documents and take any additional actions as are necessary or appropriate to implement and effectuate the procedures.

Rejection of the Leases and the Subleases Is in the Best Interests of the Debtors and Their Estates and Creditors, Is Supported By the Debtors' Business Judgment, and Should Be Approved By the Court

37. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a); *see also NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 521 (1984); *In re Lavigne*, 114 F.3d 379, 386 (2d Cir. 1997). "[T]he purpose behind allowing the assumption or rejection of executory contracts is to permit the trustee or debtor-in-possession to use valuable property of the estate and to 'renounce title to and abandon burdensome property.'" *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993); *see also NLRB v. Bildisco & Bildisco*, 465 U.S. at 528 ("the authority to reject an executory contract is vital to the basic purpose of a Chapter 11 reorganization, because rejection can release the debtor's estate from burdensome obligations that can impede a successful reorganization."); *Matter of Murexco Petroleum, Inc.*, 15 F.3d 60, 62 (5th Cir. 1994) (noting that section 365 "allows a trustee to relieve the bankruptcy estate of burdensome agreements which have not been completely performed.")

38. The standard applied to determine whether the rejection of an unexpired lease should be authorized is the "business judgment" standard. *See NLRB v. Bildisco & Bildisco,* 465 U.S. at 523; *In re Penn Traffic Co.*, 524 F.3d 373, 383 (2d Cir. 2008); *In re Orion Pictures Corp.*, 4 F.3d 1095, 1098-99 (2d Cir. 1993); *In re Minges*, 602 F.2d 38, 42 (2d Cir. 1979); *In re Old Carco LLC*, 406 B.R. 180, 188 (Bankr. S.D.N.Y. 2009); *In re Roman Crest Fruit, Inc.*, 35 B.R. 939, 949 (S.D.N.Y. 1983). Courts defer to a debtor's business judgment in

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rejecting an unexpired lease, and upon finding that a debtor has exercised its sound business judgment, approve the rejection under section 365(a) of the Bankruptcy Code. *See Bildisco & Bildisco*, 465 U.S. at 523 (recognizing the "business judgment" standard used to approve rejection of executory contracts); *Nostas Assocs. v. Costich (In re Klein Sleep Products, Inc.)*, 78 F.3d 18, 25 (2d Cir. 1996) (recognizing the "business judgment" standard used to approve rejection of executory contracts); *In re Minges*, 602 F.2d 38, 42-43 (2d Cir. 1979) (holding that the "business judgment" test is appropriate for determining when an executory contract can be rejected); *In re G Survivor Corp.*, 171 B.R. 755, 757 (Bankr. S.D.N.Y. 1994) (approving rejection of license by debtor because such rejection satisfied the "business judgment" test); *In re Child World, Inc.*, 142 B.R. 87, 89 (Bankr. S.D.N.Y. 1992) (stating that a debtor may assume or reject an unexpired lease under § 365(a) in the exercise of its "business judgment"); *In re Pilgrim's Pride Corp.*, 403 B.R. 413, 426 (Bankr. N.D. Tex. 2009) (holding that, absent public policy necessitating a more stringent standard, business judgment standard applies to a rejection decision under § 365(a)); *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1307 (5th Cir. 1985) (applying business judgment standard to the determination of whether a rejection decision was proper under § 365).

39. The "business judgment" standard is not a strict standard; it requires only a showing that either assumption or rejection of the executory contract or unexpired lease will benefit the debtor's estate. *See In re Balco Equities, Inc.*, 323 B.R. 85, 99 (Bankr. S.D.N.Y 2005) ("In determining whether the debtor has employed reasonable business discretion, the court for the most part must only determine that the rejection will likely benefit the estate.") (quoting *G Survivor*, 171 B.R. at 757); *In re Helm*, 335 B.R. 528, 538 (Bankr. S.D.N.Y. 1996) ("To meet the business judgment test, the debtor in possession must 'establish that rejection will

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benefit the estate.'") (citation omitted). Further, under the business judgment standard, "[a] debtor's decision to reject an executory contract must be summary affirmed unless it is the product of 'bad faith, or whim or caprice'" *In re Trans World Airlines, Inc.,* 261 B.R. 103, 121 (Bankr. D. Del. 2001).

40. In addition, "unless a separate provision of the Bankruptcy Code provides a non-debtor party with specific protection, the debtor and its estate's interests are paramount; adverse effects on the non-debtor contract party arising from the decision to assume or reject are irrelevant." *In re The Great Atlantic & Pacific Tea Company*, 544 B.R. 43, 49 (Bankr. S.D.N.Y. 2016); *see also In re Sabine Oil and Gas Corp.*, 547 B.R. 66, 71 (Bankr. S.D.N.Y. 2016); *In re Noranda Aluminum, Inc.*, No. 16-10083-399, 2016 WL 1417923, at *3 (Bankr. E.D. Mo. Mar. 31, 2016).

41. As part of their ongoing efforts to reduce costs and maximize fleet flexibility, the Debtors have identified Excess Equipment that no longer fits into the Debtors' business plan and, accordingly, will no longer be utilized by the Debtors and have no utility or value to the Debtors. The Debtors entered into the Leases and related agreements in a different economic climate than the one facing the Debtors' industry today. Today, with the ongoing downturn in the Debtors' industry, these same helicopters are no longer necessary to the Debtors' operations. As of the date hereof, the Debtors have taken or will take all of the Excess Equipment out of service. Consequently, the unused equipment is, or will be, languishing in expensive storage space without generating any value for the Debtors' estates and the Excess Equipment is nothing more than a cash drain on the Debtors' businesses. Thus, the Excess Equipment is burdensome to the Debtors and is no longer beneficial to the Debtors or their

estates. If the rejection of the Leases is approved, the Debtors will maintain sufficient helicopters to operate their businesses and meet their customers' needs.

42. With respect to the Subleased Equipment, in almost all cases upon termination of each related Lease, the Debtors and the parties operating the helicopters are required to terminate the applicable Subleases and return such helicopters to the Lessors. As the Debtors' structural cost-cutting measures contemplate the return of the Excess Equipment subject to the subleases, it is not economical for the Debtors to continue to lease the Subleased Equipment from the applicable Lessors on terms that are burdensome to the Debtors and in turn sublease such equipment to the Sublessees on terms that are not overall beneficial to the Debtors or their estates, therefore the Subleases are burdensome to the Debtors and are no longer beneficial to the Debtors or their estates.

Reservation of Rights

43. Nothing contained herein is intended or shall be construed as (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 any parties in interest to the Excess Equipment, Subleased Equipment, or Leases or Subleases under applicable nonbankruptcy law or (iii) a waiver of any claims or causes of action which may exist against any parties in interest to the Excess Equipment, Subleased Equipment, or Leases or Subleases. The Debtors are in the process of reviewing these matters and reserve all of their rights under the Bankruptcy Code.

Notice

44. No trustee, examiner or creditors' committee has been appointed in these chapter 11 cases. Notice of this Motion shall be given to: (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177

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Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Kenneth H. Eckstein, Esq.), counsel to the Official Committee of Unsecured Creditors; (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 certain secured lenders 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) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) in the case of Excess Equipment, the Lessors, the beneficial owners of such equipment (if different and if known) and the Indenture Parties (if known), if any; and (x) in the case of the Subleases, the Sublessees. Due to the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

45. No previous request for the relief sought herein has been made to this or any other Court.

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WHEREFORE, the Debtors respectfully request that the Court enter an order (a) authorizing the Debtors to reject the Leases and the Subleases as of the Effective Date and (b) granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York
May 27, 2016

By: */s/ Jasmine Ball*

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Proposed Attorneys for Debtors and Debtors in Possession

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EXHIBIT A

Debtors

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

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Bank of Scotland Corporate Asset Finance	2
Bank of Utah	3, 20
BNP Paribas S.A.	8, 22-33
Bolt Steward Cable Limited	36, 37
Caroline Devlin	14
Clifford Chance, LLP	17, 18, 34
Commonwealth Bank of Australia	38-40
Dentons US LLP	12, 21
Element Capital Corp.	12, 21
ERA Leasing LLC	9
Eurocopter S.A.S. (now Airbus)	8, 11, 13, 22-33, 36
Export Development Canada	3, 17, 18, 34
HAYNES AND BOONE, LLP	2-4, 19, 20
HFSI One Limited	5
Holland & Knight LLP	8, 11, 13, 22-33
HSBC France	8, 11, 13, 22-33
Ironshore Specialty Insurance Company	36, 37
IWG Davis LLP	8, 11, 13, 22-33
Jackson Walker L.L.P.	10, 36
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Milestone Aviation Group Limited	1, 6, 7, 15, 16, 35
Morgan Stanley Bank International Limited	38-40
Parilease S.A.S.	8, 11, 13, 22-33
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RBS Aerospace Limited	3, 17, 18, 34
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Sidley Austin LLP	1, 6, 7, 15, 16, 35
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Sparebank 1 SR-Finans AS	10, 36

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Sparebanken Finans Nord-Norge AS	37
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The Milestone Aviation Asset Holding Group No. 25 Ltd	1, 6, 7, 15, 16, 35
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Waypoint Asset Co 6 Limited	3, 20
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Wells Fargo Bank Northwest, National Association	2, 4, 15, 19
White & Case, LLP	14
Wilmington Trust Company	1, 6, 7, 15, 16, 20, 35
Wilmington Trust SP Services (Dublin) Limited	1, 6, 7, 15, 35

Notice Parties: Schedule 2	**Row(s):**
BHS - Brazilian Helicopter Services Taxi Aereo SA	7, 13, 17, 20, 30, 41, 43, 45
CHC Helicopters Netherlands BV	3
CHC Helicopters Canada Inc.	23, 24, 27, 28
CHC Helikopter Service AS	11, 14, 15, 26, 31-33, 35, 55, 56
CHC Scotia Limited	4, 5, 10, 18, 34, 55
Thai Aviation Services Limited	22

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Schedule 1

EXCESS EQUIPMENT[1]

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
1	CHC Helicopters (Barbados) Limited	Lessor: The Milestone Aviation Asset Holding Group No. 25 Ltd William Kelly Units 23 & 24 Classon House, Dundrum Business Park, Dundrum, Dublin 14, Ireland Fax: 353 1 477 3385 Wkelly@milestoneaviation.com Copy: Milestone Aviation Group Limited	Manufacturer: AgustaWestland Model: AW139 Serial Number: 31511	Luchthavenweg 18 (in DHA hangar), 1786 PP, Den Helder, The Netherlands	Manufacturer: Pratt & Whitney Canada Model: PT6C-67C Serial Nos.: PCE-KB1174 PCE-KB1381	July 3, 2016

[1] For each helicopter and lease that is being rejected, each other related transaction document to which a Debtor is a party that is integral to such leasing transaction (including, without limitation, any lessee or sublessee consent in connection with any lease) also will be deemed part of this Schedule 1 and shall be rejected with respect to such helicopter if the related helicopter lease is rejected. References to any agreement to be rejected are to the applicable agreement and other operative documents, as may have been amended, modified or supplemented from time to time and as is in effect as of the date hereof. As a matter of administrative convenience, in some cases the Debtors have listed the original parties to the documents without taking into account any succession of trustees or any other transfers from one party to another. The fact that the current parties to a particular agreement may not have been named in this Schedule is not intended to change the treatment of the documents. The current parties to the agreements are being noticed pursuant to this Notice. In addition, out of an abundance of caution, the Debtors have listed certain leases or contracts on this Schedule 1 that have already terminated or expired in accordance with the terms of such leases or contracts.

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Minerva House, 2nd Floor, Simmonscourt Road, Ballsbridge Dublin 4, Ireland Duston K. McFaul Sidley Austin LLP 1000 Louisiana Street, Suite 6000 Houston TX 77002 (T): (713) 495-4500 (F): (713) 495-7799 Email: dmcfaul@sidley.com Michael G. Burke Dennis Kao Sidley Austin LLP 787 Seventh Avenue, New York NY 10019 (T): (212) 839-5300 (F): (212) 839-5599 Email: mgburke@sidley.com dkao@sidley.com Wilmington Trust Company Corporate Trust Administration 1110 North Market St. Wilmington, DE 19890-1605 USA				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F): (302) 636-4140 Wilmington Trust SP Services (Dublin) Limited 4th Floor, 3 George's Dock, IFSC Dublin 1, Ireland (F): 353 1 612 5550				
2	CHC Helicopters (Barbados) SRL	Lessor: Waypoint Asset Co 8 Limited Robert D. Albergotti Ian T. Peck HAYNES AND BOONE, LLP 2323 Victory Avenue, Suite 700 Dallas, Texas 75219 (T): 214-651-5000 (F): 214-651-5940 Email: robert.albergotti@haynesboone.com ian.peck@haynesboone.com Harold S. Novikoff Emily D. Johnson WACHTELL, LIPTON, ROSEN & KATZ 51 West 52nd Street New York, NY 10019 (T): 212-403-1000	Manufacturer: AgustaWestland Model: AW139 Serial Number: 31203	HMCG Helicopter Unit, Daedalus Airfield, Chark Lane, Lee-on-Solent. PO13 9FL, United Kingdom	Manufacturer: Pratt & Whitney Canada Model: PT6C-67C Serial Nos.: PCE-KB0054 PCE-KB0262	July 3, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F): 212-403-2000 Email: hsnovikoff@wlrk.com Email: edjohnson@wlrk.com Todd Kevin Wolynski Associate General Counsel, VP Legal WAYPOINT LEASING 19 Old King's Highway South Darien, CT 06820 (T): 516-662-5302 Email: twolynski@waypointleasing.com Copy: TMF Management (Ireland) Limited John Hackett; Neasan Cavangh 53 Merrion Square, Dublin 2 Ireland (F): +353 1 614 6250 Email: john.hackett@tmf-group.com neasan.cavanagh@tmf-group.com Owner Trustee: Wells Fargo Bank Northwest NA CTS Lease Group 260 North Charles Lindbergh Drive, MAC U1240-026 Salt Lake City, UT 84116 USA				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Email: ctsleasegroup@wellsfargo.com Copy: Wells Fargo Bank Northwest, National Association Michael Arsenault 260 North Charles Lindbergh Drive, MAC U1240-026 Salt Lake City, UT 84116 USA (T): +1 801 246 7142 Email: michael.arsenault@wellsfargo.com Owner: Bank of Scotland Corporate Asset Finance Frances Herd 8 Lochside Avenue Edinburgh, EH 12 9DJ, United Kingdom (T): +44(0) 845 603 7868 Email: frances_herd@bankofscotland.co.uk				
3	Heliworld Leasing Limited	Lessor: Waypoint Asset Co 6 Limited Robert D. Albergotti Ian T. Peck HAYNES AND BOONE, LLP 2323 Victory Avenue, Suite 700 Dallas, Texas 75219	Manufacturer: AgustaWestland Model: AW139 Serial Number: 31042	Luchthavenweg 18 (in DHA hangar), 1786 PP, Den Helder, The Netherlands	Manufacturer: Pratt & Whitney Canada Model: PT6C-67C Serial Nos.:	July 3, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(T): 214-651-5000 (F): 214-651-5940 Email: robert.albergotti@haynesboone.com Email: ian.peck@haynesboone.com Harold S. Novikoff Emily D. Johnson WACHTELL, LIPTON, ROSEN & KATZ 51 West 52nd Street New York, NY 10019 (T): 212-403-1000 (F): 212-403-2000 Email: hsnovikoff@wlrk.com Email: edjohnson@wlrk.com Todd Kevin Wolynski Associate General Counsel, VP Legal WAYPOINT LEASING 19 Old King's Highway South Darien, CT 06820 Telephone: 516.662.5302 Email: twolynski@waypointleasing.com Owner Trustee: Bank of Utah Joshua Eyre 200 E. South Temple, Suite 201			PCE-KB0367 PCE-KB0042	

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Salt Lake City UT 84111 USA Email: jeyre@bankofutah.com Copy: RBS Aerospace Limited George's Quay Plaza, George's Quay, Dublin 2 Ireland (F): +353 1448 3390 The Royal Bank of Scotland Senior Director, Head of Risk and Portfolio Management Head of Operations Structured Asset Finance The Quadrangle, The Promenade Cheltenham, GL50 1PX, United Kingdom Export Development Canada Loan Portfolio Manager (Asset Management Transportation) 150 Slater, Ottawa, Ontario, K1A 1K3 Canada (F): +613 598 3186 Copy:				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		J. Mark Chevallier McGUIRE, CRADDOCK & STROTHER, P.C. 2501 N. Harwood, Suite 1800 Dallas, TX 75201 (T): (214) 954-6800 (F): (214) 954-6858 Email: mchevallier@mcslaw.com Douglas J. Lipke VEDDER PRICE 222 North LaSalle Street Chicago, IL 60601 (T): (312) 609-7646 (F): (312) 609-5005 Email: dlipke@vedderprice.com Michael J. Edelman VEDDER PRICE 1633 Broadway 47th Floor New York, New York 10019 (T): (212) 407-6970 (F): (212) 407-7799 Email: mjedelman@vedderprice.com				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
4	CHC Helicopters (Barbados) SRL	Lessor: Waypoint Asset Co 3 Limited Copy: Robert D. Albergotti Ian T. Peck HAYNES AND BOONE, LLP 2323 Victory Avenue, Suite 700 Dallas, Texas 75219 (T): 214.651.5000 (F): 214.651.5940 Email: robert.albergotti@haynesboone.com Email: ian.peck@haynesboone.com Harold S. Novikoff Emily D. Johnson WACHTELL, LIPTON, ROSEN & KATZ 51 West 52nd Street New York, NY 10019 (T): 212.403.1000 (F): 212.403.2000 Email: hsnovikoff@wlrk.com Email: edjohnson@wlrk.com Todd Kevin Wolynski Associate General Counsel, VP Legal	Manufacturer: AgustaWestland Model: AW139 Serial Number: 31492	Estrada Velha de Arraial do Cabo - S/N° – Aeroporto Cabo Frio – RJ – Brazil – CEP 22775-000	Manufacturer: Pratt & Whitney Canada Model: PT6C-67C Serial Nos.: PCE-KB1297 PCE-KB1310	July 3, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		WAYPOINT LEASING 19 Old King's Highway South Darien, CT 06820 (T): 516.662.5302 Email: twolynski@waypointleasing.com Owner Trustee: Wells Fargo Bank Northwest, National Association Michael Arsenault 260 North Charles Lindbergh Drive, MAC U1240-026 Salt Lake City, UT 84116 USA (T): +1 801 246 7142 Email: michael.arsenault@wellsfargo.com Copy: TMF Management (Ireland) Limited John Hackett; Neasan Cavangh 53 Merrion Square, Dublin 2 Ireland (F): +353 1 614 6250 Email: john.hackett@tmf-group.com neasan.cavanagh@tmf-group.com				
5	Heliworld Leasing Limited	Lessor: HFSI One Limited	Manufacturer: Airbus Helicopters	Hangar C - Broome Heliport, Gus	Manufacturer: Turbomeca	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		41 Forbes Quay Sir John Rogerson's Quay Dublin 2 Ireland HFSI One Limited Managing Director, Ground Floor 6 George's Dock IFSC Dublin 1 Ireland (F): +353 1 672 8709 HFSI One Limited General Counsel C/O Lease Corporation International Limited, Ground Floor, 6 George's Dock, IFSC, Dublin 1 Ireland (F): +353 1 818 9955 Copy: Libra Group Services Group General Counsel 13-14 Hobart Place London SW 1W 0HH United Kingdom (F): +353 1 818 9955 J. Mark Chevallier McGUIRE, CRADDOCK & STROTHER, P.C.	Model: EC225 Serial Number: 2910	Winckel Road, Broome WA 6725 Australia	Model: Makila 2A1 Serial Nos.: 13317 13069	

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		2501 N. Harwood, Suite 1800 Dallas, TX 75201 (T): (214) 954-6800 (F): (214) 954-6858 Email: mchevallier@mcslaw.com Douglas J. Lipke VEDDER PRICE 222 North LaSalle Street Chicago, IL 60601 (T): (312) 609-7646 (F): (312) 609-5005 Email: dlipke@vedderprice.com Michael J. Edelman VEDDER PRICE 1633 Broadway 47th Floor New York, New York 10019 (T): (212) 407-6970 (F): (212) 407-7799 Email: mjedelman@vedderprice.com Airbus Helicopters Jean Michel Cerf Etablissement de la Courneuve 2 a 20 avenue Marcel - Cachin La Courneuve Cedex BP107-93123				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		France (F): +44 20 7245 0681 Sandycove Aviation Limited General Counsel 41 Forbes Quay, Sir John Rogerson's Quay, Dublin 2 Ireland (F): +44 20 7245 0681				
6	CHC Helicopters (Barbados) Limited	Lessor: The Milestone Aviation Asset Holding Group No. 8 Ltd William Kelly Units 23 & 24 Classon House, Dundrum Business Park, Dundrum, Dublin 14, Ireland (F): 353 1 477 3385 Email: Wkelly@milestoneaviation.com Copy: Milestone Aviation Group Limited Minerva House, 2nd Floor, Simmonscourt Road, Ballsbridge Dublin 4, Ireland Duston K. McFaul Sidley Austin LLP	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2681	CHC Scotia Ltd, North Hangar, Hutton Road, Aberdeen Airport, Dyce, AB21 0LT United Kingdom	Manufacturer: Turbomeca Model: Makila 2A Serial Nos.: 1063 1177	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		1000 Louisiana Street, Suite 6000 Houston TX 77002 (T): (713) 495-4500 (F): (713) 495-7799 Email: dmcfaul@sidley.com Michael G. Burke Dennis Kao Sidley Austin LLP 787 Seventh Avenue, New York NY 10019 (T): (212) 839-5300 (F): (212) 839-5599 E-mail: mgburke@sidley.com dkao@sidley.com Wilmington Trust Company Corporate Trust Administration 1110 North Market St. Wilmington, DE 19890-1605 USA (F) (302) 636-4140 Wilmington Trust SP Services (Dublin) Limited 4th Floor, 3 George's Dock, IFSC Dublin 1, Ireland (F): 353 1 612 5550				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		The Milestone Aviation Asset Holding Group No. 25 Ltd William Kelly Units 23 & 24 Classon House, Dundrum Business Park, Dundrum, Dublin 14, Ireland (F): 353 1 477 3385 Email: Wkelly@milestoneaviation.com				
7	CHC Helicopters (Barbados) SRL	Lessor: The Milestone Aviation Asset Holding Group No. 25 Ltd William Kelly Units 23 & 24 Classon House, Dundrum Business Park, Dundrum, Dublin 14, Ireland (F): 353 1 477 3385 Email: Wkelly@milestoneaviation.com Copy: Milestone Aviation Group Limited Minerva House, 2nd Floor, Simmonscourt Road, Ballsbridge Dublin 4, Ireland Duston K. McFaul Sidley Austin LLP	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2911	CHC Helikopter Service AS, Flyplassveien 8, 6517 Kristiansund, Norway	Manufacturer: Turbomeca Model: Makila 2A1 Serial No.: 13311 1104	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		1000 Louisiana Street, Suite 6000 Houston TX 77002 (T): (713) 495-4500 (F): (713) 495-7799 Email: dmcfaul@sidley.com Michael G. Burke Dennis Kao Sidley Austin LLP 787 Seventh Avenue, New York NY 10019 (T): (212) 839-5300 (F): (212) 839-5599 Email: mgburke@sidley.com dkao@sidley.com Wilmington Trust Company Corporate Trust Administration 1110 North Market St. Wilmington, DE 19890-1605 USA (F) (302) 636-4140 Wilmington Trust SP Services (Dublin) Limited 4th Floor, 3 George's Dock, IFSC Dublin 1, Ireland				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
8	CHC Helicopters (Barbados) SRL	Lessor: Parilease S.A.S. Address: Noelle Courtin 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2740	Aeroporto Internacional de Carrasco (MVD), HANGAR 62, Ruta 101 km 19, 950, Ciudad de la Costa 14000, Uruguay	Manufacturer: Turbomeca Model: Makila 2A1 Serial Nos.: 1154 13285	June 27, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169 Mandated Lead Arranger:				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
9	Heli-One Leasing ULC	Lessor: ERA Leasing LLC Dave Stepanek Lake Charles, LA 70605 USA (T): (337) 474-3918	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2691	CHC Helikopter Service AS, Postboks 74, 5869 Bergen Lufthavn, Norway	Manufacturer: Turbomeca Model: Makila 2A Serial Nos.: 1181 1150	June 7, 2016
10	Heli-One Leasing (Norway) AS	Lessor: Sparebank 1 SR-Finans AS Ole Magnus Baekkelund Petroleumsvn 6, Postboks 114 Forus Stavanger 4065 Norway (T): +1 801 781 2775 (F): +353 61 445022 Copy: Monica S. Blacker Jackson Walker L.L.P. 2323 Ross Avenue, Suite 600 Dallas TX 75201 (T): (214) 953-6000 (F): (214) 953-5822	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2716	CHC Helikopter Service AS, Flyplassveien 8, 6517 Kristiansund, Norway	Manufacturer: Turbomeca Model: Makila 2A1 Serial Nos.: 1023 13002	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Email: mblacker@jw.com Insurer: QBE Insurance (Europe) Limited Portfolio Manager, Asset Protection Plantation Place, 30 Fenchurch Street London, EC3M 3BD United Kingdom (F): 44 (0) 20 7105 4044				
11	CHC Helicopters (Barbados) SRL	Lessor: Parilease S.A.S. Address: Noelle Courtin 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2729	Aeroporto Internacional de Carrasco (MVD), HANGAR 62, Ruta 101 km 19,950, Ciudad de la Costa 14000, Uruguay	Manufacturer: Turbomeca Model: Makila 2A1 Serial Nos.: 1208 1143	July 3, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F): (212) 610-6399 E-mail: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 (F): +33 1 5813 8169 Email: vincent.nelson@hsbc.fr Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F): +33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus)				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				
12	CHC Helicopters (Barbados) SRL	Lessor: Element Capital Corp. Address: Michael Beland, Chief Financial Officer Chris Marshall, Corporate Secretary 161 Bay Street, Suite 4600, Toronto, Ontario, M5J 2S1 Canada Fax: +1 888 772-8129 Copy: Carol Neville Dentons US LLP 1221 Avenue of the Americas	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2878	CHC Scotia Ltd, North Hangar, Hutton Road, Aberdeen Airport, Dyce, AB21 0LT United Kingdom	Manufacturer: Turbomeca Model: Makila 2A1 Serial Nos.: 13030 13266	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		New York NY 10020 (T): (212) 768-6700 (F): (212) 768-6800 Email: carole.neville@dentons.com Matthew Nickel Dentons US LLP 2000 McKinney Avenue, Suite 1900 Dallas TX 75201-1858 (T): (214) 259-0900 (F): (214) 259-0910 Email: matt.nickel@dentons.com				
13	CHC Leasing (Ireland) Limited	Lessor: Parilease S.A.S. Address: Noelle Courtin 16 rue de L'Hanovre Paris 75002 France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2773	Estrada Velha de Arraial do Cabo S/N – Hangar BHS – CEP 22775-000 – Cabo Frio-RJ Brazil	Manufacturer: Turbomeca Model: Makila 2A1 Serial Nos.: 1171 13153	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 E-mail: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 E-mail: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 France (F): +33 1 5813 8169 Email: vincent.nelson@hsbc.fr Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France marie-cecile.fournier@sgcib.com (F): +33 1 4692 4597				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				
14	CHC Helicopters (Barbados) SRL	Lessor: Lobo Leasing SPV A Limited Address: John Contas, Dan Roberts The Arch, Blackrock Business Park, Carysfort Avenue, Blackrock, Co. Dublin, A94 A0D0 Ireland (F): +353 1 631 9001 (F): +353 1 618 0618 Copy:	Manufacturer: Sikorsky Model: S76C+ Serial Number: 760561	Heli-One Canada, 4300 80th Street, Delta, BC, V4K 3N3 Canada	Manufacturer: Turbomeca Model: Arriel 2S1 Serial Nos.: 20715TEC 20599TEC	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Ian J. Silverbrand, Esq. White & Case, LLP 1155 Avenue of the Americas New York, NY 10036-2787 Caroline Devlin The Arthur Cox Building, Earlsforte Centre Earlsforte Terrace, Dublin A94 A0D0 Ireland (F): +353 1 618 0618 Email: carolinedevlin@arthurcox.com Thai Aviation Services Limited Managing Director RS Tower Building, 12th Flr 121/51 Ratchadapisek Rd. Dindeang Bangkok 10400 Thailand (F): +66 2 641 3995 Email: sunwanawat@tasl.co.th				
15	Heli-One Canada ULC	Lessor: The Milestone Aviation Asset Holding Group No. 25 Ltd William Kelly Units 23 & 24 Classon House, Dundrum Business Park, Dundrum, Dublin 14, Ireland	Manufacturer: Sikorsky Model: S92A Serial Number:	Hangar 2, St. John's Intl. Airport, St. John's, NL, Canada	Manufacturer: General Electric Model: CT7-8A Serial Nos.:	July 3, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F) : 353 1 477 3385 Email: Wkelly@milestoneaviation.com Copy: Milestone Aviation Group Limited Minerva House, 2nd Floor, Simmonscourt Road, Ballsbridge Dublin 4, Ireland Duston K. McFaul Sidley Austin LLP 1000 Louisiana Street, Suite 6000 Houston TX 77002 (T): (713) 495-4500 (F): (713) 495-7799 Email: dmcfaul@sidley.com Michael G. Burke Dennis Kao Sidley Austin LLP 787 Seventh Avenue, New York NY 10019 (T): (212) 839-5300 (F): (212) 839-5599 Email: mgburke@sidley.com dkao@sidley.com	920216		947711 947714	

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Wilmington Trust Company Corporate Trust Administration 1110 North Market St. Wilmington, DE 19890-1605 USA (F): (302) 636-4140 Wilmington Trust SP Services (Dublin) Limited 4th Floor, 3 George's Dock, IFSC Dublin 1, Ireland (F): 353 1 612 5550 Wells Fargo Bank Northwest, National Association Corporate Trust Services 260 N. Charles Lindbergh Drive, MAC: U1240-026 Salt Lake City, UT 84116 USA (F): (801) 246 5053				
16	Heli-One Canada ULC	Lessor: The Milestone Aviation Asset Holding Group No. 25 Ltd William Kelly Units 23 & 24 Classon House, Dundrum Business Park, Dundrum, Dublin 14, Ireland	Manufacturer: Sikorsky Model: S92A Serial Number:	Hangar 2, St. John's Intl. Airport, St. John's, NL, Canada	Manufacturer: General Electric Model: CT7-8A Serial Nos.:	July 3, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F): 353 1 477 3385 Wkelly@milestoneaviation.com Copy: Milestone Aviation Group Limited Minerva House, 2nd Floor, Simmonscourt Road, Ballsbridge Dublin 4, Ireland Duston K. McFaul Sidley Austin LLP 1000 Louisiana Street, Suite 6000 Houston TX 77002 (T): (713) 495-4500 (F): (713) 495-7799 Email: dmcfaul@sidley.com Michael G. Burke Dennis Kao Sidley Austin LLP 787 Seventh Avenue, New York NY 10019 (T): (212) 839-5300 (F): (212) 839-5599 E-mail: mgburke@sidley.com dkao@sidley.com	920229		947745 947738	

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Wells Fargo Bank Northwest, National Association, Corporate Trust Services 260 N. Charles Lindbergh Drive, MAC: U1240-026 Salt Lake City, UT 84116 USA (F): (801) 246 5053				
17	Heli-One Leasing ULC	Lessor: Lombard North Central Plc Lombard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS United Kingdom Head of Helicopter Finance, Lombard Specialist Finance 280 Bishopsgate London EC2M 4RB United Kingdom Fax: +1 202 565 3558 Copy: Jennifer DeMarco Clifford Chance, LLP 31 West 52nd Street, New York, NY 10019-6131 Email:	Manufacturer: Sikorsky Model: S92A Serial Number: 920097	Heli-One (Norway) Flyplassvegen 250, 4055 Stavanger Lufthavn, Norway	Manufacturer: General Electric Model: CT7-8A Serial Nos.: GE-E947474 GE-E947412	June 27, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		jennifer.demarco@cliffordchance.com Lender: Export Development Canada Loan Portfolio Manager Asset Management Transportation 151 O'Connor Street Ottawa, Ontario K1A 1K3 Canada Fax: 613 598 3186 Copy: J. Mark Chevallier McGUIRE, CRADDOCK & STROTHER, P.C. 2501 N. Harwood, Suite 1800 Dallas, TX 75201 (T): (214) 954-6800 (F): (214) 954-6858 Email: mchevallier@mcslaw.com Douglas J. Lipke VEDDER PRICE 222 North LaSalle Street Chicago, IL 60601 (T): (312) 609-7646 (F): (312) 609-5005				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Email: dlipke@vedderprice.com Michael J. Edelman VEDDER PRICE 1633 Broadway 47th Floor New York, New York 10019 (T): (212) 407-6970 (F): (212) 407-7799 Email: mjedelman@vedderprice.com Borrower: The Royal Bank of Scotland Plc Head of Finance The Quadrangle, The Promenade, Cheltenham GL50 1PX, United Kingdom (F) : 01242 233519 RBS Aerospace Limited Head of Operations 3rd Floor, George's Quay Plaza, George's Quay, Dublin 2 Ireland (F): 353 1448 3390 RBS Aerospace Limited Head of Operations IFSC House, IFSC Dublin 1 Ireland (F): 353 1859 9230				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
18	CHC Helicopters (Barbados) Limited	Lessor: Lombard North Central Plc Lombard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS United Kingdom Head of Helicopter Finance, Lombard Specialist Finance 280 Bishopsgate London EC2M 4RB United Kingdom Fax: +1 202 565 3558 Copy: Jennifer DeMarco Clifford Chance, LLP 31 West 52nd Street, New York, NY 10019-6131 Email: jennifer.demarco@cliffordchance.com Lender: Export Development Canada Loan Portfolio Manager Asset Management Transportation 151 O'Connor Street	Manufacturer: Sikorsky Model: S92A Serial Number: 920127	H1 Hangar - 4300 – 80th Street, Delta, BC V4K 3N3 Canada	Manufacturer: General Electric Model: CT7-8A Serial Nos.: 947626 947638	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Ottawa, Ontario K1A 1K3 Canada Fax: 613 598 3186 J. Mark Chevallier McGUIRE, CRADDOCK & STROTHER, P.C. 2501 N. Harwood, Suite 1800 Dallas, TX 75201 (T): (214) 954-6800 (F): (214) 954-6858 Email: mchevallier@mcslaw.com Douglas J. Lipke VEDDER PRICE 222 North LaSalle Street Chicago, IL 60601 (T): (312) 609-7646 (F): (312) 609-5005 Email: dlipke@vedderprice.com Michael J. Edelman VEDDER PRICE 1633 Broadway 47th Floor New York, New York 10019 (T): (212) 407-6970 (F): (212) 407-7799 Email: mjedelman@vedderprice.com				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Borrower: The Royal Bank of Scotland Plc Head of Finance The Quadrangle, The Promenade, Cheltenham GL50 1PX, United Kingdom (F): 01242 233519 RBS Aerospace Limited Head of Operations 3rd Floor, George's Quay Plaza, George's Quay, Dublin 2 Ireland (F): 353 1448 3390 RBS Aerospace Limited Head of Operations IFSC House, IFSC Dublin 1 Ireland (F): 353 1859 9230				
19	Heli-One Canada ULC	Lessor: Waypoint Asset Co 3 Limited Robert D. Albergotti Ian T. Peck HAYNES AND BOONE, LLP 2323 Victory Avenue, Suite 700 Dallas, Texas 75219	Manufacturer: Sikorsky Model: S92A Serial Number: 920022	Hangar 2, St. John's Intl. Airport, St. John's, NL, Canada	Manufacturer: General Electric Model: CT7-8A Serial Nos.: 947331	July 3, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(T): 214.651.5000 (F): 214.651.5940 Email: robert.albergotti@haynesboone.com Email: ian.peck@haynesboone.com Harold S. Novikoff Emily D. Johnson WACHTELL, LIPTON, ROSEN & KATZ 51 West 52nd Street New York, NY 10019 (T): 212.403.1000 (F): 212.403.2000 Email: hsnovikoff@wlrk.com Email: edjohnson@wlrk.com Todd Kevin Wolynski Associate General Counsel, VP Legal WAYPOINT LEASING 19 Old King's Highway South Darien, CT 06820 (T): 516.662.5302 Email: twolynski@waypointleasing.com Copy: TMF Management (Ireland) Limited John Hackett; Neasan Cavangh 53 Merrion Square, Dublin 2 Ireland			947564	

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F): +353 1 614 6250 john.hackett@tmf-group.com neasan.cavanagh@tmf-group.com Owner Trustee: Wells Fargo Bank Northwest NA CTS Lease Group 260 North Charles Lindbergh Drive, MAC U1240-026 Salt Lake City, UT 84116 USA Email: ctsleasegroup@wellsfargo.com Wells Fargo Bank Northwest, National Association Michael Arsenault 260 North Charles Lindbergh Drive, MAC U1240-026 Salt Lake City, UT 84116 USA (T): +1 801 246 7142 Email: michael.arsenault@wellsfargo.com				
20	CHC Helicopters (Barbados) Limited	Lessor: Waypoint Asset Co 6 Limited Robert D. Albergotti Ian T. Peck HAYNES AND BOONE, LLP 2323 Victory Avenue, Suite 700 Dallas, Texas 75219	Manufacturer: Sikorsky Model: S92A Serial Number: 920119	Estrada Velha de Arraial do Cabo - S/N° – Aeroporto Cabo Frio – RJ – Brazil – CEP 22775 –000	Manufacturer: General Electric Model: CT7-8A Serial Nos.: None.	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(T): 214.651.5000 (F): 214.651.5940 Email: robert.albergotti@haynesboone.com Email: ian.peck@haynesboone.com Harold S. Novikoff Emily D. Johnson WACHTELL, LIPTON, ROSEN & KATZ 51 West 52nd Street New York, NY 10019 (T): 212.403.1000 (F): 212.403.2000 Email: hsnovikoff@wlrk.com Email: edjohnson@wlrk.com Todd Kevin Wolynski Associate General Counsel, VP Legal WAYPOINT LEASING 19 Old King's Highway South Darien, CT 06820 (T): 516.662.5302 Email: twolynski@waypointleasing.com Copy: Bank of Utah Joshua Eyre 200 E. South Temple, Suite 201				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Salt Lake City, UT 84111 USA (F): +1 801 781 2775 Email: jeyre@bankofutah.com Security Trustee: Wilmington Trust Company Corporate Trust Administration 1100 North Market Street, Wilmington DE 19890-1605 USA (T): 302-636-6000 Fax: 302-636-4140 Copy: Michael Arsenualt Wells Fargo Bank Northwest NA 260 North Charles Lindbergh Drive, MAC U1240-026, Salt Lake City, Utah 84116 (F): +1 801 246 7142 Email: michael.arsenault@wellsfargo.com				
21	CHC Helicopters (Barbados) SRL	Lessor: Element Capital Corp. Address: Michael Beland, Chief Financial Officer Chris Marshall, Corporate Secretary 161 Bay Street, Suite 4600,	Manufacturer: Sikorsky Model: S92A Serial Number:	CHC HELIKOPTER SERVICE, Flyplassvegen 250, 4055 Stavanger Lufthavn,	Manufacturer: General Electric Model: CT7-8A Serial Nos.:	June 27, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Toronto, Ontario, M5J 2S1 Canada Fax: +1 888 772-8129 Copy: Carol Neville Dentons US LLP 1221 Avenue of the Americas New York NY 10020 (T): (212) 768-6700 (F): (212) 768-6800 Email: carole.neville@dentons.com Matthew Nickel Dentons US LLP 2000 McKinney Avenue, Suite 1900 Dallas TX 75201-1858 (T): (214) 259-0900 (F): (214) 259-0910 Email: matt.nickel@dentons.com	920014	Norway	GE-E947233 GE-E947550	
22	CHC Helicopters (Barbados) SRL	Lessor: Parilease S.A.S. Address: Noelle Courtin Sylvie Potier	Manufacturer: Airbus Helicopters Model: EC225	CHC HELIKOPTER SERVICE, Flyplassvegen 250, 4055 Stavanger	Manufacturer: Turbomeca Model: Makila 2A1	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP	Serial Number: 2715	Lufthavn, Norway	Serial Numbers: 13119 13241	

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				
23	CHC Helicopters (Barbados) SRL	Lessor: Parilease S.A.S. Address: Noelle Courtin	Manufacturer: Airbus Helicopters	Incident A/C	Manufacturer: Turbomeca Model:	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Sylvie Potier Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman	Model: EC225 Serial Number: 2721		Makila 2A1 Serial Numbers: 13032 1127	

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				
24	CHC Helicopters (Barbados)	Lessor: Parilease S.A.S.	Manufacturer: Airbus Helicopters	CHC Scotia Ltd, North Hangar, Hutton Road,	Manufacturer: Turbomeca	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
	SRL	Address: Noelle Courtin Sylvie Potier Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com	Model: EC225 Serial Number: 2745	Aberdeen Airport, Dyce, AB21 0LT United Kingdom	Model: Makila 2A1 Serial Numbers: 13109 1038	

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas S.A.				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				
25	CHC	Lessor:	Manufacturer:	CHC	Manufacturer:	June 7,

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
	Helicopters (Barbados) SRL	Parilease S.A.S. Address: Noelle Courtin Sylvie Potier Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700	Airbus Helicopters Model: EC225 Serial Number: 2747	HELIKOPTER SERVICE, Flyplassvegen 250, 4055 Stavanger Lufthavn, Norway	Turbomeca Model: Makila 2A1 Serial Numbers: 13016 1078	2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
26	Heliworld Leasing Limited	Lessor: Parilease S.A.S. Address: Noelle Courtin Sylvie Potier Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2779	Lot 32 Karasek Way Karratha Airport WA Australia	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 13066 1084	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Mandated Lead Arranger: Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F): +020 7845 7401				
27	Heliworld Leasing Limited	Lessor: Parilease S.A.S. Address: Noelle Courtin Sylvie Potier Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2794	Lot 32 Karasek Way Karratha Airport WA Australia	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 1155 1086	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				
28	Heliworld Leasing Limited	Lessor: Parilease S.A.S. Address: Noelle Courtin Sylvie Potier Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2798	Estrada Velha de Arraial do Cabo S/N – Hangar BHS – CEP 22775-000 – Cabo Frio-RJ Brazil	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 13041 1138	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				
29	Heliworld Leasing Limited	Lessor: Parilease S.A.S. Address: Noelle Courtin Sylvie Potier Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2801	Estrada Velha de Arraial do Cabo S/N – Hangar BHS – CEP 22775-000 – Cabo Frio-RJ Brazil	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 1175 1030	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Agent:				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				
30	Heliworld Leasing Limited	Lessor: Parilease S.A.S. Address: Noelle Courtin Sylvie Potier Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq.	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2822	Estrada Velha de Arraial do Cabo S/N – Hangar BHS – CEP 22775-000 – Cabo Frio-RJ Brazil	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 1082 13067	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				
31	Heliworld Leasing Limited	Lessor: Parilease S.A.S. Address: Noelle Courtin Sylvie Potier Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2827	Aeroporto Internacional Presidente Nicolau Lobato, Comoro Road, Dili, Timor-Leste East Timor	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 13169 1174	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F): (212) 610-6399 Email: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus)				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				
32	Heliworld Leasing Limited	Lessor: Parilease S.A.S. Address: Noelle Courtin Sylvie Potier Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2848	Hangar C - Broome Heliport, Gus Winckel Road, Broome WA 6725 Australia	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 13229 13218	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Lender: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				
33	Heliworld Leasing Limited	Lessor: Parilease S.A.S. Address: Noelle Courtin Sylvie Potier Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq.	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2851	Aeroporto Internacional Presidente Nicolau Lobato, Comoro Road, Dili, Timor-Leste East Timor	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 13227 13225	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Lender: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				
34	CHC Helicopters (Barbados) SRL	Lessor: Lombard North Central Plc Lombard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS United Kingdom Head of Helicopter Finance, Lombard Specialist Finance 280 Bishopsgate London EC2M 4RB, United Kingdom	Manufacturer: Airbus Helicopters Model: AS332L Serial Number: 2139	Heli-One (Poland) Sp. Z.o.o., Jasionka 947, 36-002 Jasionka, Poland	Manufacturer: Turbomeca Model: Makila 1A Serial Numbers: 254 114	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F): +1 202 565 3558 Jennifer DeMarco Clifford Chance, LLP 31 West 52nd Street, New York, NY 10019-6131 Email: jennifer.demarco@cliffordchance.com Lender: Export Development Canada Loan Portfolio Manager Asset Management Transportation 151 O'Connor Street Ottawa, Ontario K1A 1K3 Canada Fax: 613 598 3186 Copy: McGUIRE, CRADDOCK & STROTHER, P.C. 2501 N. Harwood, Suite 1800 Dallas, TX 75201 (T): (214) 954-6800 (F): (214) 954-6858 Email: mchevallier@mcslaw.com Douglas J. Lipke				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		VEDDER PRICE 222 North LaSalle Street Chicago, IL 60601 (T): (312) 609-7646 (F): (312) 609-5005 Email: dlipke@vedderprice.com Michael J. Edelman VEDDER PRICE 1633 Broadway 47th Floor New York, New York 10019 (T): (212) 407-6970 (F): (212) 407-7799 Email: mjedelman@vedderprice.com Security Trustee: The Royal Bank of Scotland Plc Head of Finance The Quadrangle, The Promenade, Cheltenham GL50 1PX, United Kingdom (F): 01242 233519 Owner: RBS Aerospace Limited Head of Operations 3rd Floor, George's Quay Plaza, George's Quay, Dublin 2 Ireland				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F): 353 1448 3390 RBS Aerospace Limited Head of Operations IFSC House, IFSC Dublin 1 Ireland (F): 353 1859 9230				
35	CHC Helicopters (Barbados) SRL	Lessor: The Milestone Aviation Asset Holding Group No. 25 Ltd William Kelly Units 23 & 24 Classon House, Dundrum Business Park, Dundrum, Dublin 14, Ireland Fax: 353 1 477 3385 Email : Wkelly@milestoneaviation.com Copy: Milestone Aviation Group Limited Minerva House, 2nd Floor, Simmonscourt Road, Ballsbridge Dublin 4, Ireland Duston K. McFaul Sidley Austin LLP 1000 Louisiana Street, Suite 6000 Houston TX 77002	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2890	CHC Scotia Ltd, North Hangar, Hutton Road, Aberdeen Airport, Dyce, AB21 0LT United Kingdom	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 13288 13222	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(T): (713) 495-4500 (F): (713) 495-7799 Email: dmcfaul@sidley.com Michael G. Burke Dennis Kao Sidley Austin LLP 787 Seventh Avenue, New York NY 10019 (T): (212) 839-5300 (F): (212) 839-5599 Email: mgburke@sidley.com dkao@sidley.com Wilmington Trust Company Corporate Trust Administration 1110 North Market St. Wilmington, DE 19890-1605 USA (F) (302) 636-4140 Wilmington Trust SP Services (Dublin) Limited 4th Floor, 3 George's Dock, IFSC Dublin 1, Ireland (F): 353 1 612 5550				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
36	Heli-One Leasing (Norway) AS	Lessor: Sparebank 1 SR-Finans AS Ole Magnus Baekkelund Petroleumsvn 6, Postboks 114 Forus Stavanger 4065 Norway (T): +1 801 781 2775 (F): +353 61 445022 Copy: Monica S. Blacker Jackson Walker L.L.P. 2323 Ross Avenue, Suite 600 Dallas TX 75201 (T): (214) 953-6000 (F): (214) 953-5822 Email: mblacker@jw.com RV Insurer: Ironshore Specialty Insurance Company Claims One State Street Plaza, 8th Floor New York, NY 10004 USA Copy: Ironshore Specialty Insurance Company Daniel Sussman	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2692	CHC Helikopter Service AS, Postboks 74, 5869 Bergen Lufthavn, Norway	Manufacturer: Turbomeca Model: Makila 2A Serial Numbers: 1029 1009	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		One State Street Plaza, 8th Floor New York, NY 10004 USA Email: Daniel.Sussman@ironshore.com Bolt Steward Cable Limited Mark Cable The Barn, Gross Green Cottage, Browninghill Green, Hampshire RG26 5J2 United Kingdom Email: mark@cableadvisory.com Manufacturer: Eurocopter S.A.S. (Now Airbus) Jean Michel Cerf Etablissement de la Courneuve, 20 a 20 Avenue Marcel-Cachin, La Courneuve Cedex BP107 93123 France				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
37	Heli-One Leasing (Norway) AS	Lessor: Sparebanken Finans Nord-Norge AS Hermod Bakkejord Sjøgata 8, P.O. Box 6801, Langnes, 9298 Tromsø 9008 Norway Email: hermod.bakkejord@snnfinans.no RV Insurer: Ironshore Specialty Insurance Company Claims One State Street Plaza, 8th Floor New York, NY 10004 USA Copy: Ironshore Specialty Insurance Company Daniel Sussman One State Street Plaza, 8th Floor New York, NY 10004 USA Email: Daniel.Sussman@ironshore.com Bolt Steward Cable Limited Mark Cable The Barn, Gross Green Cottage, Browninghill Green, Hampshire RG26 5J2 United Kingdom Email: mark@cableadvisory.com	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2907	CHC HELIKOPTER SERVICE, Flyplassvegen 250, 4055 Stavanger Lufthavn, Norway	Manufacturer: Turbomeca Model: Makila 2A1 Serial Numbers: 13305 13103	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Manufacturer: Airbus Helicopters S.A.S. Jean Michel Cerf Etablissement de la Courneuve, 20 a 20 Avenue Marcel-Cachin, La Courneuve Cedex BP107 93123 France				
38	CHC Helicopter Australia Pty. Ltd.	Lessor: Commonwealth Bank of Australia Manager, Post Deal Management Level 22, Darling Park Tower 1, 201 Sussex Street, Sydney, NSW 2000 Australia Fax: 61 2 9118 4201 Agent: Morgan Stanley Bank International Limited Nicole Shoaf 25 Cabot Square, Canary Waraf London, E14 4QA England Email: loansagency@morganstanley.com (F): 44 207 056 5471	Manufacturer: Airbus Helicopters Model: AS332L1 Serial Number: 2317	CHC Hangar Lancaster Rd. Marrara Darwin Australia 0812	Manufacturer: Turbomeca Model: Makila 1A1 Serial Nos.: 310 305	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
39	CHC Helicopter Australia Pty. Ltd.	Lessor: Commonwealth Bank of Australia Manager, Post Deal Management Level 22, Darling Park Tower 1, 201 Sussex Street, Sydney, NSW 2000 Australia (F): 61 2 9118 4201 Agent: Morgan Stanley Bank International Limited Nicole Shoaf 25 Cabot Square, Canary Waraf London, E14 4QA England Email:loansagency@morganstanley.com (F): 44 207 056 5471	Manufacturer: Airbus Helicopters Model: AS332L1 Serial Number: 2319	Heritage Hangar – 7630 Montreal Street, Delta, BC V4K 0A7 Canada	Manufacturer: Turbomeca Model: Makila 1A1 Serial Nos.: 144 2533	June 7, 2016
40	CHC Helicopter Australia Pty. Ltd.	Lessor: Commonwealth Bank of Australia Manager, Post Deal Management Level 22, Darling Park Tower 1, 201 Sussex Street, Sydney, NSW 2000 Australia (F): 61 2 9118 4201 Agent:	Manufacturer: Airbus Helicopters Model: AS332L1 Serial Number: 9008	CHC Hangar Lancaster Rd. Marrara Darwin Australia 0812	Manufacturer: Turbomeca Model: Makila 1A1 Serial Nos.: 175 2141	June 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Morgan Stanley Bank International Limited Nicole Shoaf 25 Cabot Square, Canary Waraf London, E14 4QA England Email: loansagency@morganstanley.com (F): 44 207 056 5471				

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Schedule 2[1]

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
1	2317	Sublease	CHC Helicopter Australia Pty. Ltd.	Lloyd Helicopters Pty. Ltd.	June 7, 2016
2	2319	Sublease	CHC Helicopter Australia Pty. Ltd.	Lloyd Helicopters Pty. Ltd.	June 7, 2016
3	31511	Sublease	CHC Helicopters (Barbados) Limited	CHC Helicopters Netherlands BV Luchthavenweg 18, 1786 PP, Den Helder, the Netherlands	July 3, 2016
4	31203	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	July 3, 2016

[1] For each helicopter, lease, sublease and related agreements that are being rejected, each other related transaction document to which a Debtor is a party that is integral to such leasing transaction (including, without limitation, any lessee or sublessee consent to any transaction in connection with any lease) also will be deemed part of this Schedule 2 and shall be rejected with respect to such helicopter if the related helicopter lease is rejected. References to any agreement to be rejected are to the applicable agreement and other operative documents, as may have been amended, modified or supplemented from time to time and as is in effect as of the date hereof. As a matter of administrative convenience, in some cases the Debtors have listed the original parties to the documents without taking into account any succession of trustees or any other transfers from one party to another. The fact that the current parties to a particular agreement may not have been named in this Schedule is not intended to change the treatment of the documents. The current parties to the agreements are being noticed pursuant to this Notice. In addition, out of an abundance of caution, the Debtors have listed certain leases or contracts on this Schedule 2 that have already terminated or expired in accordance with the terms of such leases or contracts.

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Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
5	31042	Sublease	Heliworld Leasing Limited	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	July 3, 2016
6	31492	Sublease	CHC Helicopters (Barbados) SRL	Capital Aviation Services BV	July 3, 2016
7	31492	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	July 3, 2016
8	2910	Sublease	Heliworld Leasing Limited	CHC Helicopter Australia Pty. Ltd.	June 7, 2016
9	2910	Sub-Sublease	CHC Helicopter Australia Pty. Ltd.	Lloyd Helicopters Pty. Ltd.	June 7, 2016
10	2681	Sublease	CHC Helicopters (Barbados) Limited	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	June 7, 2016

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
11	2911	Sublease	CHC Helicopters (Barbados) SRL	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	June 7, 2016
12	2740	Sublease	CHC Helicopters (Barbados) SRL	Capital Aviation Services BV	June 27, 2016
13	2740	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	June 27, 2016
14	2691	Sublease	Heli-One Leasing ULC	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	June 7, 2016
15	2716	Sublease	Heli-One Leasing (Norway) AS	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	June 7, 2016
16	2729	Sublease	CHC Helicopters (Barbados) SRL	Capital Aviation Services BV	July 3, 2016

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
17	2729	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	July 3, 2016
18	2878	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	June 7, 2016
19	2773	Sublease	CHC Leasing (Ireland) Limited	Capital Aviation Services BV	June 7, 2016
20	2773	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	June 7, 2016
21	760561	Sublease	CHC Helicopters (Barbados) SRL	Heliworld Leasing Limited	June 7, 2016

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
22	760561	Sub-Sublease	Heliworld Leasing Limited	Thai Aviation Services Limited 18 SCB Park Plaza West, Building 2, 18th floor, Ratchadapisek Road, Bangkok 10900 Thailand	June 7, 2016
23	920216	Sublease	Heli-One Canada ULC	CHC Helicopters Canada Inc. 799 Bames Drive, Goffs, Nova Scotia, B2T 1R8 Canada	July 3, 2016
24	920229	Sublease	Heli-One Canada ULC	CHC Helicopters Canada Inc. 799 Bames Drive, Goffs, Nova Scotia, B2T 1R8 Canada	July 3, 2016
25	920097	Sublease	Heli-One Leasing ULC	CHC Leasing (Ireland) Limited	June 27, 2016
26	920097	Sub-Sublease	CHC Leasing (Ireland) Limited	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	June 27, 2016
27	920127	Sublease	CHC Helicopters (Barbados) Limited	CHC Helicopters Canada Inc. 799 Bames Drive, Goffs, Nova Scotia, B2T 1R8 Canada	June 7, 2016
28	920022	Sublease	Heli-One Canada ULC	CHC Helicopters Canada Inc. 799 Bames Drive, Goffs, Nova Scotia, B2T 1R8 Canada	July 3, 2016

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
29	920119	Sublease	CHC Helicopters (Barbados) Limited	Capital Aviation Services BV	June 7, 2016
30	920119	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	June 7, 2016
31	920014	Sublease	CHC Helicopters (Barbados) SRL	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	June 27, 2016
32	2715	Sublease	CHC Helicopters (Barbados) SRL	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	June 7, 2016
33	2721	Sublease	CHC Helicopters (Barbados) SRL	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	June 7, 2016

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
34	2745	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	June 7, 2016
35	2747	Sublease	CHC Helicopters (Barbados) SRL	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	June 7, 2016
36	2779	Sublease	Heliworld Leasing Limited	CHC Helicopter Australia Pty. Ltd.	June 7, 2016
37	2779	Sub-Sublease	CHC Helicopter Australia Pty. Ltd.	Lloyd Helicopters Pty. Ltd.	June 7, 2016
38	2794	Sublease	Heliworld Leasing Limited	CHC Helicopter Australia Pty. Ltd.	June 7, 2016

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
39	2794	Sub-Sublease	CHC Helicopter Australia Pty. Ltd.	Lloyd Helicopters Pty. Ltd.	June 7, 2016
40	2798	Sublease	Heliworld Leasing Limited	Capital Aviation Services BV	June 7, 2016
41	2798	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	June 7, 2016
42	2801	Sublease	Heliworld Leasing Limited	Capital Aviation Services BV	June 7, 2016
43	2801	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	June 7, 2016

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
44	2822	Sublease	Heliworld Leasing Limited	Capital Aviation Services BV	June 7, 2016
45	2822	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	June 7, 2016
46	2827	Sublease	Heliworld Leasing Limited	CHC Helicopter Australia Pty. Ltd.	June 7, 2016
47	2827	Sub-Sublease	CHC Helicopter Australia Pty. Ltd.	Lloyd Helicopters Pty. Ltd.	June 7, 2016
48	2848	Sublease	Heliworld Leasing Limited	CHC Helicopter Australia Pty. Ltd.	June 7, 2016

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Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
49	2848	Sub-Sublease	CHC Helicopter Australia Pty. Ltd.	Lloyd Helicopters Pty. Ltd.	June 7, 2016
50	2851	Sublease	Heliworld Leasing Limited	CHC Helicopter Australia Pty. Ltd.	June 7, 2016
51	2851	Sub-Sublease	CHC Helicopter Australia Pty. Ltd.	Lloyd Helicopters Pty. Ltd.	June 7, 2016
52	2139	Sublease	CHC Helicopters (Barbados) SRL	Capital Aviation Services BV	June 7, 2016
53	2139	Sub-Sublease	Capital Aviation Services BV	CHC Global Operations International ULC	June 7, 2016

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
54	2890	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	June 7, 2016
55	2692	Sublease	Heli-One Leasing (Norway) AS	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	June 7, 2016
56	2907	Sublease	Heli-One Leasing (Norway) AS	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	June 7, 2016

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Exhibit B

Proposed Form of Order

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

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	:	
In re:	:	**Chapter 11**
	:	
CHC GROUP LTD. *et al.*,[1]	:	**Case No. 16– 31854 (BJH)**
	:	
	:	
Debtors.	:	**(Jointly Administered)**
	:	
----------	x	

ORDER GRANTING DEBTORS' SECOND OMNIBUS MOTION TO REJECT CERTAIN EQUIPMENT LEASES AND SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

[1] The Debtors in these chapter 11 cases and the last four digits of each Debtor's taxpayer identification number, where applicable, are as follows: CHC Group Ltd. (7405), 6922767 Holding SARL (8004), Capital Aviation Services B.V. (2415), CHC Cayman ABL Borrower Ltd., CHC Cayman ABL Holdings Ltd., CHC Cayman Investments I Ltd. (8558), CHC Den Helder B.V. (2455), CHC Global Operations (2008) ULC, CHC Global Operations Canada (2008) ULC, CHC Global Operations International ULC, CHC Helicopter (1) S.à r.l., CHC Helicopter (2) S.à r.l., CHC Helicopter (3) S.à r.l., CHC Helicopter (4) S.à r.l., CHC Helicopter (5) S.à r.l., CHC Helicopter Australia Pty Ltd, CHC Helicopter Holding S.à r.l. (0907), CHC Helicopter S.A., CHC Helicopters (Barbados) Limited, CHC Helicopters (Barbados) SRL, CHC Holding (UK) Limited (2198), CHC Holding NL B.V. (6801), CHC Hoofddorp B.V., CHC Leasing (Ireland) Limited, CHC Netherlands B.V. (2409), CHC Norway Acquisition Co AS (6777), Heli-One (Netherlands) B.V. (2414), Heli-One (Norway) AS (2437), Heli-One (U.S.) Inc. (9617), Heli-One (UK) Limited (2451), Heli-One Canada ULC, Heli-One Holdings (UK) Limited (6780), Heli-One Leasing (Norway) AS (2441), Heli-One Leasing ULC, Heli-One USA Inc. (3691), Heliworld Leasing Limited (2464), Integra Leasing AS (2439), Lloyd Bass Strait Helicopters Pty. Ltd. (2398), Lloyd Helicopter Services Limited (6781), Lloyd Helicopter Services Pty. Ltd. (2394), Lloyd Helicopters International Pty. Ltd. (2400), Lloyd Helicopters Pty. Ltd. (2393), and Management Aviation Limited (2135). The Debtors' principal offices are located at 600 East Las Colinas Blvd., 10th Floor, Irving, Texas 75039.

Upon the motion dated May 27, 2016 (the "**Motion**")[2] of CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), for authorization pursuant to section 365 of the Bankruptcy Code and Bankruptcy Rule 6006 to reject the leases ("**Leases**") for helicopters and other related equipment identified on Schedule 1 to the Motion (collectively, the "**Excess Equipment**") and the sublease agreements identified on Schedule 2 to the Motion (the "**Subleases**") and relating to certain Excess Equipment identified on Schedule 2 to the Motion (the "**Subleased Equipment**"); and upon consideration of (i) the Declaration of Robert A. Del Genio in Support of First-Day Motions and Applications, dated as of the Petition Date and (ii) the Declaration of Michael B. Cox in Support of the Debtors Second Motion to Reject Certain Equipment Leases and Subleases, dated as of May 27, 2016; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b)(2); 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, (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Kenneth H. Eckstein, Esq.), counsel to the Official Committee of Unsecured Creditors, (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.

[2] Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

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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 certain secured lenders 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) the Securities and Exchange Commission, (viii) the Internal Revenue Service, (ix) in the case of Excess Equipment, the Lessors, the beneficial owners of such equipment (if different and if known) and the Indenture Parties (if known), if any, and (x) in the case of the Subleases, the Sublessees; and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the "**Hearing**"); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted.

2. Pursuant to section 365 of the Bankruptcy Code and Bankruptcy Rule 6006, (a) the rejection of each of the Leases of Excess Equipment listed on Schedule 1 to the Motion is authorized and approved as of the relevant Effective Date (as set forth next to each item of Excess Equipment on Schedule 1 to the Motion) and (b) the rejection of each of the

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Subleases listed on Schedule 2 to the Motion is authorized and approved as of the relevant Effective Date of the Leases underlying the Subleased Equipment (as set forth next to each Sublease listed on Schedule 2 to the Motion).

3. Each rejected Lease, Sublease and related transaction agreement set forth on Schedule 1 and Schedule 2 to the Motion is hereby rejected by the Debtors party thereto.

4. The Debtors shall, upon the effectiveness of rejection or as soon as reasonably practicable after the Effective Date, make available to the applicable Lessors records and documents relating to such Lessors' Excess Equipment that are readily available. If such Excess Equipment is Replacement Equipment, the Debtors shall make available records and documents that are readily available relating to such Replacement Equipment.

5. Upon written request from an affected Lessor, the Debtors shall cooperate reasonably with such Lessor with respect to the execution of, or provision of, information required for a lease termination document or other documentation, as appropriate, to be filed with the aviation authority in the applicable jurisdiction in connection with such Excess Equipment, provided that the affected Lessor shall be solely responsible for all costs associated with such documentation and for the filing thereof with such relevant aviation authority or register.

6. Once the affected Lessor retrieves or takes control of its Excess Equipment, such Lessor or the authorized party under an IDERA or a power of attorney provided by the Debtors, if any, shall be permitted to request the cancellation, or transfer to a party designated by such Lessor, of such helicopter's registration on an aviation authority's register, provided that the affected Lessor shall be solely responsible for all costs associated with such

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request or transfer.

7. The Debtors are authorized to (i) maintain their current insurance coverage and continue the existing storage maintenance program applicable to each item of Excess Equipment until the earlier of (a) the fifteenth (15th) day after the later of the date of entry of the Order and the relevant Effective Date and (b) the date on which the appropriate Lessor takes possession of such Excess Equipment and (ii) thereafter to cease insuring and maintaining such Excess Equipment.

8. If the Lessor affected by the rejection of a Lease does not retrieve or otherwise take control of the relevant Excess Equipment from the locations provided on Schedule 1 to the Motion within 15 days after the later of the date of entry of the Order and the relevant Effective Date, such Lessor shall be responsible to the Debtors for the subsequent costs of, and all risks attendant to, storing such equipment and for other attendant costs as determined by the Debtors, including costs of insuring the Excess Equipment. If the Lessor does not remove the Excess Equipment or otherwise contract with the Debtors or a third party for storage of the Excess Equipment, the Debtors may file a motion to compel removal of the Excess Equipment and/or payment to the Debtors of storage and other attendant costs including without limitation all legal fees.

9. Subject to ordered paragraphs 10 through 13, if any Replacement Equipment installed on, or returned with, the Affected Equipment has not been previously substituted pursuant to the terms of the relevant Lease, the Debtors may, if requested by the affected Lessor, formalize the transfer of the Debtors' right, title and interest in such Replacement Equipment to the Lessor free and clear of all liens, claims and encumbrances (except for permitted liens under the relevant Lease) by providing a bill of sale to the Lessor of

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such Replacement Equipment.

10. If the Replacement Equipment is encumbered by a recorded lien or mortgage that is not permitted under the relevant Lease, at the Debtor's election: (i) such lien or mortgage shall be released from such Replacement Equipment and shall attach to Substitute Equipment, (ii) the Debtors shall facilitate the lifting and release of such lien or mortgage on such Replacement Equipment, (iii) the Replacement Equipment shall be replaced with Substitute Equipment of the same model and version, or (iv) the Replacement Equipment shall not be returned to the Lessor and the Lessor shall instead receive as part of the Lessor's damages claim, if any, a pre-petition claim for the value of an engine of the same model and version returned in compliance with the return conditions set forth in the Lease; in the case of (iii) and (iv), the Debtors may remove the Replacement Equipment from the Affected Equipment.

11. If the transfer documentation contemplated in the Motion was not formalized at the time of the removal of the Original Equipment, the relevant Lessor shall simultaneously deliver, or cause to be delivered, to the Debtors a bill of sale for the Original Equipment, transferring such Original Equipment to the Debtors (or to a third party designated by the Debtors) free and clear of all liens, claims and encumbrances (except for liens permitted under the Lease or the Lessor's financings.

12. If the Replacement Equipment and the Original Equipment are beneficially owned by the relevant Lessor or by the same beneficial owner and leased to the Debtors under separate leases, then the Debtors may surrender such Replacement Equipment to the Lessor in lieu of the Original Equipment and the Replacement Equipment shall thereafter be released from the relevant Lease and any liens in favor of the secured party with respect to such Replacement Equipment, and the Original Equipment shall be subject to such lease or mortgage

and any such liens.

13. In lieu of providing Replacement Equipment pursuant to the Procedures, the Debtors may, in the Debtors' sole discretion, make the Original Equipment available to an affected Lessor at the location where such Original Equipment is situated, whether or not the Original Equipment is at the same location as the Affected Equipment, or make Substitute Equipment available to the affected Lessor at the location where the Affected Equipment is situated, and in these circumstances, the Debtors may remove the Replacement Equipment from the Affected Equipment.

14. If a lessor of Original Equipment or Replacement Equipment does not deliver title documents, or if a secured party with a lien on Original Equipment or Replacement Equipment does not deliver documents necessary to release its liens, each as required in the Procedures, the Debtors shall be entitled to move for an Order to Show Cause to compel such lessor to transfer title to such equipment or to compel such secured party to release its liens. In such an instance, such lessor or such secured party, as the case may be, shall also be liable to the Debtors and the affected Lessor for any damages arising out of or in connection with such lessor's or such secured party's delay, including legal and other fees.

15. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the rejections approved hereby.

16. Claims arising out of any rejection effected pursuant to these procedures must timely be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which prepetition general unsecured claims must be filed (the "**Bar**

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Date"), on or before the later of (i) the Bar Date, or (ii) 30 days after the Effective Date with respect to the item of Excess Equipment or with respect to the Sublease to which such claim relates, as the case may be. Any claim not timely filed will be irrevocably barred.

17. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a), 6006, 6007 and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

END OF ORDER

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Respectfully Submitted,

DEBEVOISE & PLIMPTON LLP

/s/ Jasmine Ball

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Proposed Special Aircraft Attorneys for Debtors and Debtors in Possession

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-and-

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Proposed Attorneys for Debtors and Debtors in Possession

Exhibit F

Hearing Date: July 7, 2016 at 9:00 a.m. (CT)
Objection Deadline: June 30, 2016 at 4:00 p.m. (CT)

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Proposed Special Aircraft Attorneys for Debtors and Debtors in Possession

This Omnibus Motion seeks, in part, to reject certain executory contracts and unexpired leases. If you have received this Motion and are a contract-counterparty to an agreement with the Debtors, please review Schedule 1, attached hereto, to determine if this Motion affects your agreement and your rights thereunder.

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

In re:	**Chapter 11**
CHC GROUP LTD. *et al.*,[1]	**Case No. 16– 31854 (BJH)**
Debtors.	**(Jointly Administered)**

[1] A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, where applicable, is attached hereto as Exhibit A.

DEBTORS' THIRD OMNIBUS MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE DEBTORS TO REJECT CERTAIN EQUIPMENT LEASES AND SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

A HEARING WILL BE CONDUCTED ON THIS MATTER ON JULY 7, 2016 AT 9:00 A.M. IN COURTROOM #2, 14TH FLOOR OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, EARLE CABEL FEDERAL BUILDING, 1100 COMMERCE ST., DALLAS, TEXAS 75242.

TO THE HONORABLE BARBARA J. HOUSER, UNITED STATES BANKRUPTCY JUDGE:

CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), respectfully represent:

Relief Requested

1. The Debtors respectfully request that this Court enter an order, substantially in the form attached hereto as Exhibit B (the "**Order**"), authorizing them, pursuant to sections 105(a) and 365(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 6006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), to reject certain equipment leases (the "**Leases**") for helicopters and other related equipment identified on Schedule 1 attached hereto that the Debtors no longer need in the operation of their business (collectively, the "**Excess Equipment**") and certain sublease agreements identified on Schedule 2 attached hereto (the "**Subleases**") and relating to certain Excess Equipment identified on Schedule 2 (the "**Subleased Equipment**").

Jurisdiction and Venue

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

Background

3. On May 5, 2016 (the "**Petition Date**"), each of the Debtors commenced with this Court a voluntary case under chapter 11 of title 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas [Docket No. 52].

The Debtors' Businesses

5. The Debtors, together with their non-debtor affiliates (collectively, "**CHC**"), comprise a global commercial helicopter services company, primarily engaged in providing helicopter services to the offshore oil and gas industry. CHC also provides helicopter services for search and rescue and emergency medical services to various government agencies. In addition, CHC maintains the industry's largest independent helicopter maintenance, repair, and overhaul business (such business, an "**MRO**"), which services helicopter fleets for both CHC as well as third-party customers. CHC manages its domestic and overseas businesses from its headquarters in Irving, Texas and its sales force from an office in Houston, Texas. CHC maintains one of its primary engine overhaul facilities in Fort Collins, Colorado. Only certain entities within CHC – primarily the issuers or guarantors of the Debtors' funded debt – are Debtors in these proceedings. CHC's other entities, including certain operating entities, are not debtors in these cases and are continuing to conduct their businesses in the ordinary course.

6. Additional information about the Debtors' businesses, capital structure and the circumstances leading to the commencement of these chapter 11 cases can be found in

the *Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief* (the "**Del Genio Declaration**")[Docket No. 13].

Basis for Relief

7. In connection with the commencement of its chapter 11 cases, CHC has undertaken to formulate a revised business plan to address the high cost/weakened revenue environment. As an ongoing component of that plan and of the chapter 11 process, CHC has identified cost savings to be achieved through a significant reduction in their fleet by eliminating helicopters and other related equipment that currently are not, or soon will not be, used to generate revenue in CHC's businesses. In addition, CHC is in the process of reducing the complexity of its fleet, which will decrease costs associated with crew training, inventory and maintenance. This reduction and rationalization of CHC's fleet will create a significant surplus of helicopters and other related equipment owned and leased by CHC.

8. CHC maintains a fleet of approximately 230 helicopters comprised of the medium variant (8 to 15 passengers) and heavy variant (16 to 26 passengers) collectively (the "**CHC Fleet**"). A significant portion of the CHC Fleet is comprised of new technology helicopters which have greater range, passenger capacity, enhanced safety systems, and the ability to operate in variable conditions. Of the 230 helicopters in the CHC Fleet, CHC owns 67 helicopters and CHC leases the remainder from various third-party lessors. In most cases CHC subleases aircraft to affiliated operating entities. These leasing structures provide maximum regulatory and business flexibility.

9. Based on current market conditions, a significant reduction in the Debtors leased fleet size and related expenses is required to improve the Debtors' financial position and flexibility and position the Debtors to take advantage of opportunities that may arise out of the current industry downturn.

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10. The Debtors have undertaken to accelerate their fleet replacement strategy in exiting from non-revenue generating aircraft and five older technology helicopter types, in order to first meet their customers' demands for newer technology helicopters and then reduce the number of different helicopters types in their fleet. The Debtors expect to reduce their fleet to approximately 75 productive aircraft by the end of calendar year 2017, with approximately 90 aircraft to be returned within sixty (60) days after the Petition Date. The Debtors have already filed the *First Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* [Docket No. 20] (the "**First Omnibus Rejection Motion**") seeking authority to reject 44 aircraft and the *Second Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* [Docket No. 210] (the "**Second Omnibus Rejection Motion**") seeking authority to reject 40 aircraft.

11. In accordance with this analysis, CHC has decided to retire or has already retired certain helicopters and related equipment from its fleet, as set forth on Schedules 1 and 2 attached hereto. The Excess Equipment is not necessary for CHC's continued operation or successful reorganization. Accordingly, CHC seeks to eliminate the costs associated with retaining such Excess Equipment.

12. The requested relief will (i) allow for immediate rejection of the Leases and the Subleases and eliminate unnecessary obligations of the Debtors; (ii) establish an orderly, efficient process for the surrender and return of the Excess Equipment and related documentation; (iii) preserve the uninterrupted operation of CHC's business; and (iv) reduce the very substantial costs and disruptions that otherwise would be incurred in connection with replacing engines currently installed on rejected helicopters with the originally installed engines.

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The requested relief will also ensure that lessors under the rejected Leases (the "**Lessors**") are provided with procedures for the documentation of title to the helicopters and related equipment that are surrendered and returned to them through the surrender and return process. As part of CHC's revised business plan, CHC expects to reduce its fleet by approximately 90 helicopters within sixty (60) days after the Petition Date. CHC will continue to analyze its fleet and, as a result of this ongoing analysis, CHC believes it is likely that additional helicopters and related equipment may be retired in the future.

Replacement of Helicopter Parts and Equipment

13. The process of rejecting the Leases is extremely complicated, particularly when rejecting and returning approximately 90 helicopters in a very short period of time. One of the difficult aspects of this process is addressing the standard practice in the helicopter industry of "pooling" of helicopter parts, including engines, across an operator's helicopter fleet as well as with third-party MROs and such MROs' customers' helicopter fleets.

14. All helicopters need regular maintenance. Many helicopter parts, including engines, are "time-limited" in that they are installed on a helicopter and permitted to be operated on the helicopter for a fixed interval of flight hours, cycles or calendar time that is specific to the type of part. At the end of the applicable interval, the part is "run-out", and the operator must remove it from the helicopter and install on the helicopter another "fresh" part of the same type with all or a portion of the applicable interval remaining in order to continue operating the helicopter. Helicopter parts may also be removed from a helicopter and replaced because they are damaged or otherwise unserviceable and require testing or repair. For some types of helicopter parts, when they are run-out or unserviceable, they are removed from the helicopter and discarded. For other types of helicopter parts, including engines, when they are

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run-out or unserviceable, they are removed from the helicopter and sent to an MRO for scheduled maintenance to replenish the applicable interval of the run-out part or for testing and repair of the unserviceable part, as applicable.

15. Scheduled maintenance, testing and repair services performed by an MRO are detailed, time-consuming processes. In addition, MROs are not in all the same locations as their customers' helicopter bases, which are located all over the world, including in remote areas, and accordingly transporting run-out and unserviceable parts from a helicopter base to an MRO and back again can take considerable time and expense. Accordingly, to avoid frequent and lengthy disruptions in helicopter operation schedules due to scheduled maintenance, testing and repair of helicopter parts that become run-out or unserviceable during the course of each helicopter's operation, it is standard in the helicopter industry for an MRO, on an ongoing basis, both to receive run-out and unserviceable parts from all of its different customers and to provide these customers with a supply of other fresh or serviceable parts of the same type for installation and use on such customers' helicopters. When an MRO has finished its maintenance, testing and repair processes such that a run-out or unserviceable part is fresh or serviceable, as applicable, that fresh or serviceable part goes into the same parts pool that supplies all of the MRO's customers. To facilitate this kind of MRO parts pooling arrangement (an "**MRO Pooling Arrangement**"), the MRO's arrangements with its different customers typically will contemplate that title to run-out or unserviceable parts that the customer sends to the MRO will vest in the MRO, and title to the supply of fresh or serviceable parts that the MRO sends to a customer will vest in the customer or in the owner/lessor of the aircraft on which such fresh or serviceable part is installed. Accordingly, the parts that a customer receives from an MRO and installs on a helicopter are often not the same parts that were originally installed on the

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helicopter, and in many cases will be a part originally installed on a helicopter operated by a different customer.

16. The engines in CHC's helicopter fleet are maintained, tested and repaired under MRO Pooling Arrangements by both CHC's own MRO as well as third-party MROs. Accordingly, due to these MRO Pooling Arrangements and given the large size of CHC's helicopter fleet and its continued operation for many years, on any given day, a significant portion of the helicopters in CHC's fleet will not have installed on them those engines that were originally installed on the helicopter at the commencement of the applicable lease (the "**Original Equipment**"), and given the breadth of CHC's worldwide operations, much of such Original Equipment will be located in different parts of the world than the applicable helicopter subject to such lease and, in fact, may be installed on the helicopters of third-party operators or owned and possessed by an MRO and used in such MRO's shared pool.

17. Replacement of engines and other parts will occur multiple times for each helicopter during the term of the applicable lease and during the life of a helicopter. Typically, helicopter leases identify the Original Equipment and other parts by serial number. As the Original Equipment or other parts become run-out or unserviceable in the course of the helicopter's operation, the operator will remove and replace such parts with other fresh or serviceable parts during the term of the applicable lease. Moreover, as it is in the interest of the lessors that the helicopter is in an operating condition during the lease term, helicopter leases typically require the lessee to remove run-out or unserviceable parts and replace them with other parts that have time remaining in the applicable interval and are serviceable, and many leases will require that at lease expiry the helicopter is returned to the applicable lessor with minimum

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flight hours, cycles or calendar days, as the case may be, before scheduled removal of specific parts.

18. To accommodate this standard and necessary practice, helicopter leases and mortgages typically include provisions contemplating the removal and replacement of engines under certain circumstances. Thus, in the case of a helicopter lease, the substitution provisions would contemplate that the lessee cause title to a replacement engine to be conveyed to the lessor and contemporaneously the lessor relinquish title to the engine being replaced. Similarly, in the case of a helicopter mortgage, the substitution provisions would contemplate that the mortgagor subject a replacement engine to the mortgage and contemporaneously the secured party relinquish its lien on the engine being replaced.

19. Substantially all of CHC's helicopter leases include provisions contemplating the removal and replacement of engines and parts under the applicable lease, including provisions permitting CHC to "substitute" other engines under the lease under certain circumstances. In addition, many of CHC's leases follow CHC's general policy of not permitting filings or registrations of the applicable Lessor's interest in any particular engines then subject to the lease, as CHC views such filings or registrations as inconsistent with or hampering the ordinary course replacement of engines in CHC's helicopter fleet and MRO Pooling Arrangements.

20. Requiring CHC to return with each helicopter the Original Equipment would be monumentally burdensome, expensive and disruptive to CHC's business, inasmuch as this process would require CHC to ground and remove all affected helicopters from revenue generating operations much earlier than would otherwise be necessary in order to remove the then affixed engines, transport each removed engine to the location of the helicopter subject to

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the applicable lease, and replace each removed engine with the engine identified in the applicable lease, assuming such engine is even currently in CHC's possession as part of CHC's engine pool. Thus, the operations and maintenance schedules for each affected helicopter would be disrupted, thereby adding to the complexity, burden, expense and loss of revenue. In addition, with respect to any Original Equipment installed on a helicopter that is no longer in CHC's fleet or is now part of an MRO's engine pool, it may not be possible for CHC to reacquire such Original Equipment to return to the applicable Lessor, since such engine may be installed and operating in the fleet of another operator and title to such engine would have been conveyed by an original equipment manufacturer ("**OEM**") or MRO, as the case may be, to such operator. The burden, expense and disruption to CHC's business and fleet operations would be multiplied significantly given that the Debtors are seeking to return 3 helicopters in connection with this motion, in addition to the 44 helicopters contemplated by the First Omnibus Rejection Motion and 40 helicopters contemplated by the Second Omnibus Rejection Motion. In addition, more helicopters may be surrendered and returned in the medium term as CHC continues to review its fleet needs.

21. Moreover, in order to accomplish this task absent the relief requested, CHC might need to establish one or more maintenance lines at each helicopter base and at its MRO maintenance locations dedicated solely to replacing engines or contract the work to outside repair companies or MROs. As a result, CHC would need to hire additional maintenance workers, pay significant overtime expenses and incur significant outside contractor expenses to coordinate and perform engine replacements in connection with Excess Equipment returns. The cost of this incremental labor and these operations would be significant and particularly onerous

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for CHC at a time when CHC is taking every possible measure to preserve cash and limit unnecessary costs.

22. Furthermore, given the number of helicopters that would have to be taken out of service, the engine replacements could lead to lengthy disruptions in service to CHC's customers, which may cause CHC's customers to cancel their contracts or assess penalties against CHC that would impact revenues to the detriment of the estates and all parties in interest.

23. Each helicopter model has specific types of rotor blades, engines and other parts approved for use with such helicopter model. All engines of a specific model and version are the same. The only difference in value of two engines of the same model and version is a function of the differences in the condition and remaining maintenance cycle interval as between the two engines. Most leases provide that a lessor is entitled to receive an engine with the condition and remaining maintenance cycle interval specified in the lease. It is standard practice in the industry that when an engine is removed and sent to an MRO for overhaul and repair, the MRO will provide to the operator for installation on the helicopter an overhauled and repaired engine that would be in better condition than the engine removed from the helicopter. Therefore, upon installation of the replacement engine from the MRO, the lessor for that helicopter receives a more valuable part than the part removed.

24. Additional information about CHC's fleet operations and the standard maintenance and pooling practices in the helicopter industry can be found in the *Declaration of Michael B. Cox in Support of the Debtors' Third Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* (the "**Cox Declaration**"), filed concurrently herewith.

25. Upon return of leased helicopters, if not already completed during the term of the lease, CHC will facilitate bills of sale and title transfers on replacement engines. Given the large number of helicopters being returned by CHC, a streamlined procedure is needed to allow for the efficient return of each helicopter.

26. CHC proposes that the procedures set forth below create a reasonable, cost-effective, orderly process for the nearly contemporaneous return of Excess Equipment and related documentation.

Procedures

27. The Debtors ask that the Court approve the following procedures regarding the Leases, Subleases and Excess Equipment that are the subject of this motion ("**Procedures**"), which are consistent with the procedures sought in the First Omnibus Rejection Motion and Second Omnibus Rejection Motion.

A. Filing Proofs of Claim

28. The Debtors propose that any claims arising out of any rejection effected pursuant to these Procedures must timely be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which prepetition general unsecured claims must be filed (the "**Bar Date**"), on or before the later of (i) the Bar Date or (ii) 30 days after the Effective Date (as indicated on the attached Schedule 1) with respect to the item of Excess Equipment or with respect to the Sublease to which such claim relates, as the case may be. Any claim not timely filed will be irrevocably barred.

B. Provision of Records and Documents

29. Upon effectiveness of rejection or as soon as reasonably practicable thereafter, the Debtors shall make available to the applicable Lessors records and documents

relating to such Excess Equipment that are readily available. If such Excess Equipment is Replacement Equipment, the Debtors shall make available records and documents that are readily available relating to such Replacement Equipment instead of those relating to any equipment previously installed (but no longer installed) on the helicopter in accordance with the foregoing.

C. Return and Retrieval of Helicopters

30. The Debtors have provided information on the schedules and exhibits attached hereto that will assist the Lessors in retrieving the Excess Equipment.

31. If any of the engines (the "**Replacement Equipment**") installed on or returned with a helicopter (the "**Affected Equipment**") at the time of surrender and return by the Debtors have not been previously substituted pursuant to the terms of the relevant Lease, the following guidelines shall apply:

a. If requested, and subject to paragraphs (b) through (e) below, the Debtors shall formalize the transfer of the Debtors' right, title and interest in such Replacement Equipment to the relevant Lessor free and clear of all liens, claims and encumbrances (except for permitted liens under the relevant Lease) by providing a bill of sale to the Lessor of such Replacement Equipment.

b. If the Replacement Equipment is encumbered by a recorded lien or mortgage that is not a permitted lien under the relevant Lease, at the Debtor's election: (i) such lien or mortgage shall be released from such Replacement Equipment and shall attach to substitute equipment designated by the Debtors and having a value and utility at least equal to the Replacement Equipment (the "**Substitute Equipment**"), (ii) the Debtors shall facilitate the lifting and release of such lien or mortgage on such Replacement Equipment, (iii) the

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Replacement Equipment shall be replaced with Substitute Equipment of the same model and version as such Replacement Equipment, or (iv) the Replacement Equipment shall not be returned to the Lessor and the Lessor shall instead receive as part of the Lessor's damages claim, if any, a pre-petition claim for the value of an engine of the same model and version returned in compliance with the return conditions set forth in the Lease. In the case of (iii) and (iv) above, the Debtors may remove the Replacement Equipment from the Affected Equipment.

c. If the transfer documentation contemplated herein was not formalized at the time of the removal of the Original Equipment, the relevant Lessor shall simultaneously deliver, or cause to be delivered, to the Debtors a bill of sale for the Original Equipment, transferring such Original Equipment to the Debtors (or to a third party designated by the Debtors) free and clear of all liens, claims and encumbrances (except for liens permitted under the Lease or the Lessor's financings.

d. If the Replacement Equipment and the Original Equipment are beneficially owned by the relevant Lessor or by the same beneficial owner and leased to the Debtors under separate leases, then it shall be sufficient for the Debtors to surrender such Replacement Equipment to the Lessor in lieu of the Original Equipment. The Replacement Equipment shall thereafter be released from the relevant Lease and any liens in favor of the indenture trustee or other secured party with respect to such replacement lease or mortgage, and the Original Equipment shall be subject to such lease or mortgage and any such liens.

e. In lieu of providing Replacement Equipment pursuant to these Procedures, the Debtors may, in their sole discretion, make the Original Equipment available to an affected Lessor at the location where it is situated, whether or not the Original Equipment is at the same location as the Affected Equipment, or make Substitute Equipment available to the

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affected Lessor at the location where the Affected Equipment is situated. In these circumstances, the Debtors may remove the Replacement Equipment from the Affected Equipment.

32. If a lessor of Original Equipment or Replacement Equipment does not deliver title documents or if a secured party with a lien on Original Equipment or Replacement Equipment does not deliver documents necessary to release its liens, each as required in these procedures, the Debtors shall be entitled to move for an Order to Show Cause to compel such lessor to transfer title to such equipment or to compel such secured party to release its liens. In such an instance, such lessor or such secured party, as the case may be, shall also be liable to the Debtors and the affected Lessor for any damages arising out of or in connection with such lessor's or such secured party's delay, including legal and other fees. The Debtors and the affected Lessor shall also be entitled to continue to use such equipment until title is transferred or the liens are released as set forth herein.

33. The Debtors also ask this Court to enter an Order providing that if the Lessor affected by the rejection of a Lease does not retrieve or otherwise take control of the relevant Excess Equipment from the locations provided on Schedule 1 within 15 days after the later of the date of entry of the Order and the relevant Effective Date, such Lessor shall be responsible to the Debtors for the subsequent costs of, and all risks attendant to, storing such equipment and for other attendant costs as determined by the Debtors, including costs of insuring the Excess Equipment. If the Lessor does not remove the Excess Equipment or otherwise contract with the Debtors or a third party for storage of the Excess Equipment, the Debtors may file a motion to compel removal of the Excess Equipment and/or payment to the Debtors of storage and other attendant costs including without limitation all legal fees. The Excess

Equipment will be made available to the Lessor "as is, where is" and the Debtors specifically make neither representations nor warranties regarding the Excess Equipment.

34. To preserve the value of the Excess Equipment before the appropriate Lessor takes possession, the Debtors will maintain their current insurance coverage and continue the existing storage maintenance program, if applicable, until the earlier of: (i) the fifteenth (15th) day after the later of the date of entry of the Order and the relevant Effective Date; or (ii) the date on which the appropriate Lessor takes possession of the Excess Equipment. Thereafter, however, the Debtors shall cease insuring and maintaining the Excess Equipment.

D. Debtors' Cooperation in Making Related Aviation Authority Filings

35. Upon written request from an affected Lessor, the Debtors agree to cooperate reasonably with such Lessor with respect to the execution of, or provision of, information required for a lease termination document to be filed with the aviation authority in the applicable jurisdiction in connection with such Excess Equipment. In addition, the Debtors ask this Court to enter an order providing that once the affected Lessor retrieves or takes control of such Excess Equipment, such Lessor or the authorized party under an Irrevocable De-Registration and Export Request Authorization ("**IDERA**") or a power of attorney provided by the Debtors, if any, shall be permitted to request the cancellation, or transfer to a party designated by such Lessor, of such helicopter's registration on such aviation authority's register. However, the affected Lessor shall be solely responsible for all costs associated with such documentation and the filing thereof with the relevant aviation authority or registry.

E. Debtors' Further Actions to Implement Approved Rejections

36. The Debtors submit that the proposed actions and Procedures are reasonable, in the best interests of the estates, and should be approved by this Court.

Accordingly, the Debtors seek authorization to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the procedures.

Rejection of the Leases and the Subleases Is in the Best Interests of the Debtors and Their Estates and Creditors, Is Supported By the Debtors' Business Judgment, and Should Be Approved By the Court

37. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a); *see also NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 521 (1984); *In re Lavigne*, 114 F.3d 379, 386 (2d Cir. 1997). "[T]he purpose behind allowing the assumption or rejection of executory contracts is to permit the trustee or debtor-in-possession to use valuable property of the estate and to 'renounce title to and abandon burdensome property.'" *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993); *see also NLRB v. Bildisco & Bildisco*, 465 U.S. at 528 ("the authority to reject an executory contract is vital to the basic purpose of a Chapter 11 reorganization, because rejection can release the debtor's estate from burdensome obligations that can impede a successful reorganization."); *Matter of Murexco Petroleum, Inc.*, 15 F.3d 60, 62 (5th Cir. 1994) (noting that section 365 "allows a trustee to relieve the bankruptcy estate of burdensome agreements which have not been completely performed.")

38. The standard applied to determine whether the rejection of an unexpired lease should be authorized is the "business judgment" standard. *See NLRB v. Bildisco & Bildisco,* 465 U.S. at 523; *In re Penn Traffic Co.*, 524 F.3d 373, 383 (2d Cir. 2008); *In re Orion Pictures Corp.*, 4 F.3d 1095, 1098-99 (2d Cir. 1993); *In re Minges*, 602 F.2d 38, 42 (2d Cir. 1979); *In re Old Carco LLC*, 406 B.R. 180, 188 (Bankr. S.D.N.Y. 2009); *In re Roman Crest*

Fruit, Inc., 35 B.R. 939, 949 (S.D.N.Y. 1983). Courts defer to a debtor's business judgment in rejecting an unexpired lease, and upon finding that a debtor has exercised its sound business judgment, approve the rejection under section 365(a) of the Bankruptcy Code. *See Bildisco & Bildisco*, 465 U.S. at 523 (recognizing the "business judgment" standard used to approve rejection of executory contracts); *Nostas Assocs. v. Costich (In re Klein Sleep Products, Inc.)*, 78 F.3d 18, 25 (2d Cir. 1996) (recognizing the "business judgment" standard used to approve rejection of executory contracts); *In re Minges*, 602 F.2d 38, 42-43 (2d Cir. 1979) (holding that the "business judgment" test is appropriate for determining when an executory contract can be rejected); *In re G Survivor Corp.*, 171 B.R. 755, 757 (Bankr. S.D.N.Y. 1994) (approving rejection of license by debtor because such rejection satisfied the "business judgment" test); *In re Child World, Inc.*, 142 B.R. 87, 89 (Bankr. S.D.N.Y. 1992) (stating that a debtor may assume or reject an unexpired lease under § 365(a) in the exercise of its "business judgment"); *In re Pilgrim's Pride Corp.*, 403 B.R. 413, 426 (Bankr. N.D. Tex. 2009) (holding that, absent public policy necessitating a more stringent standard, business judgment standard applies to a rejection decision under § 365(a)); *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1307 (5th Cir. 1985) (applying business judgment standard to the determination of whether a rejection decision was proper under § 365).

39. The "business judgment" standard is not a strict standard; it requires only a showing that either assumption or rejection of the executory contract or unexpired lease will benefit the debtor's estate. *See In re Balco Equities, Inc.*, 323 B.R. 85, 99 (Bankr. S.D.N.Y 2005) ("In determining whether the debtor has employed reasonable business discretion, the court for the most part must only determine that the rejection will likely benefit the estate.") (quoting *G Survivor*, 171 B.R. at 757); *In re Helm*, 335 B.R. 528, 538 (Bankr. S.D.N.Y. 1996)

("To meet the business judgment test, the debtor in possession must 'establish that rejection will benefit the estate.'") (citation omitted). Further, under the business judgment standard, "[a] debtor's decision to reject an executory contract must be summary affirmed unless it is the product of 'bad faith, or whim or caprice'" *In re Trans World Airlines, Inc.,* 261 B.R. 103, 121 (Bankr. D. Del. 2001).

40. In addition, "unless a separate provision of the Bankruptcy Code provides a non-debtor party with specific protection, the debtor and its estate's interests are paramount; adverse effects on the non-debtor contract party arising from the decision to assume or reject are irrelevant*." In re The Great Atlantic & Pacific Tea Company*, 544 B.R. 43, 49 (Bankr. S.D.N.Y. 2016); *see also In re Sabine Oil and Gas Corp*., 547 B.R. 66, 71 (Bankr. S.D.N.Y. 2016); *In re Noranda Aluminum, Inc.*, No. 16-10083-399, 2016 WL 1417923, at *3 (Bankr. E.D. Mo. Mar. 31, 2016).

41. As part of their ongoing efforts to reduce costs and maximize fleet flexibility, the Debtors have identified Excess Equipment that no longer fits into the Debtors' business plan and, accordingly, will no longer be utilized by the Debtors and have no utility or value to the Debtors. The Debtors entered into the Leases and related agreements in a different economic climate than the one facing the Debtors' industry today. Today, with the ongoing downturn in the Debtors' industry, these same helicopters are no longer necessary to the Debtors' operations. As of the date hereof, the Debtors have taken or will take all of the Excess Equipment out of service. Consequently, the unused equipment is, or will be, languishing in expensive storage space without generating any value for the Debtors' estates and the Excess Equipment is nothing more than a cash drain on the Debtors' businesses. Thus, the Excess Equipment is burdensome to the Debtors and is no longer beneficial to the Debtors or their

estates. If the rejection of the Leases is approved, the Debtors will maintain sufficient helicopters to operate their businesses and meet their customers' needs.

42. With respect to the Subleased Equipment, in almost all cases upon termination of each related Lease, the Debtors and the parties operating the helicopters are required to terminate the applicable Subleases and return such helicopters to the Lessors. As the Debtors' structural cost-cutting measures contemplate the return of the Excess Equipment subject to the subleases, it is not economical for the Debtors to continue to lease the Subleased Equipment from the applicable Lessors on terms that are burdensome to the Debtors and in turn sublease such equipment to the Sublessees on terms that are not overall beneficial to the Debtors or their estates, therefore the Subleases are burdensome to the Debtors and are no longer beneficial to the Debtors or their estates.

Reservation of Rights

43. Nothing contained herein is intended or shall be construed as (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 any parties in interest to the Excess Equipment, Subleased Equipment, or Leases or Subleases under applicable nonbankruptcy law or (iii) a waiver of any claims or causes of action which may exist against any parties in interest to the Excess Equipment, Subleased Equipment, or Leases or Subleases. The Debtors are in the process of reviewing these matters and reserve all of their rights under the Bankruptcy Code.

Notice

44. No trustee, examiner or creditors' committee has been appointed in these chapter 11 cases. Notice of this Motion shall be given to: (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177

Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Kenneth H. Eckstein, Esq.), counsel to the Official Committee of Unsecured Creditors; (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) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) in the case of Excess Equipment, the Lessors, the beneficial owners of such equipment (if different and if known) and the Indenture Parties (if known), if any; and (x) in the case of the Subleases, the Sublessees. Due to the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

45. No previous request for the relief sought herein has been made to this or any other Court.

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WHEREFORE, the Debtors respectfully request that the Court enter an order (a) authorizing the Debtors to reject the Leases and the Subleases as of the Effective Date and (b) granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York
June 6, 2016

By: */s/ Jasmine Ball*

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EXHIBIT A

Debtors

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

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Alphabetical Index of Notice Parties Listed in Schedules 1 and 2

Notice Parties: Schedule 1	**Row(s)**
Allen & Overy	1-3
BNP Paribas S.A.	1-3
Eurocopter S.A.S. (now Airbus)	1-3
HCC Reinsurance Company Limited	3
Holland & Knight LLP	1-3
HSBC France	1-3
IWG Davis LLP	1-3
Parilease S.A.S.	1-3
QBE Insurance (Europe) Limited	1-3
Smith, Gambrell & Russell, LLP	1-3
Societe Generale	1-3

Notice Parties: Schedule 2	**Row(s)**
CHC Helicopters (Barbados) SRL	1-3
CHC Helikopter Service AS	1-3

Schedule 1

EXCESS EQUIPMENT[1]

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
1	CHC Helicopters (Barbados) SRL	Lessor: Parilease S.A.S. Address: Noelle Courtin Sylvie Potier Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy:	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2725	CHC Helikopter Service AS, Postboks 74, 5869 Bergen Lufthavn Norway	Manufacturer: Turbomeca Model: Makila 2A Serial Nos.: 13105 1080	July 7, 2016

[1] For each helicopter and lease that is being rejected, each other related transaction document to which a Debtor is a party that is integral to such leasing transaction (including, without limitation, any lessee or sublessee consent in connection with any lease) also will be deemed part of this Schedule 1 and shall be rejected with respect to such helicopter if the related helicopter lease is rejected. References to any agreement to be rejected are to the applicable agreement and other operative documents, as may have been amended, modified or supplemented from time to time and as is in effect as of the date hereof. As a matter of administrative convenience, in some cases the Debtors have listed the original parties to the documents without taking into account any succession of trustees or any other transfers from one party to another. The fact that the current parties to a particular agreement may not have been named in this Schedule is not intended to change the treatment of the documents. The current parties to the agreements are being noticed pursuant to this Notice. In addition, out of an abundance of caution, the Debtors have listed certain leases or contracts on this Schedule 1 that have already terminated or expired in accordance with the terms of such leases or contracts.

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer:				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401 Smith, Gambrell & Russell, LLP Steven A. Rossum Brian P. Hall Promenade, Suite 3100 1230 Peachtree Street N.E. Atlanta, GA 30309 (T): (404) 815-3500 (F): (404) 815-3509 Email: srossum@sgrlaw.com bhall@sgrlaw.com Insurer: QBE Insurance (Europe) Limited Portfolio Manager, Asset Protection Plantation Place, 30 Fenchurch Street				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		London, EC3M 3BD United Kingdom (F): 44 (0) 20 7105 4044				
2	CHC Helicopters (Barbados) SRL	Lessor: Parilease S.A.S. Address: Noelle Courtin Sylvie Potier Axel Rohlich 16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2739	CHC Helikopter Service AS, Postboks 74, 5869 Bergen Lufthavn Norway	Manufacturer: Turbomeca Model: Makila 2A1 Serial Nos.: 13051 1163	July 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F): +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB 75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Smith, Gambrell & Russell, LLP Steven A. Rossum Brian P. Hall Promenade, Suite 3100 1230 Peachtree Street N.E. Atlanta, GA 30309 (T): (404) 815-3500 (F): (404) 815-3509 Email: srossum@sgrlaw.com bhall@sgrlaw.com Insurer: QBE Insurance (Europe) Limited Portfolio Manager, Asset Protection Plantation Place, 30 Fenchurch Street London, EC3M 3BD United Kingdom (F): 44 (0) 20 7105 4044				
3	CHC Helicopters (Barbados) SRL	Lessor: Parilease S.A.S. Address: Noelle Courtin Sylvie Potier Axel Rohlich	Manufacturer: Airbus Helicopters Model: EC225	CHC Helikopter Service AS, Postboks 74, 5869 Bergen Lufthavn Norway	Manufacturer: Turbomeca Model: Makila 2A1 Serial Nos.:	July 7, 2016

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		16 rue de L'Hanovre 75002, Paris, France (F): +33 1 4298 1203 Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Ken Coleman Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300	Serial Number: 2744		13160 1048	

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		(F): (212) 610-6399 Email: ken.coleman@allenovery.com Daniel J. Guyder Allen & Overy LLP 1221 Avenue of the Americas New York, NY 10020 (T): (212) 610-6300 (F): (212) 610-6399 Email: daniel.guyder@allenovery.com Agent: HSBC France Vincent Nelson 103, Avenue de Champs-Elysees Paris 75008 Email: vincent.nelson@hsbc.fr (F): +33 1 5813 8169 Mandated Lead Arranger: BNP Paribas S.A. Commercial Support & Loan Implementation 37 Place du Marche Saint-Honore 75001, Paris, France (F): +33 1 4316 8184 Societe Generale Marie Cecile Fournier 17 cours Valmy, 92800 Puteaux, SGCIB				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		75886, Paris Cedex 18 France (F):+33 1 4692 4597 Email: marie-cecile.fournier@sgcib.com Manufacturer: Eurocopter S.A.S. (now Airbus) Eric Chartier 2 a 20, avenue Marcel-Cachih, BP107-93123 Paris, La Courneuve Cedex France (F): +33 149 344 527 Email: eric.chartier@eurocopter.com Copy: IWG Davis LLP Bedford House, 21A John Street, London WC1N 2BL, United Kingdom (F): +020 7845 7401 Smith, Gambrell & Russell, LLP Steven A. Rossum Brian P. Hall Promenade, Suite 3100 1230 Peachtree Street N.E. Atlanta, GA 30309 (T): (404) 815-3500 (F): (404) 815-3509 Email: srossum@sgrlaw.com bhall@sgrlaw.com				

Row	Debtor (Head Lessee)	Head Lessor/Notice Parties Contact Info	Helicopter Mfr., Model, Serial N.	Location of Helicopter and Engines	Associated Engines Mfr. Model and Serial Nos.	Effective Date of Rejection
		Insurer: QBE Insurance (Europe) Limited Portfolio Manager, Asset Protection Plantation Place, 30 Fenchurch Street London, EC3M 3BD United Kingdom (F): 44 (0) 20 7105 4044 HCC Reinsurance Company Limited Andy McComb Burnaby Building, 15 Burnaby Street Hamilton HM11 Bermuda (F): (441) 278-7713				

Schedule 2[1]

Row	Subleased Equipment (MSN)	Agreement	Sublessor (Party)	Sublessee (Party)	Effective Date of Rejection
1	2725	Sublease	CHC Helicopters (Barbados) SRL	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	
2	2739	Sublease	CHC Helicopters (Barbados) SRL	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	
3	2744	Sublease	CHC Helicopters (Barbados) SRL	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	

[1] For each helicopter, lease, sublease and related agreements that are being rejected, each other related transaction document to which a Debtor is a party that is integral to such leasing transaction (including, without limitation, any lessee or sublessee consent to any transaction in connection with any lease) also will be deemed part of this Schedule 2 and shall be rejected with respect to such helicopter if the related helicopter lease is rejected. References to any agreement to be rejected are to the applicable agreement and other operative documents, as may have been amended, modified or supplemented from time to time and as is in effect as of the date hereof. As a matter of administrative convenience, in some cases the Debtors have listed the original parties to the documents without taking into account any succession of trustees or any other transfers from one party to another. The fact that the current parties to a particular agreement may not have been named in this Schedule is not intended to change the treatment of the documents. The current parties to the agreements are being noticed pursuant to this Notice. In addition, out of an abundance of caution, the Debtors have listed certain leases or contracts on this Schedule 2 that have already terminated or expired in accordance with the terms of such leases or contracts.

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Exhibit B

Proposed Form of Order

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

----------	x	
	:	
In re:	:	**Chapter 11**
	:	
CHC GROUP LTD. *et al.*,	:	**Case No. 16– 31854 (BJH)**
	:	
	:	
Debtors.	:	**(Jointly Administered)**
	:	
----------	x	

ORDER GRANTING DEBTORS' THIRD OMNIBUS MOTION TO REJECT CERTAIN EQUIPMENT LEASES AND SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

Upon the motion dated June 6, 2016 (the "**Motion**")[1] of CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), for authorization pursuant to section 365 of the Bankruptcy Code and Bankruptcy Rule 6006 to reject the leases ("**Leases**") for helicopters and other related equipment identified on Schedule 1 to the Motion (collectively, the "**Excess Equipment**") and the sublease agreements identified on Schedule 2 to the Motion (the "**Subleases**") and relating to certain Excess Equipment identified on Schedule 2 to the Motion (the "**Subleased Equipment**"); and

[1] Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

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upon consideration of (i) the Declaration of Robert A. Del Genio in Support of First-Day Motions and Applications, dated as of the Petition Date and (ii) the Declaration of Michael B. Cox in Support of the Debtors Third Motion to Reject Certain Equipment Leases and Subleases, dated as of May 27, 2016; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b)(2); 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, (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Kenneth H. Eckstein, Esq.), counsel to the Official Committee of Unsecured Creditors, (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) the Securities and Exchange Commission, (viii) the Internal Revenue Service, (ix) in the case of Excess Equipment, the Lessors, the beneficial owners of such equipment (if different and if

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known) and the Indenture Parties (if known), if any, and (x) in the case of the Subleases, the Sublessees; and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the "**Hearing**"); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted.

2. Pursuant to section 365 of the Bankruptcy Code and Bankruptcy Rule 6006, (a) the rejection of each of the Leases of Excess Equipment listed on Schedule 1 to the Motion is authorized and approved as of the relevant Effective Date (as set forth next to each item of Excess Equipment on Schedule 1 to the Motion) and (b) the rejection of each of the Subleases listed on Schedule 2 to the Motion is authorized and approved as of the relevant Effective Date of the Leases underlying the Subleased Equipment (as set forth next to each Sublease listed on Schedule 2 to the Motion).

3. Each rejected Lease, Sublease and related transaction agreement set forth on Schedule 1 and Schedule 2 to the Motion is hereby rejected by the Debtors party thereto.

4. The Debtors shall, upon the effectiveness of rejection or as soon as reasonably practicable after the Effective Date, make available to the applicable Lessors records and documents relating to such Lessors' Excess Equipment that are readily available. If such

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Excess Equipment is Replacement Equipment, the Debtors shall make available records and documents that are readily available relating to such Replacement Equipment.

5. Upon written request from an affected Lessor, the Debtors shall cooperate reasonably with such Lessor with respect to the execution of, or provision of, information required for a lease termination document or other documentation, as appropriate, to be filed with the aviation authority in the applicable jurisdiction in connection with such Excess Equipment, provided that the affected Lessor shall be solely responsible for all costs associated with such documentation and for the filing thereof with such relevant aviation authority or register.

6. Once the affected Lessor retrieves or takes control of its Excess Equipment, such Lessor or the authorized party under an IDERA or a power of attorney provided by the Debtors, if any, shall be permitted to request the cancellation, or transfer to a party designated by such Lessor, of such helicopter's registration on an aviation authority's register, provided that the affected Lessor shall be solely responsible for all costs associated with such request or transfer.

7. The Debtors are authorized to (i) maintain their current insurance coverage and continue the existing storage maintenance program applicable to each item of Excess Equipment until the earlier of (a) the fifteenth (15th) day after the later of the date of entry of the Order and the relevant Effective Date and (b) the date on which the appropriate Lessor takes possession of such Excess Equipment and (ii) thereafter to cease insuring and maintaining such Excess Equipment.

8. If the Lessor affected by the rejection of a Lease does not retrieve or

otherwise take control of the relevant Excess Equipment from the locations provided on Schedule 1 to the Motion within 15 days after the later of the date of entry of the Order and the relevant Effective Date, such Lessor shall be responsible to the Debtors for the subsequent costs of, and all risks attendant to, storing such equipment and for other attendant costs as determined by the Debtors, including costs of insuring the Excess Equipment. If the Lessor does not remove the Excess Equipment or otherwise contract with the Debtors or a third party for storage of the Excess Equipment, the Debtors may file a motion to compel removal of the Excess Equipment and/or payment to the Debtors of storage and other attendant costs including without limitation all legal fees.

9. Subject to ordered paragraphs 10 through 13, if any Replacement Equipment installed on, or returned with, the Affected Equipment has not been previously substituted pursuant to the terms of the relevant Lease, the Debtors may, if requested by the affected Lessor, formalize the transfer of the Debtors' right, title and interest in such Replacement Equipment to the Lessor free and clear of all liens, claims and encumbrances (except for permitted liens under the relevant Lease) by providing a bill of sale to the Lessor of such Replacement Equipment.

10. If the Replacement Equipment is encumbered by a recorded lien or mortgage that is not permitted under the relevant Lease, at the Debtor's election: (i) such lien or mortgage shall be released from such Replacement Equipment and shall attach to Substitute Equipment, (ii) the Debtors shall facilitate the lifting and release of such lien or mortgage on such Replacement Equipment, (iii) the Replacement Equipment shall be replaced with Substitute Equipment of the same model and version, or (iv) the Replacement Equipment shall not be returned to the Lessor and the Lessor shall instead receive as part of the Lessor's damages claim,

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if any, a pre-petition claim for the value of an engine of the same model and version returned in compliance with the return conditions set forth in the Lease; in the case of (iii) and (iv), the Debtors may remove the Replacement Equipment from the Affected Equipment.

11. If the transfer documentation contemplated in the Motion was not formalized at the time of the removal of the Original Equipment, the relevant Lessor shall simultaneously deliver, or cause to be delivered, to the Debtors a bill of sale for the Original Equipment, transferring such Original Equipment to the Debtors (or to a third party designated by the Debtors) free and clear of all liens, claims and encumbrances (except for liens permitted under the Lease or the Lessor's financings.

12. If the Replacement Equipment and the Original Equipment are beneficially owned by the relevant Lessor or by the same beneficial owner and leased to the Debtors under separate leases, then the Debtors may surrender such Replacement Equipment to the Lessor in lieu of the Original Equipment and the Replacement Equipment shall thereafter be released from the relevant Lease and any liens in favor of the secured party with respect to such Replacement Equipment, and the Original Equipment shall be subject to such lease or mortgage and any such liens.

13. In lieu of providing Replacement Equipment pursuant to the Procedures, the Debtors may, in the Debtors' sole discretion, make the Original Equipment available to an affected Lessor at the location where such Original Equipment is situated, whether or not the Original Equipment is at the same location as the Affected Equipment, or make Substitute Equipment available to the affected Lessor at the location where the Affected Equipment is situated, and in these circumstances, the Debtors may remove the Replacement Equipment from the Affected Equipment.

14. If a lessor of Original Equipment or Replacement Equipment does not deliver title documents, or if a secured party with a lien on Original Equipment or Replacement Equipment does not deliver documents necessary to release its liens, each as required in the Procedures, the Debtors shall be entitled to move for an Order to Show Cause to compel such lessor to transfer title to such equipment or to compel such secured party to release its liens. In such an instance, such lessor or such secured party, as the case may be, shall also be liable to the Debtors and the affected Lessor for any damages arising out of or in connection with such lessor's or such secured party's delay, including legal and other fees.

15. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the rejections approved hereby.

16. Claims arising out of any rejection effected pursuant to these procedures must timely be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which prepetition general unsecured claims must be filed (the "**Bar Date**"), on or before the later of (i) the Bar Date, or (ii) 30 days after the Effective Date with respect to the item of Excess Equipment or with respect to the Sublease to which such claim relates, as the case may be. Any claim not timely filed will be irrevocably barred.

17. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a), 6006, 6007 and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

END OF ORDER

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Respectfully Submitted,

/s/ Jasmine Ball

DEBEVOISE & PLIMPTON LLP
Jasmine Ball (*pro hac vice*)
Richard F. Hahn (*pro hac vice*)
919 Third Avenue
New York, New York 10022
Telephone: (212) 909-6000
Facsimile: (212) 909-6836
Email: jball@debevoise.com
rfhahn@debevoise.com

Proposed Special Aircraft Attorneys for Debtors and Debtors in Possession

WEIL, GOTSHAL & MANGES LLP
Stephen A. Youngman (22226600)
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777
Email: stephen.youngman@weil.com

-and-

Gary T. Holtzer (*pro hac vice)*
Kelly DiBlasi (*pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: gary.holtzer@weil.com

Proposed Attorneys for Debtors and Debtors in Possession

Exhibit G

Hearing Date: July 7, 2016 at 9:00 a.m. (CT)

Stephen A. Youngman (22226600)
WEIL, GOTSHAL & MANGES LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777

Gary T. Holtzer (*pro hac vice*)
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Proposed Special Aircraft Attorneys for Debtors and Debtors in Possession

This Omnibus Motion seeks to abandon certain aircraft and to reject certain executory contracts and unexpired leases. If you have received this Motion and are a lender to, or contract-counterparty to an agreement with, the Debtors, please review Schedule 1 attached hereto to determine if this Motion affects your agreement and your rights thereunder.

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

----------	x	
	:	
In re:	:	**Chapter 11**
	:	
CHC GROUP LTD. *et al.*,[1]	:	**Case No. 16– 31854 (BJH)**

DEBTORS' OMNIBUS MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE DEBTORS TO (i) ABANDON CERTAIN AIRCRAFT PURSUANT TO SECTION 554(a) OF THE BANKRUPTCY CODE, (ii) TRANSFER TITLE TO CERTAIN AIRCRAFT PURSUANT TO SECTION 363(b) OF THE BANKRUPTCY CODE AND (iii) REJECT CERTAIN EQUIPMENT LEASES AND SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

[1] A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, where applicable, is attached hereto as Exhibit A.

A HEARING WILL BE CONDUCTED ON THIS MATTER ON JULY 7, 2016 AT 9:00 A.M. IN COURTROOM #2, 14TH FLOOR OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE ST., DALLAS, TEXAS 75242.

TO THE HONORABLE BARBARA J. HOUSER, UNITED STATES BANKRUPTCY JUDGE:

CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), respectfully represent:

Relief Requested

1. The Debtors respectfully request that this Court enter an order, substantially in the form of **Exhibit B**, authorizing the Debtors (i) to abandon certain aircraft, engines and other related equipment that are owned by the Debtors and that the Debtors no longer need in the operation of their business identified on Schedule 1 attached hereto (collectively, the "**Excess Owned Equipment**") pursuant to section 554(a) of title 11 of the United States Code (the "**Bankruptcy Code**"), (ii) to transfer title to such abandoned Excess Owned Equipment to mortgagees, security trustees or indenture trustees with security interests in such Excess Owned Equipment (the "**Secured Parties**") pursuant to section 363(b) of the Bankruptcy Code, and (iii) to reject certain equipment leases (the "**Leases**") and certain sublease agreements (the "**Subleases**"), each related to the Excess Owned Equipment and identified on Schedule 2 attached hereto, pursuant to section 365 of the Bankruptcy Code and Rule 6006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**").

Jurisdiction and Venue

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

Background

3. On May 5, 2016 (the "**Petition Date**"), each of the Debtors commenced with this Court a voluntary case under chapter 11 of title 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas [Docket No. 52].

The Debtors' Businesses

5. The Debtors, together with their non-debtor affiliates (collectively, "**CHC**"), comprise a global commercial helicopter services company, primarily engaged in providing helicopter services to the offshore oil and gas industry. CHC also provides helicopter services for search and rescue and emergency medical services to various government agencies. In addition, CHC maintains the industry's largest independent helicopter maintenance, repair, and overhaul business (such business, an "**MRO**"), which services helicopter fleets for both CHC as well as third-party customers. CHC manages its domestic and overseas businesses from its headquarters in Irving, Texas and its sales force from an office in Houston, Texas. CHC maintains one of its primary engine overhaul facilities in Fort Collins, Colorado. Only certain

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entities within CHC – primarily the issuers or guarantors of the Debtors' funded debt – are Debtors in these proceedings. CHC's other entities, including certain operating entities, are not debtors in these cases and are continuing to conduct their businesses in the ordinary course.

6. Additional information about the Debtors' businesses, capital structure and the circumstances leading to the commencement of these chapter 11 cases can be found in the *Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief* (the "**Del Genio Declaration**")[Docket No. 13].

Basis for Relief

7. In connection with the commencement of its chapter 11 cases, CHC has formulated a revised business plan to address the high cost/weakened revenue environment. As an ongoing component of that plan and of the chapter 11 process, CHC has identified cost savings to be achieved through a significant reduction in their fleet by eliminating helicopters and other related equipment that currently are not, or soon will not be, used to generate revenue in CHC's businesses. In addition, CHC is in the process of reducing the complexity of its fleet, which will decrease costs associated with crew training, inventory and maintenance. This reduction and rationalization of CHC's fleet will create a significant surplus of helicopters and other related equipment owned and leased by CHC.

8. CHC maintains a fleet of approximately 230 helicopters comprised of the medium variant (8 to 15 passengers) and heavy variant (16 to 26 passengers) collectively (the "**CHC Fleet**"). A significant portion of the CHC Fleet is comprised of new technology helicopters which have greater range, passenger capacity, enhanced safety systems, and the ability to operate in variable conditions. Of the 230 helicopters in the CHC Fleet, CHC owns 67 helicopters and CHC leases the remainder from various third-party lessors. In most cases CHC subleases aircraft

to affiliated operating entities. These leasing structures provide maximum regulatory and business flexibility.

9. The Debtors expect to reduce their fleet to approximately 75 productive aircraft by the end of calendar year 2017, with approximately 90 aircraft to be returned within sixty (60) days after the Petition Date. Since the Petition Date, the Debtors have filed motions to reject 87 helicopters. *See e.g.*, *First Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* [Docket No. 20] (the "**First Omnibus Rejection Motion**"), *Second Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* [Docket No. 210] (the "**Second Omnibus Rejection Motion**") and *Third Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* [Docket No. 250] (the "**Third Omnibus Rejection Motion**").

10. The Excess Owned Equipment is not necessary for the Debtors' continued operation or successful reorganization. In addition, the Debtors face significant storage costs in connection with the Excess Owned Equipment. Accordingly, the Debtors seek to eliminate the costs associated with retaining and storing such Excess Owned Equipment by the abandonment requested hereby.

11. The requested relief will (i) allow for immediate abandonment of the Excess Owned Equipment and eliminate unnecessary obligations of the Debtors; (ii) establish an orderly, efficient process for the surrender and return of the Excess Owned Equipment and related documentation; (iii) allow for the rejection of the Leases and Subleases related to the Excess Owned Equipment; and (iv) preserve the uninterrupted operation of the Debtors'

business. The requested relief will also ensure that the Secured Parties are provided title to the aircraft and other related equipment that are surrendered to them through the surrender and return process. The Debtors will continue to analyze the CHC Fleet and, as a result of this ongoing analysis, the Debtors may retire additional aircraft in the future.

The Excess Owned Equipment Is of No Benefit to the Debtors and Abandonment Should Be Approved By the Court

12. Pursuant to section 554(a) of the Bankruptcy Code, the Debtors seek approval of the abandonment of the Excess Owned Equipment. Section 554(a) provides that a debtor in possession may abandon, subject to Court approval, "property of the estate that . . . is of inconsequential value and benefit to the estate." 11 U.S.C. § 554(a). Before authorizing abandonment of property, the bankruptcy court must find either: (i) the property is burdensome to the estate, or (ii) the property is both of inconsequential value and inconsequential benefit to the estate. *See, e.g., Midlantic Nat'l Bank v. N.J. Dep't of Envtl. Prot.*, 474 U.S. 494, 497 (1986), *reh'g denied*, 475 U.S. 1091 (1986); *In re Texaco, Inc.*, 90 B.R. 38, 44 (S.D.N.Y. 1988); *In re Crowthers McCall Pattern, Inc.*, 114 B.R. 877, 882 n.7 (Bankr. S.D.N.Y. 1990). The abandonment power of § 554 is unqualified on its face. *In re Commonwealth Oil Refining Co., Inc.*, 805 F.2d 1175, 1185 (5th Cir. 1986).

13. In this case, (a) the Excess Owned Equipment is not necessary for the Debtors ongoing business and is costly to maintain and (b) the liens against the Excess Owned Equipment exceed the value of such equipment to the Debtors' estates. Further, continued retention of the Excess Owned Equipment will impose material costs for storage, insurance and other expenses of the Debtors. Thus, it is clear that the Excess Owned Equipment is burdensome to the Debtors' estates and should be abandoned. Each abandonment is "as is, where is" and the Debtors specifically make neither representations nor warranties regarding the Excess Owned

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Equipment. Abandonment of the Excess Owned Equipment is in the best interests of the Debtors' estates and reflects the exercise of the Debtors' sound business judgment.

Transfer of Title Should Be Approved by the Court

14. Pursuant to this Motion, the Debtors seek to effectuate transfers of title of the Excess Owned Equipment to the relevant Secured Parties. Section 363(b)(1) of the Bankruptcy Code provides that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1).

15. Although section 363 does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, courts routinely authorize the use of debtor's property if it is based upon the reasonable business judgment of the debtor. *See e.g Institutional Creditors of Cont'l Air Lines, Inc. v. Cont'l Air Lines, Inc. (In re Cont'l Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) ("for the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.") (citing *In re Lionel Corp*., 722 F.2d 1063, 1071 (2d Cir.1983)); *In re ASARCO, LLC*, 441 B.R. 813, 830 (Bankr. S.D. Tex. 2010); *In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996); *In re Elpida Memory, Inc*., No. 12-10947 (CSS), 2012 WL 6090194, at *5 (Bankr. D. Del. Nov. 20, 2012); *In re Montgomery Ward Holding Corp*., 242 B.R. 147, 153 (D. Del. 1999).

16. The standard for approval of the use of property outside the ordinary course of business is a deferential one. *See GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd. (In re State Park Bldg. Grp., Ltd.)*, 331 B.R. 251, 254 (Bankr. N.D. Tex. 2005) ("[g]reat judicial deference is given to the Trustee's exercise of business judgment.")

17. The Excess Owned Equipment is not necessary for the Debtors ongoing business, is burdensome for the debtors to maintain and store, and the liens against the Excess Owned Equipment exceed the value of the equipment to the estates. Under these circumstances, transfer of title to the relevant Secured Parties under section 363(b) of the Bankruptcy Code is appropriate and in the best interest of the Debtors' estates. Moreover, the process for transferring title of the Excess Owned Equipment in an efficient and timely manner will reduce the Secured Parties' potential claims.

Rejection of the Leases and the Subleases Is in the Best Interests of the Debtors and Their Estates and Creditors, Is Supported By the Debtors' Business Judgment, and Should Be Approved By the Court

18. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a); *see also NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 521 (1984); *In re Lavigne*, 114 F.3d 379, 386 (2d Cir. 1997). "**[**T**]**he purpose behind allowing the assumption or rejection of executory contracts is to permit the trustee or debtor-in-possession to use valuable property of the estate and to 'renounce title to and abandon burdensome property.'" *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993); *see also NLRB v. Bildisco & Bildisco*, 465 U.S. at 528 ("the authority to reject an executory contract is vital to the basic purpose of a Chapter 11 reorganization, because rejection can release the debtor's estate from burdensome obligations that can impede a successful reorganization."); *Matter of Murexco Petroleum, Inc.*, 15 F.3d 60, 62 (5th Cir. 1994) (noting that section 365 "allows a trustee to relieve the bankruptcy estate of burdensome agreements which have not been completely performed.")

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19. The standard applied to determine whether the rejection of an unexpired lease should be authorized is the "business judgment" standard. *See NLRB v. Bildisco & Bildisco*, 465 U.S. at 523; *In re Penn Traffic Co.*, 524 F.3d 373, 383 (2d Cir. 2008); *In re Orion Pictures Corp.*, 4 F.3d 1095, 1098-99 (2d Cir. 1993); *In re Minges*, 602 F.2d 38, 42 (2d Cir. 1979); *In re Old Carco LLC*, 406 B.R. 180, 188 (Bankr. S.D.N.Y. 2009); *In re Roman Crest Fruit, Inc.*, 35 B.R. 939, 949 (S.D.N.Y. 1983). Courts defer to a debtor's business judgment in rejecting an unexpired lease, and upon finding that a debtor has exercised its sound business judgment, approve the rejection under section 365(a) of the Bankruptcy Code. *See Bildisco & Bildisco*, 465 U.S. at 523 (recognizing the "business judgment" standard used to approve rejection of executory contracts); *Nostas Assocs. v. Costich (In re Klein Sleep Products, Inc.)*, 78 F.3d 18, 25 (2d Cir. 1996) (recognizing the "business judgment" standard used to approve rejection of executory contracts); *In re Minges*, 602 F.2d 38, 42-43 (2d Cir. 1979) (holding that the "business judgment" test is appropriate for determining when an executory contract can be rejected); *In re G Survivor Corp.*, 171 B.R. 755, 757 (Bankr. S.D.N.Y. 1994) (approving rejection of license by debtor because such rejection satisfied the "business judgment" test); *In re Child World, Inc.*, 142 B.R. 87, 89 (Bankr. S.D.N.Y. 1992) (stating that a debtor may assume or reject an unexpired lease under § 365(a) in the exercise of its "business judgment"); *In re Pilgrim's Pride Corp.*, 403 B.R. 413, 426 (Bankr. N.D. Tex. 2009) (holding that, absent public policy necessitating a more stringent standard, business judgment standard applies to a rejection decision under § 365(a)); *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1307 (5th Cir. 1985) (applying business judgment standard to the determination of whether a rejection decision was proper under § 365).

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20. The "business judgment" standard is not a strict standard; it requires only a showing that either assumption or rejection of the executory contract or unexpired lease will benefit the debtor's estate. *See In re Balco Equities, Inc.*, 323 B.R. 85, 99 (Bankr. S.D.N.Y 2005) ("In determining whether the debtor has employed reasonable business discretion, the court for the most part must only determine that the rejection will likely benefit the estate.") (quoting *G Survivor*, 171 B.R. at 757); *In re Helm*, 335 B.R. 528, 538 (Bankr. S.D.N.Y. 1996) ("To meet the business judgment test, the debtor in possession must 'establish that rejection will benefit the estate.'") (citation omitted). Further, under the business judgment standard, "[a] debtor's decision to reject an executory contract must be summary affirmed unless it is the product of 'bad faith, or whim or caprice'" *In re Trans World Airlines, Inc.*, 261 B.R. 103, 121 (Bankr. D. Del. 2001).

21. In addition, "unless a separate provision of the Bankruptcy Code provides a non-debtor party with specific protection, the debtor and its estate's interests are paramount; adverse effects on the non-debtor contract party arising from the decision to assume or reject are irrelevant." *In re The Great Atlantic & Pacific Tea Company*, 544 B.R. 43, 49 (Bankr. S.D.N.Y. 2016); *see also In re Sabine Oil and Gas Corp*., 547 B.R. 66, 71 (Bankr. S.D.N.Y. 2016); *In re Noranda Aluminum, Inc.*, No. 16-10083-399, 2016 WL 1417923, at *3 (Bankr. E.D. Mo. Mar. 31, 2016).

22. As discussed above, the Excess Owned Equipment is not necessary for the Debtors' ongoing business, is a burden on the Debtors' estate to maintain and store, and the liens against the Excess Owned Equipment exceed the value of the equipment to the estates. In connection with the Debtors' requested abandonment of the Excess Owned Equipment, the Debtors will no longer need the Leases and Subleases as the Excess Owned Equipment will no

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longer be in the CHC Fleet and the Debtors will have no ability to lease such Excess Owned Equipment to the lessees and sublessees under the Leases and Subleases.

Procedures

23. The Debtors ask that the Court approve the following procedures regarding the Leases, Subleases and Excess Owned Equipment that are the subject of this motion (the "**Procedures**").

A. Provision of Records and Documents

24. Upon effectiveness of abandonment or as soon as reasonably practicable thereafter, the Debtors shall make available to the applicable Secured Parties records and documents relating to such Excess Owned Equipment that are readily available.

B. Return and Retrieval of Helicopters

25. The Debtors have provided information on the schedules and exhibits attached hereto that will assist the Secured Parties in retrieving the Excess Owned Equipment. Schedule 1 includes the following information: the identity of the Secured Parties known to the Debtors and the location and a description of the Excess Owned Equipment to be abandoned and for which title will be conveyed.

26. To preserve the value of the Excess Owned Equipment before the appropriate Secured Party takes possession, the Debtors will maintain their current insurance coverage and continue the existing storage maintenance program, if applicable, until the earlier of: (i) the fifteenth (15th) day after the later of the date of entry of the Order and the relevant Effective Date; or (ii) the date on which the appropriate Secured Party takes possession of the Excess Owned Equipment. Thereafter, however, the Debtors shall cease insuring and maintaining the Excess Owned Equipment.

27. The Debtors also ask this Court to enter an Order providing that if the Secured Parties affected by the abandonment of the relevant Excess Owned Equipment do not retrieve or otherwise take control of the relevant Excess Owned Equipment from the locations provided on Schedule 1 within 15 days after the later of the date of entry of the Order and the relevant Effective Date, such Secured Parties shall be responsible to the Debtors for the subsequent costs of, and all risks attendant to, storing such equipment and for other attendant costs as determined by the Debtors, including costs of insuring the Excess Owned Equipment. If the Secured Parties do not remove the Excess Owned Equipment or otherwise contract with the Debtors or a third party for storage of the Excess Owned Equipment, the Debtors may file a motion to compel removal of the Excess Owned Equipment and/or payment to the Debtors of storage and other attendant costs including without limitation all legal fees. The Excess Owned Equipment will be made available to the Secured Parties "as is, where is" and the Debtors specifically make neither representations nor warranties regarding the Excess Owned Equipment.

C. Debtors' Further Actions to Implement Approved Abandonments

28. The Debtors submit that the proposed actions and Procedures are reasonable, in the best interests of the estates, and should be approved by this Court. Accordingly, the Debtors seek authorization to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the Procedures.

Reservation of Rights

29. Nothing contained herein is intended or shall be construed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver of the Debtors' rights to dispute the amount of, basis for, or validity of any claim of any parties in interest to the Excess Owned Equipment, or (iii) a waiver of any claims or causes of action which may exist against any parties

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in interest to the Excess Owned Equipment. The Debtors are in the process of reviewing these matters and reserve all of their rights under the Bankruptcy Code.

Notice

30. No trustee, examiner or creditors' committee has been appointed in these chapter 11 cases. Notice of this Motion shall be given to: (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Kenneth H. Eckstein, Esq.), counsel to the Official Committee of Unsecured Creditors; (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) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) in the case of Excess Owned Equipment, each of the Secured Parties identified in Schedule 1 to the Motion; and (x) in the case of the Lease and Subleases, the parties thereto. Due to the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

31. No previous request for the relief sought herein has been made to this or any other Court.

WHEREFORE, the Debtors respectfully request that the Court enter an order (a) authorizing the Debtors to abandon the Excess Owned Equipment as of the Effective Date, (b) authorizing the Debtors to transfer title to the Excess Owned Equipment to the Secured Parties, (c) authorizing the rejection of the Leases and the Subleases as of the Effective Date and (b) granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York
June 8, 2016

By: */s/ Jasmine Ball*

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-and-

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Proposed Attorneys for Debtors and Debtors in Possession

EXHIBIT A

Debtors

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

Index of Parties Listed in Schedules 1 and 2

Collateral Agent and Administrative Agent: Schedule 1	Rows
BNP Paribas S.A.	1-13
Holland & Knight LLP	1-13
Morgan Stanley Senior Lending, Inc.	1-13
Paul Hastings LLP	1-13

Notice Parties: Schedule 2	Rows
BHS - Brazilian Helicopter Services Taxi Aereo SA	21, 24, 27, 30
CHC Helikopter Service AS	4, 8, 10
CHC Scotia Limited	2, 6, 16, 18

Schedule 1

EXCESS OWNED EQUIPMENT

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
1	Collateral Agent: BNP Paribas S.A. Noëlle Courtin Philippe Laude Axel Rohrlich Camille Brunel 16, rue de Hanovre 75002 ACI: CAT04B1 France (F): +33 1 43 16 82 54 (T): +33 1 41 16 82 33 (Noëlle Courtin) +33 1 42 98 60 77 (Philippe Laude) Email: noelle.courtin@bnpparibas.com; philippe.laude@bnpparibas.com; axel.rohrlich@bnpparibas.com; camille.brunel@bnpparibas.com Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2674	CHC Scotia Ltd, North Hangar, Hutton Road, Aberdeen Airport, Dyce, AB21 0LT United Kingdom	July 7, 2016

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	(T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Administrative Agent: Morgan Stanley Senior Lending, Inc. Attention: Lisa Hanson 1585 Broadway, New York, NY 10036 (F): (212) 507-0993 (T): (212) 761-6894 Email: Lisa.Hanson@morganstanley.com Copy: Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.) (F): 1(212) 230-5137 (Leslie Plaskon) 1(212) 230-7699 (Andrew V. Tenzer) (T): 1(212) 318-6421 (Leslie A. Plaskon) 1(212) 318-6099)Andrew V. Tenzer Email: leslieplaskon@paulhastings.com andrewtenzer@paulhastings.com			

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
2	Collateral Agent: BNP Paribas S.A. Noëlle Courtin Philippe Laude Axel Rohrlich Camille Brunel 16, rue de Hanovre 75002 ACI: CAT04B1 France (F): +33 1 43 16 82 54 (T): +33 1 41 16 82 33 (Noëlle Courtin) +33 1 42 98 60 77 (Philippe Laude) Email: noelle.courtin@bnpparibas.com; philippe.laude@bnpparibas.com; axel.rohrlich@bnpparibas.com; camille.brunel@bnpparibas.com Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq.	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2914	CHC Helikopter Service, Flyplassvegen 250, 4055 Stavanger Lufthavn, Norway	July 7, 2016

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Administrative Agent: Morgan Stanley Senior Lending, Inc. Attention: Lisa Hanson 1585 Broadway, New York, NY 10036 (F): (212) 507-0993 (T): (212) 761-6894 Email: Lisa.Hanson@morganstanley.com Copy: Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.) (F): 1(212) 230-5137 (Leslie Plaskon) 1(212) 230-7699 (Andrew V. Tenzer) (T): 1(212) 318-6421 (Leslie A. Plaskon) 1(212) 318-6099)Andrew V. Tenzer Email: leslieplaskon@paulhastings.com andrewtenzer@paulhastings.com			
3	Collateral Agent: BNP Paribas S.A. Noëlle Courtin Philippe Laude Axel Rohrlich Camille Brunel 16, rue de Hanovre 75002 ACI: CAT04B1 France	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2949	CHC Scotia Ltd, North Hangar, Hutton Road, Aberdeen Airport, Dyce, AB21 0LT, United Kingdom	July 7, 2016

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	(F): +33 1 43 16 82 54 (T): +33 1 41 16 82 33 (Noëlle Courtin) +33 1 42 98 60 77 (Philippe Laude) Email: noelle.courtin@bnpparibas.com; philippe.laude@bnpparibas.com; axel.rohrlich@bnpparibas.com; camille.brunel@bnpparibas.com Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Administrative Agent: Morgan Stanley Senior Lending, Inc. Attention: Lisa Hanson 1585 Broadway, New York, NY 10036			

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	(F): (212) 507-0993 (T): (212) 761-6894 Email: Lisa.Hanson@morganstanley.com Copy: Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.) (F): 1(212) 230-5137 (Leslie Plaskon) 1(212) 230-7699 (Andrew V. Tenzer) (T): 1(212) 318-6421 (Leslie A. Plaskon) 1(212) 318-6099)Andrew V. Tenzer Email: leslieplaskon@paulhastings.com andrewtenzer@paulhastings.com			
4	Collateral Agent: BNP Paribas S.A. Noëlle Courtin Philippe Laude Axel Rohrlich Camille Brunel 16, rue de Hanovre 75002 ACI: CAT04B1 France (F): +33 1 43 16 82 54 (T): +33 1 41 16 82 33 (Noëlle Courtin) +33 1 42 98 60 77 (Philippe Laude) Email: noelle.courtin@bnpparibas.com; philippe.laude@bnpparibas.com; axel.rohrlich@bnpparibas.com; camille.brunel@bnpparibas.com	Manufacturer: Airbus Helicopters Model: EC225 Serial Number: 2986	CHC Helikopter Sevice, Flyplassvegen 250, 4055 Stavanger Lufthavn, Norway	July 7, 2016

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Administrative Agent: Morgan Stanley Senior Lending, Inc. Attention: Lisa Hanson 1585 Broadway, New York, NY 10036 (F): (212) 507-0993 (T): (212) 761-6894 Email: Lisa.Hanson@morganstanley.com Copy: Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.) (F): 1(212) 230-5137 (Leslie Plaskon)			

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	1(212) 230-7699 (Andrew V. Tenzer) (T): 1(212) 318-6421 (Leslie A. Plaskon) 1(212) 318-6099)Andrew V. Tenzer Email: leslieplaskon@paulhastings.com andrewtenzer@paulhastings.com			
5	Collateral Agent: BNP Paribas S.A. Noëlle Courtin Philippe Laude Axel Rohrlich Camille Brunel 16, rue de Hanovre 75002 ACI: CAT04B1 France (F): +33 1 43 16 82 54 (T): +33 1 41 16 82 33 (Noëlle Courtin) +33 1 42 98 60 77 (Philippe Laude) Email: noelle.courtin@bnpparibas.com; philippe.laude@bnpparibas.com; axel.rohrlich@bnpparibas.com; camille.brunel@bnpparibas.com Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq.	Manufacturer: Airbus Helicopters Model: AS332L1 Serial Number: 9009	CHC Helikopter Service AS, Flyplassveien 8, 6517 Kristiansund, Norway	July 7, 2016

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Administrative Agent: Morgan Stanley Senior Lending, Inc. Attention: Lisa Hanson 1585 Broadway, New York, NY 10036 (F): (212) 507-0993 (T): (212) 761-6894 Email: Lisa.Hanson@morganstanley.com Copy: Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.) (F): 1(212) 230-5137 (Leslie Plaskon) 1(212) 230-7699 (Andrew V. Tenzer) (T): 1(212) 318-6421 (Leslie A. Plaskon) 1(212) 318-6099)Andrew V. Tenzer Email: leslieplaskon@paulhastings.com andrewtenzer@paulhastings.com			
6	Collateral Agent: BNP Paribas S.A.	Manufacturer: AgustaWestland	CHC Global Operations, Fire Blade	July 7, 2016

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	Noëlle Courtin Philippe Laude Axel Rohrlich Camille Brunel 16, rue de Hanovre 75002 ACI: CAT04B1 France (F): +33 1 43 16 82 54 (T): +33 1 41 16 82 33 (Noëlle Courtin) +33 1 42 98 60 77 (Philippe Laude) Email: noelle.courtin@bnpparibas.com; philippe.laude@bnpparibas.com; axel.rohrlich@bnpparibas.com; camille.brunel@bnpparibas.com Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700	Model: AW139 Serial Number: 31072	Aviation, KO8 Denel Precinct, Atlas Road, Bonaero Park, 1619, Kempton Park, South Africa	

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	(F): (617) 523-6850 Email: lynne.xerras@hklaw.com Administrative Agent: Morgan Stanley Senior Lending, Inc. Attention: Lisa Hanson 1585 Broadway, New York, NY 10036 (F): (212) 507-0993 (T): (212) 761-6894 Email: Lisa.Hanson@morganstanley.com Copy: Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.) (F): 1(212) 230-5137 (Leslie Plaskon) 1(212) 230-7699 (Andrew V. Tenzer) (T): 1(212) 318-6421 (Leslie A. Plaskon) 1(212) 318-6099)Andrew V. Tenzer Email: leslieplaskon@paulhastings.com andrewtenzer@paulhastings.com			
7	Collateral Agent: BNP Paribas S.A. Noëlle Courtin Philippe Laude Axel Rohrlich Camille Brunel 16, rue de Hanovre 75002 ACI: CAT04B1 France (F): +33 1 43 16 82 54 (T): +33 1 41 16 82 33 (Noëlle Courtin)	Manufacturer: AgustaWestland Model: AW139 Serial Number: 31099	Luchthavenweg 18 (CHC / DHA hangar), Den Helder Airport, 1786 PP, Den Helder, The Netherlands	July 7, 2016

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	+33 1 42 98 60 77 (Philippe Laude) Email: noelle.courtin@bnpparibas.com; philippe.laude@bnpparibas.com; axel.rohrlich@bnpparibas.com; camille.brunel@bnpparibas.com Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Administrative Agent: Morgan Stanley Senior Lending, Inc. Attention: Lisa Hanson 1585 Broadway, New York, NY 10036 (F): (212) 507-0993 (T): (212) 761-6894			

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	Email: Lisa.Hanson@morganstanley.com Copy: Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.) (F): 1(212) 230-5137 (Leslie Plaskon) 1(212) 230-7699 (Andrew V. Tenzer) (T): 1(212) 318-6421 (Leslie A. Plaskon) 1(212) 318-6099)Andrew V. Tenzer Email: leslieplaskon@paulhastings.com andrewtenzer@paulhastings.com			
8	Collateral Agent: BNP Paribas S.A. Noëlle Courtin Philippe Laude Axel Rohrlich Camille Brunel 16, rue de Hanovre 75002 ACI: CAT04B1 France (F): +33 1 43 16 82 54 (T): +33 1 41 16 82 33 (Noëlle Courtin) +33 1 42 98 60 77 (Philippe Laude) Email: noelle.courtin@bnpparibas.com; philippe.laude@bnpparibas.com; axel.rohrlich@bnpparibas.com; camille.brunel@bnpparibas.com Copy: Brian J. Smith, Esq.	Manufacturer: AgustaWestland Model: AW139 Serial Number: 31561	Gambling Close (Hangar 11) Norwich International Airport, NR6 6EG, Norwich, United Kingdom	July 7, 2016

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Administrative Agent: Morgan Stanley Senior Lending, Inc. Attention: Lisa Hanson 1585 Broadway, New York, NY 10036 (F): (212) 507-0993 (T): (212) 761-6894 Email: Lisa.Hanson@morganstanley.com Copy: Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.) (F): 1(212) 230-5137 (Leslie Plaskon) 1(212) 230-7699 (Andrew V. Tenzer) (T): 1(212) 318-6421 (Leslie A. Plaskon)			

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	1(212) 318-6099)Andrew V. Tenzer Email: leslieplaskon@paulhastings.com andrewtenzer@paulhastings.com			
9	Collateral Agent: BNP Paribas S.A. Noëlle Courtin Philippe Laude Axel Rohrlich Camille Brunel 16, rue de Hanovre 75002 ACI: CAT04B1 France (F): +33 1 43 16 82 54 (T): +33 1 41 16 82 33 (Noëlle Courtin) +33 1 42 98 60 77 (Philippe Laude) Email: noelle.courtin@bnpparibas.com; philippe.laude@bnpparibas.com; axel.rohrlich@bnpparibas.com; camille.brunel@bnpparibas.com Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019	Manufacturer: AgustaWestland Model: AW139 Serial Number: 31610	Heli-One (Poland) Sp. z o.o., Jasionka 947, 36-002 Jasionka, Poland	July 7, 2016

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	(T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Administrative Agent: Morgan Stanley Senior Lending, Inc. Attention: Lisa Hanson 1585 Broadway, New York, NY 10036 (F): (212) 507-0993 (T): (212) 761-6894 Email: Lisa.Hanson@morganstanley.com Copy: Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.) (F): 1(212) 230-5137 (Leslie Plaskon) 1(212) 230-7699 (Andrew V. Tenzer) (T): 1(212) 318-6421 (Leslie A. Plaskon) 1(212) 318-6099)Andrew V. Tenzer Email: leslieplaskon@paulhastings.com andrewtenzer@paulhastings.com			
10	Collateral Agent: BNP Paribas S.A. Noëlle Courtin Philippe Laude Axel Rohrlich	Manufacturer: Sikorsky Model: S76C++	Av Antônio Carlos Junqueira de Moraes Nº 979 -Imburo Aeroporto. Macae- RJ - C.E.P 27970-000- Brazil	July 7, 2016

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	Camille Brunel 16, rue de Hanovre 75002 ACI: CAT04B1 France (F): +33 1 43 16 82 54 (T): +33 1 41 16 82 33 (Noëlle Courtin) +33 1 42 98 60 77 (Philippe Laude) Email: noelle.courtin@bnpparibas.com; philippe.laude@bnpparibas.com; axel.rohrlich@bnpparibas.com; camille.brunel@bnpparibas.com Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com	Serial Number: 760625		

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	Administrative Agent: Morgan Stanley Senior Lending, Inc. Attention: Lisa Hanson 1585 Broadway, New York, NY 10036 (F): (212) 507-0993 (T): (212) 761-6894 Email: Lisa.Hanson@morganstanley.com Copy: Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.) (F): 1(212) 230-5137 (Leslie Plaskon) 1(212) 230-7699 (Andrew V. Tenzer) (T): 1(212) 318-6421 (Leslie A. Plaskon) 1(212) 318-6099)Andrew V. Tenzer Email: leslieplaskon@paulhastings.com andrewtenzer@paulhastings.com			
11	Collateral Agent: BNP Paribas S.A. Noëlle Courtin Philippe Laude Axel Rohrlich Camille Brunel 16, rue de Hanovre 75002 ACI: CAT04B1 France (F): +33 1 43 16 82 54 (T): +33 1 41 16 82 33 (Noëlle Courtin) +33 1 42 98 60 77 (Philippe Laude) Email: noelle.courtin@bnpparibas.com;	Manufacturer: Sikorsky Model: S76C++ Serial Number: 760632	Av Antônio Carlos Junqueira de Moraes Nº 979 -Imburo Aeroporto. Macae- RJ - C.E.P 27970-000- Brazil	July 7, 2016

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	philippe.laude@bnpparibas.com; axel.rohrlich@bnpparibas.com; camille.brunel@bnpparibas.com Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Administrative Agent: Morgan Stanley Senior Lending, Inc. Attention: Lisa Hanson 1585 Broadway, New York, NY 10036 (F): (212) 507-0993 (T): (212) 761-6894 Email: Lisa.Hanson@morganstanley.com Copy:			

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.) (F): 1(212) 230-5137 (Leslie Plaskon) 1(212) 230-7699 (Andrew V. Tenzer) (T): 1(212) 318-6421 (Leslie A. Plaskon) 1(212) 318-6099)Andrew V. Tenzer Email: leslieplaskon@paulhastings.com andrewtenzer@paulhastings.com			
12	Collateral Agent: BNP Paribas S.A. Noëlle Courtin Philippe Laude Axel Rohrlich Camille Brunel 16, rue de Hanovre 75002 ACI: CAT04B1 France (F): +33 1 43 16 82 54 (T): +33 1 41 16 82 33 (Noëlle Courtin) +33 1 42 98 60 77 (Philippe Laude) Email: noelle.courtin@bnpparibas.com; philippe.laude@bnpparibas.com; axel.rohrlich@bnpparibas.com; camille.brunel@bnpparibas.com Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201	Manufacturer: Sikorsky Model: S76C++ Serial Number: 760636	PR-CHD (Av. Antonio Carlos Junqueira de Moraes nº 979 – Imburo Aeroporto – CEP 27970-000 – Macaé – RJ) Brazil	July 7, 2016

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850 Email: lynne.xerras@hklaw.com Administrative Agent: Morgan Stanley Senior Lending, Inc. Attention: Lisa Hanson 1585 Broadway, New York, NY 10036 (F): (212) 507-0993 (T): (212) 761-6894 Email: Lisa.Hanson@morganstanley.com Copy: Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.) (F): 1(212) 230-5137 (Leslie Plaskon) 1(212) 230-7699 (Andrew V. Tenzer) (T): 1(212) 318-6421 (Leslie A. Plaskon) 1(212) 318-6099)Andrew V. Tenzer Email: leslieplaskon@paulhastings.com andrewtenzer@paulhastings.com			

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
13	Collateral Agent: BNP Paribas S.A. 16, rue de Hanovre 75002 ACI: CAT04B1 France (F): +33 1 43 16 82 54 (T): +33 1 41 16 82 33 (Noëlle Courtin) +33 1 42 98 60 77 (Philippe Laude) Email: noelle.courtin@bnpparibas.com; philippe.laude@bnpparibas.com; axel.rohrlich@bnpparibas.com; camille.brunel@bnpparibas.com Copy: Brian J. Smith, Esq. Holland & Knight LLP 200 Crescent Court, Suite 1600 Dallas, Texas 75201 Email: brian.smith@hklaw.com Kenneth E. Noble, Esq. Holland & Knight LLP 31 West 52nd Street, 12th Floor New York, NY 10019 (T): (212) 513-3574 Email: Kenneth.noble@hklaw.com Lynne B. Xerras, Esq. 10 St. James Avenue, Boston MA 02116 (T): (617) 523-2700 (F): (617) 523-6850	Manufacturer: Sikorsky Model: S76C++ Serial Number: 760674	Av Antônio Carlos Junqueira de Moraes Nº 979 -Imburo Aeroporto. Macae- RJ - C.E.P 27970-000- Brazil	July 7, 2016

Row	Collateral Agent and Administrative Agent	Helicopter Mfr., Model, Serial N.	Location of Helicopter	Effective Date of Abandonment
	Email: lynne.xerras@hklaw.com Administrative Agent: Morgan Stanley Senior Lending, Inc. Attention: Lisa Hanson 1585 Broadway, New York, NY 10036 (F): (212) 507-0993 (T): (212) 761-6894 Email: Lisa.Hanson@morganstanley.com Copy: Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.) (F): 1(212) 230-5137 (Leslie Plaskon) 1(212) 230-7699 (Andrew V. Tenzer) (T): 1(212) 318-6421 (Leslie A. Plaskon) 1(212) 318-6099)Andrew V. Tenzer Email: leslieplaskon@paulhastings.com andrewtenzer@paulhastings.com			

Schedule 2[2]

Row	Subleased Equipment (MSN)	Agreement	Lessor / Sublessor (Party)	Lessee / Sublessee (Party)	Effective Date of Abandonment
1	2674	Head Lease	CHC Cayman ABL Borrower Ltd	CHC Helicopters (Barbados) SRL	July 7, 2016
2	2674	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	July 7, 2016
3	2914	Head Lease	CHC Cayman ABL Borrower Ltd	CHC Helicopters (Barbados) SRL	July 7, 2016
4	2914	Sublease	CHC Helicopters (Barbados) SRL	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	July 7, 2016
5	2949	Head Lease	CHC Cayman ABL Borrower Ltd	CHC Helicopters (Barbados) SRL	July 7, 2016

[2] For each lease, sublease and related agreements that are being rejected, each other related transaction document to which a Debtor is a party that is integral to such leasing transaction (including, without limitation, any lessee or sublessee consent to any transaction in connection with any lease) also will be deemed part of this Schedule 2 and shall be rejected. References to any agreement to be rejected are to the applicable agreement and other operative documents, as may have been amended, modified or supplemented from time to time and as is in effect as of the date hereof. As a matter of administrative convenience, in some cases the Debtors have listed the original parties to the documents without taking into account any succession of trustees or any other transfers from one party to another. The fact that the current parties to a particular agreement may not have been named in this Schedule is not intended to change the treatment of the documents. The current parties to the agreements are being noticed pursuant to this Notice. In addition, out of an abundance of caution, the Debtors may have listed certain leases or contracts on this Schedule 2 that have already terminated or expired in accordance with the terms of such leases or contracts.

Row	Subleased Equipment (MSN)	Agreement	Lessor / Sublessor (Party)	Lessee / Sublessee (Party)	Effective Date of Abandonment
6	2949	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	July 7, 2016
7	2986	Head Lease	CHC Cayman ABL Borrower Ltd	CHC Helicopters (Barbados) SRL	July 7, 2016
8	2986	Sublease	CHC Helicopters (Barbados) SRL	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	July 7, 2016
9	9009	Head Lease	CHC Cayman ABL Borrower Ltd	CHC Helicopters (Barbados) SRL	July 7, 2016
10	9009	Sublease	CHC Helicopters (Barbados) SRL	CHC Helikopter Service AS Stavanger Lufthavn Flyplassvegen 250 Sola, N-4055, Norway	July 7, 2016
11	31072	Head Lease	CHC Cayman ABL Borrower Ltd	CHC Helicopters (Barbados) SRL	July 7, 2016
12	31072	Sublease	CHC Helicopters (Barbados) SRL	CHC Global Operations Canada (2008) ULC	July 7, 2016
13	31099	Head Lease	CHC Cayman ABL Borrower Ltd	CHC Helicopters (Barbados) SRL	July 7, 2016
14	31099	Sublease	CHC Helicopters (Barbados) SRL	CHC Helicopters Netherlands BV	July 7, 2016
15	31561	Head Lease	CHC Cayman ABL Borrower Ltd	CHC Helicopters (Barbados) SRL	July 7, 2016

Row	Subleased Equipment (MSN)	Agreement	Lessor / Sublessor (Party)	Lessee / Sublessee (Party)	Effective Date of Abandonment
16	31561	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	July 7, 2016
17	31610	Head Lease	CHC Cayman ABL Borrower Ltd	CHC Helicopters (Barbados) SRL	July 7, 2016
18	31610	Sublease	CHC Helicopters (Barbados) SRL	CHC Scotia Limited North Denes Airfield, Caiser Road, Caiser-on-Sea Great Yarmouth, Norfolk, NR30 5TF, England	July 7, 2016
19	760625	Head Lease	CHC Cayman ABL Borrower Ltd	CHC Helicopters (Barbados) SRL	July 7, 2016
20	760625	Sublease	CHC Helicopters (Barbados) SRL	Capital Aviation Services BV	July 7, 2016
21	760625	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	July 7, 2016
22	760632	Head Lease	CHC Cayman ABL Borrower Ltd	CHC Helicopters (Barbados) SRL	July 7, 2016
23	760632	Sublease	CHC Helicopters (Barbados) SRL	Capital Aviation Services BV	July 7, 2016
24	760632	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno,	July 7, 2016

Row	Subleased Equipment (MSN)	Agreement	Lessor / Sublessor (Party)	Lessee / Sublessee (Party)	Effective Date of Abandonment
				199, Suite 202, Rio de Janeiro, Brazil	
25	760636	Head Lease	CHC Cayman ABL Borrower Ltd	CHC Helicopters (Barbados) SRL	July 7, 2016
26	760636	Sublease	CHC Helicopters (Barbados) SRL	Capital Aviation Services BV	July 7, 2016
27	760636	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	July 7, 2016
28	760674	Head Lease	CHC Cayman ABL Borrower Ltd	CHC Helicopters (Barbados) SRL	July 7, 2016
29	760674	Sublease	CHC Helicopters (Barbados) SRL	Capital Aviation Services BV	July 7, 2016
30	760674	Sub-Sublease	Capital Aviation Services BV	BHS - Brazilian Helicopter Services Taxi Aereo SA Av. Embaixador Abelardo Bueno, 199, Suite 202, Rio de Janeiro, Brazil	July 7, 2016

Exhibit B

Proposed Form of Order

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

----------	x	
	:	
In re:	:	**Chapter 11**
	:	
CHC GROUP LTD. *et al.*,	:	**Case No. 16– 31854 (BJH)**
	:	
	:	
Debtors.	:	**(Jointly Administered)**
	:	
----------	x	

ORDER AUTHORIZING THE DEBTORS TO (i) ABANDON CERTAIN AIRCRAFT PURSUANT TO SECTION 554(a) OF THE BANKRUPTCY CODE, (ii) TRANSFER TITLE TO CERTAIN AIRCRAFT PURSUANT TO SECTION 363(b) OF THE BANKRUPTCY CODE AND (iii) REJECT CERTAIN EQUIPMENT LEASES AND SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

Upon the motion dated June 8, 2016 (the "**Motion**")[3] of CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), for authorization to (i) abandon certain aircraft, engines and other related equipment that are owned by the Debtors and that the Debtors no longer need in the operation of their business identified on Schedule 1 to the Motion (collectively the "**Excess Owned Equipment**") pursuant to section 554(a) of Title 11 of the United States Code (the "**Bankruptcy Code**"), (ii) transfer title to such abandoned Excess Owned Equipment to mortgagees, security trustees or indenture trustees with security interests in such Excess Owned Equipment (the "**Secured Parties**") pursuant to section 363(b) of the Bankruptcy Code, and (iii) reject the leases (the "**Leases**") and subleases (the "**Subleases**") relating to certain Excess Owned Equipment identified on Schedule 2 to the Motion pursuant to section 365 of the Bankruptcy Code and Rule 6006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and upon consideration of the Declaration of

[3] Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

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Robert A. Del Genio in Support of First-Day Motions and Applications, dated as of the Petition Date; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b)(2); 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, (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Kenneth H. Eckstein, Esq.), counsel to the Official Committee of Unsecured Creditors, (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) the Securities and Exchange Commission, (viii) the Internal Revenue Service, (ix) in the case of Excess Owned Equipment, each of the Secured Parties identified in Schedule 1 to the Motion, and (x) in the case of the Leases and Subleases, the parties thereto; and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court

with appearances of parties in interest noted in the transcript thereof (the "**Hearing**"); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted.

2. The Debtors' abandonment of the Excess Owned Equipment listed on Schedule 1 attached to the Motion is authorized and approved as of the Effective Date (as set forth next to each item of Excess Owned Equipment on Schedule 1 attached to the Motion) pursuant to section 554(a) of the Bankruptcy Code. The Excess Owned Equipment is hereby abandoned by the Debtors.

3. The Debtors are authorized to transfer title to such abandoned Excess Owned Equipment to the Secured Parties pursuant to section 363(b) of the Bankruptcy Code and such transfers are approved.

4. The Debtors are authorized to reject the Leases and Subleases, each related to the Excess Owned Equipment and identified on Schedule 2 attached to the Motion, pursuant to section 365 of the Bankruptcy Code and Rule 6006 of the Bankruptcy Rules and such rejection is approved as of the relevant Effective Date (as set forth next to each item of the Excess Owned Equipment on Schedule 2 to the Motion).

5. The Debtors shall, upon the effectiveness of abandonment or as soon as reasonably practicable after the Effective Date, make available to the applicable Secured Parties records and documents relating to such Excess Owned Equipment that are readily available.

6. The Debtors are authorized to (i) maintain their current insurance coverage and continue the existing storage maintenance program applicable to each item of Excess Owned Equipment until the earlier of (a) the fifteenth (15th) day after the later of the date of entry of the Order and the relevant Effective Date and (b) the date on which the appropriate Secured Party takes possession of such Excess Owned Equipment and (ii) thereafter to cease insuring and maintaining such Excess Owned Equipment.

7. If the Secured Parties affected by the abandonment of Excess Owned Equipment do not retrieve or otherwise take control of the relevant Excess Owned Equipment from the locations provided on Schedule 1 to the Motion within 15 days after the later of the date of entry of the Order and the relevant Effective Date, such Secured Parties shall be responsible to the Debtors for the subsequent costs of, and all risks attendant to, storing such equipment and for other attendant costs as determined by the Debtors, including costs of insuring the Excess Owned Equipment. If the Secured Parties do not remove the Excess Owned Equipment or otherwise contract with the Debtors or a third party for storage of the Excess Owned Equipment, the Debtors may file a motion to compel removal of the Excess Owned Equipment and/or payment to the Debtors of storage and other attendant costs including without limitation all legal fees.

8. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the abandonments, transfers of title, and rejections approved hereby.

9. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a), 6006, 6007 and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

END OF ORDER

Dated: New York, New York
June 8, 2016

By: */s/ Jasmine Ball*

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Proposed Attorneys for Debtors and Debtors in Possession

Exhibit H

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)

In re	)	Case No. 16-31854-bjh11
	)	Dallas, Texas
CHC GROUP LTD., et al.,	)	
	)	May 6, 2016
Debtors.	)	3:02 PM

TRANSCRIPT OF HEARING ON:
NOTICE OF DESIGNATION AS COMPLEX CHAPTER 11 CASE, FILED BY DEBTOR CHC GROUP LTD. (2);
MOTION FOR JOINT ADMINISTRATION OF CASES / MOTION OF DEBTORS FOR ENTRY OF ORDER AUTHORIZING JOINT ADMINISTRATION OF CHAPTER 11 CASES, PURSUANT TO RULE 1015(B) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE, FILED BY DEBTOR CHC GROUP LTD. (3);
MOTION OF DEBTORS FOR ENTRY OF AN ORDER (I) WAIVING THE REQUIREMENT TO FILE A LIST OF CREDITORS, (II) WAIVING THE REQUIREMENT TO FILE AN EQUITY LIST, AND (III) APPROVING THE FORM AND MANNER OF NOTIFYING CREDITORS OF THE COMMENCEMENT OF THE DEBTORS CHAPTER 11 CASES, FILED BY DEBTOR CHC GROUP LTD. (4);
MOTION TO EXTEND TIME TO FILE SCHEDULES OR NEW CASE DEFICIENCIES, EXCLUDING MATRIX, FILED BY DEBTOR CHC GROUP LTD. (5);
MOTION REGARDING PRE-PETITION CLAIMS / MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (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(A) AND 507(A) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004, FILED BY DEBTOR CHC GROUP LTD. (6);
MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO (A) CONTINUE THEIR INSURANCE PROGRAMS AND ARRANGEMENTS AND (B) PAY ALL UNDISPUTED OBLIGATIONS IN RESPECT THEREOF AND (II) AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS, PURSUANT TO SECTIONS 105(A), 363(B), AND 503(B) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004, FILED BY DEBTOR CHC GROUP LTD. (7);
MOTION OF DEBTORS FOR ENTRY OF ORDER ENFORCING THE PROTECTIONS OF SECTIONS 362, 365, 525, AND 541(C) OF THE BANKRUPTCY CODE,

PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE, FILED BY DEBTOR CHC GROUP LTD. (8);
MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO PAY CERTAIN PRE-PETITION TAXES AND ASSESSMENTS AND (II) AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS, PURSUANT TO SECTIONS 105(A), 363(B), 507(A)(8), AND 541(D) OF THE BANKRUPTCY CODE, FILED BY DEBTOR CHC GROUP LTD. (9);
MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS AUTHORIZING DEBTORS TO MAINTAIN, APPLY, PAY, AND HONOR PRE-PETITION CUSTOMER DEPOSITS, PURSUANT TO SECTIONS 363(B) AND 105(A) OF THE BANKRUPTCY CODE, FILED BY DEBTOR CHC GROUP LTD. (10);
MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO (A) CONTINUE THEIR EXISTING CASH MANAGEMENT SYSTEM, (B) CONTINUE EXISTING INTERCOMPANY TRANSACTIONS, (C) MAINTAIN EXISTING BANK ACCOUNTS AND BUSINESS FORMS, AND (D) HONOR CERTAIN PRE-PETITION OBLIGATIONS RELATING TO THE USE OF THE CASH MANAGEMENT SYSTEM, AND (II) GRANTING EXTENSION OF TIME TO COMPLY WITH, AND PARTIAL WAIVER OF, REQUIREMENTS OF SECTION 345(B) OF THE BANKRUPTCY CODE, PURSUANT TO SECTIONS 105(A), 345(B), 363(C), 364(A), AND 503(B) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004, FILED BY DEBTOR CHC GROUP LTD. (11);
MOTION TO USE CASH COLLATERAL / MOTION OF DEBTORS FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO UTILIZE CASH COLLATERAL; (II) GRANTING ADEQUATE PROTECTION TO THE PRE-PETITION SECURED PARTIES, PURSUANT TO SECTIONS 105, 361, 362, 363, AND 507 OF THE BANKRUPTCY CODE; AND (III) SCHEDULING FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001(B), FILED BY DEBTOR CHC GROUP LTD. (12);
APPLICATION TO EMPLOY KURTZMAN CARSON CONSULTANTS LLC AS CLAIMS AGENT / APPLICATION OF DEBTORS FOR ENTRY OF AN ORDER AUTHORIZING THE RETENTION AND APPOINTMENT OF KURTZMAN CARSON CONSULTANTS LLC AS CLAIMS, NOTICING, AND BALLOTING AGENT NUNC PRO TUNC TO THE PETITION DATE, FILED BY DEBTOR CHC GROUP LTD. (14)
BEFORE THE HONORABLE BARBARA J. HOUSER, CHIEF UNITED STATES BANKRUPTCY JUDGE

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PROCEEDINGS RECORDED BY ELECTRONIC SOUND RECORDING.

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1 THE COURT: CHC Group Limited. I'll take appearances
2 of counsel, please.
3 Mr. Youngman, good afternoon.
4 MR. YOUNGMAN: Good afternoon, Your Honor. Stephen
5 Youngman, Weil, Gotshal & Manges, for CHC Group Limited and
6 its forty-two affiliated debtors. In addition, other
7 attorneys from Weil that will be speaking today are in the
8 courtroom: Mr. Gary Holtzer --
9 THE COURT: Good afternoon.
10 MR. HOLTZER: Good afternoon, Your Honor.
11 MR. YOUNGMAN: -- Richard Levine --
12 MR. LEVINE: Good morning (sic), Your Honor.
13 MR. YOUNGMAN: -- and Kelly DiBlasi.
14 MS. DIBLASI: Good afternoon.
15 THE COURT: Good afternoon.
16 MR. YOUNGMAN: Your Honor, pro hac vice motions have
17 been filed for these attorneys; we have not yet seen an order
18 generated from the Court yet, but we would ask that the Court
19 permit their appearance pro hac vice for today's purposes.
20 THE COURT: The Court will do so.
21 MR. YOUNGMAN: Thank you very much.
22 THE COURT: Thank you.
23 MR. BRIMMAGE: Good afternoon, Your Honor.
24 THE COURT: Good afternoon.
25 MR. BRIMMAGE: Marty Brimmage here with Akin Gump

1 Strauss Hauer & Feld, here on behalf of the informal group of
2 noteholders that have 9.25 percent of the senior secured notes
3 due in 2020. Your Honor, for the purposes of the hearing,
4 I'll refer to them as the ad hoc noteholder group, which is
5 how we refer to them in our pleading.
6 I'm also here with James Savin and Mike Stamer of
7 Akin Gump Strauss Hauer & Feld, and they also have pro hac
8 vices that are pending and I'm sure they will be approved in
9 due course.
10 THE COURT: Very well.
11 MR. BRIMMAGE: Thank you, Your Honor.
12 THE COURT: Welcome.
13 UNIDENTIFIED SPEAKER: Thank you, Your Honor. Thank
14 you.
15 THE COURT: Good afternoon.
16 Mr. Strubeck.
17 MR. STRUBECK: Good afternoon, Your Honor. To state
18 the obvious, it's nice to be able to see Your Honor in your
19 court for a change.
20 THE COURT: Thank you.
21 MR. STRUBECK: Louis Strubeck, Your Honor, of Norton
22 Rose Fulbright Jaworski, along with my colleagues Greg Wilkes
23 and -- where's Tim Springer -- Tim Springer, on behalf of HSBC
24 Bank plc, in its capacity as administrative agent for what
25 we're calling the revolving-credit-facility secured lenders.

And I'm going to make it simple from here on out and just say, if it's okay with Your Honor, the RCF lenders.

THE COURT: Fine.

MR. STRUBECK: Thank you, Your Honor.

THE COURT: Ms. Lambert.

MS. LAMBERT: May it please the Court. My name is Lisa Lambert. I represent the United States Trustee, William Neary.

THE COURT: Ms. Highsmith.

MS. HIGHSMITH: Your Honor, Autumn Highsmith with Haynes & Boone. And joining me on the telephone in a moment, Your Honor, will be Emily Johnson with Wachtell, Lipton, Rosen & Katz. Together with Harold Novikoff, we represent Waypoint Leasing. Waypoint is the lessor on over forty of the debtors' helicopter leases, certain of which are subject to a motion to reject, which is not set for hearing yet, Your Honor.

MR. HOLTZER: Very well.

MR. GROGAN: Good mor --

THE COURT: Good afternoon.

MR. GROGAN: Good morning, Your Honor. James Grogan from Paul Hastings, here on behalf of Morgan Stanley Senior Funding, Inc., the administrative agent for the ABL lenders. And with me today is Leslie Plaskon and Andrew Tenzer, both of whom have filed pro hac vice motions.

THE COURT: Very well. Welcome.

1 MR. GROGAN: Thank you, Your Honor.
2 THE COURT: Good afternoon.
3 MR. LIPPMAN: Good afternoon, Your Honor. Kevin
4 Lippman with Munsch Hardt Kopf & Harr, P.C. Joining me on the
5 phone is Mr. Ken Coleman and Dan Guyder of Allen Overy. We
6 are here appearing on behalf of the COFAS (ph.) and Sache
7 (ph.) lessors and BNP Paribas, HSBC, as agents for the related
8 ECA lenders. And if I may ask if Mr. (sic) Coleman and Guyder
9 could appear pro hac vice for purposes of today's hearing. We
10 would obviously follow it up with a written application.
11 THE COURT: They may.
12 MR. LIPPMAN: Thank you.
13 THE COURT: Thank you.
14 MR. MCILWAIN: Good afternoon, Your Honor. Brent
15 McIlwain here from Holland Knight, here for BNP Paribas,
16 collateral agent under the ABL facility. And with me, Your
17 Honor, is Ken Noble from our New York and Boston office. And
18 I believe a pro hac has been filed but an order hasn't been
19 entered yet.
20 THE COURT: Very well.
21 Good afternoon.
22 MS. HARRIS: Good afternoon, Your Honor. Jillian
23 Harris for Morgan Lewis, Dallas. With me, on the phone will
24 be Glenn Siegel, I believe. And --
25 THE COURT: Very well.

1 MS. HARRIS: -- we're here on behalf of New York --
2 or Bank New York Mellon.
3 THE COURT: Excellent.
4 MS. HARRIS: Thank you.
5 THE COURT: Any other appearances here in the
6 courtroom?
7 All right, we'll patch in our phone participants
8 today.
9 Good afternoon. Do I have parties on the line?
10 UNIDENTIFIED SPEAKER: Yes, Your Honor.
11 THE COURT: All right, let me -- I'm not quite sure
12 how to do this most easily, but we're going to try it this
13 way. My courtroom deputy has prepared a list of people that
14 at least we think are on the phone. If I don't call your name
15 and you wish to make an appearance, if you'd please do so when
16 I finish. I understand there's a number of people that I'm
17 going to identify as listen-only, and then some who have asked
18 for the opportunity to participate if necessary. The
19 participation list is relatively short.
20 Michael Burke, are you present?
21 MR. BURKE: Yes, Your Honor.
22 THE COURT: Very well.
23 Saima Meyer?
24 MS. MEYER: I'm present.
25 THE COURT: Very well.

1 Andrew Leblanc?
2 MR. LEBLANC: Yes, Your Honor.
3 THE COURT: Ian Silverbrand?
4 MR. SILVERBRAND: Present, Your Honor.
5 THE COURT: Glenn Siegel?
6 I'm on, Your Honor.
7 THE COURT: Very well.
8 And then the following people have been listed, at
9 least by us, as listen-only, so let me identify you and get
10 your appearances. Michael Comerfeld -- Comerford? Excuse me.
11 MR. COMERFORD: Yes, Your Honor, I'm on. Thank you.
12 THE COURT: Thank you.
13 Hal Novikoff and Emily Johnson?
14 MS. JOHNSON: Yes, Your Honor. Emily Johnson is on
15 and I'll be reporting back to Hal.
16 THE COURT: All right.
17 Wolynski? Todd Wolynski?
18 How about Dennis Kao?
19 Dennis Kao?
20 Lynne Xerras with Holland & Knight?
21 MS. XERRAS: Yes, Your Honor, I'm here.
22 THE COURT: Very well.
23 Jason Alderson?
24 MR. ALDERSON: Yes, Your Honor, I'm here. Thank you.
25 THE COURT: Jennifer DiMarco?

MR. JOHNSON: Your Honor, this is Robert Johnson. I'm here with Ms. DiMarco's office. She's not on.

THE COURT: Very well. But again, representing Lombard North Central plc?

MR. JOHNSON: Correct.

THE COURT: Very well.

MR. JOHNSON: Correct.

THE COURT: Daniel Guyder?

MR. GUYDER: Here, Your Honor. And if you could just put me on the participation list as well, I would greatly appreciate that.

THE COURT: All righty.

Liz Boydston?

MS. BOYDSTON: Yes, Your Honor, I'm here.

THE COURT: Matthew Fagan?

MR. FAGAN: I'm here, Your Honor, as listen-only.

THE COURT: Dan Carragher?

MR. SHELDON: Yes, Your Honor. This is Steve Sheldon with Dan Carriger's office. I'm on for Dan Carriger.

THE COURT: Very well.

Stephen Grisanti?

MR. GRISANTI: Here, Your Honor.

THE COURT: Andrew Thau?

MR. FAO: Here, Your Honor.

THE COURT: David Turetsky?

1 MR. TURETSKY: Here, Your Honor. Thank you.
2 THE COURT: James Copeland?
3 MR. COPELAND: Here, Your Honor.
4 THE COURT: David Jiang?
5 MR. JIANG: Here, Your Honor.
6 THE COURT: Amer Tiwana?
7 How about Michael Walsh?
8 MR. WALSH: Here, Your Honor.
9 THE COURT: Clayton Pauls?
10 MR. PAULS: Here, Your Honor.
11 THE COURT: And then Alexander Nicas?
12 MR. NICAS: Here, Your Honor.
13 THE COURT: Very well. And then I understand we do
14 have some members of the media, who are listening in to this
15 afternoon, as well.
16 Did I overlook a counsel who'll be wishing to make an
17 appearance on the record?
18 UNIDENTIFIED SPEAKER: I think Gershbein with
19 Kurtzman Carson Consultants is also available to participate,
20 Your Honor.
21 THE COURT: Very well.
22 All right, Mr. Youngman?
23 MR. HOLTZER: Your Honor, again, Gary Holtzer, Weil,
24 Gotshal & Manges, for the debtors.
25 Thank you, and thank the Court for making time today

on Friday for our hearing. We know you had a busy calendar today, so we really appreciate the time, particularly in the afternoon of a Friday.

THE COURT: No problem. You also owe thanks to one of my colleagues, who agreed to hear another matter for me this afternoon so that I could take this matter up. So I will pass your thanks along.

MR. HOLTZER: Thank you, Your Honor.

As you know, on May 5th, CHC Group Limited and forty-two of its direct and indirect subs filed Chapter 11 protection here in this court. I wanted to take the opportunity to introduce you to Lee Eckert, the chief financial officer, who's here today.

THE COURT: Good afternoon.

MR. ECKHERT: Good afternoon.

MR. HOLTZER: Imron Hyatt (ph.), the chief compliance and litigation counsel, also here today, Your Honor.

THE COURT: Good afternoon.

MR. HOLTZER: Also in the court today, Your Honor, is Robert Del Genio of the Conway Del Genio firm, who is the chief restructuring officer; he's in the court today as well.

THE COURT: I read your lengthy affidavit.

MR. HOLTZER: He is our first-day affiant, Your Honor, as you note.

One apology, Your Honor: our chief executive

1 officer, Karl Fessenden, couldn't be here today; he's in
2 negotiations today regarding our next steps in our Chapter 11
3 case.
4 THE COURT: Seems like --
5 MR. HOLTZER: I'm sure you'll meet him.
6 THE COURT: -- that's a good use of his time.
7 MR. HOLTZER: Yes, Your Honor.
8 Your Honor, also in court today are special aircraft
9 counsel from Debevoise & Plimpton, Jasmine Ball.
10 THE COURT: Hello.
11 MR. HOLTZER: In addition, Your Honor, the debtors'
12 financial advisors from PJT (ph.), Michael Genero (ph.) and
13 John Sing (ph.).
14 UNIDENTIFIED SPEAKER: Good afternoon.
15 UNIDENTIFIED SPEAKER: Good afternoon.
16 THE COURT: Good afternoon.
17 MR. HOLTZER: And I think, in addition, Your Honor,
18 we have Seabury, who's also consulting with us regarding our
19 aircraft. They're not here today but I'm sure you'll meet
20 them at some point.
21 THE COURT: Very well.
22 MR. HOLTZER: If Your Honor would permit me, I wanted
23 to just propose an outline for today's hearing so we can move
24 through this as efficiently as possible.
25 THE COURT: Please.

1 MR. HOLTZER: I'll then make a few opening remarks on
2 why we filed and how we intend to use the Chapter 11 process
3 over the next few months.
4 So, with respect to today's hearing process, we have
5 submitted an agenda, it's our proposed agenda, which is in the
6 binder that I believe Your Honor has.
7 THE COURT: I do.
8 MR. HOLTZER: Our order of operations, if you will,
9 after me, will be that Ms. DiBlasi, who Mr. Youngman
10 introduced, will handle all of the motions up until the cash-
11 collateral, adequate-protection and cash-management motions;
12 Mr. Youngman will handle those motions. As we introduced,
13 Mr. Del Genio; he is in court here to testify; we can put him
14 on the stand if we need to, for the motions that Ms. DiBlasi
15 will handle.
16 THE COURT: All right.
17 MR. HOLTZER: I suspect that we will not need him to
18 testify for those, but he is here. Separately, though, our
19 preferred approach with respect to cash collateral and cash
20 management is that we put him on the stand and take him
21 through direct testimony. Mr. Levine, who's here, will handle
22 that direct testimony.
23 If that process is acceptable, Your Honor, I'll
24 proceed with some very brief background on CHC.
25 THE COURT: Please.

1 MR. HOLTZER: As detailed in our filing and including
2 Mr. Del Genio's extensive first-day affidavit, CHC is a
3 global, commercial, helicopter-services company; it primarily
4 services offshore oil and gas industry participants.
5 A few important points about CHC: Its principal
6 business is to provide those helicopter services for large,
7 long-distance, crew changes on offshore production facilities
8 and drilling rigs for major national and international oil and
9 gas companies. Although CHC manages its operations in Irving,
10 Texas, it operates a global business across six continents.
11 As a result, CHC's business is closely tied to the state of
12 the oil and gas industries.
13 The rapid and unexpected decline in oil prices that
14 the industry has had in the past couple years has led to a
15 significant decline in offshore oil exploration, cost-
16 reduction measures for production, operation, and there's been
17 a substantial decrease in the demand for those offshore
18 drilling services. As a result, the demand for helicopter
19 services has declined.
20 I wanted to let the Court know about the tragic
21 events in Norway as well, and their impact on CHC. First, our
22 thoughts and prayers go out to all the families affected by
23 the accident in Norway. The helicopter involved, for your
24 information, Your Honor, was a 225; that's the type of
25 helicopter. That helicopter has been temporarily grounded in

1 certain jurisdictions and that has had an impact on our fleet
2 reconfiguration, which is central to our restructuring. Our
3 customers are also assessing the use of the 225, going
4 forward, and we're working with them in that process, around
5 the world.
6 For all of those reasons, Your Honor, CHC has
7 determined that under these circumstances it can no longer
8 maintain its current capital structure and its fleet expense
9 level.
10 Turning to its corporate capital structure and its
11 corporate structure itself. You should have marked as the
12 first exhibit, CHC-1, a corporate organizational chart. We
13 have copies for anyone in the courtroom who would like a copy.
14 Or hopefully we have enough copies. So we'll hand those out.
15 A couple of observations about the corporate chart,
16 Your Honor. First of all, all the debtors are direct and
17 indirect wholly owned subsidiaries of CHC Group Limited.
18 Secondly, all of the issuers and guarantors of all of CHC's
19 funded debt are debtors. You've met some of the counsel for
20 those funded debts, in the introductions, and I'll come back
21 to that.
22 As you can see on the chart, the legend at the top
23 indicates which entities are debtors, which entities in red
24 are funded debt obligors, which entities are nondebtors, and
25 which entities are obligors, for example, on the ABL versus

1 the secured and unsecured obligations as well as the RCF, as
2 Mr. Strubeck calls it.
3 Turning to its capital structure, Your Honor; and I'm
4 sure you've read about this in our submission but, just to
5 make sure we crystallize it here quickly: We have an ABL
6 loan; it's 139 million dollars; it's secured by certain of
7 CHC's owned aircraft. And that loan was issued on June 12th,
8 2015 and it matures in 2020. The RCF, also secured, 370
9 million; that loan was issued in January of 2014; its maturity
10 is in 2019. Next is the senior secured notes, approximately
11 one billion dollars in principal amount; that was issued in
12 October of 2010, due in October of 2020; so, ten-year paper.
13 The unsecured notes -- well, before I jump to the
14 unsecured notes, Your Honor, the revolver and senior secured
15 notes are pari passu, in terms of their liens, on
16 substantially all of the debtors' assets, other than assets
17 securing the ABL loan, Your Honor
18 THE COURT: All right.
19 MR. HOLTZER: The unsecured notes approximate ninety-
20 five million dollars; you can see that laid out on the chart.
21 The next category of constituents we ought to
22 discuss, Your Honor, for a moment are the lessors. We
23 mentioned that CHC not only owns some of its aircraft, but of
24 course it leases some. CHC has 163 leased aircraft in the
25 fleet, as well as 67 owned aircraft. And as I mentioned

1 before, a critical aspect of CHC's restructuring is the
2 reconfiguration of our fleet of aircraft.
3 CHC, as was mentioned earlier by one of the attorneys
4 introducing themselves, has filed the first of what is likely
5 to be several motions to reject leases under the Bankruptcy
6 Code. We are moving to reject the first forty-four of those
7 leases, or for forty-four aircraft, I should say, and
8 anticipate shedding at least ninety unproductive aircraft from
9 lessors.
10 Your Honor, turning to some of the events leading up
11 to the filing. CHC has been conserving its cash and it will
12 continue to do so in Chapter 11. Pre-filing, in January, CHC
13 drew 233 million dollars under its RCF. In addition, CHC
14 determined not to pay a forty-six-million-dollar interest
15 payment due on April 15th to the secured noteholders, taking
16 advantage of a thirty-day grace period. During the grace
17 period, CHC and its advisors have begun coordinating with the
18 advisors for the various constituents, Your Honor.
19 Now turning to our Chapter 11 cases. We commenced
20 these Chapter 11 cases to use the protections and tools for
21 which Chapter 11 was designed. This is a traditional filing
22 in that sense, Your Honor. It's not pre-packed. It's not
23 pre-arranged. It's not a filing in which there's already a
24 363 sale teed up. CHC needed a centralized forum to negotiate
25 its restructuring with its key constituents. And importantly,

1 the Chapter 11 process will give CHC a breathing spell, which
2 is a fundamental tenet under the Bankruptcy Code. Critically,
3 Your Honor, in this regard, CHC has worldwide operations and
4 we will need to ensure that the protections are fully
5 available to CHC worldwide, to the absolute extent possible
6 under the law.
7 Continuing, Your Honor, with our effort to conserve
8 our liquidity, we intend to use the first stage of the Chapter
9 11 to negotiate with our key constituents on a restructuring
10 plan. And importantly, during the first sixty days we will,
11 in accordance with the Bankruptcy Code, forego making lease
12 payments to our lessors. And under our cash-collateral order
13 as we propose it, we will not pay post-petition interest to
14 our ABL revolver and secured noteholders. It is an equality
15 of treatment among the main constituents in our Chapter 11
16 case that we think is important not only to conserve cash but
17 to advise everybody that the beginning of this process is
18 going to be a process where we negotiate to resolve what CHC's
19 capital-structure issues are.
20 With that, Your Honor, unless you have more questions
21 for me, and to move the hearing along efficiently, I would
22 turn the podium over to Ms. DiBlasi so that we can begin the
23 process on the actual first-day motions.
24 THE COURT: Please.
25 MS. DIBLASI: Good afternoon, Your Honor. Kelly

Exhibit I

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED APRIL 30, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _ to _

Commission file number: 001-36261

CHC Group Ltd.

(Exact Name of Registrant as Specified in Its Charter)

Cayman Islands	**98-0587405**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

190 Elgin Avenue
George Town
Grand Cayman, KY1-9005
Cayman Islands
(Address of principal executive offices, including zip code)
(604) 276-7500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Name of Each Exchange on Which Registered
Ordinary Shares, par value $0.003	

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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Ernst & Young LLP, have included an emphasis of matter paragraph in their auditors' report which states certain conditions exist which raise substantial doubt about our ability to continue as a going concern in relation to the foregoing. Our plans in regard to these matters are described in note 2(a). The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. See "Report of Independent Registered Public Accounting Firm" included elsewhere in this Annual Report on Form 10-K.

Risks Related to Our Net Losses and Indebtedness

We have a history of net losses.

We have incurred net losses since our acquisition on September 16, 2008 of the entity formerly known as CHC Helicopter Corporation, including losses of approximately $170.9 million, $794.8 million and $437.8 million in the last three fiscal years ended April 30, 2014, 2015 and 2016, respectively. Our net losses since September 16, 2008 have resulted from a number of factors, including non-cash impairments of goodwill and other assets totaling $1.7 billion and interest charges related to substantial leverage incurred to acquire additional helicopters and grow our business. We may continue to incur net losses in the future and our net losses may increase in the future and we cannot assure you that we will achieve or sustain profitability, or that we will continue to generate sufficient cash flow and liquidity through access to the capital markets to meet our debt and interest obligations as and when they become due.

Our substantial level of indebtedness, operating lease commitments, purchase and other commitments could materially adversely affect our ability to fulfill our obligations under our debt agreements, our ability to react to changes in our business and our ability to incur additional debt to fund future needs.

We have a substantial amount of indebtedness, operating lease commitments, purchase and other commitments. As of April 30, 2016, we had $1.7 billion of indebtedness, an additional $1.3 billion of operating lease commitments, as well as $236.8 million in purchase commitments and $258.3 million of additional flexible orders for the purchase of aircraft. The terms of certain of our debt instruments and helicopter lease agreements impose operating and financial limitations on us.

As of April 30, 2016, included within our indebtedness was $1.0 billion of senior secured notes due 2020, $94.7 million of senior unsecured notes due 2021, $327.5 million under our revolving credit facility and $139.0 million under our ABL Facility. As of April 30, 2016, we had cash and cash equivalents of approximately $266.1 million.

Our substantial debt has had important consequences in the past and may continue to do so in the future. These consequences include:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- placing us at a competitive disadvantage compared to our competitors that have relatively less debt; and
- limiting our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures and other purposes.

In addition, because we are currently in Chapter 11 proceedings, we may have to undertake alternative financing plans, such as:

- refinancing or restructuring our debt;
- selling assets;
- reducing or delaying capital investments; or
- seeking to raise additional capital.

However, any alternative financing plans that we undertake will not likely allow us to meet our debt obligations. Our inability to pay off our debt obligations and our inability to obtain alternative financing due to our current Chapter 11 proceedings, could materially and adversely affect our business, financial condition, results of operations or prospects. Additionally, we must obtain Bankruptcy Court approval for these actions, which will place us at a competitive disadvantage and limit our flexibility to react to changes in our business or our industry.

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Risks Related to Our Business and Industry

All flights with the aircraft type H225 and AS332 L2 have been temporarily grounded which may cause a material and adverse impact to our financial viability.

On April 29, 2016, one of our H225 helicopters was involved in a tragic accident in Norway resulting in the loss of life for 11 passengers and two crew members. Immediately after the accident on April 29, 2016, out of respect for passengers and crew members, and in order to evaluate any implications associated with the April 29, 2016 accident, all flights with the aircraft type H225 were temporarily put on hold in the Norwegian and UK sectors. In collaboration with our stakeholders, customers and regulatory authorities, pending further regulatory guidance, we then temporarily put on hold all H225 commercial flights around the world (with the exception of SAR missions).

This incident resulted in the Civil Aviation Authorities in the U.K. and Norway issuing safety directives, requiring operators to suspend all commercial operations, including SAR missions, of the affected aircraft globally for a period of time pending determination of the root cause of the accident. Additionally, the European Aviation Safety Agency issued an Emergency Airworthiness Directive on June 2, 2016, and temporarily grounded H225 and AS332 L2 flights as a precautionary measure, but does permit single ferry flights without passengers to recover aircraft to a suitable maintenance location. On June 28, 2016, the AIBN released a preliminary report which is available at http://www.aibn.no/Aviation/Investigations/16-286. Neither the foregoing website nor the information contained on the website nor the report accessible through such website shall be deemed incorporated into, and neither shall be a part of, this Annual Report on Form 10-K.

We have suspended all H225 and AS332 L2 operations (including those committed to SAR and Medevac) until further feedback is received from the European Aviation Safety Agency. In addition to any loss of property, liability or litigation risks associated with helicopter crashes, our revenue, profitability and margins would decline to the extent the helicopters were voluntarily or mandatorily grounded. We have also suffered costs due to a reduction in various choices of helicopter types and the necessity to retrain our employees how to operate different helicopters due to this accident. There is uncertainty surrounding H225 and AS332 L2 operations in the foreseeable future. Additionally, many of our contracts with our customers require us to provide H225 aircraft to them and we may possibly face legal liability for breach of contract if we are unable to provide these helicopters for safety reasons. A protracted grounding of the H225 and AS332 L2 helicopters will cause us to face significant uncertainty regarding our ability to continue as a going-concern.

Our operations and fleet are reliant on Airbus helicopters.

Our operations and fleet are reliant on Airbus helicopters. This reliance may increase our risk of losses due to any unforeseen safety incidents. Safety incidents involved with any Airbus helicopter will negatively impact our ability to continue operations and will impact a significant amount of our fleet.

Operating helicopters involves a degree of inherent risk and we are exposed to the risk of losses from safety incidents.

Hazards, such as adverse weather conditions, darkness, collisions and fire are inherent in the provision of helicopter services and can result in personal injury and loss of life, accidents, reduced number of flight hours, severe damage to and destruction of property and equipment and suspension of operations or grounding of helicopters.

For example, on October 22, 2012, one of our H225 helicopters made a controlled water landing in the North Sea with no injuries to crew or passengers. Given that this was the second such event, the first having occurred to another operator in May 2012, all flights of almost all commercial operators worldwide using the same type of helicopter were subsequently suspended for the duration of a lengthy investigation and subsequent corrective action from the manufacturer. In addition, on August 23, 2013, one of our AS332 L2 helicopters was involved in a tragic accident in the North Sea, resulting in four fatalities among the 16 passengers and two crew members on board. The U.K. Air Accident Investigation Branch released a final report stating that the cause of the accident was pilot error.

On April 29, 2016, one of our H225 helicopters was involved in a tragic accident in Norway resulting in the loss of life for 11 passengers and two crew members. We voluntarily restricted the use of this model of helicopter worldwide while investigating the cause of the accident. This incident resulted in the Civil Aviation Authorities in the U.K. and Norway issuing safety directives, requiring operators to suspend commercial operations of the affected aircraft globally for a period of time pending determination of the root cause of the accident. On June 28, 2016, the AIBN released a preliminary report which is available at http://www.aibn.no/Aviation/Investigations/16-286. Neither the foregoing website nor the information contained on the website nor the report accessible through such website shall be deemed incorporated into, and neither shall be a part of, this

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Annual Report on Form 10-K. In addition to any loss of property or liability associated with helicopter crashes, our revenue, profitability and margins would decline to the extent any of our helicopters were voluntarily or mandatorily grounded. We have suspended all H225 and AS332 L2 operations (including those committed to SAR and Medevac) until further feedback is received from the European Aviation Safety Agency. While we seek to mitigate the financial impact of such risks and preserve our rights through commercial and other arrangements with all those involved, when available, these mitigation efforts may not be successful or available for all incidents. Our performance, profitability and margins may fluctuate from period to period as a result of such incidents and our mitigation efforts.

If other operators experience accidents with aircraft models that we operate or lease, obligating us to take such aircraft out of service until the cause of the accident is rectified, we would lose revenue and might lose customers. In addition, safety issues experienced by a particular model of aircraft could result in customers refusing to use that particular aircraft model or a regulatory body grounding that particular aircraft model. The value of the aircraft model might also be permanently reduced in the market if the model were to be considered less desirable for future service and the inventory for such aircraft may be impaired.

If we are unable to mitigate potential losses through a robust safety management and insurance coverage program, our financial condition would be jeopardized in the event of a safety or other hazardous incident.

We attempt to protect ourselves against potential losses through our safety management system and insurance coverage. However, portions of our insurance coverage are subject to deductibles and maximum coverage amounts, and we do not carry insurance against all types of losses. We cannot ensure that our existing coverage will be sufficient to protect against all losses, that we will be able to maintain our existing coverage in the future or that the premiums will not increase substantially, including potentially, in connection with the AS332 L2 accident that occurred in August 2013 or the H225 accident that occurred in April 2016. Our safety management system may not be effective. In addition, terrorist activity, risk of war, accidents or other events could increase our insurance premiums. Our inability to renew our aviation insurance coverage or the loss, expropriation or confiscation of, or severe damage to, a large number of our helicopters could adversely affect our operations and possibly our financial condition and results of operations. Furthermore, we are not insured for loss of profit, loss of use of our helicopters, business interruption or loss of flight hours. The loss of, or limited availability of, our liability insurance coverage, inadequate coverage from our liability insurance or substantial increases in future premiums could have a material adverse effect on our business, financial condition and results of operations.

Failure to maintain standards of acceptable safety performance could have an adverse impact on our ability to attract and retain customers and could adversely impact our reputation, operations and financial performance.

Our customers consider safety and reliability as the two primary attributes when selecting a provider of helicopter transportation services. If we fail to maintain standards of safety and reliability that are satisfactory to our customers, our ability to retain current customers and attract new customers may be adversely affected. Moreover, helicopter crashes or similar disasters of another helicopter operator could impact customer confidence and lead to a reduction in customer contracts or result in the grounding of our helicopters, particularly if such helicopter crash or disaster were due to a safety fault in a type of helicopter used in our fleet. In addition, the loss of any helicopter as a result of an accident could cause significant adverse publicity and the interruption of air services to our customers, which could adversely impact our reputation, operations and financial results. Our helicopters have been involved in accidents in the past, some of which have included loss of life and property damage.

Our operations are largely dependent upon the level of activity in the offshore oil and gas industry.

To varying degrees, activity levels in the oil and gas industry are affected by long-term trends in oil and gas prices. Historically, the prices for oil and gas have been volatile and subject to wide fluctuations in response to changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond our control, such as:

- actions of the Organization of Petroleum Exporting Countries and other oil producing countries to control prices or change production levels;
- general economic and political conditions, both worldwide and in the regions in which we operate;
- governmental regulation;
- the price and availability of alternative fuels;

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Many of the markets in which we operate are highly competitive, and if we are unable to effectively compete, it may result in a loss of market share or a decrease in revenue or profit margins.

Many of the markets in which we operate are highly competitive, and if we are unable to effectively compete, it could result in a loss of market share or a decrease in revenue or profit margins. Contracting for helicopter services is usually done through a competitive bidding process among those having the necessary equipment and resources. Factors that affect competition in our industry include price, reliability, safety, professional reputation, helicopter availability, equipment and quality of service. We compete against a number of helicopter operators including the other major global commercial helicopter operator, and other local and regional operators. There can be no assurance that our competitors will not be successful in capturing a share of our present or potential customer base. In addition, many oil and gas companies and government agencies to which we provide services have the financial ability to perform their own helicopter flying operations in-house should they elect to do so.

The main MRO competitors to our Heli-One business are the OEMs of helicopters and helicopter components. As such, our main competitors in this industry are also our main parts suppliers and MRO license providers. A conflict with the OEMs could result in our inability to obtain parts and licenses in a timely manner in required quantities and at competitive prices. In addition, the OEMs hold greater inventory of helicopter components, have more extensive operational experience and significantly greater capital resources. These, in turn, could have a material adverse effect on our business, financial condition or results of operations.

Given that we expect to significantly reduce the size of our fleet, this reduction may make it more difficult for us to compete effectively against our competitors. Any additional reduction to our fleet or any prolonged restriction from flying aircraft types H225 and AS332 L2 will have a significantly material adverse effect on our business and may prolong our exposure to Chapter 11 proceedings.

We rely on a limited number of large offshore helicopter support contracts with a limited number of customers. If any of these are terminated early or not renewed, our revenues could decline.

We rely on a limited number of large offshore helicopter support contracts with a limited number of customers. For fiscal 2016, revenue from Petrobras totaled $202.9 million, Statoil ASA totaled $210.3 million and Royal Dutch Shell plc. totaled $208.8 million, each accounting for approximately 15% of our consolidated revenue. For fiscal 2016, our top ten customers accounted for approximately 69% of our consolidated revenues. Many of our contracts contain clauses that allow for early termination by the customer for convenience, generally without penalty and with limited notice requirements, which, if exercised, could have a material adverse effect on our business, financial condition or results of operations. As a result, you should not place undue reliance on the renewal or current terms of our customer contracts.

Negative publicity may adversely impact us.

Media coverage and public statements that insinuate improper actions by us, regardless of their factual accuracy or truthfulness, may result in negative publicity, litigation or governmental investigations by regulators. Specifically, accidents involving any aircraft operated by us or another operator could cause substantial adverse publicity affecting us specifically or our industry generally and could lead to the perception that our aircraft are not safe or reliable. In addition, negative publicity about our ability to continue as a going concern may cause us to lose existing or potential new customers.

Addressing negative publicity and any resulting litigation or investigations may distract management, increase costs and divert resources. Negative publicity may have an adverse impact on our reputation and the morale of our employees, which could make it more difficult for us to compete for future contracts or attract and retain employees or result in the loss of existing and future contracts. The impact of these factors is difficult to predict, but one or more of them could have a material adverse effect on our business, financial condition or results of operations.

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Our fixed operating expenses and long-term contracts with customers could adversely affect our business under certain circumstances.

Our profitability is directly related to demand for our helicopter services. Our services have been significantly restricted due to the grounding of aircraft types H225 and AS332 L2. Because of the significant expenses related to helicopter financing, crew wages and benefits, lease costs, insurance and maintenance programs, a substantial portion of our operating expenses are fixed and must be paid even when certain helicopters are not actively servicing customers and thereby generating income. A decrease in our revenues could therefore result in a disproportionate decrease in our earnings, as a substantial portion of our operating expenses would remain unchanged. Similarly, the discontinuation of any rebates, discounts or preferential financing terms offered to us by helicopter manufacturers would have the effect of increasing our fixed expenses, and without a corresponding increase in our revenues, would negatively impact our results of operations. No assurance can be given that our costs will be comparable on a period to period basis, particularly when incidents may impact our helicopters.

Our long-term helicopter services and Heli-One contracts contain pre-determined price escalation terms and conditions. Although supplier costs and other cost increases are passed through to our customers through rate increases where possible, these escalations may not be sufficient to enable us to recoup increased costs in full. In addition, because many of our contracts are long-term in nature, cost increases may not be adjusted in our contract rates until the contracts are up for renewal. In particular, in our Heli-One business, approximately 38%, 40% and 34% of our third-party Heli-One revenue for fiscal 2014, 2015, and 2016, respectively, was derived from PBH contracts, where the customer pays a ratable monthly charge, typically based on the number of hours flown, for all scheduled and un-scheduled maintenance. It can be difficult to correctly estimate the cost of providing maintenance on a PBH basis. There can be no assurance that we will be able to estimate costs accurately or recover increased costs by passing these costs on to our customers. In the event that we are unable to do so, the profitability of our customer contracts and our business, financial condition and results of operations could be materially and adversely affected.

We depend on a small number of helicopter manufacturers and any safety issues can severely limit our ability to continue operating helicopters already in our fleet.

We contract with only four manufacturers of heavy and medium helicopters: Airbus Helicopters (formerly Eurocopter), Sikorsky, AgustaWestland and Bell. These manufacturers have limited availability of helicopters, particularly heavy helicopters, and we have limited alternative sources of new helicopters. If we are unable to acquire new helicopters when needed, continue operating helicopters already in our fleet, or purchase helicopters in the secondary markets, our business would be harmed.

If any of the helicopter manufacturers we contract with, or the government bodies that regulate them, identify safety issues with helicopter models we currently operate or that we intend to acquire, we may be unable to operate a portion of our fleet or could experience a delay in acquiring new helicopters, both of which would negatively affect our business. For example, in October 2012, one of our H225 helicopters made a controlled water landing in the North Sea with no injuries to crew or passengers. Almost all flights of all operators using the same type of helicopter were subsequently suspended for the duration of a lengthy investigation and corrective action from the manufacturer. In August 2013, one of our AS332 L2 helicopters was involved in an accident in the North Sea, resulting in four fatalities. The U.K. Air Accidents Investigation Bureau stated in its final report that the cause of the August 2013 accident was pilot error. The AS332 L2 and the H225 are produced by the same manufacturer, and we operate other helicopter types by this manufacturer (as of April 30, 2016, 81 helicopters in total, which total represents approximately 36% of our entire fleet). On April 29, 2016, one of our H225 helicopters was involved in a tragic accident in Norway resulting in the loss of life for 11 passengers and two crew members, see “Risks Related to Our Business and Industry-Operating helicopters involves a degree of inherent risk and we are exposed to the risk of losses from safety incidents.” The European Aviation Safety Agency and the Civil Aviation Authorities in U.K. and Norway have suspended operations of our H225 and AS332 L2 helicopter models. This will adversely impact our business, financial condition and results of operations, until further notice is received from the safety investigations. We may lose revenue and existing or potential new customers due the grounding of these helicopter models.

We depend on a limited number of third-party suppliers for helicopter parts and subcontract services.

We rely on a few key vendors for the supply of parts and subcontract services required to maintain our helicopters.

We currently obtain a substantial portion of our helicopter spare parts and components from helicopter manufacturers and maintain supply arrangements with other key suppliers. To the extent that these suppliers also supply parts for helicopters used by the military or other government organizations, parts delivery for our helicopters may be delayed during periods in which there are high levels of military or government operations. Our inability to perform timely maintenance and repairs can

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result in our helicopters being underutilized which could have an adverse impact on our business, financial condition and results of operations. Furthermore, our operations in remote locations, where delivery of these components and parts could take a significant period of time, could experience delays in our ability to maintain and repair our helicopters. While every effort is made to mitigate the impact of any such delays, this may pose a risk to our results of operations. We do not have an alternative source of supply for parts and components supplied by the main helicopter manufacturers. Failure or significant delay by these vendors in providing necessary parts could, in the absence of alternative sources of supply, have a material adverse effect on our business, including the withholding of payments by customers in certain cases. Due to our dependence on helicopter manufacturers for helicopter parts and components, we may also be subject to adverse impacts from unusually high price increases that are greater than overall inflationary trends. We might not be able to increase our contract rates. An unusually high increase in the price of parts or components that cannot be fully passed on to our customers could have a material adverse effect on our business, financial condition or results of operations.

Restructuring of our operations and organizational structure may lead to significant costs.

We are continually reviewing potential changes in our operations and organizational structure in order to enhance our overall competitiveness and viability. Restructuring activities that we have undertaken, and may undertake in the future, can divert significant time and resources, involve substantial costs and may fail to enhance our overall competitiveness and viability as intended, any of which could negatively impact our business. In connection with our current review of our operations and organizational structure with the view towards reducing operating costs, we have recorded $94.7 million in restructuring expenses for the fiscal year ended April 30, 2016, mostly comprised of return costs on leased helicopters, employee severance and associated termination costs related to the reduction of our workforce and other termination rights. We may incur additional restructuring expenses in the future, particularly in connection with the Chapter 11 proceedings. Our restructuring activities have, and may, in the future, trigger restructuring, impairment and other accounting charges and/or result in a loss on sale of assets. Any of these charges or losses could have a material adverse effect on our business, financial condition or results of operations.

We may also experience labor unions or works' council objections or labor unrest actions (including possible strikes) when we seek to reduce our workforce in Europe and other regions. Many of our operations are located in countries and regions that have extensive employment regulations that we must comply with in order to reduce our workforce, and we may incur significant costs to complete such reductions. Any of those events could have a material adverse effect on our business, financial condition or results of operations.

Our business requires substantial capital expenditures, lease and working capital financing, which we are currently blocked from accessing through the capital markets and banks. Any further deterioration of current industry or business conditions, the capital and banking markets or a prolonged period in Chapter 11 proceedings generally could adversely impact our business, financial condition and results of operations.

As a result of the Chapter 11 proceedings, business and industry conditions, we do not have access to capital markets in order to make substantial capital expenditures including significant ongoing investment in order to purchase or lease new helicopters, refinance existing leases and maintain our existing fleet. We may not be able to raise additional funds through operating lease financing, debt or other financing to execute our strategy and make the capital expenditures required to operate our business successfully. In the event of adverse conditions in our industry, our business, the capital markets generally, or a prolonged exposure to Chapter 11 proceedings, we could face difficulties in securing the amounts required, on commercially favorable terms or in a timely manner. In addition, any such additional capital raised may be significantly dilutive to our existing shareholders and may result in the issuance of securities that have rights, preferences and privileges that are senior to our ordinary shares.

Concerns about a systemic impact of a potential long-term and wide-spread economic recession, increased energy costs, the availability and cost of credit, diminished business and consumer confidence and increased unemployment rates contribute to increased market volatility and diminish expectations for western and emerging economies, including the jurisdictions in which we operate. In particular, the cost of raising money in the credit markets could increase substantially as many lenders and institutional investors, concerned about the stability of the financial markets generally and about the solvency of counterparties, could increase interest rates, enact tighter lending standards and reduce and, in some cases, cease to provide funding, to borrowers. In addition, financial market instability could leave our creditors unable to meet their obligations to us.

Our current restrictions in accessing capital and bank markets or the availability of lease or other financings may have an impact on our plans or on our flexibility to react to changing economic and business conditions. In addition, our credit facilities and helicopter leases will have maintenance covenants which may need to be renegotiated from time to time, and the

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Variable Interest Entities

The Company has variable interest in entities that are not consolidated, as we are not the primary beneficiary, which provide operating lease financing to us and an entity that provides flying services to third party customers. At April 30, 2016, the Company had operating leases for 103 helicopters with variable interest entities that were not consolidated. See note 3(b)(ii) of the audited annual consolidated financial statements for the fiscal years ended April 30, 2014, 2015 and 2016 included elsewhere in this Annual Report on Form 10-K.

Guarantees

The Company has provided limited guarantees to third parties under some of its operating leases relating to a portion of the residual helicopter values at the termination of the leases. The leases have terms expiring between fiscal 2017 and 2025. At April 30, 2016, the Company's exposure under the asset value guarantees including guarantees in the form of funded and unfunded residual value guarantees is approximately $171.8 million.

Contingencies

The Company has exposure for certain legal matters as disclosed in note 25 of the audited annual consolidated financial statements for the fiscal years ended April 30, 2014, 2015 and 2016 included elsewhere in this Annual Report on Form 10-K. There have been no material changes in our exposure to contingencies.

We have entered into fee arrangements with financial advisors to assist us with our Bankruptcy filing. The arrangements include contingent fee payments up to $15.0 million, payable upon completion of Chapter 11 reorganization. At April 30, 2016, no contingent fee amounts were accrued.

Critical Accounting Policies and Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Areas where significant estimates and assumptions have been made include: flying asset impairment assessment, provision for obsolete and excess inventories, indefinite life intangible asset and goodwill impairment assessment, flying asset depreciation, classification of helicopter leases as operating or capital leases, consolidation of variable interest entities, defined benefit pensions, contingent liabilities, and income taxes.

Flying asset impairment assessment

Our audited annual consolidated financial statements include property and equipment related to flying assets. Flying assets include both owned and leased helicopters, in addition to rotable and repairable assets. In addition to property and equipment, our consolidated balance sheet includes funded residual value guarantees related to helicopter operating leases. The assessment of impairment for flying assets and funded residual value guarantees are subject to significant estimates and assumptions related to helicopter future cash flows and fair values.

Where events or circumstances indicate that the carrying amount of held for use flying assets may not be recoverable, the carrying value of the assets or asset groups is compared to the future projected undiscounted cash flows. We review the carrying amounts of the property and equipment either on an annual basis or earlier when the asset is classified as held for sale or when events or circumstances indicate that the carrying amount of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition.

We estimate the future projected undiscounted cash flows for helicopters at the helicopter type level as this is the lowest level which earns independent cash flows. The cash flows are based on management's expectation of future revenues and expenses including costs to maintain the assets over their respective service lives. Revenues are derived from the expected contractual cash flows for each helicopter. Costs are based on expected amounts for crew, helicopter lease costs, insurance, PBH, and any other cost directly related to the operation of the helicopter. An impairment loss is recognized as the excess of the carrying value over the fair value when an asset or asset group is not recoverable. Fair value is based on third party appraisals and market transactions. Significant estimates and judgments are applied in determining these cash flows and fair values, in particular due to the long life of these assets.

For the fiscal years ended April 30, 2014, 2015, and 2016, we recorded impairment charges of $5.5 million and $128.0 million and $31.9 million, respectively, on assets held for use, as their carrying values were not deemed to be recoverable. We have made a strategic decision to exit certain older helicopter types upon completion of their flying obligations. Impairment charges were recorded to write down the carrying value of held for use helicopters, the major airframe inspections of leased

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helicopters, related rotable parts and embedded equity to their fair values and the carrying value of held for sale helicopters to their fair value less costs to sell.

Long-lived assets that have been classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell and are not amortized once they are classified as held for sale. An impairment loss is recognized as the excess of the carrying amount over the fair value less costs to sell. In the fiscal years ended April 30, 2014, 2015, and 2016, we recorded impairment charges of $18.5 million, $5.5 million and $4.1 million, respectively, on assets classified as held for sale.

Helicopter operating lease funded residual value guarantees are made at the inception of an operating lease where we have guaranteed a portion of the helicopter residual values at the end of the lease term and advanced an amount to the lessor in respect of this. Funded residual value guarantees are recoverable based on the residual value of the helicopter under the terms of the distribution of proceeds contained within the lease agreements. We recognize an impairment on funded residual value guarantees where our assessed value of each individual helicopter means that we would not be able to recover the full amount of our funded residual value guarantee. Fair value is based on third party appraisals. Significant estimates and judgments are applied in determining these fair values. In the fiscal years ended April 30, 2015, and 2016, we recorded impairment charges of $13.4 million and $93.4 million, respectively, on helicopter operating lease funded residual value guarantees.

A significant portion of our property and equipment, funded residual value guarantees and related assets is tied to the aircraft type H225. As at April 30, 2016, we have performed our impairment assessment using valuations informed by third party appraisals using available valuation information at that point in time. However, there may be significant risk and judgment associated with the fair values of this helicopter type. See “Item 1A. Risk Factors” and “Item 7. Aviation Safety and Regulatory Developments” included elsewhere in this Annual Report on Form 10-K for further information.

Subsequent to April 30, 2016, the Debtors filed motions with the Bankruptcy Court for the rejection of a number of helicopter lease contracts. See “Item 1. Business” included elsewhere in this Annual Report on Form 10-K for further information. The impact of the rejected leases on our fleet plan or on helicopter fair values is not reflected in the assessment of impairment of these assets as at April 30, 2016.

Provision for obsolete and excess inventories

We maintain inventories that primarily consist of consumable parts and supplies to service our aircraft. We record provisions to reduce inventories to the lower of cost or market value to reflect changes in market conditions, fleet strategy, expected utilization and the secondary market for consumable parts and supplies. During the fiscal year ended April 30, 2016, we recorded an impairment charge of $17.9 million to increase our provision on certain consumable inventories. Consumable inventories identified as excess have been measured at estimated market value, based on our experience with past sales of surplus consumable inventories and our assessment of resale market conditions.

Subsequent to April 30, 2016, the Debtors filed motions with the Bankruptcy Court for the rejection of a number of helicopter lease contracts. See “Item 1. Business” included elsewhere in this Annual Report on Form 10-K for further information. Changes in our fleet plan subsequent to April 30, 2016, pending the outcome of decisions by the Bankruptcy Court, may significantly impact the assessment of the provision for obsolete and excess inventories going forward.

Indefinite life intangible asset and goodwill impairment assessment

The recoverability of goodwill and indefinite life intangible assets is assessed on an annual basis or more frequently if events or circumstances indicate that the carrying value may not be recoverable. If the carrying amount of an indefinite life intangible asset exceeds its fair value, we shall recognize an impairment loss equal to that excess.

The fair value of trademarks and trade names, which we have assessed as indefinite life intangible assets, is determined based on the present value of estimated future cash flows, discounted at a risk-adjusted rate. The fair value of trademarks and trade names is allocated to both our Helicopter Services and Heli-One segments. No impairment was recognized in the fiscal years ended April 30, 2014 and 2015 for trademarks and trade names based on our estimated cash flow projections and assessed risk-adjusted discount rates. However, due to a decrease in customer activity and our estimated revenue projections from operations, in conjunction with a risk-adjusted rate reflecting the inherent risks given increased oil and gas market uncertainty, we recognized an impairment charge of $75.3 million as at April 30, 2016. The discount rate for the carrying value to exceed the fair value of the trade names and trademarks of Helicopter Services would be 11.6% and for Heli-One would be 19.5% for the fiscal year ended April 30, 2016.

In fiscal 2015, goodwill was assessed for impairment at the reporting unit level by comparing the carrying value of the reporting units with their fair value. All of our goodwill was contained in the Helicopter Services reporting unit. The fair value of our reporting units was determined based on the present value of estimated future cash flows, discounted at a risk-adjusted rate. Management’s forecasts of future cash flows which incorporate anticipated future revenue growth and related expenses to

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support the growth and maintain its assets are used to calculate fair value. The discount rates used represent management's estimate of the weighted average cost of capital for the reporting units considering the risks and uncertainty inherent in the cash flows of the reporting units and in our internally developed forecasts. The fair value of our reporting units is most significantly affected by the discount rate used, the expected future cash flows and the long-term growth rate. We operate in a competitive environment and derive a significant portion of revenue from the offshore oil and gas industry. The ability to win new contracts, earn forecast margins on those contracts, retain existing customers as well as the continued demand for flying services in the oil and gas market will affect our future cash flows and future growth. Relatively minor changes in estimated future cash flows, growth rates and discount rates could significantly affect the estimate of reporting unit fair value and the amount of impairment loss recognized, if any. As a result of deteriorating conditions in the oil and gas markets and related service sectors and a decline in our market capitalization we performed a two-step goodwill impairment test during fiscal 2015.

In the first step of the impairment test, we concluded that the carrying value of the Helicopter Services segment exceeded its fair value. Therefore, we performed the second step to determine the amount of the impairment loss by comparing the carrying value of goodwill against its implied fair value. The implied fair value of the goodwill was determined by allocating the fair value of Helicopter Services to all of its assets and liabilities as if Helicopter Services had been acquired in a business combination and its fair value was the purchase price paid to acquire Helicopter Services. Based on the analysis, there was no implied fair value of goodwill and goodwill impairment of $403.5 million was recorded in fiscal 2015, which represented the entire goodwill balance.

Flying asset depreciation

Flying assets are amortized to their estimated residual value over their estimated useful life of 10-25 years, with the residual value used in the calculation of depreciation being 50%. The estimated service lives and associated residual values are based on management estimates including an analysis of future values of the helicopters and our experience. The estimated service lives and associated residual values of helicopters are reviewed when there are indicators that a change in estimate may be necessary.

Rotable and repairable assets are recorded at cost and are amortized on a pooled basis to their estimated residual value on either a 40%-80% declining balance basis for shop replaceable assets or a 10%-30% declining balance basis for line replaceable assets. When components are retired or otherwise disposed of in the ordinary course of business, their original cost, net of salvage or sale proceeds, is charged to accumulated depreciation.

The depreciation of flying assets may change significantly based on changes to our fleet plan, driven by market and other conditions. Subsequent to April 30, 2016, the Debtors filed motions with the Bankruptcy Court for the rejection of a number of helicopter lease contracts. See "Item 1. Business" included elsewhere in this Annual Report on Form 10-K for further information. Changes in our fleet plan subsequent to April 30, 2016 may significantly alter the depreciation rates of these assets.

Classification of helicopter leases as operating or capital leases

In assessing the lease classification of a helicopter lease as operating or capital, management makes significant judgments and assumptions in determining the discount rate, fair value of the helicopter, estimated useful life and residual value. Changes in any of these assumptions at lease inception or modification date could change the initial lease classification.

Consolidation of variable interest entities ("VIEs")

We are required to consolidate a VIE if we are determined to be its primary beneficiary. Significant judgments are made in assessing whether we are the primary beneficiary, including determination of the activities that most significantly impact the VIE's economic performance. This significant judgment is discussed further in note 3 of our audited annual consolidated financial statements for the fiscal years ended April 30, 2014, 2015 and 2016 included elsewhere in this Annual Report on Form 10-K.

Defined benefit pensions

We maintain both funded and unfunded defined benefit employee pension plans for certain eligible employees. As of April 30, 2015 and 2016, we had an unfunded deficit of $105.8 million and $94.1 million, respectively. The pension expense (income) for the fiscal years ended April 30, 2014, 2015 and 2016 was $(0.9) million, $0.6 million and $2.9 million, respectively. The overall asset mix was 1% cash, 26% equities, 34% fixed income and 39% money market and other as of April 30, 2016. This asset mix varies by each plan.

Measuring our obligations under the plans and related periodic pension expense involves significant estimates. Our pension benefit costs are accrued based on our review of annual analysis performed by our actuaries. These factors include

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 15th day of July 2016.

CHC GROUP LTD.
(Registrant)

By: /s/ Karl S. Fessenden
Name: Karl S. Fessenden
Title: President and Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Karl S. Fessenden and Lee Eckert, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of l934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Karl S. Fessenden Karl S. Fessenden	President, Chief Executive Officer and Director *(Principal Executive Officer)*	July 15, 2016
/s/ Lee Eckert Lee Eckert	Chief Financial Officer *(Principal Financial Officer)*	July 15, 2016
/s/ Melanie Kerr Melanie Kerr	Chief Accounting Officer (*Principal Accounting Officer*)	July 15, 2016
/s/ John Krenicki Jr. John Krenicki Jr.	Director	July 15, 2016
/s/ John A. McKenna, Jr. John A. McKenna, Jr.	Director	July 15, 2016
/s/ William G. Schrader William G. Schrader	Director	July 15, 2016
/s/ Juan Diego Vargas Juan Diego Vargas	Director	July 15, 2016
/s/ William L. Transier William L. Transier	Director	July 15, 2016
/s/ Robert C. Volpe Robert C. Volpe	Director	July 15, 2016
/s/ Nathan K. Sleeper Nathan K. Sleeper	Director	July 15, 2016

Exhibit J

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

----------	x	
	:	
In re:	:	**Chapter 11**
	:	
CHC GROUP LTD. ***et al.,***	:	**Case No. 16–31854 (BJH)**
	:	
	:	
Debtors.	:	**(Jointly Administered)**
	:	
----------	x	

REVISED DISCLOSURE STATEMENT FOR THE SECOND AMENDED
JOINT CHAPTER 11 PLAN OF CHC GROUP LTD. AND ITS AFFILIATED DEBTORS

WEIL, GOTSHAL & MANGES LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777

– and –

767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors and Debtors in Possession

Dated: December 20, 2016
Dallas, Texas

DISCLOSURE STATEMENT, DATED DECEMBER 20, 2016

Solicitation of Votes on the
Second Amended Joint Plan of Reorganization of

CHC GROUP LTD., ET AL.

from the holders of outstanding

REVOLVING CREDIT AGREEMENT CLAIMS
ABL CREDIT AGREEMENT CLAIMS
SENIOR SECURED NOTES CLAIMS
UNSECURED NOTES CLAIMS
GENERAL UNSECURED CLAIMS
CONVENIENCE CLAIMS

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS 5:00 P.M., PREVAILING CENTRAL TIME, ON FEBRUARY 2, 2017, UNLESS EXTENDED BY THE BANKRUPTCY COURT. THE VOTING RECORD DATE FOR DETERMINING WHICH HOLDERS OF CLAIMS OR INTERESTS MAY VOTE ON THE PLAN IS DECEMBER 20, 2016.

RECOMMENDATION BY THE DEBTORS

The board of directors of CHC Group Ltd. ("**CHC Parent**") and the board of directors, managers, members, as applicable, of each of its affiliated Debtors (as of the date hereof) have unanimously approved the transactions contemplated by the Solicitation Package and the Plan and recommend that all Claim holders whose votes are being solicited submit Ballots to accept the Plan. Holders of approximately 67.56% in outstanding principal amount of the Senior Secured Notes Claims entitled to vote on the Plan and holders of approximately 73.56% in outstanding principal amount of the Unsecured Notes Claims entitled to vote on the Plan have already agreed to vote in favor of the Plan.

RECOMMENDATION BY THE CREDITORS' COMMITTEE

As reflected in the letter from the Creditors' Committee enclosed in the Solicitation Package, the Creditors' Committee supports the Plan and recommends that holders of Unsecured Notes Claims, General Unsecured Claims, and Convenience Claims vote to accept the Plan.

HOLDERS OF CLAIMS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE AND SHOULD CONSULT WITH THEIR OWN ADVISORS BEFORE VOTING ON THE PLAN.

THE NEW MEMBERSHIP INTERESTS AND NEW UNSECURED NOTES ISSUED UNDER THE PLAN SHALL BE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND ANY OTHER APPLICABLE SECURITIES LAWS PURSUANT TO SECTION 1145 OF THE BANKRUPTCY CODE.

THE OFFER AND SALE, AS APPLICABLE OF THE SUBSCRIPTION RIGHTS, NEW SECOND LIEN CONVERTIBLE NOTES (AND THE NEW MEMBERSHIP INTERESTS ISSUABLE UPON CONVERSION THEREOF) PURSUANT TO THE RIGHTS OFFERING AND TO THE BACKSTOP PARTIES UNDER THE BACKSTOP AGREEMENT (INCLUDING THE NEW SECOND LIEN CONVERTIBLE NOTES COMPRISING THE PUT OPTION PREMIUM) ARE BEING MADE IN RELIANCE ON SECTION 4(A)(2) UNDER THE SECURITIES ACT OR REGULATION D PROMULGATED THEREUNDER.

THE NEW MEMBERSHIP INTERESTS, NEW UNSECURED NOTES, AND NEW SECOND LIEN CONVERTIBLE NOTES TO BE ISSUED ON THE EFFECTIVE DATE HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR BY ANY STATE SECURITIES COMMISSION OR SIMILAR PUBLIC, GOVERNMENTAL, OR REGULATORY AUTHORITY, AND NEITHER THE SEC NOR ANY SUCH AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CERTAIN STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING STATEMENTS INCORPORATED BY REFERENCE, PROJECTED FINANCIAL INFORMATION, AND OTHER FORWARD-LOOKING STATEMENTS, ARE BASED ON ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. FORWARD-LOOKING STATEMENTS ARE PROVIDED IN THIS DISCLOSURE STATEMENT PURSUANT TO THE SAFE HARBOR ESTABLISHED UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND SHOULD BE EVALUATED IN THE CONTEXT OF THE ESTIMATES, ASSUMPTIONS, UNCERTAINTIES, AND RISKS DESCRIBED HEREIN.

FURTHER, READERS ARE CAUTIONED THAT ANY FORWARD-LOOKING STATEMENTS HEREIN ARE BASED ON ASSUMPTIONS THAT ARE BELIEVED TO BE REASONABLE, BUT ARE SUBJECT TO A WIDE RANGE OF RISKS IDENTIFIED IN THIS DISCLOSURE STATEMENT. DUE TO THESE UNCERTAINTIES, READERS CANNOT BE ASSURED THAT ANY FORWARD-LOOKING STATEMENTS WILL PROVE TO BE CORRECT. THE DEBTORS ARE UNDER NO OBLIGATION TO (AND EXPRESSLY DISCLAIM ANY OBLIGATION TO) UPDATE OR ALTER ANY FORWARD-LOOKING STATEMENTS WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE, UNLESS INSTRUCTED TO DO SO BY THE BANKRUPTCY COURT.

NO INDEPENDENT AUDITOR OR ACCOUNTANT HAS REVIEWED OR APPROVED THE FINANCIAL PROJECTIONS OR THE LIQUIDATION ANALYSIS PROVIDED HEREIN. THE DEBTORS HAVE NOT AUTHORIZED ANY PERSON TO GIVE ANY INFORMATION OR

ADVICE, OR TO MAKE ANY REPRESENTATION, IN CONNECTION WITH THE PLAN OR THIS DISCLOSURE STATEMENT.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED. THE TERMS OF THE PLAN GOVERN IN THE EVENT OF ANY INCONSISTENCY WITH THE SUMMARIES IN THIS DISCLOSURE STATEMENT.

THE INFORMATION IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR PURPOSES OF VOTING TO ACCEPT OR REJECT THE PLAN OR OBJECTING TO CONFIRMATION. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY PARTY FOR ANY OTHER PURPOSE.

ALL EXHIBITS TO THE DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.

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I.
OVERVIEW OF THE PLAN

The joint chapter 11 plan of reorganization (the "**Plan**,"[1] attached hereto as **Exhibit B** and as the same may be amended from time to time) described in this Disclosure Statement (as amended, and including all exhibits, the "**Disclosure Statement**") is the culmination of CHC Group Ltd.'s ("**CHC Parent**") and its debtor affiliates' (each, a "**Debtor**" and collectively, the "**Debtors**")[2] voluntary chapter 11 cases (the "**Chapter 11 Cases**"), which were commenced in the midst of an unprecedented decline in oil and gas prices. The significant and sustained drop in oil prices and the related contraction of demand for offshore helicopter services, coupled with customer demands for price concessions and new flexible contract terms, made it impossible for the Debtors to bear the weight of their capital structure and fleet expense without relief under the Bankruptcy Code.

The Debtors have engaged in extensive negotiations with their key creditor constituencies, which culminated in that certain Plan Support Agreement (including all exhibits thereto), dated as of October 11, 2016 [Docket No. 956], as amended, restated, or otherwise modified in accordance with its terms, and as amended on November 3, 2016 [Docket No. 1129] and November 23, 2016 [Docket No. 1263] (the "**Plan Support Agreement**")[3] by and among (i) the Debtors, (ii) The Milestone Aviation Group Limited ("**Milestone**"); The Milestone Aviation Asset Holding Group No. 1 Ltd; The Milestone Aviation Asset Holding Group No. 8 Ltd; The Milestone Aviation Asset Holding Group No. 20 Ltd; The Milestone Aviation Asset Holding Group No. 25 Ltd; Milestone Export Leasing, Limited; GE Capital Equipment Finance Ltd; and GE European Equipment Finance (Aircraft No. 2) Limited (collectively with Milestone, the "**Milestone Parties**"), (iii) the beneficial holders, or investment advisors or managers for the account of such beneficial holders, of Senior Secured Notes (as herein defined) that have executed the Plan Support Agreement (the "**Plan Sponsors**"), (iv) the statutory committee of unsecured claimholders appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code (the "**Creditors' Committee**"), (v) Solus Alternative Asset Management LP and Marble Ridge Capital LP as beneficial holders, or investment advisors or managers for the account of such beneficial holders, of Unsecured Notes (as herein defined), together with any of their respective successors and permitted assigns under the Plan Support Agreement, that have executed the Plan Support Agreement (the "**Individual Creditor Parties**"), and (vi) each of the other beneficial owners (or investment managers or advisors for the beneficial owners) of the Senior Secured Notes, Unsecured Notes, or Claims against the Debtors, in each case, that becomes a party to the Plan Support Agreement in accordance with its terms by executing and delivering a Joinder Agreement (as defined in the Plan Support Agreement), together with any of their respective successors and permitted assigns under the Plan Support Agreement (the "**Additional Consenting Parties**" and together with the Milestone Parties, the Plan Sponsors, the Creditors' Committee, and the Individual Creditor Parties, the "**Consenting Creditor Parties**").

In connection with the Plan Support Agreement, CHC Parent entered into that certain Backstop Agreement, dated as of October 11, 2016, as amended, restated, or otherwise modified in accordance with its terms, (the "**Backstop Agreement**," attached to the Plan Support Agreement as **Exhibit B** thereto) and as amended on November 3, 2016 and November 23, 2016 by and among (i) CHC Parent and (ii) certain of the Plan Sponsors and the Individual Creditor Parties, together with any of their respective successors and permitted assigns under the Backstop Agreement, that have agreed to backstop the Rights Offering

[1] Capitalized terms used, but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

[2] A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, where applicable, is attached hereto as **Exhibit A**.

[3] A term sheet (the "**Plan Term Sheet**") outlining the principle terms of the Restructuring incorporated into the Plan is annexed to the Plan Support Agreement as **Exhibit A** thereto.

pursuant to which each holder of Allowed Senior Secured Notes Claims and Allowed Unsecured Notes Claims is entitled to receive Subscription Rights to acquire New Second Lien Convertible Notes in accordance with the Rights Offering Procedures set forth herein in Section XIII (each in its capacity as such, a "**Backstop Party**" and collectively, the "**Backstop Parties**"). Each of the Backstop Parties, severally and not jointly, have agreed, pursuant to the Backstop Agreement, to fully participate in the Rights Offering and purchase the New Second Lien Convertible Notes (the "**Backstop Commitment**") in accordance with the percentages set forth in **Exhibit A** to the Backstop Agreement (the "**Backstop Percentages**") to the extent unsubscribed under the Rights Offering.

On October 11, 2016, the Debtors filed the *Debtors' Motion for an Order Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rules 6004 and 9019 Authorizing the Debtors to Enter into and Approving Plan Support Agreement, Backstop Agreement and Milestone Term Sheet* [Docket No. 953, refiled as Docket No. 956] (the "**Support Agreements Approval Motion**"), which was approved by the United States Bankruptcy Court for the Northern District of Texas (the "**Bankruptcy Court**") on December 20, 2016. Pursuant to the Plan Support Agreement, the Consenting Creditor Parties have agreed to support and vote in favor of the Plan, subject to customary conditions and approval of this Disclosure Statement.

The Plan represents a comprehensive financial and operational restructuring of the Debtors (the "**Restructuring**") and provides additional liquidity that will further the Debtors' emergence from chapter 11 and their continued existence as a successful and profitable global helicopter services and maintenance, repair and overhaul provider.

The Plan is also value-maximizing for all stakeholders. Among other things the Plan:

- provides for a $300 million new money investment through the fully-backstopped Rights Offering;
- reduces the Debtors' prepetition debt by approximately $925 million (prior to conversion of all of the New Second Lien Convertible Notes and by $1.4 billion subsequent to such conversion);
- reduces the Debtors' annual Cash interest burden by 85%, which frees up approximately $115 million in annual cash flow that can be used for reinvestment in the Debtors' business;
- provides for a global settlement between the Debtors and the Consenting Creditor Parties described more fully below; and
- provides for a right-sizing of the Debtors' fleet, including a significant reduction in rent expense.

Below is an overview of the facilities and treatment provided for under the Plan.

1. Exit Revolving Credit Facility

The Plan provides for a new revolving credit facility in a principal amount of Three Hundred Eighty-Three Million Twenty Thousand Eight Hundred Eighty-Six Dollars ($383,020,886) (the "**Exit Revolving Credit Facility**"). The Exit Revolving Credit Facility is described in more detail in Section V.N herein.

2. Amended and Restated ABL Credit Facility

The Debtors have agreed to the terms of the Amended and Restated ABL Credit Agreement, which will reduce the principal balance under the ABL Credit Agreement, to be apportioned across eight (8) aircraft that the Debtors will retain.

3. Milestone Transactions

The Debtors have agreed to a fleet restructuring transaction with the Milestone Parties, one of the Debtors' largest aircraft lessors. The transaction with the Milestone Parties includes, among other things, a comprehensive restructuring of lease rentals, the consensual return of certain helicopters, the lease of additional helicopters, amendments to the return conditions for certain helicopters, and, at the Debtors' election, the provision by an affiliate of Milestone, PK Transportation Finance Ireland Limited, of a new $150 million committed debt facility for the acquisition and/or refinancing of certain aircraft (the "**PK Financing Facility**"). The Milestone transaction also avoids potential complex and costly litigation around the size of the Milestone Parties' General Unsecured Claims, while enabling the Debtors to continue to use their aircraft pursuant to restructured lease agreements.

4. $300 Million New Money Investment and Rights Offering

In connection with the Plan, and pursuant to the Backstop Agreement, Reorganized CHC will solicit participation in the Rights Offering to purchase New Second Lien Convertible Notes due three-and-a-half years from the Effective Date, bearing no interest (other than in connection with an event of default), in an aggregate principal amount of approximately $433.3 million, after adjustment for an original issue discount of ten percent (10.0%) (or approximately $33.3 million) and a $100 million Equitization Premium (as described herein), for an aggregate purchase price of $300 million. On the Effective Date, approximately $30.8 million in additional New Second Lien Convertible Notes will also be issued to the Backstop Parties in exchange for undertaking the Backstop Commitment, making the aggregate principal amount of New Second Lien Convertible Notes issued approximately $464.1 million. On an as converted and fully diluted basis (but subject to dilution for the Management Incentive Plan), the New Second Lien Convertible Notes represent 85.4% of the New Membership Interests. Pursuant to the Rights Offering, the $300.0 million investment will be allocated $280.0 million to the holders of Allowed Senior Secured Notes Claims and $20 million to the holders of Allowed Unsecured Notes Claims. Only Eligible Offerees may participate in the Rights Offering. Each Eligible Offeree that is a holder of an Allowed Senior Secured Notes Claim or an Allowed Unsecured Notes Claim that participates in the Rights Offering will receive its Pro Rata share of its respective Class' allocation of the New Second Lien Convertible Notes. In lieu of Subscription Rights, Non-Eligible Offerees will be given the opportunity to receive a substitute distribution (a "**Substitute Distribution**") consisting of New Membership Interests. The Substitute Distribution is further described in Section XIII.F herein.

5. New Unsecured Notes

In connection with the Plan, Reorganized CHC will issue up to $37.5 million of New Unsecured Notes, with a seven year maturity and an interest rate of 5.0% payable in kind until the earlier of the maturity or conversion of all of the New Second Lien Convertible Notes and thereafter payable in Cash. The New Unsecured Notes will have the terms set forth in the term sheet annexed to the Plan Term Sheet as **Exhibit E** (the "**New Unsecured Notes Term Sheet**"). The New Unsecured Notes, less the amount of the Convenience Claim Distribution Amount, will be distributed to holders of General Unsecured Claims pursuant to the allocations described in Section I.8 herein.

6. Global Settlement

The Plan is the product of extensive arms'-length negotiations, encompasses a global settlement and avoids litigation over numerous complex issues among all creditors pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019. Such issues include, among others:

- the amount, value, and treatment of ABL Claims, Senior Secured Notes Claims, and Unsecured Notes Claims against the Debtors;
- the validity, extent and priority of the Liens securing the Senior Secured Notes;
- the value of the Debtors' encumbered and unencumbered Assets;
- any potential adequate protection or diminution in value Claims by the holders of Senior Secured Notes;
- any potential Claims to surcharge Collateral under section 506(c) of the Bankruptcy Code;
- the allocation of distributable value among the various creditor classes; and
- the Equity Value and the total enterprise value of the reorganized company premised upon the Debtors remaining as a going concern, which is conditioned upon the $300 million new money investment.

As part of the integrated, global settlement, the Plan also provides for a settlement of the allocation and distribution of value among holders of Allowed General Unsecured Claims, as described in further detail below. The allocation of recovery value to Allowed General Unsecured Claims in the manner provided for in the Plan is a fair, equitable and reasonable means of allocating recoveries among holders of Allowed General Unsecured Claims. Litigation over the allocation of value between the Senior Secured Notes Claims, Unsecured Notes Claims, and General Unsecured Claims would have been complex, protracted, and costly, ultimately reducing the available recoveries for all creditors.

The global settlement by and between the Debtors and the Consenting Creditor Parties avoids potential litigation and the factual and legal complexities associated therewith. Resolution of the various creditor and intercompany issues would require significant litigation, discovery, and potential involvement of experts, which would result in significant administrative expense. Litigation of these issues would likely result in significant delay to reach an Effective Date of the Plan, and the resulting expense is not in the best interests of creditors. Settlement decreases the potential for diminution in the value of the assets and provides greater certainty that the Debtors will be able to emerge as a reorganized entity rather than suffer a liquidation.

7. Treatment of Claims and Interests

In addition to the treatment described above, the Plan contemplates that (i) seventy-nine-and-a-half percent (79.5%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which equates to eleven-point-six percent (11.6%) of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan) will be distributed to holders of Allowed Senior Secured Notes Claims; (ii) eight-point-nine percent (8.9%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan

(which equates to one-point-three percent (1.3%) of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan) will be distributed to holders of Allowed Unsecured Notes Claims; and (iii) eleven-point-six percent (11.6%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which equates to one-point-seven percent (1.7%) of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan) will be distributed to holders of General Unsecured Claims.[4]

The Plan also contemplates that (A) holders of Allowed Convenience Claims[5] will receive the lesser of (i) payment in full in Cash and (ii) their Pro Rata share of the Convenience Claims Distribution Amount, which is $750,000; (B) holders of Allowed Other Priority Claims and Allowed Other Secured Claims will be paid in full; and (C) all Existing CHC Interests will either be cancelled or struck-off.

The following table summarizes the treatment of, and estimated recovery for, Claim and Interest holders under the Plan. The Plan groups the Debtors together solely for the purpose of describing treatment of Claims and Interests under the Plan and confirmation of the Plan. Although the Plan applies to all of the Debtors, the Plan constitutes forty-three (43) distinct chapter 11 plans, one for each Debtor, and, except with respect to the Class 7 consolidation for distribution purposes only set forth in Section 5.21 of the Plan, for voting and distribution purposes, each Class of Claims will be deemed to contain sub-classes for each of the Debtors, to the extent applicable. To the extent there are no Allowed Claims or Interests with respect to a particular Debtor, such Class is deemed to be omitted with respect to such Debtor. Except as otherwise provided in the Plan, to the extent a holder has a Claim that may be asserted against more than one Debtor, the vote of such holder in connection with such Claims will be counted as a vote of such Claim against each Debtor against which such holder has a Claim. For additional information, please refer to the discussion in Section VI of this Disclosure Statement and the Plan itself:

[4] In addition, pursuant to the global Plan Settlement, the holders of Allowed Senior Secured Notes Claims agreed to waive their rights to receive any recovery on account of their Senior Secured Notes Deficiency Claims, thereby avoiding dilution of the recoveries to holders of Allowed Unsecured Notes Claims and Allowed General Unsecured Claims on account of such deficiency claims.

[5] The Plan defines a Convenience Claim as any Claim against the Debtors that would otherwise be a Primary General Unsecured Claim that is (i) Allowed in the Convenience Claim Amount or less, or (ii) irrevocably reduced to the Convenience Claim Amount at the election of the holder of the Allowed Primary General Unsecured Claim evidenced on the Ballot submitted by such holder; *provided, however*, that a Primary General Unsecured Claim may not be subdivided into multiple Claims of the Convenience Claim Amount or less for purposes of receiving treatment as a Convenience Claim; *provided, further, however* that, to the extent that a holder of a Convenience Claim against a Debtor holds any joint and several liability claims, guaranty claims, or other similar claims (such as an Allowed Secondary General Unsecured Claim) against any other Debtors arising from or relating to the same obligations or liability as such Convenience Claim, such holder shall only be entitled to a distribution on one Convenience Claim against the Debtors in full and final satisfaction of all such Claims. The Convenience Claim Amount is One Hundred Thousand Dollars ($100,000), or such greater amount as may be agreed to among the Debtors and the Creditors' Committee.

Class	Claim or Equity Interest	Treatment	Impaired or Unimpaired	Entitlement to Vote on the Plan	Approx. Percentage Recovery
1	Other Priority Claims	The legal, equitable, and contractual rights of the holders of Allowed Other Priority Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed Other Priority Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtor, as applicable, agree to a less favorable treatment, on the later of the Effective Date and the date that is ten (10) Business Days after the date such Other Priority Claim becomes an Allowed Claim, or as soon thereafter as is reasonably practicable, each holder of an Allowed Other Priority Claim will receive, in full and final satisfaction of such Allowed Other Priority Claim, at the option of the Debtors, with consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtor, as applicable, (i) Cash in an amount equal to the Allowed amount of such Claim or (ii) other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; *provided*, that Other Priority Claims that arise in the ordinary course of the Debtors' business, will be paid by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course of business, and in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents relating to such transactions without further action by the holders of such Other Priority Claims or further approval by the Bankruptcy Court.	Unimpaired	No (Deemed to accept)	100%
2	Other Secured Claims	The legal, equitable, and contractual rights of the holders of Allowed Other Secured Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed Other Secured Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized	Unimpaired	No (Deemed to accept)	100%

Class	Claim or Equity Interest	Treatment	Impaired or Unimpaired	Entitlement to Vote on the Plan	Approx. Percentage Recovery
		Debtor, as applicable, agree to less favorable treatment, each holder of an Allowed Other Secured Claim will, in full and final satisfaction of such Allowed Other Secured Claim, at the option of the Debtors with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or Reorganized Debtors: (i) be Reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code, notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the holder of an Allowed Other Secured Claim to demand or to receive payment of such Allowed Other Secured Claim prior to the stated maturity of such Allowed Other Secured Claim from and after the occurrence of a default; (ii) Cash in an amount equal to the Allowed amount of such Claim as determined in accordance with section 506(a) of the Bankruptcy Code, on the later of the initial distribution date under the Plan and thirty (30) days after the date such Other Secured Claim is Allowed (or as soon thereafter as is practicable); or (iii) receive the Collateral securing its Allowed Other Secured Claim on the later of the initial distribution date under the Plan and the date such Other Secured Claim becomes an Allowed Other Secured Claim (or as soon thereafter as is reasonably practicable).			
3	Revolving Credit Agreement Claims	On the Effective Date, or as soon as practicable thereafter, holders of Allowed Revolving Credit Agreement Claims will receive, in full and final satisfaction of such Allowed Revolving Credit Agreement Claims, such holder's Pro Rata share of the Exit Revolving Credit Facility.	Impaired	Yes	100%
4	ABL Credit Agreement Claims	On the Effective Date, or as soon as practicable thereafter, each holder of an Allowed ABL Credit Agreement Claim will receive, in full and final satisfaction and discharge of such holder's rights with	Impaired	Yes	39.2%

Class	Claim or Equity Interest	Treatment	Impaired or Unimpaired	Entitlement to Vote on the Plan	Approx. Percentage Recovery
		respect to and under such Allowed ABL Credit Agreement Claim and, in accordance with the Amended and Restated ABL Credit Facility Term Sheet, its Pro Rata share of: (i) the Amended and Restated ABL Credit Agreement; (ii) distributions on account of the ABL Allowed Primary General Unsecured Claim and ABL Allowed Secondary General Unsecured Claim, which Allowed General Unsecured Claims will receive treatment in accordance with Section 4.7 of the Plan; and (iii) the Exit Payment (as defined in the Amended and Restated ABL Credit Facility Term Sheet).			
5	Senior Secured Notes Claims	On or as soon as practicable after the Effective Date, each holder of a Senior Secured Notes Claim, which Claims are deemed Allowed in the aggregate amount of not less than One Billion Sixty-Seven Million Eight Hundred and Thirty-Two Thousand Five Hundred and Seventy-Six Dollars ($1,067,832,576) through the Petition Date, including accrued prepetition interest, plus fees, and other expenses due under the Senior Secured Notes and Senior Secured Notes Indenture, including Senior Secured Notes Indenture Trustee Expenses, will receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed Senior Secured Notes Claim, and, in accordance with the Restructuring Transactions, (A) other than the Senior Secured Notes Indenture Trustee, its Pro Rata share of: (i) seventy-nine-and-a-half percent (79.5%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which shall equate to eleven-point-six percent 11.6% of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management	Impaired	Yes	5.4% - 17.6%

Class	Claim or Equity Interest	Treatment	Impaired or Unimpaired	Entitlement to Vote on the Plan	Approx. Percentage Recovery
		Incentive Plan); and (ii) (x) to the extent such holder is an Eligible Offeree, the Senior Secured Notes Subscription Rights and (y) to the extent such holder is a Non-Eligible Offeree, its share (calculated pursuant to the Rights Offering Procedures) of up to one percent (1%) of the New Membership Interests otherwise distributable to holders of Allowed Senior Secured Notes Claims (after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan) and (B) to the Senior Secures Notes Indenture Trustee, Cash in amount equal to the Senior Secured Notes Indenture Trustee Expenses outstanding as of the Effective Date. Any unclaimed portion of New Membership Interests otherwise available to Non-Eligible Offerees holding Allowed Senior Secured Notes Claims will be distributed Pro Rata to all holders of Allowed Senior Secured Notes Claims. Upon acceptance of the Plan by Class 5, all holders of Senior Secured Notes Claim will be deemed to have agreed to forgo any distribution in respect of their Senior Secured Notes Deficiency Claim. Distributions received under the Plan by holders of Allowed Senior Secured Notes Claims will be subject to the Senior Secured Notes Indenture Trustee Charging Lien if the Senior Secured Notes Indenture Trustee Expenses are not paid pursuant to Section 4.5(a) of the Plan.			
6	Unsecured Notes Claims	On or as soon as practicable after the Effective Date, each holder of an Allowed Unsecured Notes Claim, which Claims are deemed Allowed in the aggregate amount of not less than Ninety-Eight Million Five Hundred Thirty-One Thousand Four Hundred and Sixty Dollars ($98,531,460) through the Petition Date, including accrued prepetition interest, plus fees and other expenses due under the Unsecured	Impaired	Yes	6.6% - 16.2%

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Class	Claim or Equity Interest	Treatment	Impaired or Unimpaired	Entitlement to Vote on the Plan	Approx. Percentage Recovery
		Notes and Unsecured Notes Indenture, including the Unsecured Notes Indenture Trustee Expenses, will receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed Unsecured Notes Claim, and, in accordance with the Restructuring Transactions, (A) other than the Unsecured Notes Indenture Trustee, its Pro Rata share of: (i) eight-point-nine percent (8.9%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which shall equate to one-point-three percent (1.3%) of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan); and (ii) (x) to the extent such holder is an Eligible Offeree, the Unsecured Notes Subscription Rights or (y) to the extent such holder is a Non-Eligible Offeree, its share (calculated pursuant to the Rights Offering Procedures) of up to zero-point-one percent (0.1%) of the New Membership Interests otherwise distributable to holders of Allowed Unsecured Notes Claims (after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan) and (B) to the Unsecured Notes Indenture Trustee, Cash in amount equal to the Unsecured Notes Indenture Trustee Expenses outstanding as of the Effective Date. Any unclaimed portion of New Membership Interests otherwise available to Non-Eligible Offerees holding Allowed Unsecured Notes Claims will be distributed Pro Rata to all holders of Allowed Unsecured Notes Claims. Distributions received under the Plan by holders of Allowed Unsecured Notes			

Class	Claim or Equity Interest	Treatment	Impaired or Unimpaired	Entitlement to Vote on the Plan	Approx. Percentage Recovery
		Claims will be subject to the Unsecured Notes Indenture Trustee Charging Lien if the Unsecured Notes Indenture Trustee Expenses are not paid pursuant to Section 4.6(a) of the Plan.			
7	General Unsecured Claims	Each holder of an Allowed General Unsecured Claim against the Debtors will receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed General Unsecured Claim, and, in accordance with the Restructuring Transactions: (i) on account of its Allowed Primary General Unsecured Claim, its Pro Rata share of the Primary General Unsecured Claims Distribution, plus (ii) on account of any Allowed Secondary General Unsecured Claim against one or more Secondary Recovery Debtors, if applicable, its Pro Rata share of the Secondary General Unsecured Claims Distribution allocated to the applicable Secondary Recovery Debtor against which it holds an Allowed Secondary General Unsecured Claim, as set forth on and in accordance with the schedule attached to the Disclosure Statement as **Exhibit C**. For the avoidance of doubt, if a holder of Allowed General Unsecured Claims holds an Allowed Secondary General Unsecured Claim against any Debtor that is not a Secondary Recovery Debtor, such holder will not receive any additional recoveries on account of such claims.	Impaired	Yes	1.8% on account of Allowed Primary General Unsecured Claims *plus* 0.1% - 1.2% on account of Allowed Secondary General Unsecured Claims as set forth on **Exhibit C**
8	Convenience Claims	Except to the extent that a holder of an Allowed Convenience Claim and the Debtors, with the consent of the Creditors' Committee, which shall not be unreasonably withheld, or the Reorganized Debtors, as applicable, agree to less favorable treatment, each holder of an Allowed Convenience Claim will receive, on the later of (i) the Effective Date and (ii) the date on which such Convenience Claim becomes Allowed, or, in each case, as soon as reasonably practicable	Impaired	Yes	10.4%

Class	Claim or Equity Interest	Treatment	Impaired or Unimpaired	Entitlement to Vote on the Plan	Approx. Percentage Recovery
		thereafter, in full and final satisfaction of such Allowed Convenience Claim, the lesser of (i) payment in full in Cash, or (ii) its Pro Rata share of the Convenience Claims Distribution Amount. Allowed Convenience Claims will not include interest from and after the Petition Date or include any penalty on such Claim.			
9	Intercompany Claims	All Allowed Intercompany Claims will be adjusted, continued, or discharged, in each case in a manner reasonably acceptable to the Debtors or Reorganized Debtors, as applicable, the Requisite Plan Sponsors, and the Creditors' Committee. All Intercompany Claims between any Debtor and a nondebtor affiliate will be Unimpaired under the Plan.	Unimpaired	No (Deemed to accept)	100%
10	Existing CHC Interests	As soon as reasonably practicable following the Effective Date, CHC Parent will be liquidated or voluntarily struck-off. Holders of Existing CHC Interests will not receive or retain any property under the Plan or pursuant to the Cayman Proceedings on account of such Interests.	Impaired	No (Deemed to reject)	100%
11	Intercompany Interests	Intercompany Interests are Unimpaired. On the Effective Date, all Allowed Intercompany Interests will be Reinstated.	Unimpaired	No (Deemed to accept)	100%

8. Treatment of Unsecured Notes Claims and General Unsecured Claims

Recoveries for Holders of Unsecured Notes Claims

Pursuant to the settlements embodied in the Plan, the Plan allocates eight-point-nine percent (8.9%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan, for distribution to all holders of Allowed Unsecured Notes Claims and, subject to certain restrictions, the opportunity for holders of Allowed Unsecured Notes Claims who are Eligible Offerees to participate in the Rights Offering. Non-Eligible Offerees will receive their Pro Rata share of up to zero-point-one percent (0.1%) of New Membership Interests otherwise distributable to holders of Allowed Unsecured Notes Claims.

In the aggregate, pursuant to the Plan (and the global settlement contained therein) holders of Allowed Unsecured Notes Claims receive a higher recovery rate than holders of Allowed General Unsecured Claims. The aggregate recovery to holders of Allowed Unsecured Notes Claims takes into account the fact that forty (40) of the forty-three (43) Debtors issued or guaranteed the obligations under the

Unsecured Notes and, therefore, the holders of Allowed Unsecured Notes Claims are able to assert the full value of their Unsecured Notes claims against all forty (40) of those entities, while holders of General Unsecured Claims are limited to asserting their claims at one or fewer entities. Several of the Debtors at which the Unsecured Notes Claims are asserted do not have other General Unsecured Claims asserted at such entities. Therefore, the unencumbered value of such Debtors inures solely to the benefit of the Unsecured Notes Claims.

Recoveries for Holders of General Unsecured Claims

In addition, the Plan provides for distributions to holders of Allowed General Unsecured Claims aggregate value consisting of (i) eleven-point-six percent (11.6%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan, and (ii) $37.5 million of New Unsecured Notes, less the amount of the Convenience Claim Distribution Amount.

Pursuant to the settlements embodied in the Plan, this value is allocated among holders of Allowed Primary General Unsecured Claims, and holders of Allowed Secondary General Unsecured Claims. The Plan establishes a minimum level of recoveries for Allowed Primary General Unsecured Claims intended to reflect a fair settlement of the numerous disputes between secured and unsecured creditors, while ensuring that unsecured creditors with Allowed Secondary General Unsecured Claims receive additional recoveries on account of such claims.

Holders of Allowed Primary General Unsecured Claims against all of the Debtors will receive their Pro Rata share of the Primary General Unsecured Claims Distribution valued at approximately $22.5 million, consisting of, collectively, (i) five-point-seven percent (5.7%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan, and (ii) $17,979,648 of New Unsecured Notes (the "**Primary General Unsecured Claims Distribution**"). The Primary General Unsecured Claims Distribution is estimated to provide a minimum recovery of approximately 1.8% to all holders of Allowed Primary General Unsecured Claims against the Debtors. That recovery rate could increase or decrease depending on the aggregate amount of Allowed Primary General Unsecured Claims, the extent to which holders of Allowed Primary General Unsecured Claims elect to participate in the Convenience Class, and as necessary to ensure that the distributions to all Allowed General Unsecured Claims satisfy the requirements of the Bankruptcy Code. For the avoidance of doubt, each holder of an Allowed General Unsecured Claim (other than holders of Convenience Class Claims) shall receive their share of the Primary General Unsecured Claims Distribution.

In addition to the distribution on account of their Allowed Primary General Unsecured Claims, holders of Allowed Secondary General Unsecured Claims (*i.e.*, guarantee claims, Aircraft Sublease claims, and other claims as more fully described in the Plan) against certain Debtors defined as the Secondary Recovery Debtors will receive their Pro Rata share of the Secondary General Unsecured Claims Distribution allocated to the applicable Debtor entity against which the respective claims apply. Based on the Debtors' analysis of each Debtor entity's unencumbered value, only eight (8) Debtor entities with Secondary General Unsecured Claims, identified on **Exhibit C,** have unencumbered assets to support a distribution to holders of Allowed Secondary General Unsecured Claims. Pursuant to the Plan settlement, a pool, valued at approximately $23.5 million, consisting of (i) five-point-nine percent (5.9%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan, and (ii) $18,770,352 of New Unsecured Notes (the "**Secondary General Unsecured Claims Distribution**") will be made available for distribution, on an entity-by-entity ratable basis to holders of Allowed Secondary General Unsecured Claims.

The allocation of the Secondary General Unsecured Claims Distribution among the Secondary Recovery Debtors is calculated using a recovery waterfall based upon all of the claims, secured and unsecured, at each entity. This recovery waterfall model allocates value based upon book value of assets and calculates the residual unencumbered value after accounting for all claims, available for distribution to holders of Allowed Secondary General Unsecured Claims at each Debtor entity. At each of the eight (8) Debtor entities identified on **Exhibit C** and defined as Secondary Recovery Debtors, the value available for distribution to holders of Allowed Secondary General Unsecured Claims at a particular Secondary Recovery Debtor is available for distribution only at that particular Secondary Recovery Debtor. Consequently, the estimated recovery rates on **Exhibit C** could increase or decrease depending on the aggregate amount of Allowed Secondary General Unsecured Claims at each such Secondary Recovery Debtor. The Debtors reserve the right to modify the allocation of the Secondary General Unsecured Claims Distribution and Primary General Unsecured Claims Distribution, including among the Debtor entities identified on **Exhibit C**, to satisfy the requirements of the Bankruptcy Code. Holders of Allowed Secondary General Unsecured Claims whose secondary claims are asserted at Debtors that are not Secondary Recovery Debtors (those Debtors with insufficient unencumbered assets, on a book value basis, and after accounting for the Primary Unsecured Claims Distribution, to support a distribution to holders of secondary claims), will not receive or retain any property under the Plan on account of such Allowed Secondary General Unsecured Claims.

Calculation of Recoveries for Allowed General Unsecured Claims

To estimate their recovery under the Plan:

- First, holders of Allowed Primary General Unsecured Claims either against one Debtor or against more than one Debtor should multiply the aggregate total of their Allowed Primary General Unsecured Claims at any Debtor by the estimated recovery rate (1.8%). For the avoidance of doubt, each creditor shall only have one Allowed Primary General Unsecured Claim against the Debtors arising out of the same obligations or liabilities.

- Second, to estimate any additional recovery on account of Secondary General Unsecured Claims (if applicable), such holders should multiply their Allowed Secondary General Unsecured Claims at each applicable Secondary Recovery Debtor by the estimated recovery rate listed on **Exhibit C** for that specific Secondary Recovery Debtor. Then, such holder should add up the result of their Secondary Recovery Debtor recoveries to determine their aggregate recovery on account of their Allowed Secondary General Unsecured Claims. To the extent such holder also has an Allowed Secondary General Unsecured Claim at a Debtor that is not a Secondary Recovery Debtor, such holder will not receive any recovery on account of such claim.

- Finally, the sum of such holder's recovery on account of the Allowed Primary General Unsecured Claim and the Allowed Secondary General Unsecured Claim(s) calculated per the steps described immediately above represents such holder's aggregate estimated recovery under the Plan.

As a hypothetical example, a creditor holds the following claims: (i) an Allowed Primary General Unsecured Claim of $500,000 at Heliworld Leasing Limited; (ii) an Allowed Secondary General Unsecured Claim on account of such Allowed Primary General Unsecured Claim of $500,000 at Secondary Recovery Debtor CHC Helicopter S.A. ("**CHC SA**"), which provides for a 1.23% recovery pursuant to **Exhibit C** and (iii) an Allowed Secondary General Unsecured Claim of $500,000 at Debtor CHC Parent, which is not a Secondary Recovery Debtor. The calculation of the value of such creditor's recovery is as follows:

1. Allowed Primary General Unsecured Claim: The creditor's recovery on account of its Allowed Primary General Unsecured Claim will be calculated as $500,000 multiplied by 1.8%, totaling $9,000.

2. Allowed Secondary General Unsecured Claims: $500,000 multiplied by 1.23% totaling $6,150 at Secondary Recovery Debtor CHC SA and $0 for the claim asserted at non-Secondary Recovery Debtor CHC Parent.

3. Aggregate Recovery Value: The sum of $9,000 plus $6,150, for an aggregate recovery value of $15,150.

For additional information, please refer to the discussion in Section VI of this Disclosure Statement and the Plan itself.

II.
INTRODUCTION TO THE DISCLOSURE STATEMENT

A. The Purpose of the Disclosure Statement

Chapter 11 of the Bankruptcy Code is primarily used for business reorganization. Under chapter 11, a company endeavors to restructure its finances to maximize recovery to its stakeholders. Consummation of a plan of reorganization is the principal objective of a chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against, and interests in, the debtor. Confirmation of a plan of reorganization by a bankruptcy court binds the debtor, any issuer of securities under the plan, any person acquiring property under the plan, and any creditor or interest holder of the debtor. Subject to certain limited exceptions, the order approving confirmation of a plan discharges the debtor from any debt that arose prior to the date of confirmation of the plan and substitutes the obligations specified under the confirmed plan.

In general, a plan of reorganization (i) divides claims and interests into separate classes, (ii) specifies the property that each class is to receive under the plan, and (iii) contains provisions necessary to implement the plan. Under the Bankruptcy Code, "**claims**" and "**interests**," rather than "**creditors**" and "**shareholders**," are classified because creditors and shareholders may hold claims and interests in more than one class.

The purpose of this Disclosure Statement is to provide the holders of Claims entitled or solicited to vote on the Plan with adequate information to make an informed judgment about the Plan. Pursuant to section 1125 of the Bankruptcy Code, acceptances of a chapter 11 plan may be solicited only after a written disclosure statement has been provided to each creditor or interest holder who is entitled to vote on the plan. This Disclosure Statement is presented by the Debtors to holders of Claims entitled to vote on the Plan to satisfy the disclosure requirements contained in section 1125 of the Bankruptcy Code.

This Disclosure Statement includes, among other things, an overview of the events leading to the commencement of the Chapter 11 Cases, a summary of the Chapter 11 Cases, an explanation of the Plan as well as certain associated risk factors, and an explanation of the confirmation process.

B. Who is Entitled to Vote

Under the Bankruptcy Code, only holders of claims or interests in "**impaired**" classes are entitled to vote on a plan (each class constituting, a "**Voting Class**" and each claim constituting, a "**Voting Claim**") (unless, for reasons discussed in more detail below, such holders are deemed to reject the plan pursuant to

section 1126(g) of the Bankruptcy Code). Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "**impaired**" under the plan unless (i) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof to or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan, among other things, cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

C. Exhibits and SEC Filings Incorporated by Reference

The exhibits to this Disclosure Statement are a part of this Disclosure Statement and are incorporated as if fully set forth herein.

Documents filed with the United States Securities and Exchange Commission (the "**SEC**") may contain additional information regarding the Debtors. CHC Parent currently files quarterly and annual reports with, and furnishes other information to, the SEC. Copies of any document filed with the SEC may be obtained by visiting the SEC website at http://www.sec.gov and performing a search under the "**Company Filings**" link. Each of the following filings is a part of this Disclosure Statement and is incorporated as if fully set forth herein:

- Annual Report on Form 10-K for the fiscal year ended April 30, 2016, filed with the SEC on July 15, 2016;
- Quarterly Report on Form 10-Q for the quarterly period ended July 31, 2016, filed with the SEC on September 14, 2016;
- Schedule 14A (definitive proxy statement) for the Annual General Meeting of Shareholders held on September 16, 2016, filed with the SEC on August 5, 2016; and
- Current Reports on Forms 8-K filed with the SEC on July 26, 2016, August 15, 2016, August 22, 2016, September 16, 2016, September 21, 2016, October 12, 2016, and November 4, 2016.

Later information filed with the SEC that updates information in the filings incorporated herein by reference will update and supersede that information.

In addition to being available on the SEC's website, copies of any of the above SEC filings will be provided by the Debtors, upon written request to Kurtzman Carson Consultants LLC ("**KCC**" or the "**Voting Agent**"), to any holder of a Voting Claim.

D. Representations and Disclaimers

HOLDERS OF VOTING CLAIMS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE AND SHOULD CONSULT WITH THEIR OWN ADVISORS BEFORE VOTING ON THE PLAN.

CERTAIN STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING STATEMENTS INCORPORATED BY REFERENCE, PROJECTED FINANCIAL INFORMATION, AND OTHER FORWARD-LOOKING STATEMENTS, ARE BASED ON ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. FORWARD-LOOKING STATEMENTS ARE PROVIDED IN THIS DISCLOSURE STATEMENT PURSUANT TO THE

SAFE HARBOR ESTABLISHED UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND SHOULD BE EVALUATED IN THE CONTEXT OF THE ESTIMATES, ASSUMPTIONS, UNCERTAINTIES, AND RISKS DESCRIBED HEREIN.

FURTHER, READERS ARE CAUTIONED THAT ANY FORWARD-LOOKING STATEMENTS HEREIN ARE BASED ON ASSUMPTIONS THAT ARE BELIEVED TO BE REASONABLE, BUT ARE SUBJECT TO A WIDE RANGE OF RISKS IDENTIFIED IN THIS DISCLOSURE STATEMENT. DUE TO THESE UNCERTAINTIES, READERS CANNOT BE ASSURED THAT ANY FORWARD-LOOKING STATEMENTS WILL PROVE TO BE CORRECT. FORWARD-LOOKING STATEMENTS REPRESENT THE DEBTORS' ESTIMATES ONLY AS OF THE DATE SUCH STATEMENTS WERE MADE. THE DEBTORS ARE UNDER NO OBLIGATION TO (AND EXPRESSLY DISCLAIM ANY OBLIGATION TO) UPDATE OR ALTER ANY FORWARD-LOOKING STATEMENTS WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE, UNLESS INSTRUCTED TO DO SO BY THE BANKRUPTCY COURT.

NO INDEPENDENT AUDITOR OR ACCOUNTANT HAS REVIEWED OR APPROVED THE FINANCIAL PROJECTIONS OR THE LIQUIDATION ANALYSIS HEREIN. THE FINANCIAL INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE IN THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED, EXCEPT AS SPECIFICALLY INDICATED OTHERWISE. THE FINANCIAL PROJECTIONS AND OTHER FINANCIAL INFORMATION, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, NECESSARILY WERE BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS THAT ARE INHERENTLY UNCERTAIN AND MAY BE BEYOND THE CONTROL OF THE DEBTORS' MANAGEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY PERSON TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, IN CONNECTION WITH THE PLAN OR THIS DISCLOSURE STATEMENT.

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER PENDING, THREATENED OR POTENTIAL LITIGATION OR ACTIONS, THIS DISCLOSURE STATEMENT AND THE EXHIBITS HERETO DO NOT CONSTITUTE AND MAY NOT BE CONSTRUED BY ANY PARTY AS AN ADMISSION OF FACT, LIABILITY, STIPULATION OR WAIVER MADE BY THE DEBTORS OR THE CONSENTING CREDITOR PARTIES, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT AND THE EXHIBITS HERETO WILL NOT BE ADMISSIBLE IN ANY PROCEEDING, OTHER THAN IN CONNECTION WITH THE PROSECUTION OF THE PLAN, NOR WILL IT BE CONSTRUED TO CONSTITUTE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS IT RELATES TO THE HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTORS.

EXCEPT AS EXPRESSLY STATED, THE STATEMENTS, ANALYSIS, AND CONCLUSIONS PROVIDED HEREIN ARE BEING MADE BY THE DEBTORS AND THEIR PROFESSIONALS ALONE. THE PLAN EMBODIES A GLOBAL SETTLEMENT AMONG THE DEBTORS AND THE CONSENTING CREDITOR PARTIES, HOWEVER, TO THE EXTENT THE GLOBAL SETTLEMENT CONTEMPLATED BY THE PLAN IS NOT CONSUMMATED, THE DEBTORS AND THE CONSENTING CREDITOR PARTIES RESERVE ALL RIGHTS, INCLUDING WITH RESPECT TO THE STATEMENTS, CONCLUSIONS OR OPINIONS EXPRESSED IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS HERETO.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED. THE TERMS OF THE PLAN

GOVERN IN THE EVENT OF ANY INCONSISTENCY WITH THE SUMMARIES IN THIS DISCLOSURE STATEMENT.

THE INFORMATION IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR PURPOSES OF (A) VOTING TO ACCEPT OR REJECT THE PLAN OR (B) OBJECTING TO CONFIRMATION. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY PARTY FOR ANY OTHER PURPOSE.

ALL EXHIBITS TO THE DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.

III.
THE DEBTORS' OPERATIONS AND CAPITAL STRUCTURE

The Debtors and their non-debtor affiliates (collectively, "**CHC**") are one of the largest global commercial helicopter service companies in the world, primarily engaged in providing helicopter services to the offshore oil and gas industry. With its senior management headquartered in Irving, Texas, CHC maintains bases on six continents with major operations in the North Sea, Brazil, Australia, and several locations across Africa, Eastern Europe, and Southeast Asia. CHC's business consists of two main operating segments: (i) helicopter flight operations ("**Helicopter Services**"); and (ii) helicopter maintenance, repair, and overhaul operations ("**MRO**") carried out by its Heli-One division ("**Heli-One**"), which services CHC's helicopter fleet as well as aircraft of third-party customers.

A. Helicopter Services

CHC's Helicopter Services segment consists of flying operations in the Eastern North Sea, the Western North Sea, the Americas, the Asia Pacific region and the Africa-Euro Asia region, primarily serving offshore oil and gas customers. These services facilitate large, long-distance crew changes on offshore production facilities and drilling rigs. Helicopter Services also provides helicopter services for search and rescue ("**SAR**") and emergency medical services ("**EMS**") to various government agencies, all of which are typically under long-term service contracts. In some instances, Helicopter Services also provides SAR and EMS services to its oil and gas customers. Helicopter Services generated approximately ninety percent (90%) of its revenue for the three years ended April 30, 2015 from oil and gas customers. The majority of this amount was from CHC's customers' offshore production operations. SAR and EMS revenue to non-oil and gas customers contributed approximately ten percent (10%) of Helicopter Services revenue for the three years ended April 30, 2015.

B. Heli-One (MRO)

CHC's Heli-One segment includes helicopter MRO facilities in the Netherlands, Norway, Poland, Canada, and the United States, which provide services for CHC's helicopter fleet and for CHC's external customer base, primarily in Europe, Asia, and North America. CHC's MRO capabilities enable CHC to perform heavy structural repairs, and maintain, overhaul, and test helicopters and helicopter components globally across various helicopter types. Heli-One's largest customer is CHC's Helicopter Services segment. Heli-One derives a significant portion of its third-party revenue from "**power by the hour**" ("**PBH**") contracts, where the customer pays a ratable monthly charge, typically based on the number of hours flown, for all scheduled and un-scheduled maintenance.

C. Fleet

As of the Petition Date, CHC maintained a fleet of 230 helicopters, which were primarily medium (8 to 15 passengers) and heavy (16 to 26 passengers) helicopters (the "**CHC Prepetition Fleet**"). Of these helicopters, CHC owned 67 helicopters, 13 of which were financed through an asset-based loan facility, and leased the remainder from various third-party lessors. Following extensive efforts by the Debtors to align the CHC Prepetition Fleet with their business needs (see Section V.G below), upon emergence, the Debtors expect that they will have a fleet of approximately 130 helicopters.

D. Organizational Structure

The legal entities in CHC's organizational structure primarily consist of (i) operating affiliates, including Variable Interest Entities (as defined below), in various jurisdictions that support Helicopter Services (the "**HS Operating Entities**"), (ii) fleet entities that either own or lease aircraft from third-party lessors (the "**FleetCos**"), (iii) Heli-One entities that support the MRO business (the "**Heli-One Entities**"), and (iv) entities that provide general corporate support and administration functions to the CHC enterprise (the "**G&A Entities**"), including the provision of pilots and engineers from CHC's global touring crew (the "**Global Touring Crew**") to the HS Operating Entities. CHC's corporate structure chart as of the Petition Date is attached hereto as **Exhibit F**.

The HS Operating Entities generally hold the Helicopter Services customer contracts as well as various aircraft operating certificates, operating licenses, and regulatory authorizations (collectively, the "**AOCs**") that are required to carry out helicopter flight operations in the operating jurisdictions. The HS Operating Entities typically employ local pilots and maintenance engineers, together with administrative and other support staff. In certain limited circumstances, AOCs and/or employees are held/employed by entities other than the HS Operating Entities.

The CHC FleetCos either own or lease from third-party lessors all of the aircraft in the CHC Prepetition Fleet. In most cases, the FleetCos sublease the aircraft to HS Operating Entities. These leasing structures provide regulatory and business flexibility and allow CHC to operate in each of the regions.

The Heli-One Entities are responsible for the majority of the MRO activities within the CHC business, including the internal PBH service arrangements with the HS Operating Entities as well as the third-party PBH contracts. These entities also manage the supply chain and logistics for moving spare parts and components between the various Heli-One facilities and CHC bases. The Heli-One Entities employ a larger number of shop employees in the Netherlands, Norway, Canada, Poland, and Fort Collins, Colorado.

CHC has centralized many of its general corporate and administrative functions in the G&A Entities, which typically provide services across the entire CHC enterprise. These services include, among others, executive, legal, finance, accounting, information technology, crew provision and scheduling, and certain sales functions. In most instances, the services provided by the G&A Entities are allocated to the various operating entities pursuant to intercompany service arrangements and booked as intercompany payables.

E. Directors and Officers

CHC Parent's current board of directors is composed of (i) Karl S. Fessenden, (ii) John Krenicki Jr., (iii) John A. McKenna Jr., (iv) William G. Schrader, (v) Nathan K. Sleeper, (vi) Robert C. Volpe, (vii) William L. Transier, and (viii) Juan D. Vargas.

CHC Parent's current executive officers are (i) Karl S. Fessenden, President and Chief Executive Officer, (ii) Lee Eckert, Senior Vice President and Chief Financial Officer, and (iii) Hooman Yazhari, Senior Vice President, Legal and Administration.

F. Regulation of the Debtors' Business

The Debtors' operations are conducted in the United States as well as in non-U.S. jurisdictions and are subject to governmental laws, regulations, and treaties in the countries in which they operate. The laws, regulations, and treaties that impact the Debtors' operations include those relating to (i) the provision of helicopter flight operations and helicopter repair services, (ii) environmental protection, (iii) health and safety, (iv) taxation of the Debtors' earnings and the earnings of the Debtors' expatriate personnel, (v) immigration restrictions for expatriate personnel, (vi) minimum requirements for the use of local employees and suppliers, (vii) duties and restrictions on the importation and exportation of helicopters and other equipment, (viii) local currency requirements, and (ix) restrictions on repatriated cash.

G. Prepetition Indebtedness and Capital Structure

1. Equity Ownership

CHC Parent files annual reports with, and furnishes other information to, the SEC. The ordinary shares of CHC Parent were traded on the New York Stock Exchange (the "**NYSE**") under the symbol "**HELI**" until February 1, 2016, when CHC Parent received a delisting notice from the NYSE. Following the delisting, CHC Parent's ordinary shares were accepted for listing on the OTCQX Best Market ("**OTCQX**") and trading in CHC Parent's ordinary shares commenced on the OTCQX under the ticker symbol "**HELIF**" on February 2, 2016. Effective on the Petition Date, the ordinary shares ceased trading on the OTCQX and began trading on the OTC Pink Marketplace, under the symbol "**HELIQ**".

As of April 30, 2016, 544,000,000 shares of the Debtors' $0.003 par value ordinary shares had been authorized with 2,721,592 shares of ordinary shares issued and outstanding. As of April 30, 2016, 6,000,000 shares of the Debtors' $0.0001 par value redeemable convertible preferred shares had been authorized with 671,189 shares of redeemable convertible preferred shares issued and outstanding.

As of April 30, 2016, First Reserve Management, L.P. ("**First Reserve**"), a global private equity firm focused on energy, owned 1,530,011 shares of the CHC's ordinary shares, representing approximately 28.1% of the total voting power calculated on an as-converted basis of all stock.

On December 15, 2014, the Debtors completed the final of three offerings for a total of 600,000 shares of convertible preferred shares (the "**Preferred Shares**" and the holders of Preferred Shares, the "**Preferred Holders**") through a private placement to Clayton Dubilier & Rice, LLC ("**CD&R**") at the price of $1,000 per share for a total of $600 million. CHC used the net proceeds of this investment to reduce debt and other fixed charges.

Pursuant to that certain Rights and Restrictions of the Convertible Preferred Shares of CHC Group Ltd. Establishing the Terms of the Convertible Preferred Shares (the "**Preferred Share Rights and Restrictions**"), Preferred Holders accrue and accumulate dividends on a daily basis at a base rate of 8.50% per annum, which are payable, either in cash or with additional Preferred Shares, quarterly in arrears if, as and when so authorized and declared by the board of directors. As of April 30, 2016, 671,189 Preferred Shares were issued and outstanding, and all are held directly or indirectly by CD&R.

At any given time, all Preferred Holders can convert any or all of their Preferred Shares into some number of ordinary shares based upon a variable conversion rate. As of April 30, 2016, CD&R held preferred

shares representing approximately 52.2% of the outstanding ordinary shares on an as-converted basis. Pursuant to the Preferred Share Rights and Restrictions, to the extent that any Preferred Holder converts some number of Preferred Shares into ordinary shares such that the Preferred Holder controls more than 49.9% of total outstanding ordinary shares, any shares in excess of 49.9% of the total outstanding ordinary shares are replaced with an equivalent number of non-voting ordinary shares. The Preferred Shares vote together with the ordinary shares on an as converted basis and represent 49.9% of the vote.

2. Prepetition Indebtedness

As of the Petition Date, the Debtors had outstanding funded debt obligations in the aggregate amount of approximately $1.6 billion, which consisted of (i) approximately $370 million in secured borrowings under the Debtors' Revolving Credit Facility (as defined below), (ii) approximately $139 million in secured borrowing under the Debtors' ABL Credit Facility (as defined below), (iii) approximately $1.0 billion in principal amount of Senior Secured Notes, and (iv) approximately $95 million in principal amount of Unsecured Notes. The Debtors also had approximately $644 million in Preferred Shares outstanding as of the Petition Date.

(a) The Revolving Credit Facility

Debtors CHC SA, CHC Global Operations International Inc., CHC Global Operations (2008) Inc., Heli-One Canada Inc., Heli-One Leasing Inc., CHC Den Helder B.V., CHC Holding NL B.V., CHC Netherlands B.V., CHC Norway Acquisition Co AS, and Heli-One (Norway) AS, as borrowers, are parties to that certain Credit Agreement, dated as of January 23, 2014 (as amended, restated, supplemented, or otherwise modified from time to time, the "**Revolving Credit Agreement**"), with the lenders and issuing banks party thereto from time to time (collectively, the "**Revolving Credit Facility Lenders**"), HSBC Bank PLC, as administrative agent (the "**Revolving Credit Facility Administrative Agent**"), and HSBC Corporate Trustee Company (UK) Limited, as collateral agent (together with the Revolving Credit Facility Lenders and the Revolving Credit Facility Administrative Agent, the "**Revolving Credit Facility Secured Parties**").

The Revolving Credit Agreement governs a revolving credit facility (the "**Revolving Credit Facility**") that provides for revolving credit commitments, including letter of credit commitments and swingline commitments, in an aggregate principal amount of up to $375 million. The Revolving Credit Facility is guaranteed by Debtors' CHC Parent, 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., CHC SA and certain of CHC SA's subsidiaries organized under the laws of the United Kingdom, the Netherlands, Norway, Luxembourg, Canada, Australia, the United States of America, Ireland, Sweden, and Barbados (the borrowers and guarantors under the Revolving Credit Facility collectively, the "**Revolving Credit Facility Obligors**").

As of the Petition Date, the aggregate principal amount outstanding under the Revolving Credit Facility is approximately $328 million in unpaid principal and $43 million in face amount of undrawn Revolving Letters of Credit (as defined in the Revolving Credit Agreement), plus accrued and unpaid interest, fees, and other expenses. The Revolving Credit Facility bears interests at a floating interest rate that varies based upon CHC's consolidated total leverage, and matures on January 23, 2019.

(b) The ABL Credit Facility

Debtor CHC Cayman ABL Borrower Ltd. (the "**CHC ABL Borrower**"), as borrower, is a party to that certain Credit Agreement, dated as of June 12, 2015 (as amended, restated, supplemented or otherwise modified from time to time, the "**ABL Credit Agreement**" and, together with all agreements and documents delivered pursuant thereto or in connection therewith, each as amended, supplemented or

otherwise modified, the "**ABL Credit Facility Documents**"), with the lenders party thereto from time to time, Morgan Stanley Senior Funding, Inc., as administrative agent (the "**ABL Credit Facility Administrative Agent**"), and BNP Paribas S.A., as collateral agent (the "**ABL Credit Facility Collateral Agent**"). The ABL Credit Agreement provides CHC ABL Borrower with a senior secured non-amortizing asset based revolving credit facility in the aggregate amount of up to $145 million (the "**ABL Credit Facility**").

The obligations under the ABL Credit Facility are guaranteed by Debtors 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., CHC SA, and Cayman ABL Holdings Ltd., pursuant to that certain Guarantee Agreement, dated as of June 12, 2015, in favor of the ABL Credit Facility Administrative Agent, and by CHC Cayman ABL Holdings Ltd. pursuant to that certain Guarantee and Collateral Agreement, dated as of June 12, 2015 (as amended, restated, supplemented, or otherwise modified from time to time, the "**ABL GCA**"), by and among CHC Cayman ABL Holdings Ltd., CHC ABL Borrower, the ABL Credit Facility Administrative Agent, and the ABL Credit Facility Collateral Agent.

Pursuant to the terms of the ABL GCA and certain local law security documents, CHC Cayman ABL Holdings Ltd. has granted a security interest in the equity interests it holds in CHC ABL Borrower, and CHC ABL Borrower has granted a security interest in substantially all of its respective Assets, in each case to secure the obligations under the ABL Credit Facility, subject to the exceptions specified in the ABL Credit Facility Documents. Accordingly, the ABL Credit Facility is purportedly secured by certain of the Debtors' owned aircraft and related Assets, intercompany aircraft leases, and cash on deposit in certain of the Debtors' bank accounts.

As of the Petition Date, the aggregate principal amount outstanding under the ABL Credit Facility was approximately $139 million in unpaid principal, plus accrued and unpaid interest, fees, and other expenses. The ABL Credit Facility bears interest at a floating rate that varies based upon the level of utilization of the facility, and matures on June 12, 2020.

(c) The Senior Secured Notes

Debtor CHC SA, as issuer, is party to that certain Indenture, dated as of October 4, 2010 (as amended, modified, or otherwise supplemented from time to time, the "**Senior Secured Notes Indenture**"), with The Bank of New York Mellon, as indenture trustee (in such capacity, the "**Senior Secured Notes Indenture Trustee**"), and HSBC Corporate Trustee Company (UK) Limited, as collateral agent (together with the Senior Secured Notes Indenture Trustee and the holders of Senior Secured Notes, the "**Senior Secured Notes Secured Parties**"), pursuant to which CHC SA issued 9.250% Senior Secured Notes due 2020 in the aggregate principal amount of approximately $1.1 billion (the "**Senior Secured Notes**").

The Senior Secured Notes are guaranteed by Debtors CHC Parent, 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., and certain of CHC SA's subsidiaries (the issuer and the guarantors in respect of the Senior Secured Notes, the "**Senior Secured Notes Obligors**").

As of the Petition Date, the aggregate principal amount outstanding, plus accrued and unpaid interest, fees, and other expenses, under the Senior Secured Notes Indenture was approximately $1.068 billion. The Senior Secured Notes bear interest at a rate of 9.25% per annum, with interest payable semiannually on April 15 and October 15, and mature on October 15, 2020.

(d) The Security Documents for the Revolving Credit Facility and the Senior Secured Notes

The documents evidencing the obligations under the Revolving Credit Facility and the Senior Secured Notes assert that they are secured in accordance with the terms of certain local law security documents, pursuant to which the Revolving Credit Facility Obligors and the Senior Secured Notes Obligors granted first priority *pari passu* Liens on substantially all of their Assets (the "**Prepetition Collateral**"). The Liens on the Prepetition Collateral were granted in favor of HSBC Corporate Trustee Company (UK) Limited, which was appointed to act as agent and trustee for the benefit of the Revolving Credit Facility Secured Parties and the Senior Secured Notes Secured Parties (in such capacity and together with any of its successors in such capacity, the "**Secured Parties Collateral Agent**") pursuant to the terms of that certain Collateral Agent and Administrative Agent Appointment Deed, dated as of October 4, 2010, among the Revolving Credit Facility Administrative Agent, the Senior Secured Notes Indenture Trustee, the grantors party thereto, the lenders and arrangers party thereto, and the Secured Parties Collateral Agent.

The rights of the Revolving Credit Facility Secured Parties and the Senior Secured Notes Secured Parties with respect to their shared Collateral are governed by that certain Intercreditor Agreement, dated as of October 4, 2010, among CHC SA, the other grantors party thereto, the Secured Parties Collateral Agent, the Revolving Credit Facility Administrative Agent, and the Senior Secured Notes Indenture Trustee (as amended, modified, or otherwise supplemented from time to time, the "**Prepetition Intercreditor Agreement**"). Pursuant to the Prepetition Intercreditor Agreement, all the obligations under the Revolving Credit Facility and the Senior Secured Notes are secured equally with respect to the "**Shared Collateral**" described therein. Under the payment priority waterfall established by the Prepetition Intercreditor Agreement, the Revolving Credit Facility Secured Parties are entitled to receive proceeds of the Shared Collateral until paid in full, at which point the outstanding obligations under the Senior Secured Notes are to be paid ratably.

(e) The Unsecured Notes

Debtor CHC SA, as issuer, is party to that certain Indenture, dated as of May 13, 2013 (as amended, modified, or otherwise supplemented from time to time, the "**Unsecured Notes Indenture**"), with Law Debenture Trust Company of New York, as successor indenture trustee (the "**Unsecured Notes Indenture Trustee**"), pursuant to which CHC SA issued 9.375% Senior Unsecured Notes due 2021 in the original aggregate principal amount of $300 million (the "**Unsecured Notes**").

The Unsecured Notes are guaranteed by Debtors CHC Parent, 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., and certain of CHC SA's subsidiaries. The Unsecured Notes are senior unsecured obligations of the Debtors.

As of the Petition Date, the aggregate amount outstanding under the Unsecured Notes is approximately $95 million in unpaid principal, plus accrued and unpaid interest, fees, and other expenses. The Unsecured Notes bear interest at a rate of 9.375% per annum, with interest payable semiannually on June 1 and December 1, and mature on June 1, 2021.

IV.
KEY EVENTS LEADING TO THE COMMENCEMENT OF CHAPTER 11 CASES

A. Collapse in Oil Prices

With a significant customer base in the oil and gas industry, the Debtors' performance is closely tied to and impacted by changes in oil prices. The prices of Brent crude oil and natural gas have declined dramatically since mid-year 2014. These market dynamics have led many to conclude that the energy sector will remain under pressure for a prolonged period. The effects of this protracted downturn are evident in both onshore and offshore operations and throughout the oil and gas supply chain – in both exploration and production.

Due to the significant and rapid downturn in market conditions, the Debtors have seen their oil and gas customers reassess their exploration projects, focus on productivity enhancements, and reduce their capital expenditure plans. Offshore exploration activity has plummeted from its peak in 2013, with the majority of the drop occurring in the six months before the Petition Date. Specifically, as of the Petition Date the global offshore rig count was down 27% since 2013, with deep water rigs down more than 34%. With oil and gas exploration in a lull, many of the Debtors' customers are using the down cycle to focus only on commitment wells and to perform plug and abandonment work. Overall, CHC's exploration revenue, which accounted for approximately 10% of CHC's revenue from the oil and gas industry on the Petition Date, is down significantly in 2016 versus 2014.

On the production side, which accounts for the majority of the Debtors' revenue from the oil and gas industry, the sustained dip in oil prices has put the supply chains of oil and gas companies under intense pressure. As production revenue has dropped, oil and gas companies have been targeting operational inefficiencies in their supply chains to reduce costs. Pricing on existing contracts and new tenders has declined as these customers have implemented cost reduction measures and have demanded significant price concessions. Customers also have started utilizing less frequent worker rotations and service patterns to increase their productivity of assets and employees, resulting in a reduction in the number of aircraft required for each contract. These improvements in passenger utilization, coupled with the decrease in volume of offshore personnel, have significantly reduced demand for flying hours. In addition, in contrast to its long term lease arrangements with third-party lessors, the Debtors' customer contracts are typically short-term. In the lead up to the Petition Date, some customers had even started taking advantage of clauses in their contracts that permit termination for convenience as they sought out new contracts on the lowest-price principle from competitors. The Debtors' customers have been seeking more and more concessions and favorable contract terms as the market for helicopter services continues to shrink. Unlike exploration revenue that may come back as the oil price rebounds, these operational efficiencies on the production side are margin negative for helicopter operators and will likely remain in the supply chain even as market conditions improve.

B. Cost Cutting Measures

In response to the above developments, CHC, among other things, significantly reduced their spending and implemented a series of structural cost-cutting measures. Recognizing the need to take proactive steps in the down market, in early 2015, CHC brought in a new management team with substantial experience and expertise in operations and in the aircraft and leasing industry. The members of this new management team draw on experience from General Electric, International Lease Finance Corporation, and Schlumberger, and the team is led by Chief Executive Officer, Karl Fessenden, who came from General Electric. In the year leading up to the Petition Date, CHC and this new management team achieved reductions in operating expenses of approximately 17% on an FX neutral basis.

These cost reductions were driven by, among other things, a significant reduction in headcount, certain base closures, organizational delayering and centralization of back-office functions, restructuring of the maintenance and engineering teams, and various fleet adjustments. In addition, CHC engaged a consultant to review and provide recommendations to streamline its supply chain and organizational structure, which led to a substantial consolidation of its suppliers along with various process changes. CHC also undertook a strategic review of its direct labor costs, which resulted in changes to its roster patterns, a reduction in travel pay for employees, and a decision to outsource certain non-essential work such as ground operations.

CHC also took steps to reduce its total outstanding long-term obligations through two debt repurchase transactions of Unsecured Notes, which resulted in a reduction of their annual cash requirements by approximately $3.8 million. This reduction complemented the debt redemption and repurchase transactions that the Debtors undertook in fiscal years 2014 and 2015 to reduce their total outstanding long-term debt obligations, which reduced their cash requirements on an annualized basis to approximately $41.9 million.

Despite the best efforts of CHC and its management to actively restructure and reduce their operational and financial costs, the significant and prolonged downturn in market conditions in the oil and gas sector, the cost cutting measures being deployed by their customers, and the related decrease in the Debtors' revenues and cash flows from operations caused uncertainty regarding the viability of the Debtors' leveraged capital structure and cash flow structure in the long term.

C. Preserving Liquidity

In addition to the cost cutting measures described above, the Debtors' also implemented a strict liquidity preservation policy. Consistent with this policy, in January 2016, the Debtors drew the remaining $233 million of availability under the Revolving Credit Facility. In addition, in April 2016, CHC Parent and CHC SA decided not to make an interest payment of approximately $46 million with respect to the Senior Secured Notes, and to use the 30-day grace period under the Senior Secured Notes Indenture to continue working with their financial and legal advisors to review strategic alternatives for restructuring the Debtors' debt and leases expenses.

V.
THE CHAPTER 11 CASES

A. Commencement of Chapter 11 Cases and First Day Orders

On the Petition Date, each of the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court. The Chapter 11 Cases were assigned to the Honorable Barbara J. Houser and are being jointly administered for administrative convenience. At the first day hearings, the Debtors obtained interim approval to, among other things, use cash collateral and a centralized cash management system, honor certain prepetition obligations to employees, customer, and taxing authorities, and continue their business in the ordinary course during the pendency of the Chapter 11 Cases. A description of the first day motions is set forth in the *Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief* [Docket No. 13], filed on the Petition Date. At a subsequent hearing on June 6, 2016, with the exception of the Debtors' motions to use cash collateral and operate its centralized cash management system, the Bankruptcy Court approved, on a final basis, the relief granted on an interim basis at the first day hearing. Authorization to use cash collateral and continued use of a centralized cash management system was authorized on an interim basis until January 6, 2016 [Docket Nos. 59, 61, 274, 288, 569–70, 733–34, 831–32, 903, 906, 1144, 1146,

1291, 1292, [●] and [●]]. The Bankruptcy Court will consider a final order on those motions on January 6, 2016.

The Debtors retained the following advisors in the Chapter 11 Cases: (i) Weil, Gotshal & Manges LLP, as counsel to the Debtors; (ii) CDG Group, LLC ("**CDG**") to provide a chief restructuring officer and additional personnel to the Debtors; (iii) PJT Partners LP ("**PJT**") as financial advisor to the Debtors; (iv) Seabury Corporate Advisors LLC ("**Seabury**") as financial advisor to the Debtors with regards to aircraft-related issues; (v) Debevoise & Plimpton LLP as special aircraft counsel to the Debtors; (vi) KCC, as both claims and noticing agent as well as the administrative agent to the Debtors; (vii) Pricewaterhouse Coopers LLP as accounting and tax advisor to the Debtors; (viii) Ernst & Young LLP as audit services provider to the Debtors; (ix) DLA Piper LLP as special corporate counsel to the Debtors; and (x) Sage-Popovich, Inc. as inventory appraiser to the Debtors. These professionals represent and assist the Debtors in their Chapter 11 Cases. All of their retentions were approved by the Bankruptcy Court.

B. Appointment of the Committee

Pursuant to section 1102(a)(1) of the Bankruptcy Code, on May 13, 2016, the United States Trustee for the Northern District of Texas (the "**U.S. Trustee**") appointed the Creditors' Committee. The following creditors currently serve on the Creditors' Committee: (i) Global Helicopters Pilots Association, (ii) Airbus Helicopters (SAS) ("**Airbus**"), (iii) Milestone, (iv) Law Debenture Trust Company, and (v) Sikorsky Commercial, Inc. The Creditors' Committee is represented by (i) Kramer Levin Naftalis and Frankel LLP, as its counsel, (ii) Gardere Wynne Sewell LLP, as its local counsel, (iii) Greenhill & Co. LLC, as its investment banker, (iv) VLC Associates Ltd., as its financial advisor; and (v) KCC, as its noticing and information agent. These professionals represent and assist the Creditors' Committee in these Chapter 11 Cases and all of their retentions were approved by the Bankruptcy Court.

Since the formation of the Creditors' Committee, the Creditors' Committee has been an active participant in the Chapter 11 Cases as a fiduciary for all unsecured creditors and has worked closely with the Debtors on all aspects of the Chapter 11 Cases. Throughout the Chapter 11 Cases, the Debtors have worked closely and consulted with the Creditors' Committee on all matters including the Debtors' business operations, fleet-related decisions, use of cash collateral, and the Plan.

C. Claims

1. Schedules of Assets and Liabilities and Statements of Financial Affairs

Pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007(c), the Debtors were required to file, within 14 days after the Petition Date, (i) schedules of assets and liabilities, (ii) a schedule of current income and expenditures, (iii) a schedule of executory contracts and unexpired leases, and (iv) a statement of financial affairs (collectively, the "**Schedules**"). On the Petition Date the Debtors filed a motion seeking to extend the deadline to file their Schedules by 45 days [Docket No. 5]. Following discussions with the U.S. Trustee, the Debtors modified their request, and the Bankruptcy Court entered an order extending the Debtors' time to file the Schedules by 16 days beyond the original 14-day period [Docket No. 54]. On May 26, 2016, the Debtors requested a further extension of 30 days, to July 5, 2016 [Docket No. 199]. Following discussions with U.S. Trustee, the Debtors modified that request so that Debtor CHC Cayman Investments I, Ltd. would be required to file its Schedules by May 31, 2016, but all other Debtors would have until July 5, 2016 to file their Schedules. On June 6, 2016 the Bankruptcy Court so ordered [Docket No. 246]. On May 31, 2016, Debtor CHC Cayman Investments I, Ltd. filed its Schedules [Case 16-31859 Docket No. 6]. All of the other Debtors filed their Schedules on July 5, 2016

[Docket Nos. 458–541], with Debtors CHC Parent and Heli-One Canada ULC filing amendments thereto on October 7, 2016 [Docket Nos. 936–37].

2. Claims Bar Date and Notice of Bar Date

On July 8, 2016, the Bankruptcy Court entered an order (i) establishing August 26, 2016 at 4:00 p.m. (Pacific Time) as the deadline (the "**Bar Date**") for each Person or Entity (including, without limitation, individuals, partnerships, corporations, joint ventures, and trusts, but not including governmental units) to file proofs of Claim in respect of prepetition claims against any of the Debtors, and November 1, 2016 at 4:00 p.m. (Pacific Time) as the deadline for governmental units to file proofs of claim in respect of prepetition claims against any of the Debtors; and (ii) approving certain other related procedures [Docket No. 563]. On September 19, 2016, the Bankruptcy Court entered an order establishing October 27, 2016 at 4:00 p.m. (Pacific Time) as the deadline (the "**Supplemental Bar Date**") for certain additional potential claimants that did not receive actual notice of the Bar Date to file proofs of claim [Docket No. 878] (the Bankruptcy Court's orders establishing the Bar Date and Supplemental Bar Date, collectively, the "**Bar Date Orders)**.

Approximately 1,118 proofs of claim asserting Claims against the Debtors were received by KCC or filed with the Bankruptcy Court on or before the Bar Date. In addition, the Debtors have scheduled approximately 1,857 liquidated, noncontingent, and undisputed Claims. The aggregate amount of Claims filed and scheduled exceeds approximately $3,869,824,000, including duplication, but excluding any estimated amounts for contingent or unliquidated Claims.[6]

D. <u>Postpetition Operational Matters</u>

1. Repair Order Motion

In late June 2016, the Debtors determined that specific and limited Court relief was needed to pay the prepetition claims of certain suppliers to secure the release of parts essential to the Debtors' continued operations. Certain parts were shipped to repair shops for repair or maintenance prior to the Petition Date and worked on by the relevant repair shop both prior and subsequent to the Petition Date (the "**Straddling Repair Orders**"). Many of the repair shops were refusing to ship the repaired parts back to the Debtors unless the relevant Straddling Repair Order invoice was paid in full. Consequently, on July 1, 2016, the Debtors filed a motion for entry of an order (i) authorizing the Debtors to pay certain prepetition amounts for repair shops, shippers, warehousemen, and other lien claimants, and (ii) confirming administrative status for certain parts delivered to the Debtors postpetition [Docket No. 454]. On July 29, 2016, the Bankruptcy Court entered an order granting the Debtors' request [Docket No. 689].

2. Section 365(d)(4) Extension Motion

On July 29, 2016, the Debtors filed a motion seeking approval of an extension of the time to assume or reject unexpired leases of nonresidential real property pursuant to section 365(d)(4) of the Bankruptcy Code [Docket No. 698]. On August 29, 2016, the Bankruptcy Court entered an order extending the Debtors' time to assume or reject unexpired leases of nonresidential real property to December 1, 2016 [Docket No. 805].

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[6] Note: Does not include $1,102,271,688.00 Schedule D claim of The Bank of New York Mellon, the $139,000,000.00 Schedule D claim of Morgan Stanley Senior Lending, Inc., and the $327,500,000.00 Schedule D claim of HSBC Bank PLC, as they were scheduled as unliquidated. Additionally, the $10,718,540.94 Schedule F claims of Airbus Helicopters are excluded as well, as they were listed as disputed.

3. Boundary Bay Lease Rejection Motion

On November 30, 2016, the Debtors filed a motion seeking authority to reject a lease of real property pursuant to section 365 of the Bankruptcy Code [Docket No. 1264]. That lease relates to Debtor Heli-One Canada's leasehold interest in an office building and maintenance facility located at the Boundary Bay airport in Delta, British Columbia (the "**Boundary Bay Facility**). Pursuant to the terms of the lease, 6922767 Holding S.a.r.l. provided a guaranty of Heli-One Canada's obligations under the lease. The Debtors examined the lease related to the Boundary Bay Facility and concluded that the current base rent payable under the lease is substantially above market for similar premises and the lease provides for more space than is currently needed by Heli-One Canada's operations. The Debtors have attempted to renegotiate the lease with the Landlord but were unable to reach a consensual resolution. Accordingly, the Debtors have entered into a new lease for space that is more economical and suitable for Heli-One Canada's operations and commenced the process to relocate from the Boundary Bay Facility. The Debtors will continue to fulfill their obligations under the lease until they have fully vacated the Boundary Bay Facility. The Debtors' motion to reject the lease for the Boundary Bay Facility is set for hearing on January 24, 2017, with objections due by January 17, 2017. On December 9, 2016, the Canadian Court granted relief in the CCAA recognition proceeding (described below) confirming that the Bankruptcy Court is the proper forum and legal process to address the Debtors' proposed rejection of the Boundary Bay Facility lease.

4. Section 365 Assumption Motion

On October 28, 2016, the Debtors filed a motion seeking to assume certain unexpired leases of nonresidential real property pursuant to section 365 of the Bankruptcy Code [Docket No. 1088]. On December 6, 2016, the Bankruptcy Court entered an order approving the Debtors' request [Docket No. 1297].

E. Exclusivity

On September 2, 2016, the Bankruptcy Court entered an order [Docket No. 829], pursuant to section 1121(d) of the Bankruptcy Code, granting an extension of the Debtors' exclusive periods to file a plan of reorganization and solicit acceptances thereof through and including December 1, 2016 and January 30, 2017, respectively, without prejudice to the right of the Debtors to seek further extension of such periods. On October 28, 2016 the Debtors filed a supplemental motion seeking a further 80 day extension of the exclusive periods to file a plan of reorganization and solicit acceptances thereof through and including February 17, 2017 and April 17, 2017, respectively, without prejudice to the right to seek further extensions of such periods [Docket No. 1089], which extension was granted by an order of the Bankruptcy Court on December 6, 2016 [Docket No. 1301].

F. Foreign Proceedings

1. Canada

Certain of the Debtors are incorporated under the laws of the Canadian Province of British Columbia and maintain Assets and operations in that jurisdiction.[7] As a result of the Debtors' Assets and operations in Canada, the Debtors sought and received an order [Docket No. 884], pursuant to section 1505 of the

[7] The Debtors incorporated under the laws of the Canadian Province of British Colombia are CHC Global Operations Canada (2008) ULC, CHC Global Operations International ULC, CHC Global Operations (2008) ULC, Heli-One Leasing ULC, and Heli-One Canada ULC) (collectively, the "**Canadian Debtors**").

Bankruptcy Code, authorizing CHC Parent to act as foreign representative on behalf of the Debtors' estates.

On September 30, 2016, CHC Parent, as foreign representative, filed a Petition to the Supreme Court of British Columbia (the "**Canadian Court**") under Part IV of the Companies' Creditors Arrangement Act (the "**CCAA**") for an Initial Recognition Order (Foreign Main Proceeding) and a Supplemental Order (Foreign Main Proceeding), seeking, among other things, (i) recognition of the Chapter 11 Cases as "**foreign main proceedings**" (ii) recognition of CHC Parent as the foreign representative of the Debtors; (iii) recognition of certain orders granted by the Bankruptcy Court in the Chapter 11 Cases; and (iv) a stay of all proceedings against the Canadian Debtors and their directors and officers. The purpose of the CCAA proceeding is to protect the Debtors' Assets and operations in Canada and help implement the Debtors' Restructuring. The Canadian Court heard the Debtors' application on October 11, 2016, and granted the relief requested on October 13, designating the Chapter 11 Cases as foreign main proceedings. On December 9, 2016, the Canadian Court entered an order recognizing certain of the Bankruptcy Court's orders, including orders related to cash management, use of cash collateral, an interim restructuring term sheet related to helicopter leases with Lombard North Central PLC and Export Development Canada, and certain lease and contract rejection motions.

2. Cayman Islands

CHC Parent and certain other Debtors[8] are incorporated under the laws of the Cayman Islands. As the Debtors' Restructuring involves, among other things, the transfer of all Assets of CHC Parent to Reorganized CHC (as more fully described in the Restructuring Transactions attached hereto as **Exhibit D**), CHC Parent may seek to implement the Plan and the Restructuring Transactions, in part, through ancillary proceedings in the Cayman Islands. Such ancillary proceedings may include a provisional liquidation, an official liquidation, or any other proceeding necessary to effect the Restructuring Transactions. On December 6, 2016, the Debtors filed a motion seeking an order, pursuant to sections 362 and 1505 of the Bankruptcy Code, authorizing Cayman Investments I, 6922767 Holding S.à.r.l., CHC SA, Heli-One Canada ULC, and/or CHC Leasing (Ireland) Limited, as creditors of CHC Parent, to commence an ancillary proceeding in the Cayman Islands with respect to CHC Parent and its estate and to seek any other appropriate relief from the Grand Court of the Cayman Islands [Docket No. 1320].

G. Fleet Negotiations

In connection with the commencement of the Chapter 11 Cases, the Debtors have undertaken to formulate a revised fleet plan to address the high cost/weakened revenue environment and their customers' demands.

In addition to the agreement with the Milestone Parties, which is described in Sections V.K and V.M.6 below, the Debtors identified cost savings to be achieved by returning helicopters and other related equipment to lessors or finance parties that currently are not, or soon will not be, used to generate revenue in the Debtors' businesses. The Debtors also determined that reducing the number of different helicopter types in their fleet would decrease costs associated with crew training, inventory and maintenance. While achieving these cost savings, the Debtors have also endeavored to meet their customers' demands for newer technology helicopters by exiting five older technology helicopter types. This reduction and rationalization of the Debtors' fleet created a significant surplus of helicopters and other related equipment owned and leased by the Debtors. To address this surplus, the Debtors filed a series of motions seeking authorization, pursuant to section 365(a) of the Bankruptcy Code, to reject certain leases

[8] The Debtors incorporated under the laws of the Cayman Islands are CHC Parent, CHC ABL Borrower Ltd., CHC ABL Holdings Ltd., and CHC Cayman Investments I Ltd (the "**Cayman Debtors**").

for helicopters and related equipment. Since the Petition Date, the Court has approved the rejection of 74 helicopters. *See* Docket No. 273, 427, 428, 565, 833, 1042, and 1145.[9] As of the date of this Disclosure Statement, motions for the rejection of another twenty-six (26) helicopters are pending. *See* Docket Nos. 20, 210, and 1090.

Concurrent with these rejections, the Debtors have also engaged in extensive negotiations with various financing parties to reduce and eliminate the significant costs associated with the continued leasing and operation of helicopters that are to remain in the Debtors' fleet during the pendency of the Chapter 11 Cases and upon emergence from bankruptcy. Accordingly, the Debtors entered into several interim term sheets with various financing parties with respect to restructured lease and finance terms for 23 aircraft that are covered by the Debtors' revised fleet plan. *See* Docket Nos. 566, 567, 568, 735, 736, and 959. The Debtors and such financing parties are currently engaged in good faith, arms-length negotiations to enter into final definitive restructuring term sheets for these aircraft.

H. <u>The ABL Litigation and Settlement</u>

1. The ABL Litigation

As of the Petition Date, the Debtors had 13 aircraft financed under the ABL Credit Facility, comprised of a combination of Sikorsky S76C++ model helicopters, AgustaWestland AW139 model helicopters, and Airbus AS332L1 and EC225 model helicopters. Due to the fleet resizing and adjustments necessary to align with the Debtors' revised fleet plan, on June 8, 2016 the Debtors filed a motion seeking authority to abandon all 13 of the aircraft financed by the ABL Credit Facility (the "**ABL Abandonment Motion**") [Docket No. 275]. The ABL Abandonment Motion was originally scheduled to be heard on July 7, 2016. After the filing of the ABL Abandonment Motion, the Debtors began negotiating with (i) the ABL Credit Facility Administrative Agent, (ii) the ABL Credit Facility Collateral Agent, (iii) Deutsche Bank AG New York Branch, (iv) Morgan Stanley Bank, N.A., and (v) Natixis, New York Branch (collectively, the "**ABL Lenders**") with respect to the terms of a potential settlement with respect to the ABL Abandonment Motion. To facilitate and continue these negotiations, the Debtors adjourned the hearing on the ABL Abandonment Motion until November 29, 2016 [Docket Nos. 431, 673, 769, 860, and 1078].

On September 30, 2016, the ABL Lenders filed an expedited motion to compel payment of superpriority administrative expenses (the "**ABL Administrative Expense Motion**") as adequate protection payments for what the ABL Lenders alleged to be a continuous decline in the value of their Collateral post-petition [Docket No. 924]. The Debtors filed an objection to the ABL Administrative Expense Motion on October 26, 2016 [Docket No. 926]. The ABL Lenders subsequently filed motions for continuance of the ABL Administrative Expense Motion until November 29, 2016, noting progress with respect to a potential settlement with the Debtors [Docket Nos. 1017 and 1076].

[9]On April 29, 2016, an Airbus EC 225 helicopter, or EC 225, operated in Norway by one of the Debtors' non-debtor affiliates, CHC Helikopter Services AS, was involved in an accident near the Flesland Airport in Bergen, Norway. The EC 225 carried 11 passengers and two crew members. Full investigations into the cause of the accident are being carried out in conjunction with regulators and police authorities. In collaboration with CHC's stakeholders, customers and regulatory authorities, pending the outcome of the investigation, CHC suspended, together with other operators, flying operations of the EC 225 and AS332 L2 helicopter types. The Bankruptcy Court has approved the rejection of all of the Debtors' leased EC 225 helicopters. In addition, the Debtors abandoned four (4) owned EC 225 aircraft pursuant to the ABL Abandonment Motion, which results in two (2) remaining owned EC 225 helicopters in CHC's fleet.

2. The ABL Settlement

To facilitate the Debtors' revised fleet plan, on October 26, 2016 the Debtors and the ABL Lenders agreed to enter into certain transactions pursuant to a binding term sheet (the "**ABL Transaction**"), the terms of which the Debtors have determined provide them with sufficient fleet flexibility and cost savings for the purposes of their fleet restructuring. The ABL Transaction includes cost savings and flexibility in the form of reductions in the loan principal balance and associated mortgage rates and the easing of certain covenants, while allowing the Debtors to retain eight key aircraft operating on existing customer contracts. The five remaining aircraft in the ABL Credit Facility, comprising of one Sikorsky S76C++ model helicopter and four Airbus EC225 model helicopters, will be abandoned by the Debtors. The ABL Transaction remains subject to final documentation.

On October 27, 2016, the Debtors filed a motion with the Bankruptcy Court (the "**ABL Transaction Motion**") seeking authority to enter into, among other things, the ABL Transaction pursuant to Bankruptcy Rules 6004 and 9019 [Docket No. 1071]. A term sheet setting forth the terms of the ABL Transaction is attached hereto as **Exhibit E**. By order dated December 6, 2016, the Bankruptcy Court approved the ABL Transaction [Docket No. 1293]. By entering into the ABL Transaction, the Debtors are able to (i) avoid costly litigation regarding the treatment of the ABL Lenders' Collateral, (ii) agree upon the amount and scope of the ABL Lenders' Administrative Expense Claims and (iii) obtain the flexibility required to "right-size" their fleet in connection with the business plan. In addition, by order dated December 6, 2016, the Bankruptcy Court approved the ABL Abandonment Motion with respect to five (5) of the aircraft under the ABL Credit Facility [Docket No. 1299].

Certain elements of the ABL Transaction are set out below:

(a) Existing Aircraft

The Amended and Restated ABL Credit Agreement will cover eight aircraft, comprising a combination of 3 Sikorsky S76C++ model helicopters, 4 AgustaWestland AW139 model helicopters, and 1 Airbus AS332L1 model helicopter, with the following revised terms:

- the Amended and Restated ABL Credit Facility will have all financial covenants removed and the Amended and Restated ABL Credit Facility Documents will have amended cross-default provisions;
- the principal balance of the Amended and Restated ABL Credit Facility will be reduced;
- the Amended and Restated ABL Credit Agreement will be restructured upon a new payment schedule with a balloon payment at expiration; and
- the Debtors will make interim payments to the ABL Lenders for the period from the Petition Date until the Effective Date.

(b) Allowed General Unsecured Claim

The ABL Lenders will receive a separate and distinct, stipulated, non-priority, pre-petition, Allowed General Unsecured Claims against each of the bankruptcy estates of CHC ABL Borrower, CHC Cayman ABL Holdings Ltd., CHC Helicopter Holding S.à r.l., CHC SA, and 6922767 Holding SARL, as borrower and guarantors respectively, under the ABL Credit Agreement, in the amount of $78 million (the "**ABL Allowed General Unsecured Claim**"), provided that the aggregate total recovery from CHC ABL Borrower, CHC Cayman ABL Holdings Ltd., CHC Helicopter Holding S.à r.l., CHC SA, and

6922767 Holding SARL in respect of the ABL Allowed General Unsecured Claim will not exceed, in the aggregate, $78 million, and will receive distributions pursuant to Section 4.7 of the Plan.

(c) Fees

The ABL Lenders will not receive any additional adequate protection or other payments, other than the fees and expenses already paid by the Debtors to the ABL Lenders (the "**ABL Fees**") as of the time of entry into the ABL Transaction. On the Effective Date, the Debtors will make an exit payment to the ABL Lenders (the "**ABL Exit Payment**"). Other than the ABL Fees, the ABL Exit Payment, and the ABL Allowed General Unsecured Claim, the CHC Parties will have no obligation to make any other payments to the ABL Lenders in connection with the Restructuring.

(d) Releases

The ABL Lenders have agreed to the release and waiver of certain Claims as part of the ABL Transaction, including a waiver of all events of default relating to the Chapter 11 Cases and any losses or Claims arising as a result of the negotiation, preparation, and execution of the documents relating to the ABL Transaction.

I. Adversary Proceedings

1. Element Capital Adversary Proceeding

On November 17, 2016, ECN Capital (Aviation) Corp., also known as Element Capital Corp. ("**Element**"), filed an adversary proceeding against Airbus in connection with the April 29, 2016 Airbus EC225 crash near the Flesland Airport in Bergen, Norway. [Adversary Proceeding No. 16-03151, Docket. No. 1]. CHC is not named as a defendant in the complaint. Element argues that it is entitled to economic, punitive, and exemplary damages, as well as costs of recovery, maintenance, storage and replacement of the five (5) EC225's that Element owns, as a result of Airbus' alleged negligence, defective design, defective manufacturing, failure to warn, violation of implied warranty of merchantability, negligent misrepresentation and/or fraud regarding the allegedly unsafe helicopters. Although Element is not seeking any damages or relief against the Debtors, Element alleges that the outcome of the lawsuit is "likely to impact the CHC Debtors' estates" in these chapter 11 cases. Element asserts that the Court has jurisdiction over defendant Airbus because Airbus has appeared in the CHC bankruptcy cases, by filing proofs of claims and pleadings, and through its participation as a member of the Creditors' Committee. As of the date of this Disclosure Statement, the Debtors have not replied to Element's complaint, and reserve all rights to do so. For the avoidance of doubt, neither the proposed Plan nor this Disclosure Statement attempts to alter any rights or claims (whatever such rights or claims may be) that any debtor, creditor, lessor, or third party may have against any OEM (original equipment manufacturer) of any helicopter or helicopter component arising out of accidents involving the "EC 225" and "AS 332 L2" helicopter types and resulting regulatory actions, including, without limitation, the April 29, 2016 EC 225 helicopter type accident near the Flesland Airport in Bergen, Norway and resulting regulatory suspension of flight operations.

2. Sparebank Adversary Proceeding

On August 17, 2016, Sparebank 1 SR-Finans AS and Sparebanken Finans Nord-Norge (collectively, "**Sparebank**") filed a complaint (the "**Sparebank Adversary Complaint**") against Ironshore Specialty Insurance Company ("**Ironshore**") and Debtors CHC SA and Heli-One Leasing (Norway) AS, seeking (i) a declaratory judgment that Ironshore may not take any action to modify, cancel, or otherwise terminate certain residual value insurance policies (together, the "**RVI Policies**")

insured by Ironshore, based upon the Debtors' commencement of these cases, (ii) declare that the leases related to three helicopters, and the RVI Policies related thereto, are interests of the Debtors in their bankruptcy cases, and (iii) grant other relief as applicable. [Adversary Proceeding No. 16-03121, Docket No. 1]. The RVI Policies relate to three (3) helicopters leased by Sparebank to the Debtors, and insured by Ironshore.

On September 15, 2016, Ironshore filed a motion to dismiss the Sparebank Adversary Complaint on procedural and substantive grounds [Adversary Proceeding No. 16-03121, Docket. No. 8], and also filed a motion to abstain [Adversary Proceeding No. 16-03121, Docket. No. 10] (together, the "**Ironshore Motions**"). On September 26, 2016, the Debtors filed a limited joinder to Ironshore's motion to dismiss, solely with respect to the arguments that (i) the Court lacks jurisdiction to adjudicate the Sparebank Adversary Complaint, and (ii) the Court should abstain from adjudicating the Sparebank Adversary Complaint [Adversary Proceeding No. 16-03121, Docket. No. 12].

On December 19, 2016, the Bankruptcy Court granted the Ironshore Motions and dismissed the adversary complaint with prejudice.

J. Collateral Analysis

In accordance with the Creditors' Committee's duties as a fiduciary for unsecured creditors, shortly after its appointment, the Creditors' Committee commenced a comprehensive investigation into the asserted Claims and Liens of the Prepetition Secured Lenders (*i.e.*, the Revolving Credit Facility Lenders and the holders of Senior Secured Notes) to identify any unencumbered Assets that could potentially inure for the benefit of unsecured creditors. The Creditors' Committee's investigation focused on determining the scope and validity of the Prepetition Secured Lenders' asserted Liens on the following categories of Assets: aircraft, rotables, major spare parts, deposit accounts, Cash, inventory, equity stock, accounts receivable, intercompany Claims, intellectual property, and certain other miscellaneous Assets. Given that the Debtors' operations and Assets are located in many jurisdictions throughout the world, the Creditors' Committee's investigation necessarily involved the review and analysis of documentation governed by the laws of, the following jurisdictions: Australia, Barbados, Canada, Ireland, Luxembourg, The Netherlands, Norway, Sweden, the United Kingdom, and the United States (collectively, the "**Security Jurisdictions**"). Over the course of several months, the Creditors' Committee worked with local counsel in the Security Jurisdictions, as well as with the Debtors and their advisors, to identify whether the Prepetition Secured Lenders' Shared Collateral, with respect to each of the above listed categories of Assets, was granted and perfected in accordance with the specific requirements of the applicable Security Jurisdictions.

Based on the results of this diligence, the Creditors' Committee identified potential issues regarding the asserted Claims and Liens of the Prepetition Secured Lenders that the Creditors' Committee believes could have been the subject of successful challenges and litigation. The Prepetition Secured Lenders challenged the Creditors' Committee's findings with respect to the Shared Collateral and raised several alternative conclusions. While the Creditors' Committee remained confident in its findings, it recognized that disputes over these issues would require complex, costly, and time-consuming litigation. Accordingly and as described in more detail in Section V.M.2 below, the Creditors' Committee decided to negotiate a settlement with the Debtors and the holders of Senior Secured Notes that included, among other things, a settlement as to the validity, extent and priority of the Liens securing the Senior Secured Notes.

K. Fleet Reconfiguration Strategy

In connection with the commencement of these Chapter 11 Cases, the Debtors began to formulate a revised business plan to address the high cost and weakened revenue environment impacting the Debtors' performance. As a key component of that business plan and of the chapter 11 process, the Debtors designed a comprehensive fleet reconfiguration strategy. As described in Section V.G above, the Debtors identified cost savings to be achieved through a significant reduction in the CHC Prepetition Fleet by eliminating non-revenue generating helicopters and other related equipment. The Debtors also determined that they needed a significant reduction in lease-related expenses for remaining helicopters.

In furtherance of this strategy, the Debtors determined that they would need to enter into a lease restructuring with one or more primary lessors with respect to aircraft that will remain in the fleet. Such primary lessor(s) would provide the Debtors with flexibility to shorten the terms of leased helicopters, provide savings in respect of lease rates and lease terms (for example, by making the return conditions for the helicopters less onerous and by returning certain aircraft), and potentially provide financing for the acquisition and/or refinancing of helicopters in the future.

The Debtors commenced negotiations with two of their largest lessors regarding potential lease restructuring transactions that would provide the Debtors with the necessary flexibility and cost savings to reach the goals set forth in the new fleet plan. The Debtors engaged in several rounds of parallel negotiations with the two lessors, engaging in multiple in-person and telephonic negotiation sessions and exchanging numerous drafts of term sheets and indicative proposals.

These negotiations culminated in an agreement between the Debtors and the Milestone Parties for an overall transaction that the Debtors have determined provides the Debtors with fleet and cost adjustments necessary to achieve the goals of and implement the Debtors' fleet restructuring. Under this agreement, Milestone will serve as the lead lessor for the Debtors' go-forward fleet of helicopters. As described in more detail in Section V.M.6 below, included in the cost savings and flexibility are restructuring of lease rentals, agreed return of certain helicopters, the lease of additional helicopters, and a new debt facility for the acquisition and/or refinancing of certain aircraft.

In addition, the Debtors advanced discussions with Waypoint Leasing Holdings Ltd., engaging in multiple in-person and telephonic negotiation sessions to reach an agreement in principle on a proposal for an overall transaction that the Debtors believe will provide them with significant flexibility in their fleet and cost savings, consistent with their overall fleet restructuring goals. Upon completion of a definitive term sheet, the transaction will be submitted to the Bankruptcy Court for approval. With this agreement in principle, and upon approval of the definitive term sheet in these Chapter 11 Cases, the Debtors will have reached a favorable result with both of their largest lessors consistent with the goals set forth in the Debtors' business plan.

L. New Money Investor Strategy

At the outset of these Chapter 11 Cases, the Debtors' financial advisor, PJT, commenced a marketing process to identify parties interested in providing the Debtors with new capital. PJT contacted approximately 20 potential investors and received approximately 25 inbound inquiries. PJT sent nondisclosure agreements ("**NDAs**") to approximately 25 of these potential investors, of which approximately 15 executed NDAs. A handful of these potential investors engaged in diligence calls with the Debtors' advisors. Ultimately, none of these third parties were interested in submitting a formal proposal to the Debtors.

In parallel to the third party marketing process described above, the Debtors and their advisors also engaged with members of the Debtors' existing capital structure regarding a potential new money investment. These discussions in the first instance were primarily with (i) a group of holders of Senior Secured Notes that would ultimately become the Plan Sponsors and (ii) another stakeholder (whose name the Debtors are not permitted to disclose due to confidentiality restrictions). These parties entered into long-term NDAs, participated in several meetings with the Debtors' management and advisors regarding the Debtors' business plan, and undertook extensive diligence on the Debtors. Following these discussions and diligence sessions, in late June, the Plan Sponsors provided the Debtors with an initial new money proposal. The other bidder submitted its initial proposal in July.

Over the next several weeks, the Debtors and their advisors continued to engage in discussions with both bidders in an effort to improve their proposals. The Debtors also encouraged each bidder to engage with other members of the Debtors' capital structure, including the Creditors' Committee and certain lenders party to the Revolving Credit Agreement, to build broader consensus and refine the terms of their proposals in a way that would provide for a global settlement among all or a portion of the Debtors' key creditor groups. Through this competitive process, the Debtors and the Creditors' Committee were able to significantly advance the terms of each proposal, resulting in two new money proposals, each of which would have provided increased liquidity sufficient to fully fund the Debtors' business plan upon emergence from chapter 11.

After extensive analysis and consultation with their advisors, the Debtors determined, in their business judgment, that the Plan Sponsors' proposal was superior to the alternative proposal that they received for several reasons, including, without limitation: (i) it ultimately provided greater deleveraging of the Debtors' balance sheet, (ii) it resulted in lower fixed interest charges on the Debtors' restructured debt, (iii) it was supported by holders representing or holding approximately 67.56% of the Senior Secured Notes (the Debtors' largest creditor), approximately 73.56% of the holders representing or holding Unsecured Notes, as well as by Milestone (the Debtors' largest lessor), (iv) it minimized the litigation risk associated with prosecuting the Debtors' plan of reorganization, and (v) it represented the best path toward an efficient and highly-consensual emergence from chapter 11.

The Debtors and the Plan Sponsors, together with the other Consenting Creditor Parties, spent considerable time engaged in extensive negotiations—including multiple meetings, calls and exchanges of term sheets—to finalize and document the terms of the Plan Support Agreement and the other agreements and term sheets attached thereto.

M. <u>Motion to Approve the Plan Support Agreement and the Backstop Agreement</u>

1. Overview

The Plan Support Agreement memorializes the essential terms of the consensual Restructuring agreed between the Debtors and the Consenting Creditor Parties, which terms have been incorporated into the Plan. On October 11, 2016, the Debtors filed the Support Agreements Approval Motion, which requests an order authorizing the Debtors to enter into the Plan Support Agreement and the Backstop Agreement. On November 3, 2016, the Debtors filed amendments to the Plan Support Agreement, the Backstop Agreement, and the Milestone Term Sheet [Docket No. 1129], pursuant to which the dates of certain milestones were adjusted to align with certain hearing dates set with the Bankruptcy Court.

On November 10, 2016, (i) the U.S. Trustee for Region 6, (ii) Angelo, Gordon & Co. and Cross Ocean Partners, and (iii) BNP Paribas S.A. and HSBC France S.A. filed objections to the Support Agreements Approval Motion [Docket Nos. 1163, 1164, and 1168].

On December 20, 2016, the Bankruptcy Court entered the Support Agreements Approval Order granting the relief requested in the Support Agreements Approval Motion

2. The Plan Support Agreement

On October 11, 2016, the Debtors entered into the Plan Support Agreement with the Consenting Creditor Parties regarding the terms of the Restructuring. Under the Plan Support Agreement, each of the Consenting Creditor Parties (except for the Creditors' Committee) agreed to, among other things, and subject to certain conditions: (i) vote any Claim it holds against the Debtors to accept the Plan and not (a) change or withdraw (or cause to be changed or withdrawn) its vote to accept the Plan, (b) object to, delay, impede, or take any other action to interfere with acceptance or implementation of the Plan, or (c) directly or indirectly seek, solicit, negotiate, encourage, propose, file, support, participate in the formulation of, or vote for, any restructuring, sale of assets, merger, workout or plan of reorganization for any of the Debtors other than the Plan; and (ii) condition any transfer of its Claims against the Debtors to the transferee thereof being an existing Consenting Creditor Party or becoming party to the Plan Support Agreement. Under the Plan Support Agreement, the Creditors' Committee agreed to support the confirmation and consummation of the Plan and to submit a letter recommending that unsecured creditors vote in favor of the Plan.

As described in more detail above, the Plan Support Agreement encompasses a global settlement of any and all potential contested issues among the Debtors and the Consenting Creditor Parties pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, including, without limitation:

- the amount, value, and treatment of ABL Claims, Senior Secured Notes Claims, and Unsecured Notes Claims against the Debtors;
- the validity, extent and priority of the Liens securing the Senior Secured Notes;
- the value of the Debtors' encumbered and unencumbered Assets;
- any potential adequate protection or diminution in value Claims by the holders of Senior Secured Notes;
- any potential Claims to surcharge Collateral under section 506(c) of the Bankruptcy Code;
- the allocation of distributable value among the various creditor classes; and
- the Equity Value and the total enterprise value of the reorganized company premised upon the Debtors remaining as a going concern, which is conditioned upon the $300 million new money investment.

Pursuant to the Plan Support Agreement, holders of Allowed Senior Secured Notes Claims and Allowed Unsecured Notes Claims that are Eligible Offerees will have the opportunity to participate in the $300 million Rights Offering, with Subscription Rights to participate in $280 million of the Rights Offering (which equates to 74.41% of the New Membership Interests issuable upon conversion of such New Second Lien Convertible Notes on a fully diluted basis (but subject to dilution for the Management Incentive Plan) as of the Effective Date (*i.e.*, $404,444,444 face amount of the New Second Lien Convertible Notes as of the Effective Date)) allocated to the holders of Allowed Senior Secured Notes Claims (the "**Senior Secured Notes Subscription Rights**") and $20 million of the Rights Offering (which equates to 5.32% of the New Membership Interests issuable upon conversion of such New Second Lien Convertible Notes on a fully diluted basis (but subject to dilution for the Management Incentive

Plan) as of the Effective Date (*i.e.*, $28,888,889 face amount of the New Second Lien Convertible Notes as of the Effective Date)) allocated to holders of Allowed Unsecured Notes Claims (the "**Unsecured Notes Subscription Rights**"). To the extent a holder of an Allowed Senior Secured Notes Claim or an Allowed Unsecured Notes Claim is a Non-Eligible Offeree, such holder will be entitled to receive a Substitute Distribution as further described in Section XIII.F below. Any unclaimed portion of New Membership Interests otherwise available to Non-Eligible Offerees holding either Allowed Senior Secured Notes Claims or Allowed Unsecured Notes Claims shall be distributed Pro Rata to all holders of Allowed Senior Secured Notes Claims and Allowed Unsecured Notes Claims, respectively. In addition to the Subscription Rights just described, (i) all holders of Allowed Senior Secured Notes Claims will receive their Pro Rata share of 79.5% of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which equates to 11.6% of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan); (ii) all holders of Allowed Unsecured Notes Claims will receive their Pro Rata share of 8.9% of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which equates to 1.3% of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan). In consideration for the above treatment, holders of Allowed Senior Secured Notes Claims have agreed, pursuant to the terms of the Plan Support Agreement and as part of the overall settlement contained therein, to waive their rights to any recoveries on account of their Senior Secured Notes Deficiency Claims.

As more fully described in Section I.8 hereof, all holders of Allowed General Unsecured Claims will receive a share of (i) 11.6% of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which equates to 1.7% of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan) and (ii) up to $37.5 million in New Unsecured Notes, less the amount of the Convenience Claim Distribution Amount.

The Plan also provides for Cash distributions up to the Convenience Claim Distribution Amount (*i.e.*, up to $750,000) to holders of any Claim against the Debtors that would otherwise be an Allowed Primary General Unsecured Claim that is (i) Allowed in the Convenience Claim Amount (*i.e.*, $100,000, or such greater amount as may be agreed to among the Debtors and the Creditors' Committee) or less, or (ii) irrevocably reduced to the Convenience Claim Amount at the election of the holder of the Claim evidenced on the Ballot submitted by such holder; *provided, however*, that a Primary General Unsecured Claim may not be subdivided into multiple Claims of the Convenience Claim Amount or less for purposes of receiving treatment as a Convenience Claim; *provided, further, however* that, to the extent that a holder of a Convenience Claim against a Debtor holds any joint and several liability claims, guaranty claims, or other similar claims against any other Debtors arising from or relating to the same obligations or liability as such Convenience Claim, such holder shall only be entitled to a distribution on one Convenience Claim against the Debtors in full and final satisfaction of all such Claims. Allowed Secondary General Unsecured Claims are not eligible to be treated as Convenience Claims. For the avoidance of doubt, a holder of a Convenience Claim is not eligible to receive a distribution on account of any Allowed Secondary General Unsecured Claims related to such Convenience Claim, and such Allowed Secondary General Unsecured Claims will not be counted for either voting or distribution purposes.

Under the Plan Support Agreement, the Debtors agreed, among other things, and subject to certain conditions, to: (i) use commercially reasonable efforts to expeditiously prepare the requisite Restructuring

Documents (as defined in the Plan Support Agreement), (ii) timely provide certain Consenting Creditor Parties with the opportunity to comment on and review the Restructuring Documents consistent with the approval rights granted to such parties under the terms of the Plan Support Agreement, (iii) support and take such actions as are necessary or appropriate or reasonably requested by the Consenting Creditor Parties to further the consummation of the Restructuring and confirmation of the Plan, including commercially reasonable efforts to obtain any and all required regulatory and/or third party approvals necessary, if any, for the Restructuring, (iv) operate the businesses of the Debtors in the ordinary course and consistent with past practice and the business plan of the Debtors; (v) not modify the Plan or any of the Restructuring Documents or take any action or file any motion, notice, pleading or other Restructuring Document with the Bankruptcy Court that is inconsistent with the Plan Support Agreement, the Plan or any other Restructuring Document, (vi) not directly or indirectly seek, solicit, negotiate, encourage, propose, file, support, consent to, pursue, initiate, assist, participate in the formulation of, or enter into any agreements relating to any restructuring, sale of assets, merger, workout or plan of reorganization for any of the Debtors other than the Plan, and (vii) not take certain other actions during the pendency of the Chapter 11 Cases, including actions that would challenge the validity, enforceability or priority of the claims related to the Senior Secured Notes or otherwise affect the rights or Claims of the Consenting Creditor Parties.

The Plan Support Agreement is terminable by the Debtors and the Consenting Creditor Parties under certain circumstances, such as: (a) the termination of the Backstop Agreement, (b) the termination of the consensual use of cash collateral under the Final Cash Collateral Order, or (c) the failure to meet certain milestone dates with respect to (i) obtaining an order from the Bankruptcy Court approving the Plan Support Agreement, (ii) filing the Plan and this Disclosure Statement with the Bankruptcy Court, (iii) commencing solicitation of votes on the Plan and Rights Offering, and (iv) obtaining the entry of a Final Order confirming the Plan. Additionally, the Debtors and the Creditors' Committee may take or not take actions consistent with their fiduciary obligations under applicable law, including terminating the Plan Support Agreement. As set forth in the Plan Support Agreement, upon the occurrence of a termination event, the Debtors and/or the Requisite Plan Sponsors, as applicable, have the right to terminate the Plan Support Agreement as to all parties. However, the Individual Creditor Parties, the Milestone Parties, the Additional Consenting Creditors, and the Creditors' Committee may only terminate the Plan Support Agreement as to themselves. Additionally, the Plan Support Agreement terminates automatically without any further required action or notice on the Effective Date. Finally, the Plan Support Agreement and the obligations of the Debtors and the Consenting Creditor Parties may be terminated by mutual agreement among the Debtors, the Requisite Plan Sponsors, and the Creditors' Committee.

3. Rights Offering and New Second Lien Convertible Notes

CHC Parent and Reorganized CHC have agreed to have Reorganized CHC solicit participation in the Rights Offering, which contemplates a new money investment of $300 million to purchase New Second Lien Convertible Notes by Eligible Offerees that are holders of Allowed Senior Secured Notes Claims and holders of Allowed Unsecured Notes Claims.

The $300 million of new capital will be invested at a 10% original issue discount and will include a $100 million equitization premium (the "**Equitization Premium**") on account of the equitization of the Senior Secured Notes Claims, resulting in the issuance of $433.3 million in aggregate principle amount of New Second Lien Convertible Notes, which after giving effect to the Put Option Premium (as defined below), will be issued in an aggregate principal amount of $464.1 million. Holders of Allowed Senior Secured Notes Claims and holders of Allowed Unsecured Notes Claims that are Eligible Offerees will have the opportunity to participate in the Senior Secured Notes Subscription Rights and the Unsecured Notes Subscription Rights, respectively.

The terms of the New Second Lien Convertible Notes are set forth on the term sheet annexed to the Plan Term Sheet as **Exhibit D** (the "**Convertible Notes Term Sheet**"), and include:

Term	Description
Issuer	Reorganized CHC.
Guarantors	Same as under any credit facility provided as consideration on account of the claims of the Holders of Allowed Revolving Credit Agreement Claims (a "**New Credit Facility**") or otherwise reasonably acceptable to the Requisite Plan Sponsors, the Debtors, and the Creditors' Committee.
Purchase Price	$300.0 million
Facility	$464.1 million (inclusive of the original issue discount, Equitization Premium, and the Put Option Premium) in face amount of second lien convertible notes (the "**New Second Lien Convertible Notes**").
Equitization Premium	$100.0 million of New Second Lien Convertible Notes
Put Option Premium	$30.8 million of New Second Lien Convertible Notes
Original Issue Discount	10.0%
Initial Holders	Each holder that is an "**accredited investor**" within the meaning of Regulation D under the Securities Act of 1933, as amended (the "**Securities Act**") of (i) an allowed Senior Secured Notes Claim shall have the right to purchase its Pro Rata share of $404.4 million of the New Second Lien Convertible Notes and (ii) an allowed Unsecured Notes Claim shall have the right to purchase their Pro Rata share of $28.9 million of the New Second Lien Convertible Notes, in each case, pursuant to the Rights Offering. New Second Lien Convertible Notes will be held in book-entry form through Depository Trust Company ("**DTC**") to the extent the initial holders thereof are "**qualified institutional buyers**" (as defined in Rule 144A under the Securities Act) or institutional "**accredited investors**" (within the meaning of subparagraphs (a)(1), (2), (3) or (7) of Rule 501 of Regulation D under the Securities Act), to the extent practicable.
Security	Same as the collateral under the New Credit Facility or otherwise reasonably acceptable to Requisite Plan Sponsors, the Debtors and the Creditors' Committee but, in each case, junior to the liens securing the New Credit Facility.
Interest	Will not bear or pay interest other than in connection with an event of default.
Default Rate	Upon and during the continuance of any event of default, interest shall accrue at a rate of 2.0% per annum, payable in Cash.
Maturity	The date that is 3.5 years after the Effective Date (the "**Maturity Date**").
Dividends	Participation in ordinary share dividends (other than dividends paid in New Membership Interests) on an as-converted basis.
Voting Rights	Entitled to vote on all matters upon which the holders of ordinary shares may vote, on an as-converted basis.

Term	Description
Backstop Commitments	The Backstop Parties shall backstop the New Second Lien Convertible Notes issuance and receive the Put Option Premium in consideration for such Backstop Commitment as set forth in the Plan Term Sheet.
Mandatory Conversion	The New Second Lien Convertible Notes will be mandatorily converted to New Membership Interests upon the occurrence of any of the events set forth below (the date of such conversion, the "**Conversion Date**"). The number of New Membership Interests issuable upon conversion of the $464.1 million outstanding principal amount of New Second Lien Convertible Notes will be equal to 85.4% of the New Membership Interests outstanding as of the Effective Date on a fully diluted basis (but subject to dilution for the Management Incentive Plan), subject to adjustments related to anti-dilution protections. The conversion price shall be $464.1 million (even if less than that aggregate face amount of New Second Lien Convertible Notes is issued on the Effective Date) divided by the aggregate number of New Membership Interests issuable in respect of $464.1 million face amount of New Second Lien Convertible Notes on the Effective Date, subject to anti-dilution protections or other adjustments as described below (the "**Conversion Price**"). It being understood that if the aggregate face amount of New Second Lien Convertible Notes issued on the Effective Date is less than $464.1 million, (i) the Conversion Price will not be adjusted and (ii) the percentage of New Membership Interests outstanding as of the Effective Date on a fully diluted basis (but subject to dilution for the Management Incentive Plan) issuable upon conversion of the outstanding principal amount of New Second Lien Convertible Notes shall be adjusted as appropriate. New Second Lien Convertible Notes will mandatorily convert upon: • Any bona fide arm's length issuance by Reorganized CHC of the New Membership Interests to entities or persons that are not members of Reorganized CHC (or affiliates of members of Reorganized CHC) holding more than 10% of the New Membership Interests immediately prior to such issuance for cash proceeds (net of underwriting commissions, placement fees, other similar expenses and other related fees and expenses), of $75.0 million or more in a single transaction at a per share price that is equal to or greater than 130.0% of the then-applicable Conversion Price. • If the New Membership Interests are traded on a national securities exchange, the first trading day on which the trailing 30-day VWAP of the New Membership Interests is 130% of the then-applicable Conversion Price. • 30 days' written notice to Reorganized CHC from holders of a majority of the aggregate principal amount of the New Second

Term	Description
	Lien Convertible Notes then outstanding. • Upon the occurrence of the Maturity Date.
Voluntary Conversion	Each holder of the New Second Lien Convertible Notes may elect at any time to convert its New Second Lien Convertible Notes into New Membership Interests at the then-applicable Conversion Price.
Conversion Adjustments	The New Second Lien Convertible Notes shall contain customary anti-dilution protections or other adjustments including, without limitation, in connection with a subdivision or combination of outstanding New Membership Interests, reclassification, recapitalization, stock split, stock dividends or similar events, issuance of rights or warrants, spin-off transactions, tender offers, share buybacks, and distributions or dividends in Cash, in kind or securities, including dividends paid in New Membership Interests (unless the holders of the New Second Lien Convertible Notes are fully participating in such dividends or distributions).
Prepayments	None permitted.
Affirmative and Negative Covenants	Covenants customarily found in convertible notes for similar financings for public companies, taking into account the secured nature of the notes, reasonably acceptable to the Requisite Plan Sponsors, the Debtors, and the Creditors' Committee.
Financial Covenants	None.
Events of Default	Events of default customarily found in convertible notes for similar financings for public companies, taking into account the secured nature of the notes, with the thresholds reasonably acceptable to the Requisite Plan Sponsors, Debtors, and the Creditors' Committee; provided that, an event of default under the New Credit Facility will not cause an event of default under the New Second Lien Convertible Notes unless lenders under the New Credit Facility accelerate the New Credit Facility as a result of such event of default. Upon the acceleration of New Second Lien Convertible Notes, the principal amount of New Second Lien Convertible Notes, plus accrued but unpaid interest at the default rate shall be immediately payable in Cash to the holders thereof.
Registration Rights	Certain holders of New Membership Interests and New Second Lien Convertible Notes will have post-IPO demand, piggyback and shelf registration rights with respect to their Reorganized CHC securities.
Liquidation	In the event of any liquidation, dissolution or winding up of Reorganized CHC, the holders of the New Second Lien Convertible Notes shall be entitled to receive the greater in value of (i) the face amount of the New Second Lien Convertible Notes in Cash and (ii) the consideration such holders would receive in such transaction on an as-converted basis.

Term	Description
	A merger, consolidation, other corporate reorganization or similar transaction in which the holders of the voting power (including both New Membership Interests and New Second Lien Convertible Notes) of Reorganized CHC prior to such transaction possess less than a majority of the voting power of the surviving entity by reason of their holdings of the New Membership Interests and New Second Lien Convertible Notes immediately prior to such transaction, or any transaction in which all or substantially all of the assets of Reorganized CHC are sold to an entity that the holders of the voting power (including both New Membership Interests and New Second Lien Convertible Notes) of Reorganized CHC own less than a majority of the voting power of the purchaser entity, shall be deemed to be a liquidation.
Information Rights	Same as available to equity holders under the Reorganized CHC Operating Agreement.

4. The Backstop Agreement

On October 11, 2016, in connection with the Plan Support Agreement, CHC Parent entered into the Backstop Agreement pursuant to which certain of the Plan Sponsors and the Individual Creditor Parties, as Backstop Parties, agreed to severally, and not jointly, undertake the Backstop Commitment to backstop the Rights Offering.

Subject to approval by the Bankruptcy Court, to compensate the Backstop Parties for the risk of their undertakings in the Backstop Agreement and as consideration for the Backstop Commitment, CHC Parent has agreed to pay, or, as applicable, to have Reorganized CHC pay, to the Backstop Parties in the aggregate, a nonrefundable aggregate put option premium payable on the Effective Date in additional New Second Lien Convertible Notes in a principal amount of approximately $30.8 million (the "**Put Option Premium**"); *provided, however*, if the Backstop Agreement is terminated due to a Put Option Premium Triggering Event (as defined in the Backstop Agreement), the Backstop Agreement will immediately terminate and the Put Option Premium will become fully due and payable in Cash in two equal installments of approximately $10.665 million (representing a total aggregate amount of approximately $21.33 million), the first Cash payment becoming due immediately upon termination of the Backstop Agreement and the second Cash payment becoming payable upon the consummation of any other plan of reorganization, sale, or restructuring transaction. In the event that the Backstop Agreement is terminated solely as a result of a breach of either the Backstop Agreement or the Plan Support Agreement by a Backstop Party, such breaching Backstop Party will not be entitled to its share of the Put Option Premium. The Put Option Premium will be payable, Pro Rata, to all Backstop Parties (except for any Defaulting Backstop Parties (as defined below)) based on each Backstop Parties' respective Backstop Percentage.

To the extent one or more Backstop Parties default in their Backstop Commitment obligations (a "**Defaulting Backstop Party**") (after having not cured such default within two business days after the receipt of a notice from the Debtors of such default) (such portion of the unsubscribed notes which is not subscribed for and purchased by the Defaulting Backstop Party(ies), the "**Unfulfilled Backstop Commitments**") each of the other Backstop Parties, severally and not jointly, have agreed to subscribe for and purchase, at an aggregate purchase price of up to $20 million therefor, its Backstop Percentage (as adjusted upwards to eliminate the Backstop Percentage of the Defaulting Backstop Party(ies)) of the

Unfulfilled Backstop Commitments, up to an aggregate principal amount of approximately $28.89 million for all non-defaulting Backstop Parties. So long as the Backstop Parties have provided Backstop Commitments of at least $250 million as the aggregate purchase price for the New Second Lien Convertible Notes (for an aggregate principal amount of approximately $361.1 million of New Second Lien Convertible Notes to be issued), taking into account the fulfillment of the obligation to satisfy Unfulfilled Backstop Commitments and any other replacement due to any Backstop Party default, the Debtors may elect to still consummate the transactions contemplated by the Backstop Agreement and the Plan.

The Backstop Agreement is terminable under several conditions by CHC Parent and/or the Backstop Parties holding more than 50% of the Backstop Commitment (excluding the Backstop Commitments held by a Defaulting Backstop Party, the "**Requisite Backstop Parties**"). The termination provisions of the Backstop Agreement include, among other things, the termination of the Plan Support Agreement and the termination of the Backstop Agreement by the Requisite Backstop Parties due to a failure by the Debtors to meet certain milestone dates consistent with those under the Plan Support Agreement. Those termination triggers include: (i) failure to obtain entry of the Support Agreements Approval Order by the Bankruptcy Court on or before December 21, 2016, (ii) failure to file the Plan and Disclosure Statement with the Bankruptcy Court on or before November 11, 2016, (iii) failure to obtain entry of an order approving the Disclosure Statement and the Rights Offering Procedures by the Bankruptcy Court on or before December 22, 2016, and (iv) failure to obtain the entry of the Confirmation Order that is a Final Order by March 17, 2017 In addition to the Requisite Backstop Parties' rights to terminate, CHC Parent may also terminate the Backstop Agreement for a breach (other than an immaterial breach) by the Backstop Parties; *provided, however*, that CHC Parent may not terminate the Backstop Agreement for a breach by the Backstop Parties to the extent that Backstop Parties have agreed to provide their Backstop Commitments in an aggregate amount of $300 million within the applicable cure periods.

5. The New Unsecured Notes

Under the Plan Support Agreement, in addition to the New Second Lien Convertible Notes, Reorganized CHC has agreed to issue up to $37.5 million in New Unsecured Notes which will have a seven year maturity and an interest rate of 5.0%, payable in kind until the conversion of all of the New Second Lien Convertible Notes and thereafter payable in Cash. The New Unsecured Notes, less the amount of the Convenience Claim Distribution Amount, will be distributed to Holders of Allowed General Unsecured Claims.

Other than as noted below, the terms of the New Unsecured Notes are set forth in New Unsecured Notes Term Sheet annexed to the Plan Term Sheet as **Exhibit E**, and include:

Term	Description
Issuer	Reorganized CHC.
Guarantors	Same as under the New Convertible Second Lien Notes and any credit facility provided as consideration on account of the Claims of the holders of Allowed Revolving Credit Agreement Claims or otherwise reasonably acceptable to the Requisite Plan Sponsors, the Debtors, and the Creditors' Committee.
Principal Amount	$37.5 million, subject to an agreed upon reduction in the amount of the Convenience Claim Distribution Amount (if any).
Initial Holders	On or after the Effective Date, in accordance with and subject to the terms

Term	Description
	of the Plan, holders of Allowed General Unsecured Claims shall each receive their share of the New Unsecured Notes.
Ranking	The New Unsecured Notes shall rank *pari passu* with the New Second Lien Convertible Notes and be deemed senior indebtedness of the Reorganized CHC but shall not have the benefit of any security or be convertible into New Membership Interests.
Amortization	No amortization shall be required with respect to the New Unsecured Notes. The New Unsecured Notes will be payable on the Maturity Date (defined below) or upon an earlier mandatory prepayment or acceleration after an Event of Default.
Interest	5% per annum, payable quarterly interest will be payable in kind until the earlier of the maturity (or accelerated maturity) of the New Second Lien Convertible Notes or conversion of the New Second Lien Convertible Notes, after which the interest on the New Unsecured Notes shall be payable in Cash. In the event that the change from interest paid in kind to interest paid in Cash occurs in the middle of an interest period, the accrued interest will be prorated and will be payable in kind for such period pre-conversion and in Cash for such period post-conversion.
Default Rate	Upon and during the continuance of any event of default, interest shall accrue at a rate of 7.0% per annum, payable in Cash regardless of whether the New Second Lien Convertible Notes have converted.
Maturity	The date that is 7 years after the Effective Date (the "**Maturity Date**").
Prepayments	Upon a change in control or initial public offering of the Reorganized CHC, the Issuer must offer to purchase all of the outstanding New Unsecured Notes at 101% of the outstanding principal amount thereof plus all accrued and unpaid interest. Except as otherwise stated in the prior sentence, the New Unsecured Notes may be prepaid or redeemed in whole or in part at any time, without premium or penalty.
Affirmative and Negative Covenants	Same as New Second Lien Convertible Notes.
Financial Covenants	None.
Events of Default	Same as the New Second Lien Convertible Notes. Upon the acceleration of New Unsecured Notes, the principal amount of New Unsecured Notes, plus change of control premium (if applicable), plus accrued but unpaid interest at the default rate shall be immediately payable in Cash to the holders thereof.
Registration / Transferability	The issuance of the New Unsecured Notes shall be exempt from the registration requirements of the securities laws as a result of Section 1145 of the Bankruptcy Code. The New Unsecured Notes will be held in street name through DTC and will be freely transferable.
Information Rights	Same as available to equity holders under the Reorganized CHC Operating Agreement, or, if greater to the New Second Lien Convertible Notes (other than collateral-level reporting).

Term	Description
Governing Law and Jurisdiction	New York

6. Milestone Transaction

The Plan Support Agreement also encompasses an agreement with the Milestone Parties (the "**Milestone Transaction**"), which provides for a restructuring of the Debtors' aircraft fleet leasing arrangements and the provision of the PK Financing Facility, a new $150 million asset-backed debt facility for the acquisition and/or refinancing of certain aircraft. Under the Milestone Transaction, Milestone will serve as the lead lessor for the Debtors go-forward fleet of helicopters. The key terms of the Milestone Transaction are set forth in the Milestone Term Sheet annexed to the Plan Support Agreement as **Exhibit C** and as the same may be amended from time to time, and include:

(i) the restructuring of lease rentals for certain helicopters that will remain in the Debtors' fleet pursuant to the Definitive Restructuring Documents (as defined in the Milestone Term Sheet);

(ii) the consensual return of certain helicopters;

(iii) an option to extend the lease term for certain of the helicopters;

(iv) amendments to the return conditions for certain of the helicopters;

(v) provision of a new $150 million committed debt facility for the acquisition and/or refinancing of certain aircraft in accordance with the terms and conditions set forth in the commitment letter by PK Transportation Finance Ireland Limited ("**PK**") to the Debtors annexed as **Exhibit B** to the Milestone Term Sheet (the "**PK Financing Commitment Letter**");

(vi) the lease of additional helicopters at market lease rates;

(vii) agreement on certain administrative expense claims;

(viii) agreement on the Milestone Parties' General Unsecured Claims;

(ix) payment or reimbursement of the expenses of PK provided for in the PK Financing Commitment Letter (the "**PK Expenses**");

(x) payment of $420,000 to the Milestone Parties, which is to be paid 10 business days after entrance of the Support Agreements Approval Order and credited to the professional fees of all advisors to the Milestone Parties incurred in connection with the transactions contemplated by the Milestone Term Sheet, and payment of $500,000 to the Milestone Parties for legal fees incurred in respect of the Plan Support Agreement, which is to be paid 10 business days after entrance of the Support Agreements Approval Order (collectively, and together with the PK Expenses, the "**Milestone Expenses**"); and

(xi) payment of a transaction fee in the aggregate amount of $4.25 million (the "**Milestone Transaction Fee**"), payable in two installments: (i) $3.25 million payable 10 business

days after entry of the Support Agreements Approval Order, and (ii) $1 million payable on the Effective Date.

The Milestone Term Sheet provides the Debtors with flexibility, the ability to lease additional helicopters, and a new debt facility for the acquisition and/or refinancing of certain aircraft, and therefore is critical for the Debtors' ongoing operations. The Milestone Term Sheet also avoids potential complex and costly claim litigation involving both potential unsecured and administrative expense claims asserted by the Milestone Parties in connection with certain aircraft, while enabling the Debtors to continue to use Milestone's aircraft pursuant to restructured lease agreements. Upon entry of the Support Agreements Approval Order, the Milestone Parties will be entitled to an agreed Administrative Expense Claim, while agreeing to release all other potential Claims regarding the Existing Facility Documents (as defined in the Milestone Term Sheet) or any transaction contemplated thereby and attributable to the period prior to the Petition Date. In addition, upon the Effective Date, the Milestone Parties will be entitled to an Allowed General Unsecured Claim as set forth on **Exhibit C** to the Milestone Term Sheet. The Allowed General Unsecured Claim set forth on **Exhibit C** to the Milestone Term Sheet was stipulated to by the Debtors upon the entry of the Support Agreements Approval Order. However, in the event that the Plan does not become effective, the Plan Support Agreement provides that the Milestone General Unsecured Claim will become Allowed thirty (30) days after March 17, 2017 without further order of the Court unless the Creditors' Committee has objected to such Claim by such date.

7. Management Incentive Plan

The Plan contemplates a Management Incentive Plan that reserves ten percent (10%) of the New Membership Interests on a fully diluted basis for distribution to management. The material terms of the Management Incentive Plan will be included in a document to be filed as part of the Plan Supplement.

N. The Exit Revolving Credit Facility

1. Overview

The Debtors, the Plan Sponsors, and the Exit Revolving Credit Facility lenders have reached agreement on the material terms of the Exit Revolving Credit Facility, which material terms are summarized below. The form of definitive credit agreement documenting the Exit Revolving Credit Facility will be filed with the Plan Supplement, and will reflect the material terms summarized below and any other changes agreed among the Debtors and the Exit Revolving Credit Facility lenders, which definitive credit agreement and changes shall be reasonably acceptable to the Plan Sponsors and the Creditors' Committee. The Plan provides for an Exit Revolving Credit Facility in a maximum available amount of Three Hundred Eighty-Three Million Twenty Thousand Eight Hundred Eighty-Six Dollars ($383,020,886), which will have a five year maturity and bear interest at a rate equal to either, at the election of the applicable borrower under the Exit Revolving Facility, (i) the alternate base rate or the Canadian prime rate (subject to a 0% floor) plus a margin of 4.50% or (ii) the LIBOR rate (subject to a 1.00% floor), the Canadian Dollar Offered Rate (subject to a 0% floor), or the EURIBOR rate (subject to a 1.00% floor) plus a margin of 5.50%. Each holder of an Allowed Revolving Credit Agreement Claim will receive its Pro Rata share of the Exit Revolving Credit Facility. The loans of any lenders that do not agree to become lenders under the Exit Revolving Credit Facility will be converted into fully-drawn term loans under a non-revolving tranche of the Exit Revolving Credit Facility. Such term loans will only be prepayable prior to the maturity date of the Exit Revolving Credit Facility by a *pro rata* share of any permanent reduction of the Exit Credit Revolving Facility.

2. Material Terms of the Exit Revolving Credit Facility

The material terms of the Exit Revolving Credit Facility include:

Term	Description
Borrowers	CHC Helicopter Holding S.á r.l. and certain other subsidiaries of Reorganized CHC
Guarantors	Reorganized CHC and its subsidiaries, subject to customary exceptions
Committed Amount	$383,020,886
Letter of Credit Sublimit	$70,000,000
Ranking	The Exit Revolving Credit Facility will rank (i) *pari passu* with the New Unsecured Notes in right of payment and (ii) senior to the Second Lien Convertible Notes in right of payment pursuant to an intercreditor agreement which will provide that the Second Lien Convertible Notes are subordinated solely to the Exit Revolving Credit Facility in right of payment. For the avoidance of doubt, (a) the Exit Revolving Credit Facility will rank as a senior secured facility as a result of the lien subordination of the Second Lien Convertible Notes, (b) the Second Lien Convertible Notes will rank as senior secured indebtedness other than with respect to the subordination in right of payment vis-à-vis the Exit Revolving Credit Facility and will not be contractually subordinated in right of payment to the New Unsecured Notes or any other indebtedness of CHC Parent or its subsidiaries and (c) the New Unsecured Notes will rank as senior unsecured indebtedness and will not be contractually subordinated in right of payment to either the Exit Revolving Credit Facility or the Second Loan Convertible Notes.
Security	The Exit Revolving Credit Facility shall be secured by substantially all of the assets of the Borrowers and the Guarantors, subject to customary exceptions
Interest	At the election of the applicable borrower under the Exit Revolving Credit Facility, (i) the alternate base rate or the Canadian prime rate (subject to a 0% floor) plus a margin of 4.50% or (ii) the LIBOR rate (subject to a 1.00% floor), the Canadian Dollar Offered Rate (subject to a 0% floor) or the EURIBOR rate (subject to a 1.00% floor) plus a margin of 5.50%
Default Rate	A default interest rate of 2% will apply (i) automatically during the occurrence of a payment or insolvency event of default or (ii) following delivery of notice from the Administrative Agent during the continuance of any event of default other than a payment or insolvency event of default, in each case in addition to the applicable interest rate in force immediately prior to the applicable event of default
Fee	1.00% of commitment under Exit Revolving Credit Facility, payable to consenting Lenders ratably on the basis of their respective commitments at closing
Amortization	None
Free Cash Flow	Commencing with the fiscal year ending April 30, 2019, any outstanding amounts under the Exit Revolving Credit Facility will be repaid, and the

Term	Description
	available commitment will be correspondingly reduced, by 50% of free cash flow subject to the understanding that the maximum commitment under the Exit Revolving Facility may not be reduced to less than $300,000,000 as a result of any such repayment and/or commitment reduction
Anti-Hoarding	Includes "anti-hoarding" provision that (i) requires borrowers to repay outstanding loans on non-permanent basis and (ii) prohibits borrowings under Exit Revolving Credit Facility if Reorganized CHC and its restricted subsidiaries have, or after the relevant borrowing would have, cash and cash equivalents in excess of (a) $150,000,000 (minus the amount of "trapped" cash to which Reorganized CHC or its applicable subsidiary has access by virtue of an "overdraft" pursuant to a "cash pooling" or similar arrangement that is offset by a positive amount of cash) plus (b) the amount of cash necessary to fund future expenditures projected to be made within 5 business days
Maturity	The date that is 5 years after the Effective Date
Prepayments	Mandatory prepayments required (i) in event that the amount of revolving loans and letters of credit exceeds the aggregate revolving credit commitment and (ii) with proceeds of certain asset sales Loans outstanding under the Exit Revolving Credit Facility may be prepaid or redeemed in whole or in part at any time, without premium or penalty (other than customary LIBOR "breakage" costs)
Affirmative and Negative Covenants	Customary for senior secured credit facilities
Maintenance Financial Covenants	$125 million minimum liquidity test (based upon cash and cash equivalents and availability under the Exit Revolving Credit Facility) applicable commencing with the third full fiscal month after the Effective Date until the end of the fiscal month ending April 2019
	First Lien Leverage Ratio covenant (indebtedness under the Exit Revolving Facility to consolidated EBITDAR) applicable beginning with the fiscal quarter ending July 31, 2019
	Fixed Charge Coverage Ratio covenant (fixed charges, including scheduled payments under aircraft operating leases, to consolidated EBITDAR) applicable beginning with the fiscal quarter ending July 31, 2019
Events of Default	Customary for senior secured credit facilities
Governing Law and Jurisdiction	New York

3. New Intercreditor

On the Effective Date, the Exit Revolving Credit Facility Agent and the New Second Lien Convertible Notes Indenture Trustee will enter into a new intercreditor agreement (the "**New Intercreditor Agreement**") governing certain rights, remedies, and priorities between the Exit Revolving Credit Facility lenders and the holders of the New Second Lien Convertible Notes. The form of substantially

final New Intercreditor Agreement will be filed with the Bankruptcy Court as part of the Plan Supplement.

VI.
SUMMARY OF THE PLAN

This section of the Disclosure Statement summarizes the Plan, a copy of which is annexed hereto as **Exhibit B**. This summary is qualified in its entirety by reference to the Plan.

YOU SHOULD READ THE PLAN IN ITS ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

A. Administrative Expense and Priority Claims

1. Treatment of Administrative Expense Claims

Except with respect to Professional Fee Claims and Priority Tax Claims, and to the extent that a holder of an Allowed Administrative Expense Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtors, as applicable, agree to a less favorable treatment, on the Effective Date or as soon thereafter as is reasonably practicable, each holder of an Allowed Administrative Expense Claim will receive, in full and final satisfaction of such Allowed Claim, Cash in an amount equal to the Allowed amount of such Claim; *provided*, that Allowed Administrative Expense Claims that arise in the ordinary course of the Debtors' business including Administrative Expense Claims arising from or with respect to the sale of goods or services on or after the Petition Date, will be paid by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course of business in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents relating to such transactions, without further action by the holders of such Administrative Expense Claims or further approval by the Bankruptcy Court.

2. Treatment of Professional Fee Claims

All Professional Persons seeking payment of Professional Fee Claims will file, no later than sixty (60) days after the Effective Date, their respective applications for final allowances of compensation for services rendered and reimbursement of expenses incurred. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the Allowed amounts of such Professional Fee Claims will be determined by the Bankruptcy Court and will be paid in full, in Cash. The Reorganized Debtors will be authorized to pay compensation for professional services rendered and reimbursement of expenses incurred after the Confirmation Date in the ordinary course and without the need for Bankruptcy Court approval. For the avoidance of doubt, this treatment will not be applicable to any Restructuring Expenses, which will be paid pursuant to Section 5.23 of the Plan.

3. Treatment of Priority Tax Claims

Except to the extent that a holder of an Allowed Priority Tax Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtors, as applicable, agree to a less favorable treatment, on the Effective Date or as soon thereafter as is reasonably practicable, each holder of an Allowed Priority Tax Claim will receive, at the option of the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtors, as applicable, in full and final satisfaction of

such Allowed Priority Tax Claim, (i) Cash in an amount equal to the Allowed amount of such Claim, (ii) equal annual installment payments in Cash, of a total value, as of the Effective Date, equal to the Allowed amount of such Claim, over a period ending not later than five (5) years after the Petition Date, or (iii) treatment in a manner not less favorable than the most favored non-priority unsecured claim provided for by the Plan; *provided*, that Allowed Priority Tax Claims that arise in the ordinary course of the Debtors' business, will be paid by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course of business in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents relating to such transactions, including the Plan, without further action by the holders of such Administrative Expense Claims or further approval by the Bankruptcy Court.

B. Classification of Claims and Interests

1. Classification in General

A Claim or Interest is placed in a particular Class for all purposes, including voting, confirmation, and distribution under the Plan and under sections 1122 and 1123(a)(1) of the Bankruptcy Code; *provided*, that a Claim or Interest is placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and such Claim or Interest has not been satisfied, released, or otherwise settled prior to the Effective Date.

A Claim or Interest will be deemed classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class, and will be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class, provided, however, that any Claim classified in Class 7 shall not be classified in any other Class.

2. Grouping of Debtors for Convenience Only

The Plan groups the Debtors together solely for the purpose of describing treatment of Claims and Interests under the Plan and confirmation of the Plan. Although the Plan applies to all of the Debtors, the Plan constitutes forty-three (43) distinct chapter 11 plans, one for each Debtor, and for voting and distribution purposes, each Class of Claims will be deemed to contain sub-classes for each of the Debtors, to the extent applicable. To the extent there are no Allowed Claims or Interest with respect to a particular Debtor, such Class is deemed to be omitted with respect to such Debtor. Except as otherwise provided in the Plan, to the extent a holder has a Claim that may be asserted against more than one Debtor, the vote of such holder in connection with such Claims will be counted as a vote of such Claim against each Debtor against which such holder has a Claim. The grouping of the Debtors in this manner will not affect any Debtor's status as a separate legal Entity, change the organizational structure of the Debtors' business enterprise, constitute a change of control of any Debtor for any purpose, cause a merger of consolidation of any legal Entities, or cause the transfer of any Assets, and, except as otherwise provided by or permitted under the Plan, all Debtors will continue to exist as separate legal Entities.

3. Summary of Classification of Claims and Interests

The following table designates the Classes of Claims against and Interests in each Debtor and specifies which Classes are: (a) Impaired and Unimpaired under the Plan; (b) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code; and (c) deemed to accept or reject the Plan with respect to such Debtor:

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Class	Type of Claim or Interest	Impairment	Entitled to Vote
Class 1	Other Priority Claims	Unimpaired	No (Deemed to accept)
Class 2	Other Secured Claims	Unimpaired	No (Deemed to accept)
Class 3	Revolving Credit Agreement Claims	Impaired	Yes
Class 4	ABL Credit Agreement Claims	Impaired	Yes
Class 5	Senior Secured Notes Claims	Impaired	Yes
Class 6	Unsecured Notes Claims	Impaired	Yes
Class 7	General Unsecured Claims	Impaired	Yes
Class 8	Convenience Claims	Impaired	Yes
Class 9	Intercompany Claims	Unimpaired	No (Deemed to accept)
Class 10	Existing CHC Interests	Impaired	No (Deemed to reject)
Class 11	Intercompany Interests	Unimpaired	No (Deemed to accept)

4. Separate Classification of Other Secured Claims

Although all Other Secured Claims have been placed in one Class for purposes of nomenclature within the Plan, each Other Secured Claim, to the extent secured by a Lien on Collateral different from the Collateral securing another Other Secured Claim, will be treated as being in a separate sub-Class for the purposes of receiving Plan Distributions.

5. Elimination of Vacant Classes

With respect to each Debtor, any Class that, as of the commencement of the Confirmation Hearing, does not have at least one holder of a Claim or Interest that is Allowed in an amount greater than zero for voting purposes will be considered vacant, deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to such Class.

6. Voting Classes; Presumed Acceptance by Non-Voting Classes

With respect to each Debtor, if a Class contains Claims eligible to vote and no holder of Claims eligible to vote in such Class votes to accept or reject the Plan, the Plan will be presumed accepted by the holders of such Claims in such Class.

7. Voting; Presumptions; Solicitation

(a) Acceptance by Certain Impaired Classes

Only holders of Allowed Claims in Classes 3, 4, 5, 6, 7, and 8 are entitled to vote to accept or reject the Plan. An Impaired Class of Claims will have accepted the Plan if (i) the holders of at least two-thirds (2/3) in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (ii) the holders of more than one-half (1/2) in number of the Allowed Claims actually voting in such Class have voted to accept the Plan. Holders of Claims in Classes 3, 4, 5, 6, 7, and 8 will receive ballots containing detailed voting instructions.

(b) Deemed Acceptance by Unimpaired Classes

Holders of Claims and Interests in Classes 1, 2, 9, and 11 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Accordingly, such holders are not entitled to vote to accept or reject the Plan.

(c) Deemed Rejection by Certain Impaired Classes

Holders of Existing CHC Interests in Class 10 are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Existing CHC Interests are not entitled to vote to accept or reject the Plan.

8. Cramdown

If any Class of Claims entitled to vote on the Plan does not vote to accept the Plan, the Debtors will either (a) seek confirmation of the Plan under section 1129(b) of the Bankruptcy Code or (b) amend or modify the Plan in accordance with the terms thereof and the Bankruptcy Code.

9. No Waiver

Nothing contained in the Plan will be construed to waive a Debtor's or other Person's right to object on any basis to any Claim.

C. <u>Treatment of Claims and Interests</u>

1. Class 1: Other Priority Claims

The legal, equitable, and contractual rights of the holders of Allowed Other Priority Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed Other Priority Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtor, as applicable, agree to a less favorable treatment, on the later of the Effective Date and the date that is ten (10) Business Days after the date such Other Priority Claim becomes an Allowed Claim, or as soon thereafter as is reasonably practicable, each holder of an Allowed Other Priority Claim will receive, in full and final satisfaction of such Allowed Other Priority Claim, at the option of the Debtors, with consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtor, as applicable, (i) Cash in an amount equal to the Allowed amount of such Claim or (ii) other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; *provided*, that Other Priority Claims that arise in the ordinary course of the Debtors' business, will be paid by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course of business, and in accordance with the terms and subject to the conditions of any orders or

agreements governing, instruments evidencing, or other documents relating to such transactions without further action by the holders of such Other Priority Claims or further approval by the Bankruptcy Court.

2. Class 2: Other Secured Claims

The legal, equitable, and contractual rights of the holders of Allowed Other Secured Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed Other Secured Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtor, as applicable, agree to less favorable treatment, each holder of an Allowed Other Secured Claim will, in full and final satisfaction of such Allowed Other Secured Claim, at the option of the Debtors with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or Reorganized Debtors: (i) be Reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code, notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the holder of an Allowed Other Secured Claim to demand or to receive payment of such Allowed Other Secured Claim prior to the stated maturity of such Allowed Other Secured Claim from and after the occurrence of a default; (ii) Cash in an amount equal to the Allowed amount of such Claim as determined in accordance with section 506(a) of the Bankruptcy Code, on the later of the initial distribution date under the Plan and thirty (30) days after the date such Other Secured Claim is Allowed (or as soon thereafter as is practicable); or (iii) receive the Collateral securing its Allowed Other Secured Claim on the later of the initial distribution date under the Plan and the date such Other Secured Claim becomes an Allowed Other Secured Claim (or as soon thereafter as is reasonably practicable).

3. Class 3: Revolving Credit Agreement Claims

On the Effective Date, or as soon as practicable thereafter, holders of Allowed Revolving Credit Agreement Claims will receive, in full and final satisfaction of such Allowed Revolving Credit Agreement Claims, such holder's Pro Rata share of the Exit Revolving Credit Facility.

4. Class 4: ABL Credit Agreement Claims

On the Effective Date, or as soon as practicable thereafter, each holder of an Allowed ABL Credit Agreement Claim will receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed ABL Credit Agreement Claim and, in accordance with the Amended and Restated ABL Credit Facility Term Sheet, its Pro Rata share of: (i) the Amended and Restated ABL Credit Agreement; (ii) distributions on account of the ABL Allowed Primary General Unsecured Claim and ABL Allowed Secondary General Unsecured Claim, which Allowed General Unsecured Claims will receive treatment in accordance with Section 4.7 of the Plan; and (iii) the Exit Payment (as defined in the Amended and Restated ABL Credit Facility Term Sheet).

5. Class 5: Senior Secured Notes Claims

On or as soon as practicable after the Effective Date, each holder of a Senior Secured Notes Claim, which Claims are deemed Allowed in the aggregate amount of not less than One Billion Sixty-Seven Million Eight Hundred and Thirty-Two Thousand Five Hundred and Seventy-Six Dollars ($1,067,832,576) through the Petition Date, including accrued prepetition interest, plus fees, and other expenses due under the Senior Secured Notes and Senior Secured Notes Indenture, including Senior Secured Notes Indenture Trustee Expenses, will receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed Senior Secured Notes Claim, and, in accordance with the Restructuring Transactions, (A) other than the Senior Secured Notes Indenture Trustee, its Pro Rata share of: (i) seventy-nine-and-a-half percent (79.5%) of the New Membership Interests, prior to dilution on

account of the New Second Lien Convertible Notes and the Management Incentive Plan (which shall equate to eleven-point-six percent 11.6% of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan); and (ii) (x) to the extent such holder is an Eligible Offeree, the Senior Secured Notes Subscription Rights and (y) to the extent such holder is a Non-Eligible Offeree, its share (calculated pursuant to the Rights Offering Procedures) of up to one percent (1%) of the New Membership Interests otherwise distributable to holders of Allowed Senior Secured Notes Claims (after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan) and (B) to the Senior Secures Notes Indenture Trustee, Cash in amount equal to the Senior Secured Notes Indenture Trustee Expenses outstanding as of the Effective Date. Any unclaimed portion of New Membership Interests otherwise available to Non-Eligible Offerees holding Allowed Senior Secured Notes Claims will be distributed Pro Rata to all holders of Allowed Senior Secured Notes Claims. Upon acceptance of the Plan by Class 5, all holders of Senior Secured Notes Claim will be deemed to have agreed to forgo any distribution in respect of their Senior Secured Notes Deficiency Claim. Distributions received under the Plan by holders of Allowed Senior Secured Notes Claims will be subject to the Senior Secured Notes Indenture Trustee Charging Lien if the Senior Secured Notes Indenture Trustee Expenses are not paid pursuant to Section 4.5(a) of the Plan.

6. Class 6: Unsecured Notes Claims

On or as soon as practicable after the Effective Date, each holder of an Allowed Unsecured Notes Claim, which Claims are deemed Allowed in the aggregate amount of not less than Ninety-Eight Million Five Hundred Thirty-One Thousand Four Hundred and Sixty Dollars ($98,531,460) through the Petition Date, including accrued prepetition interest, plus fees and other expenses due under the Unsecured Notes and Unsecured Notes Indenture, including the Unsecured Notes Indenture Trustee Expenses, will receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed Unsecured Notes Claim, and, in accordance with the Restructuring Transactions, (A) other than the Unsecured Notes Indenture Trustee, its Pro Rata share of: (i) eight-point-nine percent (8.9%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which shall equate to one-point-three percent (1.3%) of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan); and (ii) (x) to the extent such holder is an Eligible Offeree, the Unsecured Notes Subscription Rights or (y) to the extent such holder is a Non-Eligible Offeree, its share (calculated pursuant to the Rights Offering Procedures) of up to zero-point-one percent (0.1%) of the New Membership Interests otherwise distributable to holders of Allowed Unsecured Notes Claims (after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan) and (B) to the Unsecured Notes Indenture Trustee, Cash in amount equal to the Unsecured Notes Indenture Trustee Expenses outstanding as of the Effective Date. Any unclaimed portion of New Membership Interests otherwise available to Non-Eligible Offerees holding Allowed Unsecured Notes Claims will be distributed Pro Rata to all holders of Allowed Unsecured Notes Claims. Distributions received under the Plan by holders of Allowed Unsecured Notes Claims will be subject to the Unsecured Notes Indenture Trustee Charging Lien if the Unsecured Notes Indenture Trustee Expenses are not paid pursuant to Section 4.6(a) of the Plan.

7. Class 7: General Unsecured Claims

Each holder of an Allowed General Unsecured Claim against the Debtors will receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed General Unsecured Claim, and, in accordance with the Restructuring Transactions: (i) on account of its Allowed Primary General Unsecured Claim, its Pro Rata share of the Primary General Unsecured Claims Distribution, plus (ii) on account of any Allowed Secondary General Unsecured Claim against one or more Secondary Recovery Debtors, if applicable, its Pro Rata share of the Secondary General Unsecured Claims Distribution allocated to the applicable Secondary Recovery Debtor against which it holds an Allowed Secondary General Unsecured Claim, as set forth on and in accordance with the schedule attached hereto as **Exhibit C**. For the avoidance of doubt, if a holder of Allowed General Unsecured Claims holds an Allowed Secondary General Unsecured Claim against any Debtor that is not a Secondary Recovery Debtor, such holder will not receive any additional recoveries on account of such claims.

8. Class 8: Convenience Claims

Except to the extent that a holder of an Allowed Convenience Claim and the Debtors, with the consent of the Creditors' Committee, which shall not be unreasonably withheld, or the Reorganized Debtors, as applicable, agree to less favorable treatment, each holder of an Allowed Convenience Claim will receive, on the later of (i) the Effective Date and (ii) the date on which such Convenience Claim becomes Allowed, or, in each case, as soon as reasonably practicable thereafter, in full and final satisfaction of such Allowed Convenience Claim, the lesser of (i) payment in full in Cash, or (ii) its Pro Rata share of the Convenience Claims Distribution Amount. Allowed Convenience Claims will not include interest from and after the Petition Date or include any penalty on such Claim.

9. Class 9: Intercompany Claims

All Allowed Intercompany Claims will be adjusted, continued, or discharged, in each case in a manner reasonably acceptable to the Debtors or Reorganized Debtors, as applicable, the Requisite Plan Sponsors, and the Creditors' Committee. All Intercompany Claims between any Debtor and a nondebtor affiliate will be Unimpaired under the Plan.

10. Class 10: Existing CHC Interests

As soon as reasonably practicable following the Effective Date, CHC Parent will be liquidated or voluntarily struck-off. Holders of Existing CHC Interests will not receive or retain any property under the Plan or pursuant to the Cayman Proceedings on account of such Interests.

11. Class 11: Intercompany Interests

Intercompany Interests are Unimpaired. On the Effective Date, all Allowed Intercompany Interests will be Reinstated.

12. Debtors' Rights in Respect of Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan will affect the rights of the Reorganized Debtors in respect of any Unimpaired Claim, including all rights in respect of legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired Claim.

13. Treatment of Vacant Classes

Any Claim or Interest in a Class that is considered vacant under Section 3.5 of the Plan will receive no Plan Distribution.

D. Means for Implementation

1. Continued Corporate Existence

Except as otherwise provided in the Plan or pursuant to the Cayman Proceedings, the Debtors will continue to exist after the Effective Date as Reorganized Debtors in accordance with the applicable laws of the respective jurisdictions in which they are incorporated or organized and pursuant to the Amended Certificates of Incorporation and the Amended By-Laws. On or after the Effective Date, each Reorganized Debtor may, in its sole discretion, take such action as permitted by applicable law and such Reorganized Debtor's organizational documents, as such Reorganized Debtor may determine is reasonable and appropriate, including causing: (i) a Reorganized Debtor to be merged into another Reorganized Debtor or an affiliate of a Reorganized Debtor; (ii) a Reorganized Debtor to be dissolved; (iii) the legal name of a Reorganized Debtor to be changed; or (iv) the closure of a Reorganized Debtor's Chapter 11 Case on the Effective Date or any time thereafter. In addition, CHC SA may convert to a S.a. r.l.; provided, however, that if such conversion occurs on or prior to the Effective Date, then such conversion shall be at the sole discretion of the Requisite Plan Sponsors, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties).

2. Restructuring Transactions

Pursuant to section 1123(a)(5)(D) of the Bankruptcy Code, on, or, unless specifically provided otherwise in the Plan, prior to the Effective Date, or as soon thereafter as is reasonably practicable, the Debtors, subject to any consents required by the Plan Support Agreement, or Reorganized Debtors, as applicable, may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan including (a) the Restructuring Transactions; (b) the consummation of the transactions provided for under or contemplated by the Support Agreements; (c) the execution and delivery of appropriate agreements or other documents containing terms that are consistent with or reasonably necessary to implement the terms of the Plan and the Support Agreements and that satisfy the requirements of applicable law; (d) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan and the Support Agreements; (e) the implementation and consummation of the Cayman Proceedings; and (f) all other actions that the Debtors, with the consent of the Creditors' Committee and the Requisite Plan Sponsors, not to be unreasonably withheld, or Reorganized Debtors, as applicable, determine are necessary or appropriate and that are not inconsistent with the Plan.

3. Exit Revolving Credit Facility

On the Effective Date, the Exit Revolving Credit Facility Documents or any other document necessary to effectuate the treatment of the Revolving Credit Agreement Claims will be executed and delivered, and the Reorganized Debtors will be authorized to execute, deliver and enter into the Exit Revolving Credit Facility Documents without the need for any further corporate action and without further action by the holders of Allowed Revolving Credit Agreement Claims.

On the Effective Date, (a) upon the granting of Liens in accordance with the Exit Revolving Credit Facility Documents, the lenders and collateral agent thereunder will have valid, binding and enforceable Liens on the collateral specified in the Exit Revolving Credit Facility Documents; and (b) upon the granting of guarantees, mortgages, pledges, Liens and other security interests in accordance with the Exit Revolving Credit Facility Documents, the guarantees, mortgages, pledges, Liens and other security interests granted to secure the obligations arising under the Exit Revolving Credit Facility Documents will be granted in good faith as an inducement to the lenders thereunder to convert to term loans and/or extend credit thereunder and will be deemed not to constitute a fraudulent conveyance or fraudulent transfer, will not otherwise be subject to avoidance, and the priorities of such Liens and security interests will be as set forth in the Exit Revolving Credit Facility Documents.

4. Amended and Restated ABL Credit Facility

On the Effective Date, the Amended and Restated ABL Credit Facility Documents will be executed and delivered, and the Reorganized Debtors will be authorized to execute, deliver and enter into the Amended and Restated ABL Credit Facility Documents, without the need for any further corporate action and without further action by the holders of Allowed ABL Credit Agreement Claims.

On the Effective Date, (a) upon the granting of Liens in accordance with the Amended and Restated ABL Credit Facility Documents, the lenders and collateral agent thereunder will have valid, binding and enforceable Liens on the collateral specified in the Amended and Restated ABL Credit Facility Documents; and (b) upon the granting of guarantees, mortgages, pledges, Liens and other security interests in accordance with the Amended and Restated ABL Credit Facility Documents, the guarantees, mortgages, pledges, Liens and other security interests granted to secure the obligations arising under the Amended and Restated ABL Credit Facility Documents will be granted in good faith as an inducement to the lenders thereunder to convert to term loans and extend credit thereunder and will be deemed not to constitute a fraudulent conveyance or fraudulent transfer, will not otherwise be subject to avoidance, and the priorities of such Liens and security interests will be as set forth in the Amended and Restated ABL Credit Facility Documents.

5. PK Financing Facility

On the Effective Date, the Reorganized Debtors will be authorized, but not obligated, to execute, deliver, and enter into the PK Financing Facility Documents and take any additional actions as are necessary or appropriate to implement and effectuate the transactions contemplated by the PK Financing Commitment Letter, without the need for any further corporate, partnership, limited liability company or shareholder action.

In the event that the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, determine to proceed with the PK Financing Facility, (i) the Debtors or the Reorganized Debtors, as applicable, will be authorized to pay PK an Arrangement Fee (as defined in the PK Financing Commitment Letter) on the date the PK Financing Facility Documents are signed and a Commitment Fee (as defined in the PK Financing Commitment Letter) to PK on the Effective Date and (ii) substantially final forms of the PK Financing Facility Documents will be included in the Plan Supplement.

6. Authorization, Issuance, and Delivery of New Membership Interests

On the Effective Date, Reorganized CHC is authorized to issue or cause to be issued and will issue the New Membership Interests, without the need for any further corporate, partnership, limited liability company or shareholder action.

7. New Second Lien Convertible Notes

On the Effective Date, the Reorganized Debtors and the New Second Lien Convertible Notes Indenture Trustee will enter into the New Second Lien Convertible Notes Indenture substantially in the form contained in the Plan Supplement, and the Reorganized Debtors will be authorized to execute, deliver, and enter into the New Second Lien Convertible Notes Indenture and any related documents, without the need for any further corporate, partnership, limited liability company or shareholder action.

On the Effective Date, (a) upon the granting of Liens in accordance with the New Second Lien Convertible Notes Indenture, the holders of the New Second Lien Convertible Notes and the collateral agent thereunder will have valid, binding and enforceable Liens on the collateral specified in the New Second Lien Convertible Notes Indenture and related guarantee and collateral documentation; and (b) upon the granting of guarantees, mortgages, pledges, Liens and other security interests in accordance with the New Second Lien Convertible Notes Indenture, the guarantees, mortgages, pledges, Liens and other security interests granted to secure the obligations arising under the New Second Lien Convertible Notes Indenture will be granted in good faith and will be deemed not to constitute a fraudulent conveyance or fraudulent transfer, will not otherwise be subject to avoidance, and the priorities of such Liens and security interests will be as set forth in the New Second Lien Convertible Notes Indenture and related guarantee and collateral documentation.

8. New Unsecured Notes

On the Effective Date, the Reorganized Debtors and the New Unsecured Notes Indenture Trustee will enter into the New Unsecured Notes Indenture substantially in the form contained in the Plan Supplement, and the Reorganized Debtors will be authorized to execute, deliver, and enter into the New Unsecured Notes Indenture and any related documents, without the need for any further corporate, partnership, limited liability company or shareholder action.

9. Reorganized CHC Operating Agreement

On the Effective Date, Reorganized CHC and all the holders of the New Membership Interests then outstanding will be deemed to be parties to the Reorganized CHC Operating Agreement, substantially in the form contained in the Plan Supplement, without the need for execution by any such holder. The Reorganized CHC Operating Agreement will be binding on Reorganized CHC and all parties receiving, and all holders of, New Membership Interests of Reorganized CHC; *provided*, that regardless of whether such parties execute the Reorganized CHC Operating Agreement, such parties will be deemed to have signed the Reorganized CHC Operating Agreement, which will be binding on such parties as if they had actually signed it.

10. Cancellation of Certain Existing Agreements

Except as expressly provided in the Plan, on the Effective Date, all notes, instruments, certificates evidencing debt of, or Interests in, the Debtors, including the Revolving Credit Agreement, the Senior Secured Notes, the ABL Credit Agreement Senior Secured Notes Indenture, Unsecured Notes, Unsecured Notes Indenture, the Existing CHC Interests, and all options and other entitlements to purchase and/or receive Existing CHC Interests, will be deemed surrendered and cancelled and obligations of the Debtors thereunder will be discharged; *provided, however* that any surrender and/or cancellation of the notes, instruments and certificates evidencing debt of, or Interests in, the Debtors shall only be with respect to the Debtors and Reorganized Debtors and shall not alter the rights or obligations of any parties other than the Debtors vis-à-vis one another with respect to such agreements. On the Effective Date or, to the extent subject to the Cayman Proceeding, as soon as practicable after the Effective Date, all Existing CHC

Interests and all options and other entitlements to purchase and/or receive Existing CHC Interests, and all instruments and documents evidencing the foregoing, will be deemed surrendered and cancelled and obligations of the Debtors thereunder will be discharged.

The Senior Secured Notes Indenture Trustee will be released from all duties under the Senior Secured Notes Indenture; provided, however, that notwithstanding Confirmation or the occurrence of the Effective Date or Subsection (a) of Section 5.10 of the Plan, the Senior Secured Notes Indenture will continue in effect to the extent necessary to: (i) enforce the rights, Claims and interests of the Senior Secured Notes Indenture Trustee vis-a-vis any parties other than the Debtors, (ii) allow the holders of Allowed Senior Secured Notes Claims to receive distributions under the Plan from the Senior Secured Notes Indenture Trustee or from any other source, to the extent provided for under the Plan; (iii) preserve any rights of the Senior Secured Notes Indenture Trustee to payment of fees, expenses, indemnification obligations and Liens securing such right to payment from or on any money or property to be distributed in respect to the Senior Secured Notes Claims under the Plan or from the holders of Allowed Senior Secured Notes Claims, (iv) permit the Senior Secured Notes Indenture Trustees to enforce any obligation owed to it under the Plan, and (v) permit the Senior Secured Notes Indenture Trustees to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court.

The Secured Parties Collateral Agent will be released from all duties under the Collateral Agent and Administrative Agent Appointment Deed, dated as of October 4, 2010, by and among the Secured Parties Collateral Agent, the Revolving Credit Facility Administrative Agent, the Senior Secured Notes Indenture Trustee, and the other parties thereto (the "**Appointment Deed**"), the Revolving Credit Agreement and the Senior Secured Notes Indenture (or any other document entered into by the Secured Parties Collateral Agent in connection with its obligations thereunder); *provided, however*, that notwithstanding Confirmation Order or the occurrence of the Effective Date or subsection (a) of this Section 5.10, the Revolving Credit Agreement, the Senior Secured Notes Indenture, the Appointment Deed, or any other document entered in connection with the Secured Parties Collateral Agent's obligations thereunder, will continue in effect to the extent necessary to: (i) enforce the rights, Claims, and interests of the Secured Parties Collateral Agent vis-a-vis any parties other than the Debtors, (ii) preserve any rights of the Secured Parties Collateral Agent to payment of fees, expenses, indemnification obligations and Liens securing such right to payment from or on any money or property to be distributed in respect to the Revolving Credit Agreement Claims and the Senior Secured Notes Claims under this Plan or from the Holders of Allowed Revolving Credit Agreement Claims or Allowed Senior Secured Notes Claims, (iii) permit the Secured Parties Collateral Agent to enforce any obligation owed to it under the Plan, and (iv) permit the Secured Parties Collateral Agent to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court.

The Unsecured Notes Indenture Trustee will be released from all duties under the Unsecured Notes Indenture; provided, however, that notwithstanding Confirmation or the occurrence of the Effective Date or Subsection (a) of Section 5.10 of the Plan, the Unsecured Notes Indenture will continue in effect to the extent necessary to: (i) enforce the rights, Claims and interests of the Unsecured Notes Indenture Trustee vis-a-vis any parties other than the Debtors, (ii) allow the holders of Allowed Unsecured Notes Claims to receive distributions under the Plan from the Unsecured Notes Indenture Trustee or from any other source, to the extent provided for under the Plan; (iii) preserve any rights of the Unsecured Notes Indenture Trustee to payment of fees, expenses, indemnification obligations and Liens securing such right to payment from or on any money or property to be distributed in respect to the Unsecured Notes Claims under the Plan or from the holders of Allowed Unsecured Notes Claims, (iv) permit the Unsecured Notes Indenture Trustees to enforce any obligation owed to it under the Plan, and (v) permit the Unsecured Notes Indenture Trustees to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court.

11. Release of Liens

Upon the full payment or other satisfaction of an Allowed Other Secured Claim, or promptly thereafter, the holder of such Allowed Other Secured Claim will deliver to the Debtors or Reorganized Debtors, as applicable, any Collateral or other property of a Debtor held by such holder, together with any termination statements, instruments of satisfaction, or releases of all security interests with respect to its Allowed Other Secured Claim that may be reasonably required to terminate any related financing statements, mortgages, mechanics' or other statutory liens, or lis pendens, or similar interests or documents. To the extent any of foregoing actions, whether arising prior to the Effective Date or thereafter, require action to be taken by the Secured Parties Collateral Agent, the Debtors or Reorganized Debtors, as applicable, shall pay the reasonable and documented fees and expenses of the Secured Parties Collateral Agent.

12. Officers and Boards of Directors

The composition of each board of managers, directors or similar governing body, as applicable, of the Reorganized Debtors, including the New Board, will be disclosed prior to the entry of the Confirmation Order to the extent required by section 1129(a)(5) of the Bankruptcy Code.

The officers of each Reorganized Debtor will be disclosed prior to the entry of the Confirmation Order to the extent required by section 1129(a)(5) of the Bankruptcy Code. On the Effective Date, the applicable Reorganized Debtors will enter into new employment agreements with certain members of the management team.

Except to the extent that a member of the board of managers, directors or similar governing body of a Debtor continues to serve in such capacity on the Effective Date, such members of each Debtor prior to the Effective Date, in their capacities as such, will have no continuing obligations to the Reorganized Debtors on or after the Effective Date and each such member will be deemed to have resigned or will otherwise cease to be a manager or director of the applicable Debtor on the Effective Date without any further action required on the part of any such Debtor or member. Commencing on the Effective Date, each of the managers and directors of each of the Reorganized Debtors will serve pursuant to the terms of the applicable organizational documents of such Reorganized Debtor and may be replaced or removed in accordance with such organizational documents.

13. Management Incentive Plan

The New Board will adopt the Management Incentive Plan on, or as soon as reasonably practicable after, the Effective Date.

14. New Intercreditor Agreement

On the Effective Date, the Exit Revolving Credit Facility Agent and the New Second Lien Convertible Notes Indenture Trustee will enter into the New Intercreditor Agreement. Each lender under the Exit Revolving Credit Facility and each holder of the New Second Lien Convertible Notes will be deemed to have directed the applicable agent, New Second Lien Convertible Notes Indenture Trustee or Exit Revolving Credit Facility Agent, as applicable, to execute the New Intercreditor Agreement and will be bound to the terms of the New Intercreditor Agreement from and after the Effective Date as if it were a signatory thereto.

15. Registration Rights

On the Effective Date, the Registration Rights Parties will enter into the Registration Rights Agreement. The Registration Rights Agreement will provide, following the occurrence of an initial public offering of Reorganized CHC's New Membership Interests, the Registration Rights Parties with certain demand registration rights, piggyback registration rights and shelf registration rights for the offer and resale of any New Second Lien Convertible Notes held by the Registration Parties, the New Membership Interests underlying the New Second Lien Convertible Notes and any New Membership Interests held by the Registration Rights Parties, including New Membership Interests held upon the conversion of the New Second Lien Convertible Notes. The Registration Rights Agreement will contain customary terms and conditions, including, without limitation, provisions with respect to blackout periods.

16. Rights Offering

Following approval by the Bankruptcy Court of the Rights Offering Procedures, Reorganized CHC will consummate the Rights Offering in accordance therewith. The Rights Offering will be conducted, and the New Second Lien Convertible Notes will be issued to the Eligible Offerees that exercise their respective Subscription Rights pursuant to the Rights Offering Procedures and the Plan. The consummation of the Rights Offering is conditioned on the consummation of the Plan, the Rights Offering Procedures and any other condition specified in the Backstop Agreement. Amounts held by the Subscription Agent with respect to the Rights Offering prior to the Effective Date will not be entitled to any interest on account of such amounts. On the Effective Date, in exchange for providing the Backstop Commitment, and pursuant to the terms and conditions of the Backstop Agreement and the Support Agreements Approval Order, the Backstop Parties will receive the New Second Lien Convertible Notes constituting the Put Option Premium.

17. Intercompany Interests

On the Effective Date and without the need for any further corporate action or approval of any board of directors, management, or shareholders of any Debtor or Reorganized Debtor, as applicable, all Intercompany Interests will be Reinstated and unaffected by the Plan and continue in place following the Effective Date.

18. Tax Matters

Subject to definitive guidance from the U.S. Internal Revenue Service or a court of competent jurisdiction to the contrary, all parties (including the Reorganized Debtors, all holders of Allowed Senior Secured Notes Claims and Allowed Unsecured Notes Claims who receive New Second Lien Convertible Notes pursuant to the Plan, the New Second Lien Convertible Notes Indenture Trustee and all other parties to the New Second Lien Convertible Notes Indenture) will, unless prohibited by applicable law, treat the New Second Lien Convertible Notes as equity for U.S. federal income tax purposes (that is not preferred stock for purposes of section 305 of the Tax Code), and the New Second Lien Convertible Notes Indenture will so provide. To the extent permitted by applicable law, all parties will report consistent therewith for U.S. state and local income tax purposes.

19. Separability

Notwithstanding the combination of separate plans of reorganization for the Debtors set forth in the Plan for purposes of economy and efficiency, the Plan constitutes a separate chapter 11 plan for each Debtor. Voting and distributions will be calculated and made on a Debtor-by-Debtor basis. If the Bankruptcy Court does not confirm the Plan with respect to one or more Debtors, it may still, with the consent of the

Debtors, the Requisite Plan Sponsors and the Creditors' Committee, confirm the Plan with respect to any other Debtor that satisfies the confirmation requirements of section 1129 of the Bankruptcy Code.

20. Settlement of Claims and Controversies

Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the Plan Distributions and other benefits provided under the Plan, the provisions of the Plan will constitute a good faith compromise and settlement of all Claims and controversies relating to the rights that a holder of a Claim or Interest may have with respect to such Claim or Interest or any Plan Distribution on account thereof, including (i) the amount, value, and treatment of ABL Claims, Senior Secured Notes Claims, and Unsecured Notes Claims against the Debtors; (ii) the validity, extent and priority of the Liens securing the Senior Secured Notes; (iii) the value of the Debtors' encumbered and unencumbered Assets; (iv) any potential adequate protection or diminution in value Claim by the holders of Senior Secured Notes; (v) any potential Claim to surcharge Collateral under section 506(c) of the Bankruptcy Code; (vi) the allocation of distributable value among the creditor classes; and (vii) the Equity Value and the total enterprise value of the reorganized company premised upon the Debtors remaining as a going concern, which is conditioned upon the $300 million new money investment. In the event that, for any reason, the Confirmation Order is not entered or the Effective Date does not occur, the Debtors, the Plan Sponsors, the Creditors' Committee, and the other Consenting Creditor Parties reserve all of their respective rights with respect to any and all disputes resolved and settled under the Plan. The entry of the Confirmation Order will constitute the Bankruptcy Court's approval, as of the Effective Date, of each of the compromises and settlements embodied in the Plan, and the Bankruptcy Court's finding that all such compromises or settlements are: (i) in the best interest of the Debtors, the Estates, the Reorganized Debtors, and their respective property and stakeholders; and (ii) fair, equitable and within the range of reasonableness. The provisions of the Plan, including, without limitation, its release, injunction, exculpation and compromise provisions, are mutually dependent.

21. Limited Consolidation for Primary General Unsecured Claims Distribution

Consistent with Section 5.20 of the Plan, the Plan provides for recoveries on account of Allowed Primary General Unsecured Claims in Class 7 from the Primary General Unsecured Claims Distribution, regardless of the Debtor entity against which such Allowed Primary General Unsecured Claims are asserted. The Debtors will not be consolidated for any other purpose. To the extent necessary, the Plan will serve as a motion seeking, and entry of the Confirmation Order shall constitute, the approval, pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, effective as of the Effective Date, of the limited consolidation for distribution on account of Primary General Unsecured Claims as provided in Section 5.21 of the Plan.

For the avoidance of doubt, the limited consolidation described in Section 5.21 of the Plan will only apply to distributions on account of Allowed Primary General Unsecured Claims and will not impact, waive, or otherwise effect any Allowed Secondary General Unsecured Claims asserted against any Debtor or any recoveries on such Allowed Secondary General Unsecured Claims, if applicable. Providing distributions to holders of Allowed Primary General Unsecured Claims in the manner described in this Section shall not affect: (i) the legal and corporate structures of the Debtors; (ii) pre- and post-Effective Date guarantees, liens and security interests that are required to be maintained (a) in connection with contracts or leases that were entered into during the Chapter 11 Cases or Executory Contracts and Unexpired Leases that have been or will be assumed by the Debtors or (b) pursuant to the Plan; (iii) Intercompany Interests; (iv) distributions from any insurance policies or proceeds of such policies; or (v) the revesting of assets in the separate Reorganized Debtors. In addition, such consolidation shall not constitute a waiver of the mutuality requirement for setoff under section 553 of the Bankruptcy Code.

The characterization of each General Unsecured Claim as a Primary General Unsecured Claim or a Secondary General Unsecured Claim for distribution purposes will be reasonably determined by the Voting Agent and the Debtors or Reorganized Debtors, as applicable, subject to the reasonable consent of the Creditors' Committee or the Post-Effective Date Committee, as applicable, or as otherwise ordered by the Bankruptcy Court.

22. Adjustment of Primary General Unsecured Claims Distribution and Secondary General Unsecured Claims Distribution

Notwithstanding anything contained in the Plan to the contrary, the Debtors may modify the allocation between and among the Secondary General Unsecured Claims Distribution and the Primary General Unsecured Claims Distribution, including between and among the Secondary Recovery Debtors identified on **Exhibit C**, to the extent necessary to satisfy the requirements of the Bankruptcy Code.

23. Restructuring Expenses

On the Effective Date, or as soon as practicable thereafter, the Debtors or the Reorganized Debtors, as applicable, will pay in full in Cash all outstanding Restructuring Expenses incurred, or estimated to be incurred, through the Effective Date, in accordance with the terms of the applicable orders, engagement letters or other applicable contractual arrangements, but without regard to any notice or objection period as may be contained in such applicable orders, engagement letters, or other applicable arrangements, subject to adjustment, if necessary, for the actual Restructuring Expenses incurred.

E. Distributions

1. Distributions Generally

The Disbursing Agent will make all Plan Distributions to the appropriate holders of Allowed Claims in accordance with the terms of the Plan.

2. Plan Funding

Plan Distributions of Cash will be funded from the Debtors' and the Reorganized Debtors' Cash on hand as of the applicable date of such Plan Distribution.

3. No Postpetition Interest on Claims

Except as otherwise specifically provided for in the Plan, the Confirmation Order, or another order of the Bankruptcy Court or required by the Bankruptcy Code, postpetition interest will not accrue or be paid on any Claims, and no holder of a Claim will be entitled to interest accruing on such Claim on or after the Petition Date.

4. Date of Distributions

Unless otherwise provided in the Plan, any distributions and deliveries to be made under the Plan will be made on the Effective Date or as soon thereafter as is practicable; provided, that the Reorganized Debtors may implement periodic distribution dates to the extent they determine them to be appropriate.

5. Distribution Record Date

As of the close of business on the Distribution Record Date, the various lists of holders of Claims in each Class, as maintained by the Debtors or their agents, will be deemed closed, and there will be no further changes in the record holders of any Claims after the Distribution Record Date. Neither the Debtors, the Reorganized Debtors, nor the Disbursing Agent will have any obligation to recognize any transfer of a Claim occurring after the close of business on the Distribution Record Date. In addition, with respect to payment of any Cure Amounts or disputes over any Cure Amounts, neither the Debtors, the Reorganized Debtors, nor the Disbursing Agent will have any obligation to recognize or deal with any party other than the non-debtor party to the applicable executory contract or unexpired lease, even if such non-debtor party has sold, assigned, or otherwise transferred its Claim for a Cure Amount.

6. Disbursing Agent

All distributions under the Plan will be made by the Disbursing Agent on and after the Effective Date as provided in the Plan. The Disbursing Agent will not be required to give any bond or surety or other security for the performance of its duties. The Reorganized Debtors will use all commercially reasonable efforts to provide the Disbursing Agent (if other than the Reorganized Debtors) with the amounts of Claims and the identities and addresses of holders of Claims, in each case, as set forth in the Debtors' or Reorganized Debtors' books and records. The Reorganized Debtors will cooperate in good faith with the applicable Disbursing Agent (if other than the Reorganized Debtors) to comply with the reporting and withholding requirements outlined in Section 6.17 of the Plan.

7. Delivery of Distributions

The Disbursing Agent will issue or cause to be issued, the applicable consideration under the Plan and, subject to Bankruptcy Rule 9010, will make all distributions to any holder of an Allowed Claim as and when required by the Plan at: (i) the address of such holder on the books and records of the Debtors or their agents; or (ii) at the address in any written notice of address change delivered to the Debtors or the Disbursing Agent, including any addresses included on any transfers of Claim filed pursuant to Bankruptcy Rule 3001. In the event that any distribution to any holder is returned as undeliverable, no distribution or payment to such holder will be made unless and until the Disbursing Agent has been notified of the then-current address of such holder, at which time or as soon thereafter as reasonably practicable such distribution will be made to such holder without interest.

8. Unclaimed Property

One year from the later of (a) the Effective Date and (b) the date that is ten (10) Business Days after the date a Claim is first Allowed, all distributions payable on account of Claim that are not deliverable and remain unclaimed will be deemed unclaimed property under section 347(b) of the Bankruptcy Code and will revert to the Reorganized Debtors or their successors or assigns, and all claims of any other Entity (including the holder of a Claim in the same Class) to such distribution will be discharged and forever barred. The Reorganized Debtors and the Disbursing Agent will have no obligation to attempt to locate any holder of an Allowed Claim other than by reviewing the Debtors' books and records and filings with the Bankruptcy Court. Notwithstanding the foregoing, if any Primary General Unsecured Claims Distributions or Secondary General Unsecured Claims Distributions remain unclaimed for one year after attempted distribution, such undeliverable distributions from the Primary General Unsecured Claims Distribution will be distributed to the holders of Allowed Primary General Unsecured Claims and such undeliverable distribution from the Secondary General Unsecured Claims Distribution will be distributed to holders of Allowed Secondary General Unsecured Claims, as applicable, in accordance with the distribution methodology described in Section 6.1 of the Plan.

9. Satisfaction of Claims

Unless otherwise provided in the Plan, any distributions and deliveries to be made on account of Allowed Claims under the Plan will be in complete and final satisfaction, settlement, and discharge of and exchange for such Allowed Claims.

10. Manner of Payment Under Plan

Except as specifically provided in the Plan, at the option of the Debtors or the Reorganized Debtors, as applicable, any Cash payment to be made under the Plan may be made by a check or wire transfer or as otherwise required or provided in applicable agreements or customary practices of the Debtors.

11. Fractional Shares and Notes and De Minimis Cash Distributions

No fractional New Membership Interests will be distributed. When any distribution would otherwise result in the issuance of a number of New Membership Interests that is not a whole number, the New Membership Interests subject to such distribution will be rounded to the next higher or lower whole number as follows: (i) fractions equal to or greater than 1/2 will be rounded to the next higher whole number; and (ii) fractions less than 1/2 will be rounded to the next lower whole number. The total number of New Membership Interests to be distributed on account of Allowed Claims will be adjusted as necessary to account for the rounding provided for in the Plan. No consideration will be provided in lieu of fractional shares that are rounded down. Neither the Reorganized Debtors nor the Disbursing Agent will have any obligation to make a distribution that is less than one (1) New Membership Interest or Fifty Dollars ($50.00) in Cash. Fractional New Membership Interests that are not distributed in accordance with Section 6.11 of the Plan will be returned to, and ownership thereof will vest in, Reorganized CHC. The New Second Lien Convertible Notes and New Unsecured Notes each will be issued in denominations of One Dollar ($1) or any integral multiples thereof and any other amounts will be rounded down.

12. No Distribution in Excess of Amount of Allowed Claim

Notwithstanding anything to the contrary in the Plan, no holder of an Allowed Claim will receive, on account of such Allowed Claim, Plan Distributions in excess of the Allowed amount of such Claim plus any postpetition interest on such Claim, to the extent such interest is permitted by Section 6.3 of the Plan.

13. Allocation of Distributions Between Principal and Interest

Except as otherwise required by law (as reasonably determined by the Debtors), consideration received in respect of an Allowed Claim will be allocable first to the principal amount of the Claim (as determined for U.S. federal income tax purposes) and then, to the extent of any excess, to the remainder of the Claim, including any Claim for accrued but unpaid interest.

14. Exemption from Securities Laws

The issuance of and the distribution under the Plan of the New Membership Interests and the New Unsecured Notes will be exempt from registration under the Securities Act and any other applicable securities laws to the fullest extent permitted by section 1145 of the Bankruptcy Code. These securities may be resold without registration under the Securities Act or other federal securities laws pursuant to the exemption provided by section 4(a)(1) of the Securities Act, unless the holder is an "underwriter" with respect to such securities, as that term is defined in section 1145(b) of the Bankruptcy Code. In addition, such section 1145 exempt securities generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of the several states.

The Rights Offering and the issuance and sale, as applicable, of the Subscription Rights and the New Second Lien Convertible Notes (and the New Membership Interests issuable upon conversation thereof) pursuant to the Rights Offering and to the Backstop Parties under the Backstop Agreement (including the New Second Lien Convertible Notes (and the New Membership Interests issuable upon the conversion thereof) comprising the Put Option Premium) is being made in reliance on the exemption from registration set forth in section 4(a)(2) of the Securities Act or Regulation D thereunder. Such securities will be considered "restricted securities" and may not be transferred except pursuant to an effective registration statement or under an available exemption from the registration requirements of the Securities Act, such as, under certain conditions, the resale provisions of Rule 144 of the Securities Act.

15. Setoffs and Recoupments

Each Debtor or Reorganized Debtor, as applicable, or such Entity's designee, may, pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy law, offset or recoup against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim any and all Claims, rights, and Causes of Action that such Debtor or Reorganized Debtor or its successors may hold against the holder of such Allowed Claim; provided, that neither the failure to effect a setoff or recoupment nor the allowance of any Claim hereunder will constitute a waiver or release by a Debtor or Reorganized Debtor or its successor of any Claims, rights, or Causes of Action that a Reorganized Debtor or it successor or assign may possess against such holder.

16. Rights and Powers of Disbursing Agent

The Disbursing Agent will be empowered to: (i) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (ii) make all applicable distributions or payments provided for under the Plan; (iii) employ professionals to represent it with respect to its responsibilities; and (iv) exercise such other powers (A) as may be vested in the Disbursing Agent by order of the Bankruptcy Court (including any order issued after the Effective Date) or pursuant to the Plan or (B) as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of the Plan.

To the extent the Disbursing Agent is an Entity other than a Debtor or Reorganized Debtor, except as otherwise ordered by the Bankruptcy Court and subject to the written agreement of the Reorganized Debtors, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement Claims (including for reasonable attorneys' and other professional fees and expenses) made by the Disbursing Agent will be paid in Cash by the Reorganized Debtors.

17. Withholding and Reporting Requirements

In connection with the Plan and all instruments issued in connection therewith and distributed thereon, the Reorganized Debtors and the Disbursing Agent will comply with all applicable withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all distributions under the Plan will be subject to any such withholding or reporting requirements. In the case of a non-Cash distribution that is subject to withholding, the distributing party may withhold an appropriate portion of such distributed property and sell such withheld property to generate Cash necessary to pay over the withholding tax. Any amounts withheld pursuant to the preceding sentence will be deemed to have been distributed to and received by the applicable recipient for all purposes of the Plan.

Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution under the Plan will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations

imposed on such holder by any Governmental Unit, including income, withholding, and other tax obligations, on account of such distribution. The Reorganized Debtors and the Disbursing Agent have the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to any issuing or disbursing party for payment of any such tax obligations.

The Reorganized Debtors and the Disbursing Agent may require, as a condition to receipt of a distribution, that the holder of an Allowed Claim provide any information necessary to allow the distributing party to comply with any such withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority. If the Reorganized Debtors or the Disbursing Agent make such a request and the holder fails to comply before the date that is 180 days after the request is made, the amount of such distribution will irrevocably revert to the applicable Reorganized Debtor and any Claim in respect of such distribution will be discharged and forever barred from assertion against such Reorganized Debtor or its respective property.

F. Procedures for Resolving Claims

1. Disputed Claims Generally

Except insofar as a Claim is Allowed under the Plan, the Debtors or the Reorganized Debtors, as applicable, will be entitled to object to Claims. Any objections to Claims will be served and filed on or before: (a) the one-hundred and eightieth (180th) day following the later of (i) the Effective Date and (ii) the date that a proof of Claim is filed or amended or a Claim is otherwise asserted or amended in writing by or on behalf of a holder of such Claim; or (b) such later date as may be fixed by the Bankruptcy Court.

2. Objections to Professional Fee Claims

Any objections to Professional Fee Claims will be served and filed (a) no later than thirty (30) days after the filing of the final applications for compensation or reimbursement by the applicable Professional Person or (b) such later date as ordered by the Bankruptcy Court.

3. Estimation of Claims

The Debtors or the Reorganized Debtors, as applicable, may at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether the Debtors had previously objected to or otherwise disputed such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Claim, the amount so estimated will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Reorganized Debtors may pursue supplementary proceedings to object to the allowance of such Claim.

4. Claim Resolution Procedures Cumulative

All of the objection, estimation, and resolution procedures in the Plan are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently settled, compromised, withdrawn, or resolved in accordance with the Plan by any mechanism approved by the Bankruptcy Court.

5. Resolution of Disputed Claims

On and after the Effective Date, the Reorganized Debtors will have the authority to litigate, compromise, settle, otherwise resolve or withdraw any objections to all Claims against the Debtors and to compromise and settle any such Disputed Claims without notice to or approval by the Bankruptcy Court or any other party; *provided*, *however*, that for so long as the Post-Effective Date Committee is in existence, the Post-Effective Date Committee will have (i) consultation rights for the settlement of any General Unsecured Claims filed or asserted in the amount of Five Million Dollars ($5,000,000) or more and (ii) reasonable consent rights with respect to any settlement of a General Unsecured Claim that is settled for an Allowed General Unsecured Claim in excess of Five Million Dollars ($5,000,000). In the event the Post-Effective Date Committee does not consent to any such Claim settlement, the Reorganized Debtors will have the right to seek approval of such Claim settlement by the Bankruptcy Court pursuant to Bankruptcy Rule 9019. Upon request, the Debtors or the Reorganized Debtors will also provide the Post-Effective Date Committee with a spreadsheet of all General Unsecured Claims, which will include the filed Claim amounts and any objections asserted thereto.

6. No Distributions Pending Allowance

No payment or distribution provided under the Plan will be made on account of a Disputed Claim unless and until (and only to the extent that) such Claim becomes an Allowed Claim.

7. Disputed Claims Reserve

There will be withheld from the New Membership Interests and New Unsecured Notes to be distributed to holders of Allowed General Unsecured Claims an amount of New Membership Interests and New Unsecured Notes that would be distributable to Disputed General Unsecured Claims had such Disputed Claims been Allowed on the Effective Date, together with all earnings thereon (net of any expenses relating thereto, including any taxes imposed thereon or otherwise payable by the Disputed Claims Reserve). There will also be withheld Cash in an amount that would be distributable to any Disputed Convenience Claims had such Disputed Claims been Allowed on the Effective Date, together with all earnings thereon (net of any expenses relating thereto, including any taxes imposed thereon or otherwise payable by the Disputed Claims Reserve). The Disbursing Agent will hold in the Disputed Claims Reserve all dividends, payments, and other distributions made on account of, as well as any obligations arising from, property held in the Disputed Claims Reserve, to the extent that such property continues to be so held at the time such distributions are made or such obligations arise, and such dividends, payments, or other distributions will be held for the benefit of (i) holders of Disputed General Unsecured Claims against any of the Debtors whose Claims are subsequently Allowed, (ii) holders of New Unsecured Notes pending resolution of distributions to holders of Allowed Convenience Claims, (iii) holders of Disputed Convenience Claims against any of the Debtors whose Claims are subsequently Allowed, and (iv) other parties entitled thereto hereunder.

The Debtors intend to seek a determination by the Bankruptcy Court of the estimated amount (either on an individual or aggregate basis) of Disputed General Unsecured Claims and the Disputed Convenience Claims for purposes of determining the amount of the Disputed Claims Reserve attributable to such Disputed Claims. The New Membership Interests held in the Disputed Claims Reserve pursuant to Section 7.7 of the Plan will be deemed voted by the Disbursing Agent proportionally in the same manner as any outstanding New Membership Interests held by parties other than the Disbursing Agent are voted. The Disbursing Agent will be responsible for payment, out of the assets of the Disputed Claims Reserve, of any taxes imposed on the Disputed Claims Reserve or its assets. In the event, and to the extent, any Cash in the Disputed Claims Reserve is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets of the Disputed Claims Reserve (including any income that may

arise upon the distribution of the assets in the Disputed Claims Reserve), assets of the Disputed Claims Reserve may be sold to pay such taxes. To the extent that a Disputed General Unsecured Claim becomes an Allowed Claim after the Effective Date, the Disbursing Agent will distribute to the holder thereof the distribution, if any, of the New Membership Interests and New Unsecured Notes to which such holder is entitled hereunder out of the Disputed Claims Reserve. To the extent that a Disputed Convenience Claim becomes an Allowed Claim after the Effective Date, the Disbursing Agent will distribute to the holder thereof the distribution, if any, of Cash to which such holder is entitled hereunder out of the Disputed Claims Reserve. No interest will be paid with respect to any Disputed Convenience Claim or any Disputed General Unsecured Claim that becomes an Allowed Claim after the Effective Date.

In the event the New Membership Interests and New Unsecured Notes remaining in the Disputed Claims Reserve are insufficient to satisfy all the Disputed Claims that have become Allowed and are due to be satisfied with distributions from the Disputed Claims Reserve, such Disputed Claims will be satisfied ratably from the Disputed Claims Reserve consistent with the proportional recoveries provided by the Plan and as set forth in **Exhibit C**. After all New Membership Interests and New Unsecured Notes have been distributed from the Disputed Claims Reserve, no further distributions will be made in respect of Disputed Claims. At such time as all Disputed Claims have been resolved, any remaining New Membership Interests and New Unsecured Notes in the Disputed Claims Reserve will be released from the Disputed Claims Reserve for distribution in accordance with Sections 4.7 and 5.8 of the Plan.

8. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) will be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as practicable after the date on which the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent will provide to the holder of such Claim the distribution (if any) to which such holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim unless required by the Bankruptcy Code.

G. Executory Contracts and Unexpired Leases

1. General Treatment

As of and subject to the occurrence of the Effective Date, all executory contracts and unexpired leases to which the Debtors are party will be deemed rejected except for an executory contract or unexpired lease that (i) has previously been assumed or rejected pursuant to a Final Order of the Bankruptcy Court, (ii) is specifically designated on the Schedule of Assumed Contracts and Leases filed and served prior to commencement of the Confirmation Hearing, (iii) is specifically designated on the Schedule of Rejected Contracts and Leases filed and served prior to commencement of the Confirmation Hearing, (iv) is specifically designated on the Schedule of Assumed Aircraft Leases filed and served prior to commencement of the Confirmation Hearing, (v) is specifically designated on the Schedule of Rejected Aircraft Leases filed and served prior to commencement of the Confirmation Hearing, or (vi) is the subject of a separate (A) assumption motion filed by the Debtors or (B) rejection motion filed by the Debtors under section 365 of the Bankruptcy Code before the Confirmation Date. The Debtors reserve the right to modify the treatment of any particular executory contract or unexpired lease pursuant to the Plan, and any such modification will be reasonably acceptable to the Debtors, the Requisite Plan Sponsors, and the Creditors' Committee.

Subject to the occurrence of the Effective Date, the payment of any applicable Cure Amount, and the resolution of any Cure Dispute, the entry of the Confirmation Order by the Bankruptcy Court will constitute approval of the rejections, assumptions, and assumptions and assignments provided for in the

Plan pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated or provided in a separate order of the Bankruptcy Court, rejections or assumptions or assumptions and assignments of executory contracts and unexpired leases pursuant to the Plan are effective as of the Effective Date. Each executory contract and unexpired lease assumed pursuant to the Plan or by order of the Bankruptcy Court but not assigned to a third party before the Effective Date will vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of the Plan, any order of the Bankruptcy Court authorizing and providing for its assumption, or applicable law.

Unless otherwise provided in the Plan or by separate order of the Bankruptcy Court, each executory contract and unexpired lease that is assumed or assumed and assigned will include any and all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument, or other document is listed in the Schedule of Assumed Contracts and Leases or Schedule of Assumed Aircraft Leases.

Notwithstanding anything to the contrary contained in the Plan, subject to the terms and conditions of the Milestone Term Sheet as approved by the Bankruptcy Court, on the Effective Date, (i) the Milestone Committed Aircraft Lease Agreements will be assumed and will vest in and be fully enforceable against applicable Reorganized Debtor; (ii) any guarantee agreement or other Definitive Restructuring Document (as defined in the Milestone Term Sheet) that is not an executory contract, will be reinstated pursuant to section 1123(a)(2) of the Bankruptcy Code and will vest in and be fully enforceable against the applicable Reorganized Debtor; and (iii) the Milestone Incremental Aircraft Lease Agreements will vest in and be fully enforceable against the applicable Reorganized Debtor.

2. Determination of Cure Disputes and Deemed Consent

The Debtors will file, as part of the Plan Supplement, the Schedule of Assumed Contracts and Leases and the Schedule of Assumed Aircraft Leases, which, if and where applicable, will indicate whether the executory contract or lease is also being assigned and to whom, and will simultaneously serve a Cure Notice on parties to executory contracts or unexpired leases to be assumed or, if applicable, assigned, reflecting the Debtors' intention to assume or assume and assign the contract or lease in connection with the Plan and, where applicable, setting forth the proposed Cure Amount (if any).

With respect to each executory contract or unexpired lease to be assumed or assumed and assigned by the Debtors, unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed to by the parties thereto prior to the Effective Date, the dollar amount required to Cure any defaults of the Debtors existing as of the Confirmation Date will be the Cure Amount set in the Cure Notice. The Cure Amount will be satisfied, under section 365(b)(1) of the Bankruptcy Code, by the Debtors or Reorganized Debtors, as applicable, upon assumption of the relevant executory contract or unexpired lease. Upon payment in full of the Cure Amount, any and all proofs of Claim based upon an executory contract or unexpired lease that has been assumed in the Chapter 11 Cases or under the Plan will be deemed Disallowed and expunged without any further notice to or action by any party or order of the Bankruptcy Court.

If there is a dispute regarding (i) any Cure Amount, (ii) the ability of the Debtors to provide adequate assurance of future performance (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (iii) any other matter pertaining to assumption or assumption and assignment, such dispute will be heard by the Bankruptcy Court prior to such assumption or assumption and assignment being effective. Any counterparty to an executory contract or unexpired lease that fails to object timely to the notice of the proposed assumption or assumption and assignment of such executory

contract or unexpired lease or the relevant Cure Amount within fifteen (15) days of the Debtors' notice of intent to assume or assume and assign, will be deemed to have consented to such assumption or assumption and assignment and the Cure Amount (even if Zero Dollars ($0)), and will be forever barred, estopped, and enjoined from challenging the validity of such assumption or assumption and assignment or the amount of such Cure Amount thereafter.

3. Rejection

In the event that the rejection of an executory contract or unexpired lease hereunder results in damages to the other party or parties to such contract or lease, any Claim for such damages, if not heretofore evidenced by a timely filed proof of Claim, will be forever barred and will not be enforceable against the Debtors or the Reorganized Debtors, or their respective Estates, properties or interests in property, unless a proof of Claim is filed with the Bankruptcy Court and served upon the Debtors or the Reorganized Debtors, as applicable, no later than thirty (30) days after the later of (i) the Confirmation Date or (ii) the effective date of the rejection of such executory contract or unexpired lease, as set forth on the Schedule of Rejected Contracts and Leases or on the Schedule of Rejected Aircraft Leases or order of the Bankruptcy Court. The Confirmation Order will constitute the Bankruptcy Court's approval of the rejection of all the leases and contracts identified in the Schedule of Rejected Contracts and Leases, the Schedule of Rejected Contracts and Leases, and Schedule of Rejected Aircraft Leases.

4. Survival of the Debtors' Indemnification Obligations

Any obligations of the Debtors pursuant to their corporate charters, by-laws, limited liability company agreements, memorandum and articles of association, or other organizational documents and agreements to indemnify current and former officers, directors, agents, or employees with respect to all present and future actions, suits, and proceedings against the Debtors or such officers, directors, agents, or employees based upon any act or omission for or on behalf of the Debtors will not be discharged, impaired, or otherwise affected by the Plan; provided, that the Reorganized Debtors will not indemnify any person for any Claims or Causes of Action arising out of or relating to any act or omission that is a criminal act or constitutes fraud, gross negligence, or willful misconduct. All such obligations will be deemed and treated as executory contracts to be assumed by the Debtors under the Plan and will continue as obligations of the Reorganized Debtors.

5. Compensation and Benefit Plans

The Debtors will file, as part of the Plan Supplement, the Schedule of Assumed Compensation and Benefit Plans. Unless otherwise provided in the Plan, all employment and severance policies, and all compensation and benefits plans, policies, and programs of the Debtors applicable to their respective employees, retirees, and non-employee directors, including all savings plans, retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans, and life and accidental death and dismemberment insurance plans, in each case to the extent specifically listed on the Schedule of Assumed Compensation and Benefit Plans, are deemed to be, and will be treated as, executory contracts under the Plan and, on the Effective Date, will be assumed pursuant to sections 365 and 1123 of the Bankruptcy Code. Any such policy, plan, or program not specifically listed on the Schedule of Assumed Compensation and Benefit Plans will be deemed rejected. For the avoidance of doubt, any awards granted under the Management Incentive Plan will be governed by such plan and will not be subject to any provisions of the foregoing assumed plans, programs, or arrangements.

6. Insurance Policies

All insurance policies to which any Debtor is a party as of the Effective Date will be deemed to be and treated as executory contracts, will be assumed by the applicable Debtor, and will vest in the Reorganized Debtors and continue in full force and effect thereafter in accordance with their respective terms.

7. Reservation of Rights

The Debtors may amend the Schedule of Assumed Contracts and Leases, the Schedule of Rejected Contracts and Leases, the Schedule of Assumed Aircraft Leases, and the Schedule of Rejected Aircraft Leases and any Cure Notice through 4:00 p.m. (Central Time) on the Business Day immediately prior to the commencement of the Confirmation Hearing to (i) add, delete, or reclassify any executory contract or unexpired lease or amend a proposed assignment and /or (ii) amend the proposed Cure; provided, however, that if the Confirmation Hearing is adjourned for a period of more than two (2) consecutive calendar days, the Debtors' right to amend such schedules and notices will be extended to 4:00 p.m. (Central Time) on the Business Day immediately prior to the adjourned date of the Confirmation Hearing, with such extension applying in the case of any and all subsequent adjournments of the Confirmation Hearing. For the avoidance of doubt, any such amendments shall be reasonably acceptable in all respects to the Debtors, the Requisite Plan Sponsors, and the Creditors' Committee.

Neither the exclusion nor the inclusion by the Debtors of any contract or lease on any exhibit, schedule, or other annex to the Plan or in the Plan Supplement, nor anything contained in the Plan, will constitute an admission by the Debtors that any such contract or lease is or is not an executory contract or unexpired lease or that the Debtors or the Reorganized Debtors or their respective affiliates have any liability thereunder.

Except as otherwise provided in the Plan, or in a previously entered order of the Bankruptcy Court, nothing shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, Causes of Action, or other rights of the Debtors or the Reorganized Debtors under any executory or non-executory contract or unexpired or expired lease.

Nothing in the Plan will increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtors or the Reorganized Debtors, as applicable, under any executory or non-executory contract or unexpired or expired lease.

If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of its assumption under the Plan, the Debtors or Reorganized Debtors, as applicable, will have sixty (60) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

H. <u>Conditions Precedent to the Occurrence of the Effective Date</u>

1. Conditions Precedent to the Effective Date

The Effective Date will not occur unless all of the following conditions precedent have been satisfied or waived in accordance with Section 9.2 of the Plan:

- the Plan Documents are reasonably acceptable in all respects to (a) the Debtors, the Requisite Plan Sponsors, and the Creditors' Committee and (b) the Individual Creditor Parties and the Milestone Parties, solely to the extent and under the circumstances provided for pursuant to Section 2(b) of the Plan Support Agreement; provided, however, any Plan Documents regarding

organizational and governance matters of the Reorganized Debtors and Reorganized CHC, including, without limitation, the Reorganized CHC Operating Agreement, the Registration Rights Agreement, the Amended Certificate of Incorporation and the Amended By-Laws, shall be acceptable in all respects to the Requisite Plan Sponsors in their sole discretion, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties);

- the Debtors maintain unrestricted cash liquidity (i.e., cash, cash equivalents and unrestricted availability under any financing arrangement for general working capital purposes), without regard to the proceeds from the Rights Offering, in the amount set forth on Schedule 6(a)(xix) of the Plan Support Agreement (after accounting for payments to be made in connection with the Effective Date), or such lesser amount as reasonably determined by the Debtors, the Requisite Plan Sponsors and the Creditors' Committee;

- the Plan Support Agreement is in full force and effect;

- the conditions to effectiveness of the Backstop Agreement have been satisfied or waived in accordance with the terms thereof, and the Backstop Agreement is in full force and effect and binding on all parties thereto;

- the Bankruptcy Court has entered the Confirmation Order and it is a Final Order, and which order is in all respects reasonably acceptable to the Debtors, Requisite Plan Sponsors and the Creditors' Committee and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties;

- all Restructuring Expenses have been paid in accordance with Section 5.23 of the Plan

- all governmental and third-party approvals and consents, including Bankruptcy Court approval, necessary in connection with the transactions provided for in the Plan have been obtained, are not subject to unfulfilled conditions, and are in full force and effect, and all applicable waiting periods have expired without any action having been taken by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on such transactions;

- the Confirmation Order has been recognized by the Canadian Court pursuant to the Canadian Recognition Proceeding; and

- the Cayman Proceedings have been completed.

2. Waiver of Conditions Precedent

Each of the Conditions Precedent to the occurrence of the Effective Date may be waived subject to the written consent, which shall not be unreasonably withheld, of the Debtors, the Requisite Plan Sponsors, and the Creditors' Committee and, to the extent such waiver (i) materially, adversely, disproportionately, and directly impacts the treatment of any Claims of the Individual Creditor Parties, the consent of the Individual Creditor Parties, which shall not be unreasonably withheld, and (ii) materially and directly impacts the rights, interests of the Milestone Parties under the Milestone Term Sheet (including any agreements contemplated therein or related thereto) and the PK Financing Documents, the consent of Milestone, which shall not be unreasonable withheld. If any such condition precedent is waived pursuant to Section 902 of the Plan and the Effective Date occurs, each party agreeing to waive such condition precedent will be estopped from withdrawing such waiver after the Effective Date or otherwise

challenging the occurrence of the Effective Date on the basis that such condition was not satisfied. If the Plan is confirmed for fewer than all of the Debtors as provided for in Section 5.19 of the Plan, only the conditions applicable to the Debtor or Debtors for which the Plan is confirmed must be satisfied or waived for the Effective Date to occur.

The stay of the Confirmation Order pursuant to Bankruptcy Rule 3020(e) will be deemed waived by and upon the entry of the Confirmation Order, and the Confirmation Order will take effect immediately upon its entry.

I. Effect of Confirmation

1. Binding Effect

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, and subject to the occurrence of the Effective Date, on and after the entry of the Confirmation Order, the provisions of the Plan will bind every holder of a Claim against or Interest in any Debtor and inure to the benefit of and be binding on such holder's respective successors and assigns, regardless of whether the Claim or Interest of such holder is impaired under the Plan and whether such holder has accepted the Plan.

2. Vesting of Assets

Except as otherwise provided in the Plan, on and after the Effective Date, all Assets of the Estates, including all claims, rights, and Causes of Action and any property acquired by the Debtors under or in connection with the Plan, will vest in each respective Reorganized Debtor free and clear of all Claims, Liens, charges, other encumbrances, and Interests. Subject to the terms of the Plan, on and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property and prosecute, compromise, or settle any Claims (including any Administrative Expense Claims) and Causes of Action without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules other than restrictions expressly imposed by the Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Debtors may pay the charges that they incur on or after the Confirmation Date for Professional Persons' fees, disbursements, expenses, or related support services without application to the Bankruptcy Court.

3. Discharge of Claims Against and Interests in the Debtors

Upon the Effective Date and in consideration of the distributions to be made under the Plan, except as otherwise provided in the Plan or in the Confirmation Order, each holder (as well as any trustee or agent on behalf of such holder) of a Claim or Interest and any successor, assign, and affiliate of such holder will be deemed to have forever waived, released, and discharged the Debtors, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, Interests, rights, and liabilities that arose prior to the Effective Date. Except as otherwise provided in the Plan, upon the Effective Date, all such holders of Claims and Interests and their successors, assigns, and affiliates will be forever precluded and enjoined, pursuant to sections 105, 524, and 1141 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or terminated Interest in any Debtor or any Reorganized Debtor.

4. Term of Pre-Confirmation Injunctions and Stays

Unless otherwise provided in the Plan, all injunctions and stays arising under or entered during the Chapter 11 Cases, whether under sections 105 or 362 of the Bankruptcy Code or otherwise, and in

existence on the date of entry of the Confirmation Order, will remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

5. Injunction Against Interference with Plan

Upon the entry of the Confirmation Order, all holders of Claims and Interests and all other parties in interest, along with their respective successors and assigns and present and former affiliates, employees, agents, officers, directors, and principals, will be enjoined from taking any action to interfere with the implementation or the occurrence of the Effective Date.

6. Plan Injunction

Except as otherwise provided in the Plan or in the Confirmation Order, as of the entry of the Confirmation Order but subject to the occurrence of the Effective Date, all Entities who have held, hold, or may hold Claims or Interests are, with respect to any such Claim or Interest, permanently enjoined after the entry of the Confirmation Order from: (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative, or other forum) against or affecting, directly or indirectly, a Debtor, a Reorganized Debtor, or an Estate or the property of any of the foregoing, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Entities mentioned in this subsection (i) or any property of any such transferee or successor; (ii) enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree, or order against a Debtor, a Reorganized Debtor, or an Estate or its property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Entities mentioned in this subsection (ii) or any property of any such transferee or successor; (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against a Debtor, a Reorganized Debtor, or an Estate or any of its property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Entities mentioned in this subsection (iii) or any property of any such transferee or successor; (iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan to the full extent permitted by applicable law; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; *provided*, that nothing contained in the Plan shall preclude such Entities who have held, hold, or may hold Claims against or Interests in a Debtor or an Estate from exercising their rights, or obtaining benefits, pursuant to and consistent with the terms of the Plan and the Plan Documents and the Cayman Proceedings.

By accepting distributions pursuant to the Plan, each holder of an Allowed Claim or Allowed Interest will be deemed to have affirmatively and specifically consented to be bound by the Plan, including the injunctions set forth in Section 10.6 of the Plan.

7. Releases

(a) Releases by the Debtors.

As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan and the Plan Documents and the Cayman Proceedings, for good and valuable consideration, including the contributions and service of the Released Parties to the Chapter 11 cases, the reorganization of the Debtors, and the implementation of the Restructuring, the

adequacy of which is hereby confirmed, and except as otherwise provided in the Plan or in the Confirmation Order, the Released Parties are deemed forever released and discharged by the Debtors, the Reorganized Debtors, and the Estates from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, the Reorganized Debtors, or their Estates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the transactions contemplated by Section 5.2 of the Plan, the Disclosure Statement, the Rights Offering, the Support Agreements, and the Plan and related agreements, instruments, and other documents (including the Plan Supplement and other Plan Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, or any other act or omission, other than Claims or Causes of Action arising out of or related to any act or omission of a Released Party that is a criminal act or constitutes intentional fraud, willful misconduct, or gross negligence; *provided, however,* that the releases provided for herein shall not affect any settlement approved or subject to approval by the Bankruptcy Court to the extent any releases provided for in such settlement differ from the releases contained in Section 10.7 of the Plan.

(b) Releases by Holders of Claims and Interests.

As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan, the Plan Documents, and the Cayman Proceedings, for good and valuable consideration, including the contributions and service of the Released Parties to the Chapter 11 Cases, the reorganization of the Debtors, and the implementation of the Restructuring, the adequacy of which is hereby confirmed, and except as otherwise provided in the Plan or in the Confirmation Order, as an integral component of the Plan, the Released Parties are deemed forever released and discharged by the Releasing Parties, from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such holders or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the transactions contemplated by Section 5.2 of the Plan, the Disclosure Statement, the Rights Offering, the Support Agreements, and the Plan and related agreements, instruments, and other documents (including the Plan Supplement and other Plan Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, or any other act or omission, other than Claims or Causes of Action arising out

of or related to any act or omission of a Released Party that is a criminal act or constitutes intentional fraud, willful misconduct, or gross negligence; *provided, however*, that, for the avoidance of doubt, the releases provided for herein shall not release any claim against any non-Debtor that has been asserted by the named plaintiff or any member of the class (provided that such class member does not timely opt out of the class) in *Rudman v. CHC Group et al.*, 15-cv-3773-LAK, pending in the United States District Court for the Southern District of New York.

8. Exculpation

To the extent permitted by applicable law, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, loss, and liability for any claim in connection with or arising out of the administration of the Chapter 11 Cases; the negotiation and pursuit of the Disclosure Statement, the Rights Offering, the Support Agreements, the transactions contemplated by Section 5.2 of the Plan, the Plan and all related agreements, instruments, and other documents (including the Plan Supplement and other Plan Documents), or the solicitation of votes for, or confirmation of, the Plan; the funding of the Plan; the occurrence of the Effective Date; the administration of the Plan or the property to be distributed under the Plan; the issuance of securities under or in connection with the Plan; or the transactions in furtherance of any of the foregoing; except to the extent arising out of or related to any act or omission of an Exculpated Party that is a criminal act or constitutes intentional fraud, willful misconduct or gross negligence. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting such Exculpated Parties from liability. For the avoidance of doubt, nothing in the Plan or the Confirmation Order is intended to affect the police or regulatory activities of governmental agencies.

9. Injunction Related to Releases and Exculpation

The Confirmation Order shall permanently enjoin the commencement or prosecution by any Entity, whether directly, derivatively, or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, or liabilities released or exculpated pursuant to the Plan.

10. Subordinated Claims

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments thereof under the Plan take into account and conform to the relative priority and rights of the Claims and Interest in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, sections 510(a), 510(b), or 510(c) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors reserve the right to reclassify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

11. Waiver of Certain Avoidance Actions

On the Effective Date, the Reorganized Debtors will be deemed to waive and release all Avoidance Actions against non-insider trade vendors and employees of Reorganized CHC as of the Effective Date.

12. Retention of Causes of Action and Reservation of Rights

Except as expressly provided in Section 10.11 of the Plan, and subject to Sections 10.7, 10.8, and 10.9 of the Plan, nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights, claims, Causes of Action, rights of setoff or recoupment, or other legal or equitable defenses that the Debtors had immediately before the Effective Date on behalf of the Estates or of themselves in accordance with any provision of the Bankruptcy Code or any applicable nonbankruptcy law. Subject to Sections 10.7, 10.8, and 10.9 of the Plan, the Reorganized Debtors shall have, retain, reserve, and be entitled to assert all such claims, Causes of Action, rights of setoff or recoupment, and other legal or equitable defenses as fully as if the Chapter 11 Cases had not been commenced, and all of the Debtors' legal and equitable rights in respect of any Unimpaired Claim may be asserted after the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

13. Ipso Facto and Similar Provisions Ineffective

Any term of any policy, contract, or other obligation applicable to a Debtor shall be void and of no further force or effect with respect to any Debtor to the extent that such policy, contract, or other obligation is conditioned on, creates an obligation of the Debtor as a result of, or gives rise to a right of any Entity based on any of the following: (a) the insolvency or financial condition of a Debtor; (b) the commencement of the Chapter 11 Cases; (c) the confirmation or consummation of the Plan, including any change of control that will occur as a result of such consummation; (d) any change of control resulting from the issuance, or mandatory conversion of the New Second Lien Convertible Notes; (e) any change of control resulting from the Cayman Proceedings; or (f) the Restructuring.

J. <u>Retention of Jurisdiction</u>

Pursuant to sections 105(c) and 1142 of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction, pursuant to 28 U.S.C. §§ 1334 and 157, over all matters arising in or related to the Chapter 11 Cases for, among other things, the following purposes:

- to hear and determine applications for the assumption of executory contracts or unexpired leases and any disputes over Cure Amounts resulting therefrom;
- to determine any motion, adversary proceeding, application, contested matter, and other litigated matter in the Chapter 11 Cases pending on or commenced after the entry of the Confirmation Order;
- to hear and resolve any disputes arising from or related to (i) any orders of the Bankruptcy Court granting relief under Bankruptcy Rule 2004 or (ii) any protective orders entered by the Bankruptcy Court in connection with the foregoing;
- to ensure that distributions to holders of Allowed Claims are accomplished as provided in the Plan and the Confirmation Order and pursuant to the Cayman Proceedings;
- to consider, if necessary, Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim, including any Administrative Expense Claim;
- to enter, implement, or enforce such orders as may be appropriate in the event that the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

- to issue and enforce injunctions and releases, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any Entity with the consummation, implementation, or enforcement of the Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

- to hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code to remedy any defect or omission or reconcile any inconsistency in the Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

- to hear and determine all Professional Fee Claims;

- to resolve disputes concerning Disputed Claims and any reserves with respect to Disputed Claims or the administration thereof;

- to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Confirmation Order, the Support Agreements, any transactions or payments in furtherance of either, or any agreement, instrument, or other document governing or related to any of the foregoing;

- to take any action and issue such orders, including any such action or orders as may be necessary after entry of the Confirmation Order or the occurrence of the Effective Date, as may be necessary to construe, enforce, implement, execute, and consummate the Plan, including any release, exculpation, or injunction provisions set forth in the Plan, or to maintain the integrity of the Plan following the occurrence of the Effective Date;

- to determine such other matters and for such other purposes as may be provided in the Confirmation Order;

- to hear and determine any disputes with the Post-Effective Date Committee as provided in the Plan;

- to hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited determination of taxes under section 505(b) of the Bankruptcy Code);

- to hear and determine any other matters related to the Chapter 11 Cases and not inconsistent with the Bankruptcy Code or title 28 of the United States Code;

- to hear and determine any disputes arising in connection with the interpretation, implementation, or enforcement of any Postpetition Aircraft Agreement;

- to resolve any disputes concerning whether an Entity had sufficient notice of the Chapter 11 Cases, the Disclosure Statement, any solicitation conducted in connection with the Chapter 11 Cases, any bar date established in the Chapter 11 Cases, or any deadline for responding or objecting to a Cure Amount, in each case, for the purpose for determining whether a Claim or Interest is discharged hereunder or for any other purpose;

- to recover all Assets of the Debtors and property of the Estates, wherever located; and

- to enter a final decree closing each of the Chapter 11 Cases.

K. Miscellaneous Provisions

1. Amendments

(a) Plan Modifications

The Plan may be amended, modified, or supplemented by the Debtors, subject to the consent rights set forth in the Plan Support Agreement, in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law, without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as otherwise ordered by the Bankruptcy Court. In addition, after the Confirmation Date, so long as such action does not materially and adversely affect the treatment of holders of Allowed Claims or Allowed Interests pursuant to the Plan, the Debtors, subject to the consent rights set forth in the Plan Support Agreement, may remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes of effects of the Plan, and any holder of a Claim or Interest that has accepted the Plan will be deemed to have accepted the Plan as amended, modified, or supplemented.

(b) Certain Technical Amendments

Prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court, subject to the consent rights set forth in the Plan Support Agreement; provided, that such technical adjustments and modifications do not adversely affect the treatment of holders of Allowed Claims or Allowed Interests under the Plan.

2. Revocation or Withdrawal of Plan

The Debtors reserve the right to revoke or withdraw the Plan prior to the Effective Date as to any or all of the Debtors, subject to the consent rights set forth in, and the terms and conditions of, the Plan Support Agreement. If, with respect to a Debtor, the Plan has been revoked or withdrawn prior to the Effective Date, or if confirmation or the occurrence of the Effective Date as to such Debtor does not occur on the Effective Date, then, with respect to such Debtor: (a) the Plan will be null and void in all respects; (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount any Claim or Interest or Class of Claims or Interests), assumption of executory contracts or unexpired leases affected by the Plan, and any document or agreement executed pursuant to the Plan will be deemed null and void; and (c) nothing contained in the Plan will (i) constitute a waiver or release of any Claim by or against, or any Interest in, such Debtor or any other Entity; (ii) prejudice in any manner the rights of such Debtor or any other Person or Entity; or (iii) constitute an admission of any sort by any Debtor or any other Person or Entity.

3. Dissolution of Creditors' Committee

Except to the extent provided in the Plan, upon the Effective Date, the current and former members of the Creditors' Committee, and their respective officers, employees, counsel, advisors and agents, will be released and discharged of and from all further authority, duties, responsibilities and obligations related to and arising from and in connection with the Chapter 11 Cases; *provided*, *however*, that following the Effective Date, the Creditors' Committee will continue in existence and have standing and a right to be heard for the following limited purposes: (1) Claims and/or applications for compensation by Professionals and requests for allowance of Administrative Claims for substantial contribution pursuant to section 503(b)(3)(D) of the Bankruptcy Code; (2) any appeals of the Confirmation Order, (3) any appeals to which the Creditors' Committee is a named party; (4) any adversary proceedings or contested matters as of the Effective Date to which the Creditors' Committee is a named party; and (5) responding to

creditor inquiries for fourteen (14) days following the Effective Date. Following the completion of the Creditors' Committee's remaining duties set forth above, the Creditors' Committee will be dissolved, and the retention or employment of the Creditors' Committee's respective attorneys, accountants and other agents will terminate.

4. Post-Effective Date Committee

So long as the Creditors' Committee does not terminate its obligations under the Plan Support Agreement, a Post-Effective Date Committee will be formed on the Effective Date, with its rights as set forth in Section 7.5 of the Plan. The Post-Effective Date Committee will consist of three (3) members appointed by and from the Creditors' Committee and may adopt by-laws governing its conduct. The Reorganized Debtors will reimburse the Post-Effective Date Committee and its members (in such capacity) for reasonable and documented fees and out-of-pocket expenses, subject to the Post-Effective Date Committee Fee Cap. Unless the Post-Effective Date Committee votes to disband earlier, the existence of the Post-Effective Date Committee, and all rights and powers associated therewith, will terminate on the date on which all Disputed General Unsecured Claims have been resolved.

5. Exemption from Certain Transfer Taxes

Pursuant to section 1146 of the Bankruptcy Code, the issuance, transfer, or exchange of any security or other property hereunder, including, to the fullest extent permitted by applicable law, all sale transactions consummated by the Debtors and approved by the Bankruptcy Court on and after the Confirmation Date through and including the Effective Date, including any transfers effectuated under the Plan, including pursuant to the transactions contemplated by Section 5.2 of the Plan, and any assumption, assignment, or sale by the Debtors of their interests in unexpired leases of nonresidential real property or executory contracts pursuant to section 365(a) of the Bankruptcy Code, and any transfer of title to or ownership of any of the Debtors' interests in any Aircraft Equipment, will not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax. In furtherance thereof, and to the fullest extent permitted by applicable law, any such issuance, transfer, or exchange will constitute a "transfer under a plan" within the purview of section 1146 of the Bankruptcy Code.

6. Payment of Statutory Fees

All fees payable under section 1930 of chapter 123 of title 28 of the United States Code will be paid on the Effective Date, or as soon as practicable thereafter, by the Debtors or Reorganized Debtors. Quarterly fees owed to the U.S. Trustee will be paid when due in accordance with applicable law and the Debtors and Reorganized Debtors will continue to file reports to show the calculation of such fees for the Debtors' Estates until the Chapter 11 Cases are closed under section 350 of the Bankruptcy Code. Each and every one of the Debtors will remain obligated to pay quarterly fees to the U.S. Trustee until the earliest of that particular Debtor's case is closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code.

7. Severability

Subject to Section 5.19 of the Plan, if, prior to the entry of the Confirmation Order, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or

interpretation by the Bankruptcy Court, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with Section 12.7 of the Plan, is valid and enforceable pursuant to its terms.

8. Governing Law

Except to the extent that the Bankruptcy Code or other federal law is applicable or to the extent that a Plan Document provides otherwise, the rights, duties, and obligations arising under the Plan and the Plan Documents will be governed by, and construed and enforced in accordance with, the internal laws of the State of New York, without giving effect to the principles of conflict of laws thereof.

9. Immediate Binding Effect

Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 7062, or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Documents will be immediately effective and enforceable and deemed binding upon and inure to the benefit of the Debtors, the Reorganized Debtors, the holders of Claims and Interests, the Released Parties, the Exculpated Parties, and each of their respective successors and assigns.

10. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan will be binding on and will inure to the benefit of any heir, executor, administrator, successor, or permitted assign, if any, of each such Entity.

VII.
POST-REORGANIZATION

A. Reorganized CHC

1. Business

The below description of the Reorganized CHC's business is presented on a pro forma basis after giving effect to the consummation of the Plan.

(a) Overview

Reorganized CHC is a new Cayman Islands limited liability company that will function as the parent company for the reorganized company ("**Reorganized CHC Group**"). Reorganized CHC Group will continue to consist of two main operating segments: (i) Helicopter Services; and (ii) MRO. Reorganized CHC Group expects to keep its senior management headquartered in Irving, Texas, and will also continue to maintain bases on six continents with major operations in the North Sea, Brazil, Australia, and several locations across Africa, Eastern Europe, and South East Asia.

(b) Fleet

As of the Effective Date Reorganized CHC Group will maintain a restructured fleet of approximately 130 helicopters, which are primarily medium (8 to 15 passengers) and heavy (16 to 26 passengers) helicopters. Of the helicopters in the fleet, Reorganized CHC Group will own a portion and lease the

remainder from various third-party lessors, including the Milestone Parties. Since the Petition Date, Debtors have entered into, and the Court has approved, six (6) interim restructuring term sheets with various lessors to restructure the lease terms related to twenty-three (23) different helicopters. *See* Docket Nos. 566–68, 735–36, and 959.

2. Capital Structure

Reorganized CHC Group's capital structure will consist of: (i) the Exit Revolving Credit Facility, (ii) $464.1 million in New Second Lien Convertible Notes that, on an as-converted basis, will represent 85.4% of the New Membership Interests of Reorganized CHC (on a fully-diluted basis but prior to dilution on account of the Management Incentive Plan), (iii) the Amended and Restated ABL Credit Facility, (iv) up to $37.5 million, less the amount of the Convenience Claim Distribution Amount, in New Unsecured Notes, (v) the $150 million PK Financing Facility (if applicable); and (vi) New Membership Interests.

3. Corporate Governance, Board, and Management

On the Effective Date, the initial board of Reorganized CHC will have five (5) members, which will consist of: (a) the Chief Executive Officer, Karl Fessenden; (b) three (3) managers selected by the Requisite Plan Sponsors after consultation with the Chief Executive Officer; and (c) one (1) independent manager selected by the Requisite Plan Sponsors after consultation with the Creditors' Committee and the Individual Creditor Parties. The composition of the board of directors or mangers of each Reorganized Debtor will be disclosed prior to the entry of the order confirming the Plan in accordance with section 1129(a)(5) of the Bankruptcy Code.

VIII.
PROJECTIONS AND VALUATION ANALYSIS

A. Estimated Valuation of the Reorganized Debtors

THE VALUATION INFORMATION CONTAINED HEREIN IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED OR SOLD PURSUANT TO THE PLAN. THIS VALUATION IS PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING ADEQUATE INFORMATION AS REQUIRED BY SECTION 1125 OF THE BANKRUPTCY CODE TO ENABLE THE HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING THE PURCHASE OR SALE OF CLAIMS AGAINST THE DEBTORS.

Solely for purposes of the Plan and this Disclosure Statement, PJT has estimated the total enterprise value (the "**Total Enterprise Value**") and implied equity value (the "**Equity Value**") of the Reorganized Debtors on a going concern basis and pro forma for the transactions contemplated by the Plan.

In estimating the Total Enterprise Value of the Reorganized Debtors, PJT (i) met with the Debtors' senior management team to discuss the Debtors' operations and future prospects, (ii) reviewed the Debtors' historical financial information, (iii) reviewed certain of the Debtors' internal financial and operating data, (iv) reviewed certain financial analyses prepared by CDG and Seabury, (v) reviewed the Financial Projections attached hereto as **Exhibit H**, (vi) reviewed the detailed business plan underlying the Financial Projections, and (vii) reviewed publicly-available third-party information.

The valuation information set forth in this Section represents a valuation of the Reorganized Debtors based on the application of standard valuation techniques. The estimated values set forth in this Section: (a) do not purport to constitute an appraisal of the assets of the Reorganized Debtors; (b) do not constitute an opinion on the terms and provisions or fairness to any Person, from a financial point of view, of the consideration to be received by such Person under the Plan; (c) do not constitute a recommendation to any holder of Allowed Claims as to how such holder should vote, whether such holder should participate in the Rights Offering, or how such holder otherwise should act with respect to the Plan; and (d) do not necessarily reflect the actual market value that might be realized through a sale or liquidation of the Debtors.

In preparing the estimates set forth below, PJT has relied upon the accuracy, completeness, and fairness of the financial and other information furnished by the Debtors. PJT did not attempt to independently audit or verify such information, nor did it perform an independent appraisal of the Assets or liabilities of the Debtors.

The Financial Projections for the Reorganized Debtors are attached hereto as **Exhibit H**. The estimated values set forth herein assume that the Reorganized Debtors will achieve their Financial Projections in all material respects. PJT has relied on the Debtors' representation and warranty that the Financial Projections (a) have been prepared in good faith; (b) are based on fully disclosed assumptions, which, in light of the circumstances under which they were made, are reasonable; (c) reflect the Debtors' best currently available estimates; and (d) reflect the good faith judgments of the Debtors. PJT does not offer an opinion as to the attainability of the Financial Projections. As discussed in Section X herein, the future results of the Reorganized Debtors are dependent upon various factors, many of which are beyond the control or knowledge of the Debtors and PJT, and consequently are inherently difficult to project.

This valuation contemplates facts and conditions known and existing as of December 5, 2016. Events and conditions subsequent to this date, including updated projections, as well as other factors, could have a substantial effect upon the Total Enterprise Value. Among other things, failure to consummate the Plan in a timely manner may have a materially negative effect on the Total Enterprise Value. For purposes of this valuation, PJT has assumed that no material changes that would affect value will occur between December 5, 2016 and the contemplated Effective Date. For convenience of modeling, we have assumed an emergence and valuation date of January 31, 2017.

Valuation Methodology

PJT prepared its valuation analysis based upon the following methodologies:

1. Comparable Company Analysis

- The comparable company analysis estimates the value of a company based on a relative comparison with publicly traded companies with similar operating and financial characteristics. Under this methodology, the enterprise value for each selected public company is determined by examining the trading prices for the equity securities of such company in the public markets and adding the aggregate amount of outstanding net debt (at the market trading value of debt, if available) and minority interests in unconsolidated subsidiaries. Such enterprise values are commonly expressed as multiples of various measures of financial and operating statistics, most commonly EBITDA and EBITDAR. The total enterprise value of a reorganized debtor is then calculated by applying these multiples to the reorganized debtor's actual and projected financial and operational metrics.

- With respect to the Reorganized Debtors, the selection of comparable public companies was based on business model, geographic mix, fleet characteristics, and other factors that were deemed relevant.

2. Discounted Cash Flow Analysis

- The discounted cash flow analysis is a forward looking enterprise valuation methodology that estimates the value of an asset or business by calculating the present value of expected future cash flows to be generated by that asset or business. The total enterprise value is determined by calculating the present value of unlevered after-tax free cash flows over the course of the projection period plus an estimate for the value of a reorganized debtor beyond the projection period, known as the terminal value. The terminal value is commonly derived pursuant to two methods, the comparable company analysis (as discussed separately above) or using the perpetuity growth method, in which the projected cash flows beyond the projection period are estimated using an assumed growth rate.

- In calculating the terminal value for the Reorganized Debtors, PJT relied upon the comparable company analysis to estimate the terminal value.

PJT, along with the Debtors and their other advisors, engaged with members of the Debtors' existing capital structure regarding a potential new money investment. These discussions were primarily with (i) the Plan Sponsors and (ii) another stakeholder (whose name PJT is not permitted to disclose due to confidentiality restrictions). These parties entered into long-term confidentiality agreements with the Debtors, participated in several meetings with PJT, the Debtors' management, and the Debtors' other advisors, and undertook extensive diligence on the Debtors over a period of several months. Ultimately, the Plan Sponsors, who are sophisticated financial counterparties, submitted a bid with significant new money investment in the Debtors. PJT considered the amount and terms of this bid in its valuation.

PJT did not estimate the value of any tax attributes nor did it estimate the impact of any cancellation of indebtedness income on the Reorganized Debtors' projections. Any changes to the assumptions on the availability of tax attributes or the impact of cancellation of indebtedness income on the Reorganized Debtors' projections could materially impact PJT's valuation analysis.

Total Enterprise Value and Equity Value

As a result of the analysis described above, PJT estimates the Total Enterprise Value of the Reorganized Debtors to be approximately $700 - $900 million. PJT projects pro forma net debt of $226 million upon the Effective Date. This consists of $411 million of gross debt, excluding $464 million of mandatorily convertible debt treated on an as converted basis, and cash of $186 million. The Total Enterprise Value implies an Equity Value range of $474 - $674 million.

B. Consolidated Projected Financial Statements

As more fully described in Section XIV of this Disclosure Statement, the Bankruptcy Code permits a debtor's chapter 11 plan to be confirmed only if it is not likely to be followed by the debtor's liquidation or the need for further financial reorganization, other than as provided for in its plan. This requirement of section 1129(a)(11) of the Bankruptcy Code is known as the "feasibility" requirement.

For purposes of determining whether the Plan meets this requirement, the Debtors and their advisors have analyzed the Debtors' ability to meet their obligations under the Plan on a going-forward basis post-Effective Date. As more fully described in the Debtors' consolidated business projections attached hereto

as **Exhibit H**, the analysis performed by the Debtors with the assistance of CDG shows the Debtors' Plan is not likely to be followed by a liquidation or need for further financial reorganization.

C. Liquidation Analysis

Section 1129(a)(7) of the Bankruptcy Codes requires that to confirm a plan, each holder of a claim or interest against the debtor must either (i) accept the plan or (ii) receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the value such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code. To demonstrate that the Debtors' Plan meets this requirement, a liquidation analysis was performed by CDG in coordination with the Debtors and the Debtors' other professionals and is attached hereto as **Exhibit G**. Based on this analysis, the Debtors submit that each Impaired Class will receive under the Plan a recovery equal to or greater than the value such Class would receive pursuant to a liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

IX.
SECURITIES LAW MATTERS

A. New Second Lien Convertible Notes, New Unsecured Notes, and New Membership Interests

Detailed summaries of the New Second Lien Convertible Notes, New Unsecured Notes, and New Membership Interests are provided in Sections V.M.2, V.M.3, and V.M.5 of this Disclosure Statement.

B. Transfer Restrictions and Consequences Under Federal Securities Laws

The securities to be issued on or after the Effective Date will not have been the subject of a registration statement filed with the SEC under the Securities Act or any securities regulatory authority of any state under any state securities law. The Plan has not been approved or disapproved by the SEC or any state regulatory authority and neither the SEC nor any state regulatory authority has passed upon the accuracy or adequacy of the information contained in this Disclosure Statement or the Plan. Any representation to the contrary is a criminal offense. Neither this Disclosure Statement nor the Plan was required to be prepared in accordance with federal or state securities laws or other applicable nonbankruptcy law. Neither this Disclosure Statement nor the solicitation contemplated herein constitutes an offer to sell or the solicitation of an offer to buy securities in any state or jurisdiction in which such offer or solicitation is not authorized. Making investment decisions based on the information contained in this Disclosure Statement or the Plan is therefore highly speculative.

Section 1145 of the Bankruptcy Code generally exempts from registration under the Securities Act the offer or sale under a chapter 11 plan of a security of the debtor, of an affiliate participating in a joint plan with the debtor, or of a successor to the debtor under a plan, if such securities are offered or sold in exchange for a claim against, or equity interest in, such debtor or affiliate. In reliance upon this exemption, the New Membership Interests and New Unsecured Notes issued under the Plan generally will be exempt from the registration requirements of the Securities Act, and state and local securities laws. In addition, the offer and sale, as applicable of the Subscription Rights, New Second Lien Convertible Notes (and the New Membership Interests issuable upon conversion thereof) pursuant to the Rights Offering and to the Backstop Parties under the Backstop Agreement (including the New Second Lien Convertible Notes comprising the Put Option Premium) is being made in reliance on section 4(a)(2) under the Securities Act or Regulation D promulgated thereunder.

The New Membership Interests and New Unsecured Notes issued pursuant to the Section 1145 exemption may be resold without registration under the Securities Act or other federal securities laws pursuant to the exemption provided by section 4(a)(1) of the Securities Act, unless the holder is an "**underwriter**" with respect to such securities, as that term is defined in section 1145(b) of the Bankruptcy Code. In addition, such section 1145 exempt securities generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of the several states. All New Second Lien Convertible Notes (and the New Membership Interests issuable upon conversion thereof) issued pursuant to the exemption from registration set forth in section 4(a)(2) under the Securities Act or Regulation D will be considered "**restricted securities**" and may not be transferred except pursuant to an effective registration statement or an available exemption from the registration requirements of the Securities Act, such as, under certain conditions, the resale provisions of Rules 144 and 144A of the Securities Act. In any case, recipients of new securities issued under the Plan and pursuant to the Rights Offering are advised to consult with their own legal advisors as to the securities laws governing the transferability of any such securities and the availability of any such exemption from registration under state law in any given instance and as to any applicable requirements or conditions to such availability.

Section 1145(b) of the Bankruptcy Code defines "**underwriter**" for purposes of the Securities Act as one who (i) purchases a claim with a view to distribution of any security to be received in exchange for the claim other than in ordinary trading transactions, (ii) offers to sell securities issued under a plan for the holders of such securities, (iii) offers to buy securities issued under a plan from persons receiving such securities, if the offer to buy is made with a view to distribution, or (iv) is an issuer, as used in section 2(a)(11) of the Securities Act, with respect to such issuer of the securities, which includes control persons of the issuer.

"**Control**," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. The legislative history of Section 1145 of the Bankruptcy Code suggests that a creditor who owns ten percent (10%) or more of a class of voting securities of a reorganized debtor may be presumed to be a "**controlling person**" and, therefore, an underwriter.

Notwithstanding the foregoing, control person statutory underwriters may be able to sell securities without registration pursuant to the resale limitations of Rule 144 under the Securities Act which, in effect, permit the resale of securities received by such statutory underwriters pursuant to a chapter 11 plan, subject to applicable volume limitations, notice and manner of sale requirements and certain other conditions. However, Reorganized CHC does not presently intend to make publicly available the requisite current information regarding Reorganized CHC, and as a result Rule 144 may not be available for resale of the securities issued under the Plan by Persons deemed to be underwriters. In view of the complex nature of the question of whether a particular Person may be an "**underwriter**," the Debtors make no representations concerning the right of any Person to freely resell securities issued under the Plan. Accordingly, the Debtors recommend that potential recipients of such securities consult their own counsel concerning their ability to freely trade such securities.

C. Listing; SEC Filings

Reorganized CHC intends to withdraw its SEC registration before, on, or following the Effective Date of the Plan and cease filing periodic reports with the SEC and terminate any listings of its securities on any national securities exchanges.

D. Legends

Certificates evidencing the New Second Lien Convertible Notes received by participants in the Rights Offering or pursuant to the Backstop Agreement will bear a legend substantially in the form below:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, AND ACCORDINGLY THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

X.
CERTAIN RISK FACTORS TO BE CONSIDERED

Prior to voting to accept or reject the Plan, holders of Claims should read and carefully consider the risk factors set forth below, in addition to the information set forth in this Disclosure Statement. The factors below should not be regarded as the only risks associated with the Plan or its implementation. Documents filed with the SEC may contain important risk factors that differ from those discussed below, and such risk factors are incorporated as if fully set forth herein. Copies of any document filed with the SEC may be obtained by visiting the SEC website at http://www.sec.gov.

A. Certain Bankruptcy Law Considerations

1. Non-Confirmation of the Plan

Although the Debtors believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court in accordance with the Bankruptcy Code, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

The Bankruptcy Code requires that a plan of reorganization comply with certain requirements (including, but not limited to, the requirements of section 1129 of the Bankruptcy Code) for a plan of reorganization to be confirmed. The Bankruptcy Court may determine that one or more of those requirements is not satisfied with respect to the Debtors' Plan. If the Bankruptcy Court were to make such a determination, the Debtors could be required to restart the solicitation process. In such a situation, the Debtors could be required to (i) seek approval of a new disclosure statement, (ii) solicit or re-solicit votes from holders of Claims and/or Interests, as applicable, and/or (iii) seek confirmation of the newly-proposed plan of reorganization.

Further, denial of confirmation of the Plan by the Bankruptcy Court could give rise to a right of the Consenting Creditor Parties to terminate the Plan Support Agreement. If such a termination were to occur, the Debtors' efforts to reorganize would be delayed and possibly jeopardized. Additionally, should the Plan fail to be approved, confirmed, or consummated, non-debtor parties-in-interest may file alternative plans of reorganization pursuant to section 1121 of the Bankruptcy Code, and the Debtors would be responsible for paying the Put Option Premium in Cash.

2. Non-Occurrence of the Effective Date

Although the Debtors believe that the Effective Date will occur soon after the Confirmation Date, there can be no assurance as to the timing of the Effective Date. As discussed below, if the conditions precedent to the Effective Date set forth in the Plan have not occurred or have not been waived as set forth in Article IX of the Plan, then the Confirmation Order may be vacated, in which event no

distributions would be made under the Plan, the Debtors and all holders of Claims or Interests would be restored to the status quo as of the day immediately preceding the Confirmation Date, and the Debtors' obligations with respect to Claims and Interests would remain unchanged. It is a termination event under the Plan Support Agreement if the Effective Date does not occur by March 17, 2017, and such termination would result in the Debtors' payment of the Put Option Premium in Cash.

3. Conversion into Chapter 7 Cases

If no plan can be confirmed, or if the Bankruptcy Court otherwise finds that it would be in the best interest of creditors and/or the Debtors, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed or elected to liquidate the Debtors' Assets for distribution in accordance with the priorities established by the Bankruptcy Code. As further described in **Exhibit G** hereto, the Debtors believe that liquidation under chapter 7 would result in smaller distributions being made to the Debtors' creditors than those provided for in the Plan. Further, conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code would entitle the Consenting Creditor Parties to terminate the Plan Support Agreement.

B. Risks in Connection with the Plan Support Agreement

1. Termination of the Plan Support Agreement

The Plan Support Agreement may be terminated upon the occurrence of a number of termination events (each, a "**Plan Support Agreement Termination Event**") as more specifically set forth in the Plan Support Agreement. If a Plan Support Agreement Termination Event occurs and the Plan Support Agreement is terminated, all obligations of the parties to the Plan Support Agreement shall terminate (except as specifically provided in the Plan Support Agreement).

Furthermore, upon termination of the Plan Support Agreement, any party to the Plan Support Agreement shall have all the rights and remedies that it would have had and shall be entitled to take all actions that it would have been entitled to take if it not entered into the Plan Support Agreement, and none of its rights or remedies shall be deemed waived pursuant to a claim of laches or estoppel. Without the commitment provided by the Consenting Creditor Parties to vote in favor of the Plan, the Debtors may not be able to secure sufficient votes in favor of the Plan for confirmation.

C. Risks Relating to the Debtors' Business and Financial Condition

1. Claims Could Be More than Projected

There can be no assurance that the estimated Allowed amount of Claims in certain Classes will not be significantly more than projected, which, in turn, could cause the value of distributions to be reduced substantially. Inevitably, some assumptions will not materialize, and unanticipated events and circumstances may affect the ultimate results. Therefore, the actual amount of Allowed Claims may vary from the Debtors' projections and feasibility analysis, and the variation may be material.

The aggregate amount of Allowed Convenience Claims remains to be determined, but it is anticipated that the amount of Allowed Convenience Claims will exceed the Convenience Claim Distribution Amount. In addition, the number of holders of Allowed Primary General Unsecured Claims that choose to "opt in" to the Convenience Class, in accordance with the Plan, will not be known until after Ballots are received, and such "opt-in" Convenience Claims could significantly reduce distributions to all holders of Allowed Convenience Claims. Therefore, the actual amount of Allowed Convenience Claims may vary from the Debtors' estimations and analysis, and the variation may be material.

There can be no assurance that Secondary General Unsecured Claims will not be asserted at Debtors CHC Helicopters (Barbados) Limited and Heli-One Leasing (Norway) AS. If any Secondary General Unsecured Claims are asserted and Allowed at either of those entities, the allocation of the Secondary General Unsecured Claims Distribution among the other Debtors on **Exhibit C** will decrease ratably according to the waterfall described in Section I.8 of this Disclosure Statement. In no event would the recovery on account of an Allowed Secondary General Unsecured Claim fall below the amount that is required to satisfy the requirements for confirmation of the Plan under the Bankruptcy Code and if necessary, the Primary General Unsecured Claims Distribution may also be reduced ratably to ensure compliance.

2. The Financial Projections are Based on Significant Assumptions

The Financial Projections (attached hereto as **Exhibit H**) were not compiled, audited, or examined by independent accountants, and neither of the Debtors nor their non-debtor affiliates make any representations or warranties regarding the accuracy of the projections or the ability to achieve forecasted results. Many of the assumptions underlying the projections are subject to significant uncertainties and are beyond the control of the Debtors, including sales, costs, inflation, the volatile nature of the helicopter flight services and repair market and other unanticipated market, competitive and economic conditions. Inevitably, some assumptions will not materialize, and unanticipated events and circumstances may affect the ultimate financial results. Projections, while presented with numerical specificity, are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks, and the assumptions underlying the projections may be inaccurate in a material respect. Therefore, the actual results achieved may vary significantly from the forecasts, and the variations may be material. If the Debtors do not achieve their projected financial results, the Debtors may lack sufficient liquidity to continue as planned after the Effective Date. Moreover, the financial condition and results of the Reorganized Debtors from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtors' historical financial statements.

3. Debtors' Business and Industry

The risks associated with the Debtors' business and industry are more fully described in CHC Parent's SEC filings, incorporated by reference herein, including:

- The risk factors in the section titled "Item 1A. Risk Factors" in CHC Parent's Annual Report on Form 10-K for the fiscal year ended April 30, 2016, filed with the SEC on July 15, 2016; and

- Quarterly Report on Form 10-Q for the quarterly period ended July 31, 2016, filed with the SEC on September 14, 2016.

The risks associated with the Debtors' business and industry described in SEC filings of CHC Parent include, but are not limited to, the following:

- risk of direct financial impact attributable to a significant safety or other hazardous incident;

- risk of significant safety or other hazardous incident could negatively impact ability to attract and retain customers;

- significant decline in the level activity in the offshore oil and gas industry;

- highly competitive and cyclical nature of the helicopter flight services and helicopter repair industries;
- risk associated with small number of helicopter manufacturers;
- limited ability to obtain financing and pursue business opportunities because of debt level;
- need for capital upgrades and refurbishment, and reliance on secondary market for sale of old aircraft and related parts;
- maintenance costs of both operating and idle aircraft;
- credit risk relating to nonperformance by customers;
- risks relating to operating in international locations;
- foreign currency risk;
- risks associated with the high levels of regulation in the helicopter flight services industry and the helicopter MRO industry; and
- political, regulatory, commercial and economic uncertainty associated with operating a global business.

4. Post-Effective Date Indebtedness

Following the Effective Date, the Reorganized Debtors will have outstanding indebtedness of approximately Eight Hundred and Seventy-Five Million Dollars ($875,000,000), which includes amounts under the Exit Revolving Credit Facility, the Amended and Restated ABL Credit Facility, the PK Financing Facility (if applicable), the New Second Lien Convertible Notes, the New Unsecured Notes, and certain capital leases, of which approximately Eight Hundred and Thirty-Eight Million Dollars ($838,000,000) is expected to be secured. The New Second Lien Convertible Notes will convert at maturity and not bear or pay interest other than in connection with an event of default. Upon the conversion of all of the New Second Lien Convertible Notes into New Membership Interests, the Reorganized Debtors will have approximately Four Hundred and Eleven Million Dollars ($411,000,000) in total outstanding indebtedness, of which approximately Three Hundred and Seventy-Four Million Dollars ($374,000,000) is expected to be secured. The Reorganized Debtors' ability to service their debt obligations will depend on, among other things, their future operating performance, which depends partly on economic, financial, competitive, and other factors beyond the Reorganized Debtors' control. The Reorganized Debtors may not be able to generate sufficient cash from operations to meet their debt service obligations as well as fund necessary capital expenditures and investments in sales and marketing. In addition, if the Reorganized Debtors need to refinance their debt, obtain additional financing, or sell assets or equity, they may not be able to do so on commercially reasonable terms, if at all.

5. Foreign Customers and Creditors

The Debtors' customers may not be subject to the jurisdiction of U.S. courts and may attempt to terminate their contracts with the Debtors or take actions against the Debtors' Assets in contravention of U.S. bankruptcy law or orders of the Bankruptcy Court. Any such termination or renegotiation of contracts, unfavorable costs increases, or loss of revenue could have a material adverse impact on the Debtors' financial condition and results of operations.

D. Risks Relating to the Securities to Be Issued Under the Plan

1. No Current Public Market for Securities

There is currently no market for the New Membership Interests, the New Second Lien Convertible Notes, or the New Unsecured Notes, and there can be no assurance as to the development or liquidity of any market for any such securities.

The Reorganized Debtors are under no obligation to list any of the above securities on any national securities exchange. Therefore, there can be no assurance that any of the foregoing securities will be tradable or liquid at any time after the Effective Date. If a trading market does not develop or is not maintained, holders of the foregoing securities may experience difficulty in reselling such securities or may be unable to sell them at all. Even if such a market were to exist, such securities could trade at prices higher or lower than the estimated value set forth in this Disclosure Statement depending upon many factors including, without limitation, prevailing interest rates, markets for similar securities, industry conditions, and the performance of, and investor expectations for, the Reorganized Debtors. Accordingly, holders of these securities may bear certain risks associated with holding securities for an indefinite period of time.

2. Limitation of Rights in the Event of a Public Offering

Although Reorganized CHC will enter into a registration rights agreement with the holders of the New Second Lien Convertible Notes, providing such parties with certain rights, after an initial public offering of the New Membership Interests of Reorganized CHC (or equity securities of a successor entity), that will facilitate the registration of the New Second Lien Convertible Notes held by them, along with the underlying New Membership Interests, under the Securities Act to allow for the resale of such securities, such rights will be limited.

3. Insufficient Cash Flow to Meet Debt Obligations

On the Effective Date, on a consolidated basis, it is expected that the Reorganized Debtors will have total outstanding indebtedness of approximately Eight Hundred and Seventy-Five Million Dollars ($875,000,000), which includes amounts under the Exit Revolving Credit Facility, the Amended and Restated ABL Credit Facility, the PK Financing Facility (if applicable), the New Second Lien Convertible Notes, the New Unsecured Notes, and certain capital leases, of which approximately Eight Hundred and Thirty-Eight Million Dollars ($838,000,000) is expected to be secured. Upon conversion of all of the New Second Lien Convertible Notes into New Membership Interests, the Reorganized Debtors will have approximately Four Hundred and Eleven Million Dollars ($411,000,000) of total outstanding indebtedness, of which approximately Three Hundred and Seventy-Four Million Dollars ($374,000,000) is expected to be secured. If the Debtors' actual financial performance does not meet their cash flow projections and if other sources of liquidity are not available, there is a risk that the Debtors might be unable to pay interest and principal payments on such debt, and may default on those obligations.

The Reorganized Debtors' earnings and cash flow may vary significantly from year to year due to the cyclical nature of the helicopter and offshore drilling industries. Additionally, the Reorganized Debtors' future cash flow may be insufficient to meet their debt obligations and commitments. Any insufficiency could negatively impact the Reorganized Debtors' business. A range of economic, competitive, business, and industry factors will affect the Reorganized Debtors' future financial performance and, as a result, their ability to generate cash flow from operations and to pay their debt. Many of these factors, such as oil and natural gas prices, economic and financial conditions in the offshore drilling industry and the oil

and gas industry, as well as the global economy or competitive initiatives of competitors, are beyond the Reorganized Debtors' control.

If the Reorganized Debtors do not generate enough cash flow from operations to satisfy their debt obligations, they may have to undertake alternative financing plans, such as:

- refinancing or restructuring debt;
- selling assets;
- reducing or delaying capital investments; or
- seeking to raise additional capital.

It cannot be assured, however, that undertaking alternative financing plans, if necessary, would allow the Reorganized Debtors to meet their debt obligations. An inability to generate sufficient cash flow to satisfy their debt obligations, or to obtain alternative financing, could materially and adversely affect the Reorganized Debtors' ability to make payments on their debt obligations and their business, financial condition, results of operations, and prospects.

4. The New Second Lien Convertible Notes May Be Issued for a Purchase Price of Less than $300 Million

So long as the Backstop Parties have provided their Backstop Commitments at an aggregate purchase price of at least $250 million for the New Second Lien Convertible Notes (representing an aggregate principal amount of approximately $361.1 million of New Second Lien Convertible Notes to be issued), taking into account the fulfillment of the obligation to satisfy Unfulfilled Backstop Commitments and any other replacement due to any Backstop Party default, the Debtors may elect to still consummate the transactions contemplated by the Backstop Agreement and the Plan and issue New Second Lien Convertible Notes for an aggregate purchase price of less than $300 million. Consequently, the Debtors would have access to less liquidity.

5. The outstanding indebtedness may adversely affect Reorganized CHC's financial health and operating flexibility

The terms of the Exit Revolving Credit Facility, PK Financing Facility (if applicable), and the Amended and Restated ABL Credit Facility may require the Reorganized Debtors to take, or refrain from taking, certain actions to satisfy certain customary affirmative and negative covenants and to meet certain financial ratios and tests, including ratios and tests based on leverage and fixed charge coverage. For example, these covenants and other restrictions may limit the ability of the Reorganized Debtors to, among other things, incur indebtedness, create Liens on assets, sell assets, manage cash flows, transfer assets to other subsidiaries, engage in mergers and acquisitions, enter into transactions with affiliates and make distributions to equity holders. These covenants and other restrictions may adversely affect the financial health and operating flexibility of the Reorganized Debtors by, among other things: (a) limiting the Reorganized Debtors' ability to borrow additional amounts for working capital, capital expenditures, debt service requirements, execution of business strategies, development, or other purposes; (b) limiting the Reorganized Debtors' ability to use operating cash flows in other areas of the business or to pay dividends; (c) increasing the vulnerability of the Reorganized Debtors to general adverse economic and industry conditions, including increases in interest rates; (d) limiting the Reorganized Debtors' ability to capitalize on business opportunities, reinvest in or develop the Reorganized Debtors' assets, and react to competitive pressures and adverse changes in government regulations; (e) limiting the Reorganized

Debtors' ability, or increasing the costs, to restructure funded indebtedness; (f) limiting the Reorganized Debtors' ability to enter into marketing transactions by reducing the number of potential counterparties to such transactions as well as the volume of those transactions; and (g) giving secured lenders the ability to foreclose on assets.

6. Inability to Repurchase the New Unsecured Notes

Under the terms of the indenture governing the New Unsecured Notes (the "**New Unsecured Notes Indenture**") and the terms of the indenture governing the New Second Lien Convertible Notes (the "**New Second Lien Convertible Notes Indenture**" and, together with the New Unsecured Notes Indenture, the "**New Indentures**"), Reorganized CHC may, at the holder's option, be required to repurchase all or a portion of the New Unsecured Notes in the event of a change of control, as defined in the New Indentures.

In addition, under the terms of the New Indentures, upon the acceleration of the New Second Lien Convertible Notes and New Unsecured Notes (together, the "**New Notes**"), following the occurrence of any event of default provided therein, the principal amounts thereof, plus accrued but unpaid interest at the default rates set forth therein, as applicable, will become immediately due and payable in Cash to the holders thereof.

Reorganized CHC and the other Reorganized Debtors may not have sufficient funds to make the required payments described above.

7. Reorganized CHC Will be a Holding Company

Upon the Effective Date, Reorganized CHC will be a holding company, and as such, will conduct its operations through, most of its assets will be owned by, and its operating income and cash flow will be generated by, its subsidiaries. Therefore, Reorganized CHC will be dependent upon cash flows from its subsidiaries to meet its debt service and related obligations, including the obligation to repurchase all or a portion of the New Unsecured Notes in the event of a change of control, as defined in the New Unsecured Notes Indenture, or to pay the amounts due and payable in upon acceleration of the New Notes following the occurrence of an event of default thereunder. Contractual provisions or laws, as well as its subsidiaries' financial conditions and operating requirements, may limit Reorganized CHC's ability to obtain, from such subsidiaries, the cash required to meet such debt service or related obligations. Applicable tax laws may also subject such payments to further taxation. The inability to obtain cash from its subsidiaries may limit Reorganized CHC's ability to meet its debt service and related obligations even though there may be sufficient resources on a consolidated basis to satisfy such obligations.

8. The New Notes Will be Structurally Subordinated to all Indebtedness of Non-Guarantor Subsidiaries

The New Notes will be guaranteed by each of Reorganized CHC's direct and indirect subsidiaries existing on the Effective Date that guarantee the indebtedness under the Exit Revolving Credit Facility Documents or any other document necessary to effectuate the treatment of the Revolving Credit Agreement Claims. Except for such subsidiary guarantors of the New Notes, Reorganized CHC's subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the New Notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. Therefore, the New Notes will be structurally subordinated to all indebtedness and other obligations of any non-guarantor subsidiary such that, in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any subsidiary that is not a guarantor, all of such subsidiary's creditors (including trade creditors and preferred stockholders, if any) would be entitled to

payment in full out of such subsidiary's assets before holders of the New Notes would be entitled to any payment out of such subsidiary's assets.

9. Restrictions on Ability to Resell New Second Lien Convertible Notes

The offer and sale of the New Second Lien Convertible Notes (and the guarantees thereof) and the New Membership Interests to be received upon conversion thereof have not been registered under the Securities Act or any state securities laws. Absent such registration, the New Second Lien Convertible Notes may be offered or sold only in transactions that are not subject to, or that are exempt from, the registration requirements of the Securities Act and applicable state securities laws. These restrictions will significantly limit holders' ability to resell the New Second Lien Convertible Notes.

10. Insufficiency of Proceeds from Collateral Securing the Exit Revolving Credit Facility, New Second Lien Convertible Notes, the Amended and Restated ABL Credit Facility, or the PK Financing Facility

The obligations under the Exit Revolving Credit Facility will be secured, subject to certain exceptions and permitted liens, on a first-priority basis by security interests in substantially all assets of the Reorganized Debtors. The New Second Lien Convertible Notes will be secured, subject to certain exceptions and permitted liens, on a second-priority basis, by security interests in substantially all of the Reorganized Debtors' assets. The Amended and Restated ABL Credit Facility and the PK Financing Facility (if applicable) will each be secured, subject to certain exceptions and permitted Liens, on a first-priority basis by security interests in certain specific aircraft and related assets.

In the event of a foreclosure on collateral (or a distribution in respect thereof in a subsequent bankruptcy or insolvency proceeding), the proceeds from a sale of collateral securing the Exit Revolving Credit Facility or the New Second Lien Convertible Notes may not be sufficient to satisfy the obligations outstanding under the Exit Revolving Credit Facility or such New Second Lien Convertible Notes.

In the event of a foreclosure on collateral (or a distribution in respect thereof in a subsequent bankruptcy or insolvency proceeding), the proceeds from a sale of collateral securing the New Second Lien Convertible Notes may not be sufficient to satisfy the obligations outstanding under such New Second Lien Convertible Notes because the proceeds would, under the New Intercreditor Agreement, first be applied to satisfy the Reorganized Debtors' obligations under the Exit Revolving Credit Facility. Only after all of the obligations under the Exit Revolving Credit Facility have been satisfied will proceeds from the collateral on which the New Second Lien Convertible Notes have a second-priority lien be applied to satisfy the Reorganized Debtors' obligations under the New Second Lien Convertible Notes.

The collateral securing the Exit Revolving Credit Facility, the New Second Lien Convertible Notes, the Amended and Restated ABL Credit Facility, and the PK Financing Facility (if applicable) may be subject to exceptions, defects, encumbrances, liens, and other imperfections. Further, the Debtors have not conducted appraisals of all of their assets constituting collateral securing the Exit Revolving Credit Facility, the New Second Lien Convertible Notes, the Amended and Restated ABL Credit Facility, and the PK Financing Facility (if applicable) to determine if the value of the collateral upon foreclosure or liquidation equals or exceeds the amount of the Exit Revolving Credit Facility, the New Second Lien Convertible Notes, the Amended and Restated ABL Credit Facility, and the PK Financing Facility or such other obligation secured by the collateral. Accordingly, it cannot be assured that the remaining proceeds from a sale of the collateral would be sufficient to repay holders of the Exit Revolving Credit Facility, the New Second Lien Convertible Notes, the Amended and Restated ABL Credit Facility, and the PK Financing Facility (if applicable) all amounts owed under such debt facilities. The fair market value of the collateral is subject to fluctuations based on factors that include, among others, the condition of the

offshore drilling industry, the ability to sell collateral in an orderly manner, general economic conditions, the availability of buyers, the Reorganized Debtors' failure to implement their business strategy, and similar factors. The amount received upon a sale of collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the collateral at such time, and the timing and manner of the sale. By its nature, portions of the collateral may be illiquid and may have no readily ascertainable market value. In the event of a subsequent foreclosure, liquidation, bankruptcy, or similar proceeding, it cannot be assured that the proceeds from any sale or liquidation of the collateral will be sufficient to pay the Reorganized Debtors' obligations under the Exit Revolving Credit Facility, the New Second Lien Convertible Notes, the Amended and Restated ABL Credit Facility, and the PK Financing Facility (if applicable), in full or at all. Further, proceeds of the collateral may only be applied to the New Second Lien Convertible Notes after first satisfying the obligations under the Exit Revolving Credit Facility in full. There can also be no assurance that the collateral will be saleable, and, even if saleable, the timing of its liquidation would be uncertain. Accordingly, there may not be sufficient collateral to pay all or any of the amounts due on the Exit Revolving Credit Facility, the New Second Lien Convertible Notes, the Amended and Restated ABL Credit Facility, and the PK Financing Facility (if applicable).

11. Failure to Perfect Security Interests in the Collateral

The failure to properly perfect Liens on the collateral could adversely affect the collateral agent's ability to enforce its rights with respect to the collateral for the benefit of the holders of the Exit Revolving Credit Facility, the New Second Lien Convertible Notes, the PK Financing Facility, and the Amended and Restated ABL Credit Facility. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest or Lien can only be perfected at the time such property and rights are acquired and identified. There can be no assurance that the trustee or the collateral agent will monitor, or that Reorganized CHC will inform the trustee or the collateral agent of, the future acquisition of property and rights that constitute collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. The applicable trustee and collateral agent have no obligation to monitor the acquisition of additional property or rights that constitute collateral or the perfection of any security interests therein. Such failure may result in the loss of the practical benefits of the Liens thereon or of the priority of the Liens securing the Exit Revolving Credit Facility, the New Second Lien Convertible Notes, and the Amended and Restated ABL Credit Facility against third parties.

12. Limitations on Rights of Holders of New Second Lien Convertible Notes with Respect to the Collateral

The rights of the holders of the New Second Lien Convertible Notes with respect to the collateral securing such New Second Lien Convertible Notes are expected to be substantially limited by the terms of the Lien ranking agreements set forth in the New Second Lien Convertible Notes Indenture and the New Intercreditor Agreement, even during an event of default. It is expected that, under the New Convertible Secured Indenture and the New Intercreditor Agreement, at any time that obligations that have the benefit of the higher priority Liens are outstanding, any actions that may be taken with respect to (or in respect of) such collateral, including the ability to cause the commencement of enforcement proceedings against such collateral and to control the conduct of such proceedings, and the approval of amendments to, releases of such collateral from the Lien of, and waivers of past defaults under, such documents relating to such collateral, will be at the direction of the holders of the obligations secured by the first-priority Liens, and the holders of the New Second Lien Convertible Notes Indenture secured by second-priority Liens may be adversely affected. It is expected that, under the terms of the New Intercreditor Agreement, at any time that obligations that have the benefit of the first-priority Liens on the collateral are outstanding, if the holders of such indebtedness release the collateral for any reason whatsoever (other than any such release granted following the discharge of obligations with respect to the

Exit Revolving Credit Facility), the second-priority security interests in such collateral securing the New Second Lien Convertible Notes will be automatically and simultaneously released without any consent or action by the holders of the New Second Lien Convertible Notes, subject to certain exceptions. The collateral so released will no longer secure the Reorganized Debtors' obligations under the New Second Lien Convertible Notes and the related guarantees.

13. Casualty Risk of Collateral

Reorganized CHC will be obligated under the Exit Revolving Credit Facility, the New Second Lien Convertible Notes, the Amended and Restated ABL Credit Facility, and, if applicable, the PK Financing Facility collateral agreements governing the Exit Revolving Credit Facility, the New Second Lien Convertible Notes, the Amended and Restated ABL Credit Facility, and the PK Financing Facility, if applicable, to maintain adequate insurance or otherwise insure against hazards as is customarily done by companies having assets of a similar nature in the same or similar localities. There are, however, certain losses that may either be uninsurable or not economically insurable, in whole or in part. As a result, it is possible that the insurance proceeds will not compensate Reorganized CHC and the other Reorganized Debtors fully for their losses. If there is a total or partial loss of any of the pledged collateral, the insurance proceeds received may be insufficient to satisfy the secured obligations of Reorganized CHC and the other Reorganized Debtors, including the Exit Revolving Credit Facility, the New Second Lien Convertible Notes, the Amended and Restated ABL Credit Facility, and the PK Financing Facility (if applicable).

14. Risk of Recharacterization of New Second Lien Convertible Notes

Recharacterization of a debt obligation to a capital contribution is an equitable remedy a bankruptcy court may direct if it determines, upon an objection raised by a party in interest, a purported debt obligation is more properly characterized as a capital contribution. In making such a determination, bankruptcy courts consider, among other things, whether the parties intended to create a debt obligation and the nature of the instrument evidencing the obligation. Although the Debtors believe, and intend, the New Second Lien Convertible Notes to be a bona fide debt obligation that is not subject to recharacterization, there can be no assurance a bankruptcy court would agree with the Debtors' interpretation.

15. The New Second Lien Convertible Notes and the New Unsecured Notes May Not Be Rated or May Receive a Lower Rating than Anticipated

It is not expected that Reorganized CHC will seek a rating on the New Second Lien Convertible Notes or the New Unsecured Notes. If, however, one or more rating agencies rates the New Second Lien Convertible Notes and/or the New Unsecured Notes and assigns them a rating lower than the rating expected by investors, or reduces its rating in the future, the market price of the New Second Lien Convertible Notes, the New Unsecured Notes, and/or the New Membership Interests could be reduced.

16. Any Future Pledge of Collateral Might Be Avoidable in a Subsequent Bankruptcy by the Reorganized Debtors

Any future pledge of collateral by the Reorganized Debtors in favor of their secured creditors, including pursuant to security documents delivered after the date of the definitive documents governing the Reorganized Debtors' secured indebtedness, might be avoidable by the pledgor (as a subsequent debtor in possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, among others, if the pledgor is insolvent at the time of the pledge, the pledge permits the holders of the Exit Revolving Credit Facility, the New Second Lien Convertible Notes, the Amended and Restated ABL Credit Facility, and the PK Financing Facility (if applicable) to receive a greater recovery than if the

pledge had not been given, and a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge, or, in certain circumstances, a longer period.

17. Foreclosing on the Collateral May Be Difficult

The Reorganized Debtors' aircraft operate worldwide and the respective laws of each jurisdiction where an aircraft is actually registered and/or located at the time the collateral agent may seek to enforce the aircraft mortgage or relevant security interest, as applicable will govern the foreclosure proceedings and distribution of proceeds. Such laws may vary significantly from jurisdiction to jurisdiction. Furthermore, all or some of those laws and procedures may be less favorable to mortgagees or holders of a security interest, as applicable, than those in other jurisdictions and may be less favorable than those applicable in the United States. The costs of enforcement in foreign jurisdictions, particularly if proceedings are ongoing simultaneously against any aircraft in different jurisdictions, can be high and can include fees based on the face amount of the mortgage or security interest, as applicable, being enforced. Foreign court proceedings can also be slow and have unexpected procedural hurdles. Priorities accorded Lien Claims and aircraft mortgages can vary in foreign jurisdictions, and some jurisdictions prefer certain local claimants (such as local suppliers of operating necessaries) to foreign claimants, such as the collateral agent or mortgagee or security interest holder. Additionally, whether or not a particular jurisdiction is a party or signatory to the Cape Town Convention on International Interests in Mobile Equipment may also affect the collateral agent's ability to enforce mortgage or security interests, as applicable. Consequently there are no assurances that the collateral agent will be able to enforce any one or more of the aircraft mortgages or security interests, as applicable, covering aircraft that are located in certain jurisdictions outside the United States.

18. New Second Lien Convertible Notes Reportable as Equity for U.S. Federal Income Tax Purposes, Absent Contrary Guidance From the U.S. Internal Revenue Service or a Contrary Court Determination

Pursuant to the Plan, the New Second Lien Convertible Notes are required to be treated by all parties as equity for U.S federal income tax purposes (that is not preferred stock for purposes of section 305 of the Internal Revenue Code of 1986, as amended (the "**Tax Code**")), subject to definitive guidance from the U.S. Internal Revenue Service (the "**IRS**") or a court of competent jurisdiction to the contrary, and unless prohibited by applicable law. Accordingly, the New Second Lien Convertible Notes will generally be subject to the same treatment as the New Membership Interests for U.S. federal income tax purposes. Reorganized CHC will elect to be treated as a corporation for U.S. federal income tax purposes and, thus, the New Second Lien Convertible Notes and Membership Interests will be treated as "equity" interests in Reorganized CHC that would be classified as "stock" of Reorganized CHC for U.S. federal income tax purposes. In this regard, see Section X.E.6 — "Risks Relating to the New Membership Interests to be Issued Under the Plan" — "Potential Treatment as a Passive Foreign Investment Company or a Controlled Foreign Corporation for U.S. Federal Income Tax Purposes," below. However, there can be no assurance that the IRS will not successfully assert a contrary position with respect to the U.S. federal income tax treatment of the New Second Lien Convertible Notes. In the event the New Second Lien Convertible Notes were held to be either (i) debt, rather than equity, for U.S. federal income tax purposes or (ii) preferred stock for purposes of section 305 of the Tax Code, the resulting U.S. federal income tax consequences could be materially adverse to a holder, including the required annual inclusion in income of any original issue discount ("**OID**"). For a discussion of the tax treatment of the New Second Lien Convertible Notes as "equity," see Section XI.A.2(e) — "Tax Treatment of New Second Lien Convertible Notes as 'Equity,'" below.

E. Risks Relating to the New Membership Interests to Be Issued Under the Plan

1. Significant Holders

The holders of Allowed Senior Secured Notes Claims, Allowed Unsecured Notes Claims, and Allowed General Unsecured Claims are expected to acquire a significant ownership interest in the New Membership Interests pursuant to the Plan. In particular, it is expected that (i) 79.5% of the New Membership Interests will be distributed Pro Rata to holders of Allowed Senior Secured Notes Claims, (ii) 8.9% of the New Membership Interests will be distributed Pro Rata to holders of Allowed Unsecured Notes Claims, and (iii) 11.6% of the New Membership Interests will be distributed to holders of Allowed General Unsecured Claims. These percentages are calculated prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan. Giving effect to dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date, but prior to dilution on account of the Management Incentive Plan), holders of Allowed Senior Secured Notes Claims, Allowed Unsecured Notes Claims, and Allowed General Unsecured Claims would be estimated to hold approximately 11.6%, 1.3%, and 1.7%, respectively, of the New Membership Interests. In addition, holders of Allowed Senior Secured Notes Claims and Allowed Unsecured Notes Claims who participate in the Rights Offering up to their maximum Pro Rata share, will acquire approximately 74.41% and 5.32%, respectively, of the New Membership Interests upon conversion of the New Second Lien Convertible Notes, subject to dilution for the Management Incentive Plan. Holders of the New Membership Interests will automatically be bound by the terms of the Reorganized CHC Operating Agreement without any requirement to become a signatory thereto.

If the participants in the Rights Offering, or any subset thereof, were to act as a group, such holders would be in a position to control the outcome of all actions requiring member approval, including the election of managers, without the approval of other members. Furthermore, holders of the New Second Lien Convertible Notes will be entitled immediately (*i.e.*, prior to conversion) to certain rights with respect to the New Membership Interests (including, without limitation, voting rights and rights to participate in any dividends or other distributions on the New Membership Interests). For example, in the event an amendment requiring member approval is proposed to the Reorganized CHC Operating Agreement, such holders of New Second Lien Convertible Notes will be entitled to vote on the amendment, although they do not yet actually hold the underlying New Membership Interests. This concentration of ownership could also facilitate or hinder a negotiated change of control of Reorganized CHC and, consequently, have an impact upon the value of the New Membership Interests. In addition, as described in Section VII.A.3, the Requisite Plan Sponsors will be entitled to select three (3) managers after consultation with the Chief Executive Officer and one (1) independent manager after consultation with the Creditors' Committee and the Individual Creditor Parties. It is further expected that the Reorganized CHC Operating Agreement could limit transfers of New Membership Interests by the holders thereof and could include other provisions related to the New Membership Interests, such as customary "**drag along rights**."

2. Potential Dilution

The ownership percentage represented by the New Membership Interests distributed on the Effective Date under the Plan will be subject to dilution from the New Membership Interests issued upon conversion of the New Second Lien Convertible Notes and issued in connection with the Management Incentive Plan and the conversion of any other options, warrants, convertible securities, exercisable securities, or other securities that may be issued post-emergence.

In the future, similar to all companies, additional equity financings or other share issuances by Reorganized CHC could adversely affect the value of the New Membership Interests issuable upon such conversion. The amount and dilutive effect of any of the foregoing could be material.

3. Equity Interests Subordinated to Reorganized CHC's Indebtedness

In any subsequent liquidation, dissolution, or winding up of Reorganized CHC, the New Membership Interests would rank below all debt Claims against Reorganized CHC, including the New Second Lien Convertible Notes (prior to mandatory conversion) and the New Unsecured Notes. As a result, holders of the New Membership Interests will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution, or winding up of Reorganized CHC until after all Reorganized CHC's obligations to its debt holders have been satisfied, including the Exit Revolving Credit Facility, the New Second Lien Convertible Notes, the Amended and Restated ABL Credit Facility, and the PK Financing Facility (if applicable) and consequently, there can be no assurance that there will be sufficient assets to warrant any distribution to holders of New Membership Interests.

4. Implied Valuation of New Membership Interests Not Intended to Represent the Trading Value of the New Membership Interests

The valuation of Reorganized CHC is not intended to represent the trading value of New Membership Interests in public or private markets and is subject to additional uncertainties and contingencies, all of which are difficult to predict. If a market were to develop, actual market prices of such securities at issuance will depend upon, among other things: (i) prevailing interest rates; (ii) conditions in the financial markets; (iii) the anticipated initial securities holdings of prepetition creditors, some of whom may prefer to liquidate their investment rather than hold it on a long-term basis; and (iv) other factors that generally influence the prices of securities. The actual market price of the New Membership Interests is likely to be volatile. Many factors, including factors unrelated to Reorganized CHC's actual operating performance and other factors not possible to predict, could cause the market price of the New Membership Interests to rise and fall. Accordingly, the implied value, stated herein and in the Plan, of the securities to be issued does not necessarily reflect, and should not be construed as reflecting, values that will be attained for the New Membership Interests in the public or private markets.

5. No Intention to Pay Dividends

Reorganized CHC does not anticipate paying any dividends on the New Membership Interests as it expects to retain any future cash flows for debt reduction and to support its operations. As a result, the success of an investment in the New Membership Interests will depend entirely upon any future appreciation in the value of the New Membership Interests. There is, however, no guarantee that the New Membership Interests will appreciate in value or even maintain their initial value. Moreover, pursuant to the Exit Revolving Credit Facility, Reorganized CHC may actually be restricted from paying Cash dividends.

6. Potential Treatment as a Passive Foreign Investment Company or a Controlled Foreign Corporation for U.S. Federal Income Tax Purposes

Reorganized CHC will elect to be treated as a corporation for U.S. federal income tax purposes. Holders of New Membership Interests and New Second Lien Convertible Notes (which will be treated as "equity" of Reorganized CHC for U.S. federal income tax purposes, absent definitive guidance from the IRS or a court of competent jurisdiction to the contrary, see Section XI.A.2(e) — "Tax Treatment of New Second Lien Convertible Notes as 'Equity" below) could be adversely affected if Reorganized CHC or any of its subsidiaries is treated as a passive foreign investment company ("**PFIC**") or a controlled foreign

corporation ("**CFC**") for U.S. federal income tax purposes. It is uncertain whether, as of the Effective Date, Reorganized CHC or any of its subsidiaries will be treated as a PFIC. The Debtors do not expect that, as of the Effective Date, Reorganized CHC or any of its subsidiaries will be treated as a CFC. Even if neither Reorganized CHC nor any of its subsidiaries is treated as a PFIC or CFC as of the Effective Date, there can be no assurance that Reorganized CHC or any of its subsidiaries will not later become a PFIC or CFC in the future. For a discussion of certain U.S. federal income tax consequences of Reorganized CHC being treated as a PFIC or CFC, see Section XI.A.2(f)(ii) — "Possible Treatment of Reorganized CHC as a Passive Foreign Investment Company or Controlled Foreign Corporation," below.

F. Risks Relating to the Rights Offering

1. Debtors Could Modify the Rights Offering Procedures

Notwithstanding anything contained in this Disclosure Statement or in the Plan to the contrary, the Debtors reserve the right, with the approval of the Bankruptcy Court (if applicable), and the reasonable consent of the Creditors' Committee and the Requisite Backstop Parties, to modify the procedures governing the Rights Offering or adopt additional detailed procedures if necessary in the Debtors' business judgment to administer the distribution and exercise of the Subscription Rights more efficiently or to comply with applicable law. Such modifications may adversely affect the rights of those participating in the Rights Offering.

2. Conditions Precedent to the Rights Offering Could Fail to be Satisfied

The obligation of the Backstop Parties to purchase their share of New Second Lien Convertible Notes pursuant to the Rights Offering and to fulfill the Backstop Commitment is subject to, among other things, the satisfaction of certain conditions precedent in the Backstop Agreement, including approval by the Bankruptcy Court of the Plan Support Agreement. If these conditions are not satisfied, the Rights Offering will not occur and the parties to the Backstop Agreement would have the right to terminate the Backstop Agreement, which would result in CHC Parent's or Reorganized CHC's, as applicable, payment of the Put Option Premium in Cash.

G. Risks Related to the Fleet

1. Delivery of Helicopters

The Debtors' fleet plan is intended to enhance the Debtors' ability to operate optimum numbers of specific types of helicopters. In some cases, the helicopters the Debtors intend to operate are not yet in their fleet, but the Debtors have contractual commitments to purchase or lease such helicopters. If for any reason the Debtors and/or the Reorganized Debtors are unable to take delivery of particular types of new helicopters on contractually scheduled delivery dates, the Debtors and/or Reorganized Debtors may be adversely affected.

2. Dependence on Technology

The Debtors depend on, and the Reorganized Debtors will likely continue to depend on, computer systems and other communications technology to operate their helicopters. Such systems could be disrupted by various events beyond the control of the Debtors and/or the Reorganized Debtors, including natural disasters, power failures, equipment failures, system implementation failures, software failures, terrorist attacks and computer viruses and hackers. There can be no assurance that the measures taken to prevent, limit, or remedy disruptions of these systems will be adequate.

3. Highly Competitive Industry

Many of the markets in which the Debtors operate are highly competitive, and if they are unable to effectively compete, it could result in a loss of market share or a decrease in revenue or profit margins. Contracting for helicopter services is usually done through a competitive bidding process among those having the necessary equipment and resources. Factors that affect competition in this industry include price, reliability, safety, professional reputation, helicopter availability, equipment and quality of service. The Debtors compete against a number of helicopter operators including another major global commercial helicopter operator, as well as other local and regional operators. There can be no assurance that the Debtors' competitors will not be successful in capturing a share of the Debtors' present or potential customer base. In addition, many oil and gas companies and government agencies to which the Debtors provide services have the financial ability to perform their own helicopter flying operations in-house should they elect to do so.

The main MRO competitors to the Debtors' Heli-One business are the OEMs (original equipment manufacturers) of helicopters and helicopter components. As such, the Debtors' main competitors in this industry are also their main parts suppliers and MRO license providers. A conflict with the OEMs could result in the Debtors' inability to obtain parts and licenses in a timely manner in required quantities and at competitive prices. In addition, the OEMs hold a greater inventory of helicopter components, have more extensive operational experience, and significantly greater capital resources. Increased competition from OEMs could therefore have a material adverse effect on the Debtors' business, financial condition, or results of operations.

Given that the Debtors' expect to significantly reduce the size of their fleet, the reduction may make it more difficult for the Debtors to compete effectively against their competitors, as well as aircraft lessors who may place aircraft directly with customers.

4. Extensive Regulation

The Debtors are subject to extensive regulations in each of the countries that they operate in, which carries significant costs. For example, the European Aviation Safety Agency from time to time, among other things, issues directives relating to helicopter maintenance and operation. Compliance with regulations at times requires significant expenditures and may disrupt the Debtors' operations. Any changes to the regulatory landscape in markets where the Debtors operate, or where the Reorganized Debtors will operate, may adversely impact the value of their business and Assets.

5. Undue Delay in Confirmation may Disrupt Operations of the Debtors

The continuation of the Chapter 11 Cases, particularly if the Plan is not approved or confirmed in the time frame currently contemplated, could adversely affect operations and relationships with the Debtors' customers, vendors, employees, regulators, and helicopter lessors. If Confirmation and consummation of the Plan do not occur expeditiously, the Chapter 11 Cases could result in, among other things, increased costs for professional fees and similar expenses. In addition, prolonged Chapter 11 Cases could require senior management to spend time and effort that could otherwise be spent on the Debtors' operations managing the Restructuring.

6. The Ability of the Debtors to Complete Their Ongoing Fleet Restructuring Successfully May Impact the Debtors' Financial Results

The Debtors are engaged in a comprehensive effort to reduce their helicopter fleet costs. The Debtors' business plan is based on certain assumptions concerning the results of this effort, including assumptions

with respect to the number and types of helicopters in the Debtors' fleet and the timing and amount of the cost savings achieved. While the Debtors have negotiated significant reductions in costs with respect to many helicopters, in most cases these agreements are subject to the negotiation of additional terms and conditions and the preparation of definitive documentation. In certain cases, the Debtors have only entered into written agreements with lessors concerning the continued use of those lessors' aircraft during the pendency of the Chapter 11 Cases, leaving the terms of any new leasing relationships subject to negotiation and the preparation of definitive documentation. There can be no assurance that these negotiations, or the preparation of definitive documentation, will in all cases be concluded by the Effective Date. The Debtors and the Reorganized Debtors could thus be adversely affected to the extent they are unable to reach agreements for certain aircraft or agreements that achieve the savings assumed in the Financial Projections.

H. Additional Risks

1. Debtors Could Withdraw Plan

Subject to the terms of, and without prejudice to, the rights of any party to the Plan Support Agreement, the Plan may be revoked or withdrawn prior to the Confirmation Date by the Debtors.

2. Debtors Have No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Debtors have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

3. No Representations Outside this Disclosure Statement Are Authorized

No representations concerning or related to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure acceptance or rejection of the Plan that are other than those contained in, or included with, this Disclosure Statement should not be relied upon in making the decision to accept or reject the Plan.

4. No Legal or Tax Advice Is Provided by this Disclosure Statement

The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each holder of a Claim or Interest should consult their own legal counsel and accountant as to legal, tax, and other matters concerning their Claim or Interest.

This Disclosure Statement is not legal advice. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

5. No Admission Made

Nothing contained herein or in the Plan will constitute an admission of, or will be deemed evidence of, the tax or other legal effects of the Plan on the Debtors or holders of Claims or Interests.

6. Certain Tax Consequences

For a discussion of certain tax considerations to the Debtors and certain holders of Claims in connection with the implementation of the Plan, see Section XI below.

XI.
CERTAIN TAX CONSEQUENCES OF THE PLAN

A. Certain U.S. Federal Income Tax Consequences of the Plan

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtors and to holders of certain Claims. This discussion does not address the U.S. federal income tax consequences to holders of Claims who are unimpaired or deemed to reject the Plan. Additionally, this discussion does not address the U.S. federal income tax consequences to holders of Revolving Credit Agreement Claims and ABL Credit Agreement Claims or to holders of Claims who are also Backstop Parties, as it is the Debtors' understanding that such persons have engaged counsel to advise them as to the consequences of the Plan to them.

The discussion of U.S. federal income tax consequences below is based on the Tax Code, Treasury regulations, judicial authorities, published positions of the IRS, and other applicable authorities, all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations (possibly with retroactive effect). The U.S. federal income tax consequences of the contemplated transactions are complex and subject to significant uncertainties. The Debtors have not requested an opinion of counsel or a ruling from the IRS with respect to any of the tax aspects of the contemplated transactions.

This summary does not address foreign, state, or local tax consequences of the contemplated transactions, nor does it purport to address the U.S. federal income tax consequences of the transactions to special classes of taxpayers (e.g., foreign taxpayers, small business investment companies, regulated investment companies, real estate investment trusts, banks and certain other financial institutions, insurance companies, tax-exempt organizations, retirement plans, individual retirement and other tax-deferred accounts, holders that are, or hold their Claims through, S corporations, partnerships or other pass-through entities for U.S. federal income tax purposes, persons whose functional currency is not the U.S. dollar, dealers in securities or foreign currency, traders that mark-to-market their securities, persons subject to the alternative minimum tax or the "Medicare" tax on unearned income, and persons whose Claims are part of a straddle, hedging, constructive sale, or conversion transaction), other than as expressly indicated herein. In addition, this discussion does not address U.S. federal taxes other than income taxes, nor does it apply to any person that acquires any of the New Second Lien Convertible Notes, New Unsecured Notes or New Membership Interests in the secondary market.

This discussion assumes that the Senior Secured Notes Claims, Unsecured Notes Claims, General Unsecured Claims, Convenience Claims, New Second Lien Convertible Notes, New Unsecured Notes and New Membership Interests are held as "**capital assets**" (generally, property held for investment) within the meaning of section 1221 of the Tax Code and that the various debt and other arrangements to which the Debtors are parties will be respected for U.S. federal income tax purposes in accordance with their form.

The following summary of certain U.S. federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon your own individual circumstances. You are urged to consult your own tax advisor for the U.S. federal, state, local and other tax consequences applicable under the Plan to you.

1. Consequences to the Debtors

Only two of the Debtors are U.S. entities, Heli-One (U.S.) Inc. and Heli-One USA Inc., both of whom are members of the U.S. tax consolidated group of which Heli-One (U.S.) Inc. is the common parent ("**CHC U.S. Group**") and join in the filing of a single U.S. consolidated federal income tax return. The Debtors estimate that the CHC U.S. Group has consolidated net operating loss ("**NOL**") carryforwards of approximately $44 million for U.S. federal income tax purposes as of December 31, 2015, subject to applicable limitations. Significantly, the substantial portion of such NOL carryforwards is subject to a pre-existing limitation under section 382 of the Tax Code. In addition, the amount of such NOL carryforwards and other tax attributes, and the extent to which any limitations apply, remain subject to audit and adjustment by the IRS.

The Debtors anticipate that the amount of the NOL carryforwards of the CHC U.S. Group will be reduced to the extent of any cancellation of debt ("**COD**") incurred by the CHC U.S. Group as a result of the discharge of any General Unsecured Claims or Convenience Claims against Heli-One (U.S.) Inc. or Heli-One USA Inc. or otherwise in connection with the Debtors' internal restructuring. The Debtors also anticipate that a further annual limitation under section 382 of the Tax Code will be imposed as a result of the indirect change in ownership of the CHC U.S. Group contemplated by the Plan. Nevertheless, due to the pre-existing section 382 limitation, the Debtors do not expect any reduction in its NOLs as a result of any COD or any new limitation under section 382 of the Tax Code to have a material impact on the Debtors.

2. Consequences to Holders of Certain Claims

This summary discusses the U.S. federal income tax consequences to holders of Senior Secured Notes Claims, Unsecured Notes Claims, General Unsecured Claims, and Convenience Claims who are U.S. Holders, and does not discuss tax consequences for those who are not U.S. Holders. As used herein, the term "**U.S. Holder**" means a beneficial owner of Senior Secured Notes Claims, Unsecured Notes Claims, General Unsecured Claims, or Convenience Claims that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all of its substantial decisions, or if the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

The tax treatment of a partner in a partnership that holds a Claim generally will depend upon the status of the partner and the activities of the partnership. If you are a partner in such a partnership, you should consult your own tax advisor.

(a) Taxable Exchange – Gain or Loss

Pursuant to the Plan, and in accordance with the Restructuring Transactions attached hereto as **Exhibit D**, (i) holders of Allowed Senior Secured Notes Claims and Allowed Unsecured Notes Claims will receive New Membership Interests and, as applicable, Subscription Rights, (ii) holders of General Unsecured Claims will receive New Membership Interests and New Unsecured Notes, and (iii) holders of Convenience Claims will receive Cash, in each case from CHC Parent, in satisfaction and discharge of such holders' rights as against any of the Debtors in respect of such Claims. Pursuant to the Restructuring Transactions, CHC Parent will assume from Debtor CHC SA prior to the Effective Date all of CHC SA's obligations under and with respect to the Senior Secured Notes Claims, Unsecured Notes Claims, and any Allowed General Unsecured Claims for which CHC SA is the primary obligor, and, on the Effective Date, the New Membership Interests, New Unsecured Notes and, as applicable, Subscription Rights will be issued by Reorganized CHC in consideration for Reorganized CHC's acquisition of all of the Assets of CHC Parent, and distributed by Reorganized CHC on behalf of, and at the direction of, CHC Parent. Reorganized CHC will elect to be treated as a corporation for U.S. federal income tax purposes and, thus, the New Membership Interests and, as discussed below (*see* Section XI.A.2(e) — "Tax Treatment of New Second Lien Convertible Notes as 'Equity,'" below), the New Second Lien Convertible Notes will be treated as "equity" interests in Reorganized CHC that would be classified as "stock" of Reorganized CHC for U.S. federal income tax purposes. In addition, the following discussion assumes, except as otherwise discussed below (*see* Section XI.A.2(c) — "Treatment of Subscription Rights," below), that the Subscription Rights will be treated in accordance with their form for U.S. federal income tax purposes.

In general, U.S. Holders of an Allowed Senior Secured Notes Claim, Unsecured Notes Claim, Allowed General Unsecured Claim, or Allowed Convenience Claim should recognize gain or loss in connection with the implementation of the Plan, regardless of whether the assumption of Claims against CHC SA by CHC Parent is respected for U.S. federal income tax purposes. Accordingly, each holder should generally recognize gain or loss in an amount equal to the difference, if any, between (i) the aggregate fair market value of the consideration received (namely, New Membership Interests and, as applicable, any Subscription Rights and New Unsecured Notes, irrespective of the issue price of such notes), or, in the case of Convenience Claims, the amount of Cash received, by the holder in respect of its Claim (other than any consideration received in respect of a Claim for accrued but unpaid interest and possibly any accrued OID) and (ii) the holder's adjusted tax basis in its Claim (other than any tax basis attributable to accrued but unpaid interest and possibly accrued OID). In addition, a U.S. Holder of a Claim will have interest income to the extent of any consideration allocable to accrued but unpaid interest not previously included in income. *See* Section XI.A.2(b) — "Distributions in Discharge of Accrued Interest," below.

In the event of the subsequent disallowance of any Disputed General Unsecured Claims or Disputed Convenience Claims after the Effective Date, a U.S. Holder of a previously Allowed General Unsecured Claim may receive additional distributions in respect of its Claim. In such instance, the imputed interest provisions of the Tax Code may apply to treat a portion of such additional distributions as imputed interest. In addition, it is possible that any loss realized by a holder may be deferred until all Disputed General Unsecured Claims are resolved (*i.e.*, until the holder has received its final distribution). Alternatively, a holder may recognize additional gain or otherwise be subject to the possible application of the "installment method" of reporting with respect to any gain realized. You are urged to consult your tax advisor regarding the possibility for deferral, and the potential application (and ability to elect out) of the "installment method" of reporting any gain realized in respect of your Claims. The discussion herein assumes that the installment method does not apply.

The characterization of any gain or loss recognized by a U.S. Holder as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the holder, whether the Claim constitutes a capital asset in the hands of the holder and how long

it has been held, whether the Claim was acquired at a market discount, and whether and to what extent the holder previously claimed a bad debt deduction.

A U.S. Holder that purchased its Claims from a prior holder at a market discount (relative to the principal amount of the Claims at the time of acquisition) may be subject to the market discount rules of the Tax Code. In general, a debt instrument is considered to have been acquired with "**market discount**" if the holder's adjusted tax basis in the debt instrument is less than (i) its stated principal amount or (ii) in the case of a debt instrument issued with OID, its adjusted issue price, in each case, by at least a *de minimis* amount. Under these rules, any gain upon satisfaction of such Claim generally will be treated as ordinary income to the extent of the market discount accrued (on a straight line basis or, at the election of the holder, on a constant yield basis) during the holder's period of ownership, unless the holder elected to include the market discount in income as it accrued. If a U.S. Holder did not elect to include market discount in income as it accrued and, thus, under the market discount rules, was required to defer all or a portion of any deductions for interest on debt incurred or maintained to purchase or carry its Claims, such deferred amounts would become deductible at the time of the exchange.

A U.S. Holder's tax basis in the New Membership Interests and, as applicable, any Subscription Rights and New Unsecured Notes received in respect of its Claim on the Effective Date should equal their respective fair market values on the Effective Date. The U.S. Holder's holding period in such New Membership Interests and New Unsecured Notes should commence the day following the Effective Date.

(b) Distributions in Discharge of Accrued Interest

In general, to the extent any consideration received pursuant to the Plan by a U.S. Holder of a Claim is received in satisfaction of interest accrued during its holding period, such amount will be taxable to the holder as interest income (if not previously included in the holder's gross income). Conversely, a U.S. Holder may be entitled to recognize a deductible loss to the extent any accrued interest or amortized OID was previously included in its gross income and is not paid in full. However, the IRS has privately ruled that a holder of a "security" of a corporate issuer, in an otherwise tax-free exchange, could not claim a current deduction with respect to any unpaid OID, and thus by implication, that any loss recognized upon satisfaction of a "security" in a taxable transaction would be a capital loss. Accordingly, it is also unclear whether, by analogy, a U.S. Holder of a Claim that does not constitute a "security" would be required to recognize a capital loss, rather than an ordinary loss, with respect to previously included OID that is not paid in full.

The Plan provides that, except as otherwise required by law (as reasonably determined by the Debtors), consideration received in respect of a Claim is allocable first to the principal amount of the Claim (as determined for U.S. federal income tax purposes) and then, to the extent of any excess, to the remainder of the Claim, including any Claim for accrued but unpaid interest (in contrast, for example, to a pro rata allocation of a portion of the consideration received between principal and interest, or an allocation first to accrued but unpaid interest). *See* Section 6.13 of the Plan. There is no assurance that the IRS will respect such allocation for U.S. federal income tax purposes. You are urged to consult your own tax advisors regarding the allocation of consideration and the inclusion and deductibility of accrued but unpaid interest for U.S. federal income tax purposes.

(c) Treatment of Subscription Rights

The characterization of the Subscription Rights and their subsequent exercise for U.S. federal income tax purposes – as simply the exercise of options to acquire the underlying New Second Lien Convertible Notes or, alternatively, as an integrated transaction pursuant to which the underlying New Second Lien Convertible Notes (including in part as a result of the Equitization Premium) are acquired directly in

partial satisfaction of a holder's Allowed Senior Secured Notes Claim or Allowed Unsecured Notes Claim – is uncertain.

Regardless of the characterization of the Subscription Rights, a U.S. Holder of Subscription Rights generally would not recognize any gain or loss upon the exercise of such Subscription Rights (beyond the gain or loss recognized in respect of its Claim, as described above).

A U.S. Holder's aggregate tax basis in the New Second Lien Convertible Notes received upon exercise of a Subscription Right should be equal to the sum of the amount paid for the New Second Lien Convertible Notes and the holder's tax basis in the right exercised (*i.e.*, the fair market value of the Subscription Right). Alternatively, under an integrated transaction analysis, the holder's aggregate tax basis in the New Second Lien Convertible Notes received should be the fair market value of such notes (which, as discussed below, will be treated as "equity" for U.S. federal income tax purposes, *see* Section XI.A.2(e) — "Tax Treatment of New Second Lien Convertible Notes as 'Equity,'" below). In the latter instance, the excess of the fair market value over the cash paid would be treated as received in partial satisfaction of the holder's Claim, in lieu of the Subscription Right. In either instance, a U.S. Holder's holding period in the New Second Lien Convertible Notes received generally should commence the day following the Effective Date.

It is uncertain whether a holder that receives but does not exercise a Subscription Right should be treated as receiving anything of additional value in respect of its Claim. If the U.S. Holder is treated as having received a Subscription Right of value (despite its subsequent lapse), such that it obtains a tax basis in the Subscription Right, the holder generally would recognize a loss to the extent of the holder's tax basis in the Subscription Right. In general, such loss would be a short-term capital loss.

(d) Ownership of New Unsecured Notes

(i) OID and Issue Price

In general, a debt instrument will be treated as issued with OID to the extent that its "stated redemption price at maturity" exceeds its "issue price" by more than a *de minimis* amount. An instrument's "**stated redemption price at maturity**" includes all payments required to be made over the term of the instrument other than payments of "**qualified stated interest**," defined as interest required to be paid in cash at fixed periodic intervals of one year or less. Because the New Unsecured Notes provide that Reorganized CHC shall pay interest on the notes in the form of "payment-in-kind" interest until the earlier of the maturity or conversion of the New Second Lien Convertible Notes, no stated interest on the New Unsecured Notes will be qualified stated interest for U.S. federal income tax purposes (even if paid in cash). The effect of this is to include such interest within the amount of OID on the New Unsecured Notes, which amount is then amortized and generally includable in the holder's income (as discussed below) over the term of the debt, rather than a holder separately including such interest in income in accordance with the holder's normal method of tax accounting.

In general, the "**issue price**" of a debt instrument depends on whether such debt instrument or the property for which it is exchanged is considered traded on an "established market" as determined for U.S. federal income tax purposes. However, a debt instrument is not treated as traded on an established market if the outstanding stated principal amount of the issue that includes the debt instrument does not exceed U.S. $100 million (or in the case of a non-U.S. dollar denominated debt instrument, its equivalent in foreign currency). Thus, the New Unsecured Notes themselves will not be treated as traded on an established market. In addition, in accordance with the Restructuring Transactions, the New Unsecured Notes will be issued by Reorganized CHC in partial consideration for Reorganized CHC's acquisition of all of the Assets of CHC Parent, and distributed by Reorganized CHC on behalf of, and at the direction

of, CHC Parent. Thus, the property for which the New Unsecured Notes will be issued (the Assets of CHC Parent) will not be traded on an established market, even though such notes will be immediately distributed to holders of General Unsecured Claims, which claims might be considered traded on an established market. Accordingly, the Debtors believe that that the issue price of the New Unsecured Notes should be their stated principal amount.

As a result, the New Unsecured Notes will be treated for U.S. federal income tax purposes as being issued with OID in an amount equal to the aggregate stated interest payable over the term of the notes. A U.S. Holder generally must include OID in gross income as it accrues over the period it holds the New Unsecured Notes using the "constant yield method" without regard to its regular method of accounting for U.S. federal income tax purposes, and in advance of the receipt of cash payments attributable to that income. The amount of OID includible in income for a taxable year by a U.S. Holder generally will equal the sum of the daily portions of the total OID on the debt for each day during the taxable year (or portion thereof) on which such holder held the debt. Generally, the daily portion of the OID is determined by allocating to each day during an accrual period a ratable portion of the OID that is allocable to the accrual period in which such day is included. The amount of OID allocable to each accrual period generally will be an amount equal to the product of the "adjusted issue price" of the New Unsecured Notes at the beginning of such accrual period and its "yield to maturity." The "**adjusted issue price**" of the New Unsecured Notes at the beginning of any accrual period will equal their issue price, increased by the total OID accrued for each prior accrual period, less any cash payments made on the debt on or before the first day of the accrual period. The "**yield to maturity**" of the New Unsecured Notes will be computed on the basis of a constant annual interest rate and compounded at the end of each accrual period.

Any OID that a U.S. Holder includes in income will increase the holder's tax basis in the New Unsecured Notes. A holder generally will not be required to include separately in income any cash payments received on the New Unsecured Notes (including with respect to the payment of any stated interest, since the stated interest was included in the determination of the amount of OID); instead, such payments will reduce the holder's tax basis in the New Unsecured Notes by the amount of the payment.

The amount of OID includible in a U.S. Holder's gross income with respect to a New Unsecured Note will be reduced if the note is acquired at an "acquisition premium" or with "bond premium," as discussed below.

(ii) Market Discount

Any U.S. Holder that has a tax basis in a New Unsecured Note received that is less than its issue price (*i.e.*, its stated principal amount) generally will be subject to the market discount rules of the Tax Code (unless such difference is less than a *de minimis* amount). Under the market discount rules, a holder is required to treat any principal payment on, or any gain recognized on the sale, exchange, retirement or other disposition of, a New Unsecured Note as ordinary income to the extent of the market discount that has not previously been included in income and is treated as having accrued on such note at the time of such payment or disposition. A holder could be required to defer the deduction of a portion of the interest expense on any indebtedness incurred or maintained to purchase or to carry a market discount note, unless an election is made to include all market discount in income as it accrues. Such an election would apply to all notes and other bonds acquired by the holder on or after the first day of the first taxable year to which such election applies, and may not be revoked without the consent of the IRS.

Any market discount will be considered to accrue on a straight-line basis during the period from the date of acquisition of such New Unsecured Notes to the maturity date of the notes, unless the holder irrevocably elects to compute the accrual on a constant yield basis. This election can be made on a note-by-note basis.

(iii) Acquisition and Bond Premium

A holder will be treated as having "**acquisition premium**" in a New Unsecured Note if the holder's tax basis in the note is greater than the issue price of the note (*i.e.*, its stated principal amount), but is less than or equal to the "stated redemption price at maturity" of the note. If a U.S. Holder has acquisition premium, the amount of any OID includible in its gross income in any taxable year with respect to such note generally will be reduced by an allocable portion of the acquisition premium (generally determined by multiplying the annual OID accrual with respect to such note by a fraction, the numerator of which is the amount of the acquisition premium, and the denominator of which is the total OID).

If a U.S. Holder has a tax basis in a New Unsecured Note that exceeds the "stated redemption price at maturity" of such note, the note will be treated as having "**bond premium**" and the holder generally will not include any of the OID in income. A U.S. Holder may elect to amortize any bond premium over the period from its acquisition of the note to the maturity of the note, in which case the holder should have an ordinary deduction (and a corresponding reduction in tax basis in the note for purposes of computing gain or loss) in the amount of such bond premium upon the sale or other disposition of the note, including the repayment of principal. If such an election to amortize bond premium is not made, a holder will receive a tax benefit from the premium only in computing such holder's gain or loss upon the sale or other taxable disposition of the note, including the repayment of principal.

An election to amortize bond premium will apply to amortizable bond premium on all notes and other bonds the interest on which is includible in the U.S. Holder's gross income and that are held at, or acquired after, the beginning of the holder's taxable year as to which the election is made. The election may be revoked only with the consent of the IRS.

(e) Tax Treatment of New Second Lien Convertible Notes as "Equity"

As discussed herein, the Debtors will treat the New Second Lien Convertible Notes as "equity" for U.S. federal income tax purposes. For an instrument with both debt-like and equity-like features to be considered "debt" for U.S. federal income tax purposes, the instrument must represent an unqualified obligation to pay a sum certain with interest regardless of the debtor's income or lack thereof. Conversely, if there is not an unqualified obligation to pay a sum certain, and the instrument represents an embarking on the corporate venture such that the holder takes the risks of loss so that it might share in the profits of success, such instrument generally will be considered "equity" for U.S. federal income tax purposes. Congress and Treasury have generally left such determination up to the courts, which have developed a multi-factored test based on facts and circumstances with no one factor determinative. Because, among other things, the New Second Lien Convertible Notes are mandatorily convertible into New Membership Interests in all events (other than in the event of a default prior to their 3.5 year maturity, which is not expected to occur), the notes have unlimited participation in corporate growth in that the holders of the notes participate in dividends and, in the event of liquidation, capture their share of any growth beyond the notes' stated principal amount, and because holders are entitled to vote on all matters upon which the holders of ordinary shares may vote (on an as converted basis), the Debtors believe that the New Second Lien Convertible Notes are properly regarded as "equity" for U.S federal income tax purposes, and the discussion herein so assumes.

In addition, the Debtors believe that the New Second Lien Convertible Notes should be considered "**participating stock**" for U.S. federal income tax purposes that generally should not be subject to the preferred OID rules under section 305 of the Tax Code. No regulations or other administrative guidance have been issued addressing an instrument with terms similar to the New Second Lien Convertible Notes, and, consequently, there is uncertainty regarding the application of the preferred OID rules to the New Second Lien Convertible Notes.

Consistent with the foregoing, the Plan provides, and the governing instrument of the New Second Lien Convertible Notes will require, subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary, and unless prohibited by applicable law, that the New Second Lien Convertible Notes be treated by all parties, for U.S. federal income tax purposes, as equity (that is not preferred stock for purposes of section 305 of the Tax Code).

Accordingly, the U.S. federal income tax consequences of the ownership and disposition of New Second Lien Convertible Notes generally should be the same as those discussed in respect of New Membership Interests, unless indicated otherwise herein. *See* Section XI.A.2(f) — "Ownership and Disposition of New Stock," below.

A U.S. Holder generally will not recognize any gain or loss in respect of the receipt of additional New Membership Interests upon the conversion of the New Second Lien Convertible Notes. The adjusted tax basis of the New Membership Interests received should be determined based on the tax basis of the New Second Lien Convertible Notes in respect of which the interests are received, by taking the tax basis of the New Second Lien Convertible Notes and allocating it among the New Membership Interests and the remaining portion of the New Second Lien Convertible Notes based on relative fair market value. The holding period of the New Membership Interests received on conversion will generally include the holding period for the New Second Lien Convertible Notes.

As discussed, the characterization and treatment of the New Second Lien Convertible Notes is subject to uncertainty. Each holder should consult its own tax advisor regarding the U.S. federal income tax consequences of the acquisition, ownership, and disposition of the New Second Lien Convertible Notes, including in the event the New Second Lien Convertible Notes were held to be either (i) debt, rather than stock, for U.S. federal income tax purposes or (ii) preferred stock for purposes of section 305 of the Tax Code. In such event, the resulting tax consequences could be materially adverse to a holder, including the required annual inclusion in income of any OID.

(f) Ownership and Disposition of New Stock

Although the following discussion refers principally to the New Membership Interests, such discussion should apply equally to New Second Lien Convertible Notes (unless indicated otherwise herein), given their treatment as stock for U.S. federal income tax purposes.

(i) General Treatment

The following discussion is qualified in part by the discussion below regarding the possible treatment as a PFIC or a CFC. *See* Section XI.A.2(f)(ii) — "Possible Treatment of Reorganized CHC as a Passive Foreign Investment Company or Controlled Foreign Corporation," below.

(a) Cash Payments and other Cash Distributions on the New Stock

In general, any cash distributions with respect to the New Membership Interests will be treated as a taxable dividend to the extent paid out of Reorganized CHC's current or accumulated earnings and profits as determined under U.S. federal income tax principles ("**earnings and profits**"), and will be includible by the U.S. Holder as ordinary income when received. To the extent the amount of any distribution exceeds available earnings and profits with respect to such distribution, the excess will be applied against and will reduce the U.S. Holder's adjusted tax basis (on a dollar-for-dollar basis) in respect of the New Membership Interests as to which the distribution was made, but not below zero. Any remaining excess will be treated as gain from the sale or exchange of New Membership Interests, with the consequences

discussed below. *See* Section XI.A.2(f)(i)(b) — "Disposition of New Stock," below. The Debtors do not expect that U.S. Holders will have access to a record of Reorganized Debtors' earnings and profits computed in accordance with U.S. federal income tax principles. Therefore, U.S. Holders should expect that a cash payment or distribution on New Membership Interests will generally be treated as a dividend (as discussed above).

Any such taxable dividends received by a U.S. Holder will not be eligible for the "**dividends received deduction**" for corporate U.S. Holders. Any such taxable dividends will not be eligible for reduced rates of taxation as "**qualified dividend income**" for non-corporate U.S. Holders unless they are received at a time when the New Membership Interests (or New Second Lien Convertible Notes, as applicable) are readily tradable on an established securities market in the United States (including, *e.g.,* being listed on the NYSE or NASDAQ), provided, however, that Reorganized CHC is not treated as a PFIC at such time. *See* Section XI.A.2(f)(ii) — "Possible Treatment of Reorganized CHC as a Passive Foreign Investment Company or Controlled Foreign Corporation," below. *See* Section X.D.1 — "Risks Relating to the Securities to be Issued Under the Plan — No Current Public Market for Securities."

(b) Disposition of New Stock

Unless a nonrecognition provision applies and subject to the discussion above with respect to market discount (*see* Section XI.A.2(a) — "Taxable Exchange – Gain or Loss," above) and the discussion below, U.S. Holders generally will recognize capital gain or loss upon the sale or exchange (other than pursuant to a conversion of the New Second Lien Convertible Notes) of the New Membership Interests in an amount equal to the difference between (i) the holder's adjusted tax basis in the New Membership Interests held and (ii) the sum of the cash and the fair market value of any property received from such disposition. Any such gain or loss generally should be long-term if the holder's holding period for its New Membership Interests held is more than one year at that time. A reduced tax rate on long-term capital gain may apply to non-corporate holders. The deductibility of capital loss is subject to significant limitations. In the event that Reorganized CHC defaults on the New Second Lien Convertible Notes, such that the principal amount of the notes, plus any accrued but unpaid interest thereon, become immediately payable in cash to the holders thereof, such payments will be treated as a redemption of "stock" for U.S. federal income tax purposes. *See* Section XI.A.2(e) — "Tax Treatment of New Second Lien Convertible Notes as 'Equity,'" above. Under certain circumstances, such a redemption could be regarded as a distribution on "stock" and, thus, potentially treated as a taxable dividend, rather than as a sale or exchange, for U.S. federal income tax purposes. *See* Section XI.A.2(f)(i)(a) — "Cash Payments and other Cash Distributions on the New Stock," above. You should consult your own tax advisor regarding the U.S. federal income tax consequences of payments that are made in default of the New Second Lien Convertible Notes.

(ii) Possible Treatment of Reorganized CHC as a Passive Foreign Investment Company or Controlled Foreign Corporation

It is uncertain whether, as of the Effective Date, Reorganized CHC or any of its subsidiaries will be treated as a PFIC for U.S. federal income tax purposes. In general, a foreign corporation will be classified as a PFIC if (i) 75% or more of its gross income in a taxable year, including its pro rata share of the gross income of any company treated as a corporation for U.S. federal income tax purposes, U.S. or foreign, in which the foreign corporation is considered to own, directly or indirectly, 25% or more of the shares by value, is passive income, or (ii) at least 50% of its assets in a taxable year, averaged quarterly over the year and ordinarily determined based on fair market value and including its pro rata share of the assets of any company treated as a corporation for U.S. federal income tax purposes, U.S. or foreign, in which the foreign corporation is considered to own, directly or indirectly, 25% or more of the shares by value, produce, or are held for the production of, passive income. Passive income for this purpose includes,

among other items, interest, dividends, royalties, rents and annuities. Even if the Debtors do not believe that, as of the Effective Date, Reorganized CHC or any of its subsidiaries will be treated as a PFIC, there can be no assurance (i) that the IRS will not take a contrary position or (ii) that Reorganized CHC or one of its subsidiaries will not be or later become a PFIC in the future. You are urged to consult your own tax advisor regarding whether Reorganized CHC or any of its subsidiaries will be treated as a PFIC and, if so, the U.S. federal, state, local, and foreign tax consequences of holding New Membership Interests.

Reorganized CHC or any of its subsidiaries may be classified as a CFC for U.S. federal income tax purposes, although the Debtors do not expect that, as of the Effective Date, Reorganized CHC or any of its subsidiaries will be treated as a CFC. In general, a foreign corporation will be classified as a CFC if more than 50% of the shares of the corporation, measured by reference to combined voting power or value, is owned (directly, indirectly or by attribution) by "**U.S. Shareholders**." A "**U.S. Shareholder**," for this purpose, is any U.S. person that possesses (directly, indirectly or by attribution) 10% or more of the combined voting power (generally the right to vote for directors of the corporation) of all classes of shares of a foreign corporation. There can be no assurance that the IRS will not successfully assert (i) that, as of the Effective Date, Reorganized CHC or any of its subsidiaries will have been treated as a CFC or (ii) that Reorganized CHC or one of its subsidiaries will not be or later become a CFC. You are urged to consult your own tax advisors regarding whether Reorganized CHC or any of its subsidiaries will be treated as a CFC and, if so, the U.S. federal, state, local, and foreign tax consequences of holding New Membership Interests.

(a) Distributions on and Disposition of New Stock if Reorganized CHC is a PFIC

If Reorganized CHC is characterized as a PFIC, a U.S. Holder would be subject to a tax at the time of the sale of its New Membership Interests or on the receipt of an "**excess distribution**" with respect to its New Membership Interests, unless a "*qualified electing fund*" ("**QEF**") election is made with respect to such holder's New Membership Interests. A U.S. Holder is treated as receiving an "**excess distribution**" from a PFIC if the amount of the distribution is more than 125% of the average distribution with respect to such holder's stock during the three preceding taxable years (or shorter period during which the holder held its stock). In general, the tax is equivalent to an interest charge based on the value of the tax deferral of the taxes that are deemed due during the period the U.S. Holder owned its New Membership Interests, computed by assuming that the excess distribution or gain (in the case of a sale) with respect to such New Membership Interests was taxed in equal portions throughout the holder's period of ownership at the highest marginal ordinary income tax rate. The interest charge is computed using the applicable rate imposed on underpayments of U.S. federal income tax for such period. The interest charge is not imposed on amounts allocable to pre-PFIC years or the current year. Those amounts are included as ordinary income in the current year. The entire amount of gain realized by a U.S. Holder upon the sale or other disposition of its New Membership Interests will also be treated as an excess distribution and will be subject to this tax. These adverse PFIC tax rules would apply to a U.S. Holder's indirect interest in each of any lower tier PFICs as well. If Reorganized CHC is characterized as a PFIC and a U.S. Holder makes a timely QEF election with respect to such holder's New Membership Interests, then, in lieu of the consequences described above, the U.S. Holder would be required to include in income each year its pro-rata share of the Reorganized CHC's net capital gain and ordinary income. The Debtors may, but are not required to, provide the information necessary for U.S. Holders to make or maintain a QEF election, including information necessary to determine the appropriate income inclusion amounts for purposes of the QEF election. It is unclear whether U.S. Holders could make a mark-to-market election with respect to the New Membership Interests – which provides an alternative to the adverse PFIC tax rules discussed above – since there might not exist the requisite market. Even if a mark-to-market election was available, it would not apply to avoid the adverse tax rules discussed above with respect to a U.S. Holder's interest in any lower tier PFICS.

The rules relating to PFICs are complex. You are urged to consult your own tax advisors regarding whether Reorganized CHC will be treated as a PFIC and, if so, the U.S. federal, state, local, and foreign tax consequences of holding the New Membership Interests.

(b) Deemed Dividends and Actual Distributions on New Stock if Reorganized CHC is a Controlled Foreign Corporation

If Reorganized CHC is treated as a CFC for U.S. federal income tax purposes, a U.S. Shareholder of Reorganized CHC would be treated, subject to certain exceptions, as receiving a deemed dividend at the end of the taxable year from Reorganized CHC in an amount equal to that person's pro rata share of the "**Subpart F income**" (and certain investments in United States property) of Reorganized CHC to the extent of Reorganized CHC's earnings and profits, as determined under U.S. federal income tax principles. Such deemed dividend would be treated as income from sources within the United States for U.S. foreign tax credit limitation purposes to the extent that it is attributable to income of Reorganized CHC from sources within the United States. Among other items, and subject to certain exceptions, "**Subpart F income**" includes dividends, interest, annuities, gains from the sale or exchange of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. If a CFC's Subpart F income exceeds 70% of its gross income for a taxable year, the entire amount of the CFC's income for such taxable year will be treated as Subpart F income.

Any actual distributions made by Reorganized CHC to a U.S. Holder will be taxable in the manner described above in Section XI.A.2(f)(i)(a) — "Cash Payments and Other Distributions on the New Stock" to the extent that such amounts have not previously been included in income as a deemed dividend by such holder.

The rules relating to CFCs are complex. You are urged to consult your own tax advisor regarding whether Reorganized CHC will be treated as a CFC and, if so, the U.S. federal, state, local, and foreign tax consequences of holding the New Membership Interests.

3. Information Reporting and Backup Withholding

Payments of interest (including accruals of OID) or dividends and any other reportable payments, possibly including amounts received pursuant to the Plan and payments of proceeds from the sale, retirement or other disposition of the consideration to holders, may be subject to U.S. "**backup withholding**" (currently at a rate of 28%) if a recipient of those payments fails to furnish to the payor certain identifying information and, in some cases, a certification that the recipient is not subject to backup withholding. Backup withholding is not an additional tax. Any amounts deducted and withheld generally should be allowed as a credit against that recipient's U.S. federal income tax, provided that appropriate proof is timely provided under rules established by the IRS. Furthermore, certain penalties may be imposed by the IRS on a recipient of payments who is required to supply information but who does not do so in the proper manner. Backup withholding generally should not apply with respect to payments made to certain exempt recipients, such as corporations and financial institutions. Information may also be required to be provided to the IRS concerning payments, unless an exemption applies. You should consult your own tax advisor regarding your qualification for exemption from backup withholding and information reporting and the procedures for obtaining such an exemption.

Treasury regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of certain

thresholds. You are urged to consult your own tax advisor regarding these regulations and whether the contemplated transactions under the Plan would be subject to these regulations and require disclosure on your tax return.

The foregoing summary of certain U.S. federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon your own individual circumstances. You are urged to consult your own tax advisor for the U.S. federal, state, local and other tax consequences applicable under the Plan to you.

B. Cayman Islands Tax Considerations

CHC Parent and the Cayman Debtors are incorporated under the laws of the Cayman Islands as exempted companies with limited liability. Exempted companies are Cayman Islands companies whose objects are carried out mainly outside the Cayman Islands and, as such, are exempt from complying with certain provisions of the Cayman Companies Law. Reorganized CHC will be formed and will be registered under the laws of the Cayman Islands as a limited liability company.

The Cayman Islands currently have no form of income, corporate or capital gains tax and no estate duty, inheritance tax or gift tax. CHC Parent has applied for and has received a tax exemption undertaking from the Governor in Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (as amended) of the Cayman Islands, for a period of 20 years from the date of the undertaking (being 29 July 2008), no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to CHC Parent or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of CHC Parent's shares, debentures or other obligations or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by CHC Parent to its members or a payment of principal or interest or other sums due under a debenture or other obligation of CHC Parent.

Reorganized CHC will apply for, and expects to receive, a tax exemption undertaking from the Governor in Cabinet of the Cayman Islands that, in accordance with section 58 of the Limited Liability Companies Law (as amended) of the Cayman Islands, for a period of 50 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to Reorganized CHC or to any member thereof in respect of the operations or assets of Reorganized CHC or membership interest of any member therein and, in addition, that no tax to be levied on profits or income or gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable in respect of the obligations of Reorganized CHC or the interests of members therein.

Certain of the other Debtors have also received undertakings in similar form.

XII.
VOTING PROCEDURES AND REQUIREMENTS

A. Parties Entitled to Vote

Under the Bankruptcy Code, only holders of claims or interests in "**impaired**" classes are entitled to vote on a plan. Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "**impaired**" under a plan unless (i) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults

resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

If, however, the holder of an impaired claim or interest will not receive or retain any distribution under the plan on account of such claim or interest, section 1126(g) of the Bankruptcy Code deems such holder to have rejected the plan, and, accordingly, holders of such claims and interests do not actually vote on the plan. If a claim or interest is not impaired by the plan, section 1126(f) of the Bankruptcy Code deems the holder of such claim or interest to have accepted the plan and, accordingly, holders of such claims and interests are not entitled to vote on the Plan.

A vote may be disregarded if the Bankruptcy Court determines, pursuant to section 1126(e) of the Bankruptcy Code, that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

The Bankruptcy Code defines "**acceptance**" of a plan by a class of claims as acceptance by creditors in that class that hold at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the claims that cast ballots for acceptance or rejection of the plan.

The Claims in the following Classes are Impaired under the Plan and entitled to vote to accept or reject the Plan:

- Class 3 – Revolving Credit Agreement Claims
- Class 4 – ABL Credit Agreement Claims
- Class 5 – Senior Secured Notes Claims
- Class 6 – Unsecured Notes Claims
- Class 7 – Primary General Unsecured Claims
- Class 8 – Convenience Claims

B. Voting Deadline

Before voting to accept or reject the Plan, each holder of an Allowed Revolving Credit Agreement Claim, an Allowed ABL Credit Agreement Claim, an Allowed Senior Secured Notes Claim, an Allowed Unsecured Notes Claim, an Allowed General Unsecured Claim, or an Allowed Convenience Claim, as applicable and as of the Voting Record Date (as defined below), should carefully review the Plan attached hereto as **Exhibit B**. All descriptions of the Plan set forth in this Disclosure Statement are subject to the terms and conditions of the Plan.

"**Ballots**" will be provided for holders of Voting Claims as of December 20, 2016 (the "**Voting Record Date**") to vote to accept or reject the Plan. Because all other Classes are Unimpaired and deemed to accept, or are Impaired and will not receive or retain any distribution under the Plan on account of such interests and, thus, are deemed to reject, only Classes 3, 4, 5, 6, 7, and 8 are entitled to vote.

Each Ballot contains detailed voting instructions and sets forth in detail, among other things, the deadlines, procedures, and instructions for voting to accept or reject the Plan, and the Voting Record Date for voting purposes.

The Debtors have engaged KCC as their voting agent to assist in the transmission of voting materials and in the tabulation of votes with respect to the Plan. **FOR YOUR VOTE TO BE COUNTED, IT MUST BE RECEIVED BY THE VOTING AGENT AT THE ADDRESS SET FORTH BELOW ON OR BEFORE THE VOTING DEADLINE OF 5:00 P.M., PREVAILING CENTRAL TIME, ON FEBRUARY 2, 2017 (THE "VOTING DEADLINE"), UNLESS EXTENDED BY THE BANKRUPTCY COURT. IF YOU HOLD YOUR SENIOR SECURED NOTES CLAIMS OR UNSECURED NOTES CLAIMS THROUGH A NOMINEE, PLEASE FOLLOW THE INSTRUCTIONS PROVIDED BY YOUR NOMINEE FOR RETURNING YOUR BENEFICIAL HOLDER BALLOT. UNLESS OTHERWISE INSTRUCTED, PLEASE RETURN YOUR BENEFICIAL HOLDER BALLOT TO YOUR NOMINEE OR YOUR VOTE WILL NOT BE COUNTED.**

Delivery of a Ballot by facsimile, e-mail or any other electronic means will not be accepted. Ballots must be returned by the Voting Deadline with an original signed copy to:

Class 3, 4, 7, and 8 Ballots	**Class 5 and 6 Master Ballots**[10]
CHC Ballot Processing Center c/o KCC 2335 Alaska Avenue El Segundo, CA 90245	CHC Ballot Processing Center c/o KCC 1290 Avenue of the Americas 9th Floor New York, NY 10104

ANY BALLOT THAT IS EXECUTED AND RETURNED BUT WHICH DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN OR INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL NOT BE COUNTED. THE DEBTORS, IN THEIR SOLE DISCRETION, MAY REQUEST THAT THE VOTING AGENT ATTEMPT TO CONTACT SUCH VOTERS TO CURE ANY SUCH DEFECTS IN THE BALLOTS. THE FAILURE TO VOTE DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT THE PLAN. YOU WILL, HOWEVER, STILL BE BOUND BY THE PLAN, IF CONFIRMED. AN OBJECTION TO CONFIRMATION OF THE PLAN, EVEN IF TIMELY SERVED, DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT THE PLAN.

ARTICLE X OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS, INCLUDING THIRD PARTY RELEASES. IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, THESE PROVISIONS WILL (WITH LIMITED EXCEPTIONS) BE BINDING ON ALL HOLDERS OF A CLAIM AGAINST OR INTEREST IN ANY DEBTOR, REGARDLESS OF WHETHER THE CLAIM OR INTEREST OF SUCH HOLDER IS IMPAIRED UNDER THE PLAN AND WHETHER SUCH HOLDER HAS ACCEPTED THE PLAN.

[10] If you receive a Class 5 or a Class 6 Beneficial Holder Ballot, please return such Beneficial Holder Ballot to your Nominee (as defined below). The Master Ballot is to be used by a broker, bank, commercial bank, trust company, dealer, or other agent or nominee of a beneficial holder (each of the foregoing, a "**Nominee**"), or by the proxy holder of a beneficial holder of a Class 5 Senior Secured Notes Claim or a Class 6 Unsecured Notes Claim, to transmit to the Voting Agent the votes of such beneficial holders in respect of their Senior Secured Notes Claims or Unsecured Notes Claims, as applicable.

C. Voting Procedures

The Debtors are providing copies of this Disclosure Statement (including all exhibits and appendices) and related materials and a Ballot (collectively, a "**Solicitation Package**") to record holders of the Revolving Credit Agreement Claims, ABL Credit Agreement Claims, Senior Secured Notes Claims, Unsecured Notes Claims, General Unsecured Claims, or Convenience Claims, as applicable, as of the Voting Record Date. Record holders of Senior Secured Notes Claims and Unsecured Notes Claims, as applicable, may include Nominees. If such Nominees do not hold Senior Secured Notes Claims or Unsecured Notes Claims for their own account, they must provide copies of the Solicitation Package to their customers that are the beneficial holders thereof as of the Voting Record Date. Any beneficial holder of the Senior Secured Notes Claims or Unsecured Notes Claims who has not received a Beneficial Holder Ballot (as defined below) should contact his, her, or its Nominee, or the Voting Agent. The Senior Secured Notes Indenture Trustee and the Unsecured Notes Indenture Trustee will not vote on behalf of their respective holders. Each beneficial holder of the Senior Secured Notes Claims and Unsecured Notes Claims must submit its own Ballot.

Holders of Revolving Credit Agreement Claims, ABL Credit Agreement Claims, Senior Secured Notes Claims, Unsecured Notes Claims, General Unsecured Claims, and Convenience Claims, as applicable, should provide all of the information requested by the Ballot. The Ballots for holders of Allowed General Unsecured Claims will include an option to elect to have the holder's General Unsecured Claim irrevocably reduced to the Convenience Claim Amount and, therefore, to be treated as holders of Convenience Claims. Holders of Revolving Credit Agreement Claims, ABL Credit Agreement Claims, Senior Secured Notes Claims, Unsecured Notes Claims, General Unsecured Claims, and Convenience Claims, as applicable, should complete and return all Ballots received in the enclosed, self-addressed, postage-paid envelope provided with each such Ballot either to the Voting Agent or their Nominee, as applicable.

1. Beneficial Holders

A beneficial holder who holds Senior Secured Notes Claims or Unsecured Notes Claims as a record holder in its own name should vote on the Plan by completing and signing a Ballot (a "**Beneficial Holder Ballot**") and returning it directly to the Voting Agent on or before the Voting Deadline using the enclosed self-addressed, postage-paid envelope.

A beneficial holder who holds the Senior Secured Notes Claims or Unsecured Notes Claims in "**street name**" through a Nominee may vote on the Plan by the following method:

- Complete and sign the enclosed Beneficial Holder Ballot. Return the Beneficial Holder Ballot to your Nominee as promptly as possible and in sufficient time to allow such Nominee to process your instructions and return a completed Master Ballot to the Voting Agent by the Voting Deadline. If your Nominee has provided you with a deadline by which to return your Beneficial Holder Ballot to your Nominee, you should comply with such date. If no self-addressed, postage-paid envelope was enclosed for this purpose, contact the Voting Agent for instructions.

Any Beneficial Holder Ballot returned to a Nominee by a beneficial holder will not be counted for purposes of acceptance or rejection of the Plan until such Nominee properly and timely completes and delivers to the Voting Agent that Beneficial Holder Ballot (properly validated) or a Master Ballot casting the vote of such beneficial holder.

If any beneficial holder owns the Senior Secured Notes Claims or Unsecured Notes Claims through more than one Nominee, such beneficial holder may receive multiple mailings containing the Beneficial Holder

Ballots. The beneficial holder should execute a separate Beneficial Holder Ballot for each block of the Senior Secured Notes Claims or Unsecured Notes Claims that it holds through any particular Nominee and return each Beneficial Holder Ballot to the respective Nominee in the return envelope provided therewith (or otherwise follow each Nominee's instructions). Beneficial holders who execute multiple Beneficial Holder Ballots with respect to Senior Secured Notes Claims or Unsecured Notes Claims in a single class held through more than one Nominee must indicate on each Beneficial Holder Ballot the names of all such other Nominees and the additional amounts of such Senior Secured Notes Claims or Unsecured Notes Claims so held and voted. A beneficial holder who executes multiple Beneficial Holder Ballots with respect to Senior Secured Notes Claims or Unsecured Notes Claims in a single class must vote the same on each Beneficial Holder Ballot for the votes to be counted.

2. Nominees

A Nominee that, on the Voting Record Date, is the record holder of the Senior Secured Notes Claims or Unsecured Notes Claims for one or more beneficial holders can obtain the votes of the beneficial holders of such Senior Secured Notes Claims or Unsecured Notes Claims, consistent with customary practices for obtaining the votes of securities held in "**street name**," in the following way:

- The Nominee shall obtain the votes of beneficial holders by forwarding to the beneficial holders the unsigned Beneficial Holder Ballots, together with the Solicitation Package, a pre-addressed, postage-paid return envelope provided by, and addressed to, the Nominee, and other materials requested to be forwarded. Each such beneficial holder must then indicate his, her, or its vote on the Beneficial Holder Ballot, complete the information requested on the Beneficial Holder Ballot, review the certifications contained on the Beneficial Holder Ballot, execute the Beneficial Holder Ballot, and return the Beneficial Holder Ballot to the Nominee. After collecting the Beneficial Holder Ballots, the Nominee should, in turn, complete a Master Ballot compiling the votes and other information from the Beneficial Holder Ballots, execute the Master Ballot, and deliver the Master Ballot to the Voting Agent so that it is **RECEIVED** by the Voting Agent on or before the Voting Deadline. All copies of Beneficial Holder Ballots returned by beneficial holders should also be forwarded to the Voting Agent (along with the Master Ballot). **EACH NOMINEE SHOULD ADVISE ITS BENEFICIAL HOLDERS TO RETURN THEIR BENEFICIAL HOLDER BALLOTS TO THE NOMINEE BY A DATE CALCULATED BY THE NOMINEE TO ALLOW IT SUFFICIENT TIME TO PREPARE AND RETURN THE MASTER BALLOT TO THE VOTING AGENT SO THAT IT IS RECEIVED BY THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE.**

3. Miscellaneous

All Ballots must be signed by the holder of record of the Revolving Credit Agreement Claims, ABL Credit Agreement Claims, Senior Secured Notes Claims, Unsecured Notes Claims, General Unsecured Claims, or Convenience Claims, as applicable, or any person who has obtained a properly completed Ballot proxy from the record holder of the Revolving Credit Agreement Claims, ABL Credit Agreement Claims, Senior Secured Notes Claims, Unsecured Notes Claims, General Unsecured Claims, or Convenience Claims, as applicable, on such date. For purposes of voting to accept or reject the Plan, the beneficial holders of the Senior Secured Notes Claims will be deemed to be the "**holders**" of the Claims represented by such Senior Secured Notes. For purposes of voting to accept or reject the Plan, the beneficial holders of the Unsecured Notes Claims will be deemed "**holders**" of the Claims represented by such Unsecured Notes. If you return more than one Ballot voting different Revolving Credit Agreement Claims, ABL Credit Agreement Claims, Senior Secured Notes Claims, Unsecured Notes Claims, General Unsecured Claims, or Convenience Claims, as applicable, the Ballots are not voted in the same manner, and you do not correct this before the Voting Deadline, those Ballots will not be counted. An otherwise

properly executed Ballot (other than a Master Ballot) that indicates both an acceptance and a rejection of the Plan, or otherwise attempts to partially accept and partially reject the Plan, likewise will not be counted. If you cast more than one Ballot voting the same Claim(s) before the Voting Deadline, the last valid Ballot received on or before the Voting Deadline will be deemed to reflect your intent, and thus, will supersede any prior Ballot. If you cast Ballots received by KCC on the same day, but which are voted inconsistently, such Ballots will not be counted.

Solely for voting purposes, each Claim within each Voting Class will be temporarily Allowed in an amount equal to the amount of such Claim set forth either in the Schedules or in a properly filed proof of Claim, subject to the following exceptions:

a) If a proof of Claim was timely filed by the Voting Record Date in an amount that is liquidated, non-contingent, and undisputed, such Claim is temporarily Allowed for voting purposes in the amount set forth on such proof of Claim, unless such Claim is listed in the Schedules as contingent, unliquidated, or disputed, or otherwise is disputed as set forth in subparagraph (f) below (in which case, such Claim is disallowed for voting purposes);

b) If a Claim has been estimated or otherwise Allowed for voting purposes by order of the Bankruptcy Court, such Claim is temporarily Allowed in the amount so estimated or Allowed by the Court;

c) If a Claim is listed in the Schedules as contingent, unliquidated, undetermined or disputed and a proof of Claim has not been timely filed as of the Voting Record Date, such Claim is disallowed for voting purposes (and pursuant to the Bar Date Orders, also for purposes of distribution pursuant to Bankruptcy Rule 3003(c));

d) If a proof of Claim was timely filed by the Voting Record Date in an amount that is contingent or unliquidated, such Claim is accorded one vote and valued temporarily in the amount of one dollar ($1.00), unless such Claim is listed in the Schedules as contingent, unliquidated, or disputed, or otherwise is disputed as set forth in subparagraph (f) below;

e) If a Claim is listed in the Schedules or on a proof of Claim timely filed by the Voting Record Date as contingent, unliquidated, or disputed in part, such Claim is temporarily Allowed in the amount that is liquidated, non-contingent, and undisputed, unless such Claim is disputed as set forth in subparagraph (f) below;

f) If the Debtors have filed an objection to or a request for estimation of a Claim on or before January 18, 2017 at 5:00 p.m. (prevailing Central Time), such Claim is temporarily disallowed for voting purposes, except as ordered by the Court before the Voting Deadline; *provided*, *however*, that, if the Debtors' objection seeks only to reclassify or reduce the Allowed amount of such Claim, then such Claim is temporarily Allowed for voting purposes in the reduced amount and/or as reclassified (as applicable), except as may be ordered by this Court before the Voting Deadline;

g) If a Claim is listed in the Schedules of CHC Helicopter Australia Pty Ltd., Lloyd Helicopter Services Pty Ltd., Lloyd Helicopters Pty Ltd., Lloyd Bass Strait Helicopters Pty Ltd., or Lloyd Helicopters International Pty Ltd. (each, an "**Australian Debtor**, and collectively, the "**Australian Debtors**"), and a related proof of Claim has not been timely filed by the Voting Record Date, such claim will be Allowed for voting purposes at each of the Australian Debtor; *provided, however*, that the treatment of such Claim(s) for distribution purposes will be governed by the Plan;

h) If a Claim is listed in the Schedules of the Australian Debtors and a related proof of Claim has been timely filed by the Voting Record Date, such Claim will be Allowed for voting purposes only at the Australian Debtor(s) against which the timely filed proof of Claim was filed; *provided, however*, that the treatment of such Claim(s) for distribution purposes will be governed by the Plan.

i) If a proof of Claim has been amended by a later filed proof of Claim, the claimant shall be entitled to vote with respect to the later filed amending Claim, and the earlier filed Claim shall be disallowed for voting purposes, regardless of whether the Debtors have objected to such amended Claim;

j) The Debtors and the Voting Agent will determine, in their discretion after reasonable review, whether each General Unsecured Claim listed in the Schedules or on a proof of Claim timely filed by the Voting Record Date is properly characterized as a Primary General Unsecured Claim or a Secondary General Unsecured Claim for voting purposes. Such characterization shall be listed on the Ballot; however, such characterization for voting purposes will not prejudice the creditor's, the Debtors', the Creditors' Committee's, or the Post-Effective Date Committee's rights to subsequently challenge the characterization of such Claim for distribution purposes; and

k) If a Claim related to one or more helicopter lease obligations is listed in the Schedules or on a proof of Claim timely filed by the Voting Record Date, and some portion of the Claim is purportedly secured, but it has not yet been determined what, if any, portion of the Claim is actually secured, the Claim will be Allowed for voting purposes in Class 7 in the amount of the face value of the Claim; *provided, however*, that if any of the other voting guidelines set forth in subparagraphs (a)-(l) above apply, they will supersede this rule, and the treatment of such Claim(s) for distribution purposes will be governed by the Plan.

For the avoidance of doubt, treatment and characterization of Claims for voting purposes does not prejudice a creditor's, the Debtors', the Creditors' Committee's, or the Post-Effective Date Committee's rights to challenge the amount, characterization, classification, or secured or unsecured status of such Claim(s) for allowance or distribution purposes.

If any creditor seeks to challenge the Allowed amount of its Claim for voting purposes or the classification of its Claim for voting purposes, such creditor must file with the Bankruptcy Court a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim for voting purposes in a different amount or classification (a "**Rule 3018(a) Motion**"). Upon the filing of a Rule 3018(a) Motion, such creditor's Ballot will be counted in accordance with the above-designated guidelines, unless temporarily Allowed in a different amount and/or different Class by an order of the Bankruptcy Court entered prior to or concurrent with entry of an order confirming the Plan. Any Rule 3018(a) Motion must be filed on or before **January 18, 2017 at 5:00 p.m.** (prevailing Central Time).

The Beneficial Holder Ballots provided to beneficial holders will reflect the principal amount of such beneficial holder's Claim; however, when tabulating votes, the Voting Agent may adjust the amount of such beneficial holder's Claim by multiplying the principal amount by a factor that reflects all amounts accrued between the Petition Date and the Voting Record Date including, without limitation, interest.

Except as provided below, unless the Ballot is timely submitted to the Voting Agent before the Voting Deadline together with any other documents required by such Ballot, the Debtors, with the consent of the Creditors' Committee and the Requisite Plan Sponsors, not to be unreasonably withheld, may reject such Ballot as invalid, and therefore decline to utilize it in connection with seeking confirmation of the Plan.

4. Fiduciaries And Other Representatives

If a Beneficial Holder Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or another acting in a fiduciary or representative capacity, such person should indicate such capacity when signing and, if requested, must submit proper evidence satisfactory to the Debtors of authority to so act. Authorized signatories should submit the separate Beneficial Holder Ballot of each beneficial holder for whom they are voting.

UNLESS THE BALLOT OR THE MASTER BALLOT IS SUBMITTED TO THE VOTING AGENT ON OR PRIOR TO THE VOTING DEADLINE, SUCH BALLOT WILL BE REJECTED AS INVALID AND WILL NOT BE COUNTED AS AN ACCEPTANCE OR REJECTION OF THE PLAN; PROVIDED, HOWEVER, THAT THE DEBTORS RESERVE THE RIGHT, WITH THE CONSENT OF THE CREDITORS' COMMITTEE AND THE REQUISITE PLAN SPONSORS, NOT TO BE UNREASONABLY WITHHELD, TO REQUEST THE BANKRUPTCY COURT TO ALLOW SUCH BALLOT TO BE COUNTED.

5. Agreements Upon Furnishing Ballots

The delivery of an accepting Ballot pursuant to one of the procedures set forth above will constitute the agreement of the Claim holder with respect to such Ballot to accept (i) all of the terms of, and conditions to, this solicitation; and (ii) the terms of the Plan including the injunction, releases, and exculpations set forth in Sections 10.7, 10.8, and 10.9 therein. All parties in interest retain their right to object to confirmation of the Plan pursuant to section 1128 of the Bankruptcy Code, subject to any applicable terms of the Plan Support Agreement. Holders of Claims against and Interests in the Debtors, however, will still be bound by the Plan if it is confirmed, including certain injunctions, releases, and exculpations set forth therein, regardless of whether such holders fail to vote or vote to reject the Plan.

6. Change of Vote

Any party who has previously submitted to the Voting Agent prior to the Voting Deadline a properly completed Ballot may revoke such Ballot and change its vote by submitting to the Voting Agent prior to the Voting Deadline a subsequent, properly completed Ballot for acceptance or rejection of the Plan.

D. <u>Waivers of Defects, Irregularities, etc.</u>

Unless otherwise directed by the Bankruptcy Court, all questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawals of Ballots will be determined by the Voting Agent and/or the Debtors, as applicable, with the consent of the Creditors' Committee and the Requisite Plan Sponsors, not to be unreasonably withheld; *provided, however*, that any such determination may be resolved by this Court. The Debtors reserve the right to reject any and all Ballots submitted by any of their respective Claim holders not in proper form, the acceptance of which would, in the opinion of the Debtors or their counsel, as applicable, be unlawful. The Debtors further reserve their respective rights to waive any defects or irregularities or conditions of delivery as to any particular Ballot by any of their Claim holders, with the consent of the Creditors' Committee and the Requisite Plan Sponsors, not to be unreasonably withheld. Any dispute regarding the interpretation (including the Ballot and the respective instructions thereto) by the applicable Debtor in accordance with the foregoing sentence may be resolved by the Bankruptcy Court. Unless waived, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Debtors (or the Bankruptcy Court) determines. Neither the Debtors nor any other person will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court,

delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) will be invalidated.

XIII.
RIGHTS OFFERING PROCEDURES

A. Introduction

In connection with the Plan, after having obtained approval of the procedures described below (the "**Rights Offering Procedures**") by entry an order of the Bankruptcy Court (such approval, the "**Rights Offering Order**"), Reorganized CHC will launch the Rights Offering to Eligible Offerees, pursuant to which the Eligible Offerees will be offered a Subscription Right to purchase up to such Eligible Offeree's Pro Rata portion of approximately $433.3 million aggregate principal amount of the New Second Lien Convertible Notes, on the terms and conditions set forth in the Plan, at an aggregate purchase price equal to $300.0 million.

An Eligible Offeree is a holder or transferee of an Allowed Senior Secured Notes Claim or an Allowed Unsecured Notes Claim, in each case who is an "**accredited investor**" within the meaning of Rule 501(a) of Regulation D under the Securities Act (an "**Accredited Investor**"), as of the Rights Offering Record Date (as defined below). A Non-Eligible Offeree is a holder of an Allowed Senior Secured Notes Claim or an Allowed Unsecured Notes Claim that is not an Accredited Investor.

Only Eligible Offerees may participate in the Rights Offering. In lieu of Subscription Rights, Non-Eligible Offerees will be given the opportunity to receive a Substitute Distribution consisting of New Membership Interests.

These Rights Offering Procedures, upon entry of the Rights Offering Order, will govern the ability of Eligible Offerees to participate in the Rights Offering and Non-Eligible Offerees to receive the Substitute Distribution.

All questions relating to these Rights Offering Procedures, other documents associated with the Rights Offering, or the requirements to participate in the Rights Offering should be directed to KCC, the subscription agent (the "**Subscription Agent**") at:

Kurtzman Carson Consultants LLC
1290 Avenue of the Americas, 9th Floor
New York, NY 10104
Attention: CHC Group Ltd
Tel: (877) 833-4150

These Rights Offering Procedures, the Offering Form and the accompanying Instructions should be read carefully before exercise of the Rights, as strict compliance with their terms is required. Holders of Subscription Rights may wish to seek legal advice concerning the Rights Offering.

B. Rights Offering

To exercise its Subscription Right in the Rights Offering, an Eligible Offeree must directly or through its Subscription Nominee (as defined below) (i) complete the offering form, which will accompany the Ballot distributed in connection with the solicitation of acceptances of the Plan following entry of the

Rights Offering Order, entitling such Eligible Offeree to exercise its Subscription Rights, in whole or in part (the "**Offering Form**"), and (ii) pay the purchase price (other than the Backstop Parties) which (x) in the case of holders of an Allowed Senior Secured Notes Claim, is an amount equal to its Pro Rata share of $280.0 million (which will purchase its Pro Rata share of approximately $404.4 million in face amount of the New Second Lien Convertible Notes as of the Effective Date) and (y) in the case of holders of an Allowed Unsecured Notes Claim, is an amount equal to its Pro Rata share of $20.0 million (which will purchase its Pro Rata share of approximately $28.9 million in face amount of the New Second Lien Convertible Notes as of the Effective Date) (in each case, as applicable, the "**Purchase Price**"), such Pro Rata share will be calculated as the proportion that an Eligible Offeree's Allowed Senior Secured Notes Claim or Allowed Unsecured Notes Claim, as applicable, bears to the aggregate amount[11] of all Allowed Senior Secured Notes Claims or Allowed Unsecured Notes Claims, respectively, as of December 20, 2016 (the "**Rights Offering Record Date**"), rounded down to the nearest dollar.

Each Eligible Offeree may exercise all, some, or none of its Subscription Rights, and the Purchase Price for such Eligible Offeree will be adjusted accordingly. The principal amount of New Second Lien Convertible Notes issued to an Eligible Offeree who elects to purchase such New Second Lien Convertible Notes shall also be rounded down to the nearest dollar.

For the avoidance of doubt, the Subscription Rights shall not be transferable, assignable or detachable other than in connection with the transfer of the corresponding Senior Secured Notes Claims or Unsecured Notes Claims, as applicable, and other than in accordance with these Rights Offering Procedures. See Section XIII.E(d) below for more information related to transfers and the procedures related thereto.

C. The Backstop Commitment

The Rights Offering will be backstopped by the Backstop Parties. Each of the Backstop Parties, severally[12] and not jointly, has agreed, pursuant to the terms and conditions of the Backstop Agreement, to purchase all New Second Lien Convertible Notes that are not purchased by other Eligible Offerees pursuant to the Rights Offering (the "**Unsubscribed Notes**"), in accordance with the Backstop Percentages.[13] To compensate the Backstop Parties for the risk of their undertakings in the Backstop Agreement and as consideration for the Backstop Commitment, Reorganized CHC or the Debtors, as applicable, will pay to such Backstop Parties the Put Option Premium pursuant to the terms and conditions in the Backstop Agreement.

There will be no over-subscription privilege in the Rights Offering. The Unsubscribed Notes will not be offered to other Eligible Offerees but will instead be purchased by the Backstop Parties in accordance with the Backstop Agreement.

Notwithstanding anything herein to the contrary, the rights and obligations of the Backstop Parties in the Rights Offering shall be governed by the Backstop Agreement.

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[11] For the avoidance of doubt, this amount includes the outstanding principal amount of such claims and any accrued and unpaid interest thereon to, but excluding, the Petition Date, but not including any post-petition interest.

[12] For the avoidance of doubt, each Backstop Party shall be liable for its Pro Rata share of the Backstop Commitment of any Backstop Party which breaches its obligations, up to an aggregate amount of $20.0 million for all Backstop Parties as set forth in the Backstop Agreement.

[13] For the avoidance of doubt, each of the Backstop Parties, severally and not jointly, has agreed to purchase on a Pro Rata basis any New Second Lien Convertible Notes that are not purchased on account of any Non-Eligible Offerees.

D. Commencement/Expiration of the Rights Offering

The Rights Offering shall commence on the day upon which the Offering Forms are distributed in connection with the solicitation and acceptances of the Plan (the "**Rights Commencement Date**"), which is expected to be no later than the fifth Business Day (as defined in the Backstop Agreement) after entry of the Rights Offering Order. The Rights Offering shall expire at 5:00 p.m. (Central Standard Time) on the Voting Deadline, or such other date as Reorganized CHC or CHC Parent may agree, subject to the approval of the Bankruptcy Court (if applicable), and the reasonable consent of the Creditors' Committee and the Requisite Backstop Parties, and Reorganized CHC or CHC Parent shall specify in a notice provided to the Backstop Parties before 9:00 a.m. (Central Standard Time) on the Business Day before the then-effective Rights Expiration Time (such time and date, as may be extended, the "**Rights Expiration Time**"). Reorganized CHC or CHC Parent shall promptly notify, or cause to be notified, the holders of Allowed Senior Secured Notes Claims and Allowed Unsecured Notes Claims of any extension of the new Rights Expiration Time.

Reorganized CHC or CHC Parent will furnish, or cause to be furnished, Offering Forms to the applicable brokers, dealers, commercial banks, trust companies, or other agents or nominees of the holders of Senior Secured Notes and Unsecured Notes (the "**Subscription Nominees**"). Each Subscription Nominee will be entitled to receive sufficient copies of the Offering Form for distribution to the beneficial holders of Senior Secured Notes and Unsecured Notes (the Senior Secured Notes and Unsecured Notes, together, collectively, the "**Existing Notes**") for whom such Subscription Nominee holds Existing Notes.

E. Exercise of Subscription Rights

Each Eligible Offeree that elects to participate in the Rights Offering must affirmatively make a binding, irrevocable election to exercise its Subscription Rights (the "**Binding Rights Election**") before the Rights Expiration Time.

The Binding Rights Election, upon receipt by the Subscription Agent, cannot be withdrawn.

Each Eligible Offeree is entitled to participate in the Rights Offering solely to the extent provided in these Rights Offering Procedures, except in the case of Eligible Offerees who are Backstop Parties, who have agreed to participate in the Rights Offering to the extent provided in the Backstop Agreement.

Each participating Eligible Offeree who submits a Binding Rights Election shall be notified of its receipt and acceptance.

(a) Exercise by Eligible Offerees

To exercise the Subscription Rights, each Eligible Offeree must:

(i) return a duly completed Offering Form to the Subscription Agent so that the duly completed Offering Form is *actually received* by the Subscription Agent on or before the Rights Expiration Time; and

(ii) pay to the Rights Offering Escrow Account (as defined below), by wire transfer of immediately available funds, the Purchase Price, so that payment of the Purchase Price is *actually deposited* into the Rights Offering Escrow Account on or before the Rights Expiration Time; provided, that the Backstop Parties (in their capacities as Eligible

Offerees) shall be required to pay their respective Purchase Prices in accordance with the terms of the Backstop Agreement.

To exercise its Subscription Rights, any Eligible Offeree who holds through a Subscription Nominee must:

(i) return a duly completed Offering Form to its Subscription Nominee or otherwise instruct its Subscription Nominee as to its instructions for the Subscription Rights (in each case in sufficient time to allow such Subscription Nominee to deliver the Offering Form, along with any other required documentation, to the Subscription Agent, prior to the Rights Expiration Time); and

(ii) pay to its Subscription Nominee, by wire transfer of immediately available funds (or such other method as required by a Subscription Nominee), the Purchase Price along with instructions to its Subscription Nominee to pay such Purchase Price to the Rights Offering Escrow Account on such Eligible Offeree's behalf, in each case, in accordance with procedures established by its Subscription Nominee, which, in turn, must comply with clauses (i) and (ii) of the immediately preceding paragraph.

For purposes of this Rights Offering, neither The Bank of New York Mellon, in its capacity as the Senior Secured Notes Indenture Trustee, nor the Law Debenture Trust Company of New York, in its capacity as the Unsecured Notes Indenture Trustee, shall constitute a Subscription Nominee and neither shall have any responsibility with respect to sending any Rights Offering information or collecting any Offering Forms.

(b) Deemed Representations and Acknowledgements

Any Eligible Offeree that participates in the Rights Offering is deemed to have made the following agreements, representations and acknowledgements:

Such Eligible Offeree:

(i) recognizes and understands that the Subscription Rights are not transferable except in accordance with the procedures set forth in Section XIII.E(d) below, and that the benefits of the Subscription Rights are not separable from the claim or securities with respect to which the Subscription Rights have been granted;

(ii) represents and warrants that it will not accept a distribution of New Second Lien Convertible Notes if at such time, it does not hold an Allowed Senior Secured Notes Claim or an Allowed Unsecured Notes Claim and, by accepting a distribution of New Second Lien Convertible Notes, such Eligible Offeree will be deemed to represent and warrant that it is the holder thereof; and

(iii) represents and warrants that it is an Accredited Investor and otherwise an Eligible Offeree.

(c) Failure to Exercise Subscription Rights & Payment for Subscription Rights

Unexercised Subscription Rights will be relinquished on the Rights Expiration Time. If, on or prior to the Rights Expiration Time, the Subscription Agent for any reason does not receive from an Eligible

Offeree or its Subscription Nominee on behalf of an Eligible Offeree (i) a duly completed Offering Form[14] and (ii) immediately available funds by wire transfer in an amount equal to the total applicable Purchase Price for such Eligible Offeree's Subscription Rights, such Eligible Offeree shall be deemed to have irrevocably relinquished and waived its Subscription Rights, subject to Section XIII.E(d) below; *provided*, that the Backstop Parties (in their capacities as Eligible Offerees) shall not be required to pay their respective Purchase Prices until the Effective Date.

Any attempt to exercise Subscription Rights after the Rights Expiration Time shall be null and void and Reorganized CHC shall not be obligated to honor any such purported exercise received by the Subscription Agent after the Rights Expiration Time regardless of when the documents relating thereto were sent.

(d) Transfer Restriction and Revocation

(i) Transferability Restrictions Prior to Exercise of Subscription Rights

The Subscription Rights are not detachable from the Senior Secured Notes Claims or the Unsecured Notes Claims.

The Subscription Rights shall not be transferable or assignable unless such holder transfers its corresponding Senior Secured Notes Claim or Unsecured Notes Claim, as applicable, in respect of which such Subscription Rights were issued, and only holders of the Subscription Rights as of the Rights Offering Record Date shall have the ability to exercise such Subscription Rights.

From the period commencing on the Rights Offering Record Date and unless and until a Subscription Right is exercised, any transfer or assignment of the corresponding Senior Secured Notes Claim or Unsecured Notes Claim shall void the Subscription Right.

(ii) Transferability Restrictions Following Exercise of Subscription Rights

After a Subscription Right has been exercised in accordance with these Rights Offering Procedures, the holder of the corresponding Senior Secured Notes Claim or Unsecured Notes Claim shall not transfer or assign such Senior Secured Note Claim or Unsecured Notes Claim unless such holder transfers or assigns with such Claim(s) the right to receive the proceeds of the exercise of the corresponding Subscription Rights in the Rights Offering, subject to compliance with applicable securities laws relating to the transfer of restricted securities, as evidenced by the delivery of a Transfer Notice (defined below) to the Subscription Agent or other procedures acceptable to Reorganized CHC and the Subscription Agent.

Both (i) the Subscription Rights (after they have been exercised) and (ii) the right to receive the proceeds of any Subscription Rights transferred pursuant to these Rights Offering Procedures, shall not be transferrable other than to an Accredited Investor or a "**QIB**." A "**QIB**" means a "**qualified institutional buyer**" within the meaning of Rule 144A under the Securities Act.

A "**Transfer Notice**" is a notice delivered to the Subscription Agent notifying the Subscription Agent of the transfer of a Claim by the holder of the corresponding Subscription Rights, which indicates (i) the

[14] For the avoidance of doubt, the Backstop Parties (in their capacities as Eligible Offerees) shall not be required to submit an Offering Form.

name of the transferor, the name of the transferee, the type of Claim being transferred and the principal amount of such Claims; and (ii) certifies that such transferee is a QIB or an Accredited Investor.

(iii) Revocation

Once an Eligible Offeree has properly exercised its Subscription Rights, such exercise will not be permitted to be revoked, unless the Effective Date has not occurred by the 31st day after the Bankruptcy Court's entry of the Confirmation Order (unless such date is extended in accordance with the terms of the Plan Support Agreement or the Backstop Agreement). Thereafter an Eligible Offeree shall be permitted to revoke such exercise so long as the Effective Date has not occurred. An Eligible Offeree electing to revoke the exercise of its Subscription Rights must deliver written notice to the Subscription Agent (i) stating that the Eligible Offeree revokes its Subscription Rights; (ii) stating the type and number of Subscription Rights being revoked, and (iii) certifying that the Subscription Rights are being revoked are the only Subscription Rights exercised by the Eligible Offeree (the "**Revocation Notice**"). Upon receipt of a properly completed and timely returned Revocation Notice by an Eligible Offeree, the Subscription Agent shall use reasonable efforts to return as promptly as practicable the applicable Purchase Price. For the avoidance of doubt, any revocation of Subscription Rights shall not constitute a revocation of any vote to accept or reject the Plan.

(e) Funds

The payments made to purchase New Second Lien Convertible Notes pursuant to the Rights Offering (the "**Rights Offering Funds**") shall be deposited into an escrow account until the Effective Date (the "**Rights Offering Escrow Account**") for the purpose of holding the money for administration of the Rights Offering until the Effective Date. The Rights Offering Funds shall not be used for any purpose other than to release the funds as directed by the Reorganized CHC or CHC Parent on the Effective Date or as otherwise set forth in the Rights Offering Procedures or in the Plan and, until released in accordance with the foregoing, the Rights Offering Funds will not be deemed part of the Debtors' Estates. The Rights Offering Funds shall not be encumbered by any Lien, encumbrance, or cash collateral obligation. No interest will be paid to participating Eligible Offerees on account of any amounts paid in connection with their exercise of Subscription Rights under any circumstances.

Notwithstanding anything to the contrary herein, pursuant to the terms of the Backstop Agreement, each Backstop Party shall not be obligated to make payments in connection with the Rights Offering into the Rights Offering Escrow Account prior to twenty-four (24) hours before the proposed Effective Date.

(f) Participating Eligible Offeree Release

See Section 10.7 of the Plan for important information regarding releases.

F. <u>Non-Eligible Offerees</u>

(a) Conditions to Receipt of a Substitute Distribution

In order to be treated as a Non-Eligible Offeree and receive its Substitute Distribution under the Plan, a Non-Eligible Offeree must complete, or cause its Subscription Nominee to complete, an Offering Form certifying that it is not an Accredited Investor, and cause such Offering Form to be delivered to the Subscription Agent on or before the Rights Offering Expiration Time. The Offering Form for each Non-Eligible Offeree must also specify if such Non-Eligible Offeree is a holder of an Allowed Senior Secured Notes Claim or an Allowed Unsecured Notes Claim to be eligible to receive the Substitute Distribution available to holders of each of these Claims, as described in the paragraphs below. If a Non-Eligible

Offeree does not satisfy such requirements, such Non-Eligible Offeree shall be deemed to have forever and irrevocably relinquished and waived the right to receive the Substitute Distribution pursuant to the Plan and these Rights Offering Procedures. Prior to making a Substitute Distribution to a Non-Eligible Offeree, the Reorganized Debtors may require such additional information as they deem necessary to confirm that such Non-Eligible Offeree qualifies as such in accordance with these Rights Offering Procedures.

Holders of Allowed Senior Secured Notes Claim that are Non-Eligible Offerees (each, a "**Secured Non-Eligible Offeree**") that satisfy the conditions set forth herein will receive, in lieu of the opportunity to participate in the Rights Offering, a Substitute Distribution in an amount up to 1% of the New Membership Interests (on a fully-diluted basis on account of the New Second Lien Convertible Notes, as converted, but prior to dilution on account of the Management Incentive Plan), in the aggregate. Each Secured Non-Eligible Offeree that satisfies the conditions set forth herein shall receive a Substitute Distribution in an amount equal to 0.0021% of the 1% in New Membership Interests available to such Secured Non-Eligible Offerees (on a fully-diluted basis on account of the New Second Lien Convertible Notes, as converted, but prior to dilution on account of the Management Incentive Plan), for each $1,000 in amount of its Allowed Senior Secured Notes Claim, subject to the limitations described herein. If the aggregate amount of Senior Secured Notes held by all Non-Eligible Offerees exceeds $47.5 million, such that the New Membership Interests that the Secured Non-Eligible Offerees would otherwise receive as a Substitute Distribution would exceed 1% of the New Membership Interests otherwise distributable to holders of Allowed Senior Secured Notes Claims on a fully-diluted basis as aforesaid, the Substitute Distribution that each such Secured Non-Eligible Offeree receives will be reduced in proportion to the excess. If the New Membership Interests that all Secured Non-Eligible Offerees receive as a Substitute Distribution is less than 1% of the New Membership Interests otherwise distributable to holders of Allowed Senior Secured Notes Claims on a fully-diluted basis as aforesaid, New Membership Interests in the amount of the difference will be distributed to the holders of Allowed Senior Secured Notes Claims, Pro Rata.

Holders of Allowed Unsecured Notes Claims that are Non-Eligible Offerees (each, an "**Unsecured Non-Eligible Offeree**") that satisfy the conditions set forth herein will receive, in lieu of the opportunity to participate in the Rights Offering, a Substitute Distribution in an amount up to 0.1% of the New Membership Interests (on a fully-diluted basis on account of the New Second Lien Convertible Notes, as converted, but prior to dilution on account of the Management Incentive Plan), in the aggregate. Each Unsecured Non-Eligible Offeree that satisfies the conditions set forth herein shall receive a Substitute Distribution in an amount equal to 0.02105% of the 0.1% in New Membership Interests available to such Unsecured Non-Eligible Offerees (on a fully-diluted basis on account of the New Second Lien Convertible Notes, as converted, but prior to dilution on account of the Management Incentive Plan), for each $1,000 in amount of its Allowed Unsecured Notes Claim, subject to the limitations described herein. If the aggregate amount of Unsecured Notes held by all Non-Eligible Offerees exceeds $4.75 million, such that the New Membership Interests that the Unsecured Non-Eligible Offerees would otherwise receive as a Substitute Distribution would exceed 0.1% of the New Membership Interests otherwise distributable to holders of Allowed Unsecured Notes Claims on a fully-diluted basis (but prior to dilution on account of the Management Incentive Plan), the Substitute Distribution that each such Unsecured Non-Eligible Offeree receives will be reduced in proportion to the excess. If the New Membership Interests that all Unsecured Non-Eligible Offerees receive as a Substitute Distribution is less than 0.1% of the New Membership Interests otherwise distributable to holders of Allowed Unsecured Notes Claims on a fully-diluted basis as aforesaid, New Membership Interests in the amount of the difference will be distributed to the holders of Allowed Unsecured Notes Claims, Pro Rata.

(b) Transfer Restrictions

Any transfer or assignment of a corresponding Senior Secured Notes Claim and/or Unsecured Notes Claim by a Non-Eligible Offeree shall void the right to receive a Substitute Distribution.

G. <u>Miscellaneous</u>

(a) Method of Delivery

Delivery shall be by mail and shall not be done electronically, and registered mail with return receipt requested, properly insured, is encouraged and strongly recommended. The method of delivery of the Offering Form, the applicable Purchase Price, and any other required document is at each Eligible Offeree's option and sole risk, and delivery will be considered made only when actually received by the Subscription Agent. In all cases, you should allow sufficient time to ensure timely delivery prior to the Rights Expiration Time.

The risk of non-delivery of the Offering Form, the applicable Purchase Price into the Rights Offering Escrow Account, and any other required documents sent to the Subscription Agent in connection with the exercise of the Subscription Rights lies solely with the Eligible Offerees and none of the Debtors, the Reorganized Debtors, the Creditors' Committee, or the Backstop Parties (or any of their respective officers, directors, managers, employees, agents or advisers, including the Subscription Agent) assumes the risk of non-delivery under any circumstance whatsoever.

(b) Issuance

The New Second Lien Convertible Notes to be issued pursuant to the Rights Offering are expected to be delivered to Eligible Offerees that have properly exercised their Subscription Rights on or as soon as practicable following the Effective Date. *See* Section XIII.B. The method of issuance of New Second Lien Convertible Notes to Eligible Offerees who properly exercise their Subscription Rights will depend on whether the Eligible Offeree is a QIB, an Accredited Investor that is an "**Institutional Accredited Investor**" or an Accredited Investor that is not an Institutional Accredited Investor or a QIB. An "**Institutional Accredited Investor**" means an Accredited Investor within the meaning of clauses (1), (2), (3), or (7) of Rule 501(a) of Regulation D under the Securities Act.

The New Second Lien Convertible Notes issuable to Eligible Offerees who are QIBs or Institutional Accredited Investors will be issued in book-entry form through the facilities of the DTC to the account of their respective Subscription Nominees in which their Senior Secured Notes or Unsecured Notes were held, to the extent practicable. The New Second Lien Convertible Notes issuable to Accredited Investors who are not Institutional Accredited Investors will be issued in the form of physical certificates in registered form on the books and records of Reorganized CHC or its designee, or in book entry form through DTC if so permitted.

The New Membership Interests to be issued in the Substitute Distribution to Non-Eligible Offerees that have complied with the conditions of the Substitute Distribution hereunder are expected to be issued on or as soon as practicable following the Effective Date in book-entry form through the facilities of the DTC to the account of their respective Subscription Nominees in which their Unsecured Notes were held, to the extent practicable.

(c) Securities Law and Related Matters

The New Second Lien Convertible Notes issued to the Eligible Offerees participating in the Rights Offering and the New Membership Interests issuable upon the conversion thereof (together, the "**New Securities**") will be offered in the Rights Offering pursuant to an exemption from registration under the Securities Act, and any applicable state securities laws, pursuant to section 4(a)(2) under the Securities Act or Regulation D thereunder, and may not be resold or otherwise transferred, without registration under the Securities Act or an exemption therefrom, or any applicable federal and state securities laws. Therefore, to the extent a certificate is issued in conjunction with the issuance of the New Securities, such certificate may contain (or each book entry position shall be deemed to contain) a restricted securities legend in form and substance substantially similar to the following:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, AND ACCORDINGLY THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

There is not and there may not be a public market for the New Securities, and Reorganized CHC does not intend to seek any listing of the New Securities on any national securities exchange or other trading market of any type whatsoever. Accordingly, there can be no assurance that an active trading market for the New Securities will ever develop or, if such a market does develop, that it will be maintained. Please refer to Sections X.D, X.E, and X.F above for more detailed information regarding risks associated with the Rights Offering.

The Substitute Distribution will be distributed pursuant to section 1145 of the Bankruptcy Code and may generally be resold or otherwise transferred without registration under the Securities Act or any other applicable federal and state securities laws.

The Rights Offering is being conducted in good faith and in compliance with the Bankruptcy Code. In accordance with section 1125(e) of the Bankruptcy Code, a debtor or any of its agents that participates, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale or purchase of a security, offered or sold under the plan of the debtor, of an affiliate participating in a joint plan with the debtor, or a newly organized successor to the debtor under the plan, is not liable, on account of participation, for violation of any applicable law, rule, or regulation governing the offer, issuance, sale or purchase of securities.

(d) Disputes, Waivers, and Extensions

Any and all disputes concerning the timeliness, viability, form, and eligibility of any exercise of Subscription Rights, or the right to receive the Substitute Distribution, shall be addressed in good faith by Reorganized CHC or CHC Parent, in consultation with the Creditors' Committee and the Requisite Backstop Parties; *provided, however*, that any such dispute may be resolved by the Bankruptcy Court. Reorganized CHC or CHC Parent, in consultation with the Creditors' Committee and the Requisite Backstop Parties, may (i) waive any defect or irregularity, or permit a defect or irregularity to be corrected, within such times as it may determine in good faith to be appropriate or (ii) reject the purported exercise of any Subscription Rights for which an Offering Form and/or payment includes defects or irregularities. Offering Forms shall be deemed not to have been properly completed until all irregularities have been waived or cured. Reorganized CHC and CHC Parent reserve the right to give notice to any Eligible Offeree or Non-Eligible Offeree regarding any defect or irregularity in connection with any purported exercise of Subscription Rights or right to receive a Substitute Distribution, or the completion

or delivery of any Offering Form, and Reorganized CHC or CHC Parent, in consultation with the Creditors' Committee and the Requisite Backstop Parties, may permit such defect or irregularity to be cured; it being understood, that none of the Debtors, Reorganized CHC, the Subscription Agent, or the Backstop Parties (or any of their respective officers, directors, employees, agents or advisors) shall incur any liability for failure to give such notification.

Reorganized CHC or CHC Parent, with the approval of the Bankruptcy Court (if applicable) and the reasonable consent of the Creditors' Committee and the Requisite Backstop Parties, may (i) extend the Rights Offering Expiration Time or adopt additional detailed procedures to more efficiently administer the distribution and exercise of the Subscription Rights and/or the distribution of the Substitute Distribution; and (ii) make such other changes to the Rights Offering, including changes that affect which parties constitute Eligible Offerees and/or Non-Eligible Offerees.

H. Rights Offering and Substitute Distribution Conditioned Upon Effectiveness of the Plan; Reservation of Rights; Return of Purchase Price

All exercises of Subscription Rights, and the distribution of the Substitute Distribution, are subject to and conditioned upon the effectiveness of the Plan. Reorganized CHC will accept a Binding Rights Election only upon the confirmation and effectiveness of the Plan. Notwithstanding anything contained herein, in the Disclosure Statement or in the Plan to the contrary, Reorganized CHC and CHC Parent reserve the right, with the approval of the Bankruptcy Court (if applicable), and the reasonable consent of the Creditors' Committee and the Requisite Backstop Parties, to modify these Rights Offering Procedures or adopt additional detailed procedures if necessary in the business judgment of Reorganized CHC and CHC Parent to administer the distribution and exercise of the Subscription Rights more efficiently or to comply with applicable law.

In the event that (i) the Rights Offering is terminated, (ii) the Debtors revoke or withdraw the Plan, or (iii) the Effective Date has not occurred by the 31st day after the Bankruptcy Court's entry of the Confirmation Order (unless such date is extended in accordance with the terms of the Plan Support Agreement and/or the Backstop Agreement, as applicable) or the conditions precedent to the occurrence of the Effective Date shall not have been satisfied or waived in accordance with the Plan, the Subscription Agent shall, within five (5) Business Days of such event, return all Rights Offering Funds held in the Rights Offering Escrow Account to each respective Eligible Offeree, without any interest, and, in the case of clauses (ii) and (iii) above, the Rights Offering shall automatically be terminated, and the Rights Offering Funds held in the Rights Offering Escrow Account will be refunded, without interest, to each respective Eligible Offeree as soon as reasonably practicable.

XIV.
CONFIRMATION OF THE PLAN

A. Confirmation Hearing

Pursuant to sections 1128 and 1129 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan (the "**Confirmation Hearing**"). The Confirmation Hearing will commence on February 13, 2017 at 9:00 a.m. (Central Standard Time) in Courtroom 2, 14th Floor of the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, located at Earle Cabell Federal Building, 1100 Commerce Street, Dallas, Texas 75242. The Confirmation Hearing may be adjourned from time-to-time without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

B. Objections To Confirmation

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to the confirmation of a plan. The Bankruptcy Court has set the deadline to object or respond to confirmation of the Plan, which objections must be filed with a brief, as February 2, 2017 at 5:00 p.m. (Central Standard Time) (the "**Objection Deadline**"). Any objection to confirmation of the Plan must (i) be in writing, (ii) conform to the Bankruptcy Rules and the local rules for the Bankruptcy Court for the Northern District of Texas (the "**Local Rules**"), (iii) set forth the name of the objector, the nature and amount of Claims held or asserted by the objector against the Debtors' estates or properties, the basis for the objection and the specific grounds therefore, and (iv) be filed with the Bankruptcy Court by the Objection Deadline, with a copy to the chambers of the United States Bankruptcy Judge appointed to the Chapter 11 Cases, together with proof of service thereof, and served upon the following parties, including such other parties as the Bankruptcy Court may order:

(a) The Debtors and Counsel to the Debtors:

CHC Group Ltd.
600 E. Las Colinas Blvd., Suite 1000
Irving, TX 75039
Attn: Hooman Yazhari
Telephone: (214) 262-7300
Email: hooman.yazhari@chc.ca

– and –

Weil, Gotshal & Manges LLP
200 Crescent Court, Suite 300
Dallas, TX 75201
Attn: Stephen A. Youngman, Esq.
Telephone: (214) 746-7770
Email: stephen.youngman@weil.com

– and –

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Gary T. Holtzer, Esq.
Kelly DiBlasi, Esq.
Telephone: (212) 310-8000
Email: gary.holtzer@weil.com
kelly.diblasi@weil.com

(b) The United States Trustee:

Office of the U.S .Trustee for the Northern District of Texas
Earle Cabell Federal Building
1100 Commerce Street, Room 976
Dallas, TX 75242
Attn: Meredyth Kippes, Esq.
Telephone: (214) 767-1079
Email: meredyth.a.kippes@usdoj.gov

(c) The Plan Sponsors:

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park, Bank of America Tower
New York, NY 10036
Attn: Michael S. Stamer, Esq.
Jason P. Rubin, Esq.
Telephone: (212) 872-1000
Email: mstamer@akingump.com
jrubin@akingump.com

– and –

Akin Gump Strauss Hauer & Feld LLP
1333 New Hampshire Avenue, N.W.
Washington, DC 20036
Attn: James Savin, Esq.
Telephone: (202) 887-4417
Email: jsavin@akingump.com

(d) The Administrative Agent under the Revolving Credit Facility:

Norton Rose Fulbright
2200 Ross Avenue, Suite 3600
Dallas, TX 75201
Attn: Louis R. Strubeck, Esq.
Richard P. Borden, Esq.
Telephone: (214) 855-8000
Email: louis.strubeck@nortonrosefulbright.com
rick.borden@nortonrosefulbright.com

(e) The Administrative Agent under the ABL Credit Facility:

Paul Hastings LLP
200 Park Avenue
New York, NY 10166
Attn: Leslie A. Plaskon, Esq.
Andrew V. Tenzer, Esq.
Telephone: (212) 318-6000
Email: leslieplaskon@paulhastings.com
andrewtenzer@paulhastings.com

(f) The Creditors' Committee:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036
Attn: Douglas Mannal, Esq.
Anupama Yerramalli, Esq.
Rachael Ringer, Esq.
Telephone: (212) 715-9100
Email: dmannal@kramerlevin.com
ayerramalli@kramerlevin.com
rringer@kramerlevin.com

– and –

Gardere Sewell Wynne LLP
3000 Thanksgiving Tower
1601 Elm Street
Dallas, TX 75201
Attn: Marcus Helt, Esq.
Telephone: (214) 999-3000
Email: mhelt@gardere.com

(g) The Individual Creditor Parties:

Brown Rudnick LLP
One Financial Center
Boston, MA 02111
Attn: Steven B. Levine, Esq.
Telephone: (617) 856-8587
Email: slevine@brownrudnick.com

(h) The Milestone Parties:

Sidley Austin LLP
787 Seventh Avenue
New York, NY 10019
Attn: Michael G. Burke
Telephone: (212) 839-6742
Email: mgburke@sidley.com

UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

AN OBJECTION TO THE PLAN FILED WITH THE BANKRUPTCY COURT WILL NOT BE CONSIDERED A VOTE TO REJECT THE PLAN.

C. Requirements for Confirmation of the Plan

1. Requirements of Section 1129(a) of the Bankruptcy Code

(a) General Requirements.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the confirmation requirements specified in section 1129(a) of the Bankruptcy Code have been satisfied including, without limitation, whether:

(i) the Plan complies with the applicable provisions of the Bankruptcy Code;

(ii) the Debtors have complied with the applicable provisions of the Bankruptcy Code;

(iii) the Plan has been proposed in good faith and not by any means forbidden by law;

(iv) any payment made or promised by the Debtors or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been disclosed to the Bankruptcy Court, and any such payment made before confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable;

(v) the Debtors have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, manager, or officer of the Reorganized Debtors, an affiliate of the Debtors participating in the Plan with the Debtors, or a successor to the Debtors under the Plan, and whether the appointment to, or continuance in, such office of such individual is consistent with the holders of Claims and Interests and with public policy, and the Debtors have disclosed the identity of any insider who will be employed or retained by the Reorganized Debtors, and the nature of any compensation for such insider;

(vi) with respect to each Class of Claims or Interests, each holder of an Impaired Claim or Impaired Interest has either accepted the Plan or will receive or retain under the Plan, on account of such holder's Claim or Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount such holder would receive or retain if the Debtors were liquidated on the Effective Date of the Plan under chapter 7 of the Bankruptcy Code;

(vii) except to the extent the Plan meets the requirements of section 1129(b) of the Bankruptcy Code, each Class of Claims either accepted the Plan or is not Impaired under the Plan;

(viii) except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that administrative expenses and priority Claims, other than Priority Tax Claims, will be paid in full on the Effective Date, and that Priority Tax Claims will receive either payment in full on the Effective Date or deferred cash payments over a period not exceeding five years after the Petition Date, of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claims;

(ix) at least one Class of Impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in such Class;

(x) confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan; and

(xi) all fees payable under section 1930 of title 28, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

The Debtors believe that the Plan meets all of the applicable requirements of 1129(a) of the Bankruptcy Code.

(b) Best Interests Test

With respect to each impaired class of claims and equity interests, confirmation of a plan requires that each such holder either (i) accept the plan or (ii) receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the value such holder would receive or retain if the debtors were liquidated under chapter 7 of the Bankruptcy Code. This requirement is referred to as the "**best interests test**."

This test requires a bankruptcy court to determine what the holders of allowed claims and allowed equity interests in each impaired class would receive from a liquidation of the debtor's assets and properties in the context of liquidation under chapter 7 of the Bankruptcy Code. To determine if a plan is in the best interests of each impaired class, the value of the distributions from the proceeds of the liquidation of the debtor's assets and properties (after subtracting the amounts attributable to the aforesaid claims) is then compared with the value offered to such classes of claims and equity interests under the plan.

The Debtors believe that under the Plan all holders of Impaired Claims and Interests will receive property with a value not less than the value such holder would receive in a liquidation under chapter 7 of the Bankruptcy Code. The Debtors' belief is based primarily on (i) consideration of the effects that a chapter 7 liquidation would have on the proceeds available for distribution to holders of Impaired Claims and Interests and (ii) the Liquidation Analysis attached hereto as **Exhibit G**.

The Debtors believe that any liquidation analysis is speculative, as it is necessarily premised on assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Debtors. The Liquidation Analysis provided in **Exhibit G** is solely for the purpose of disclosing the effects of a hypothetical chapter 7 liquidation of the Debtors, subject to the assumptions set forth therein. There can be no assurance as to values that would actually be realized in a chapter 7 liquidation nor can there be any assurance that a bankruptcy court will accept the Debtors' conclusions in determining whether section 1129(a)(7) of the Bankruptcy Code is satisfied.

(c) Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that a debtor demonstrate that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. As part of this analysis, the Debtors have prepared the Financial Projections attached as **Exhibit H** hereto. Based upon the Financial Projections, the Debtors believe they will have sufficient resources to make all payments required pursuant to the Plan and that confirmation of

the Plan is not likely to be followed by liquidation or the need for further reorganization. Section X hereof sets forth certain risk factors that could impact the feasibility of the Plan.

2. Requirements of Section 1129(b) of the Bankruptcy Code

(a) Cramdown

A bankruptcy court may confirm a plan of reorganization over the rejection or deemed rejection of the plan of reorganization by a class of claims or equity interests. To obtain such confirmation, it must be demonstrated to the bankruptcy court that the plan "**does not discriminate unfairly**" and is "**fair and equitable**" with respect to such dissenting impaired classes. A plan does not discriminate unfairly if the legal rights of a dissenting class are treated in a manner consistent with the treatment of other classes whose legal rights are substantially similar to those of the dissenting class and if no class receives more than it is entitled to for its claims or equity interests. The Debtors believe that the Plan satisfies this requirement.

The Bankruptcy Code establishes different "**fair and equitable**" tests for secured claims, unsecured claims and equity interests, and a "**cram down**" of the plan, as follows:

- Secured Claims: either the plan must provide (i) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims, and each holder of a claim receives deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in such property; (ii) for the sale of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale; or (iii) for the realization by such holders of the indubitable equivalent of such claims.

- Unsecured Claims: either (i) each holder of an impaired unsecured claim receives or retains under the plan property of a value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan.

- Equity Interests. either (i) each equity interest holder will receive or retain under the plan property of a value equal to the greater of (x) the fixed liquidation preference or redemption price, if any, of such stock or (y) the value of the stock, or (ii) the holders of interests that are junior to the stock will not receive any property under the plan.

The Bankruptcy Code permits the bankruptcy court to confirm a chapter 11 plan of reorganization over the dissent of any class of claims or equity interests as long as the standards in section 1129(b) are met. This power to confirm a plan over dissenting classes – often referred to as "**cram down**" – is an important part of the reorganization process. It assures that no single group (or multiple groups) of claims or interests can block a restructuring that otherwise meets the requirements of the Bankruptcy Code and is in the interests of the other constituents in the case. The Debtors each reserve the right to seek confirmation of the Plan, notwithstanding a rejection of the Plan by any of the Voting Classes.

XV.
ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors have evaluated several alternatives to the Plan. After studying these alternatives, the Debtors have concluded that the Plan is the best alternative and will maximize recoveries to parties in interest,

assuming confirmation and consummation of the Plan. If the Plan is not confirmed and consummated, the alternatives to the Plan are (i) the preparation and presentation of an alternative plan of reorganization, (ii) a sale of some or all of the Debtors' Assets pursuant to section 363 of the Bankruptcy Code, or (iii) a liquidation under chapter 7 of the Bankruptcy Code.

A. Alternative Plan of Reorganization

If the Plan is not confirmed, the Debtors (or if the Debtors' exclusive period in which to file a plan of reorganization has expired, any other party in interest) could propose a different plan. Such a plan might involve either a reorganization and continuation of the Debtors' business or an orderly liquidation of its Assets. The Debtors, however, submit that the Plan, as described herein, enables their creditors to realize the most value under the circumstances.

B. Sale Under Section 363 of the Bankruptcy Code

If the Plan is not confirmed, the Debtors could seek from the Bankruptcy Court, after notice and a hearing, authorization to sell their Assets under section 363 of the Bankruptcy Code. Holders of Claims in Classes 3, 4, and 5 may be entitled to credit bid on any property to which their security interest is attached, and to offset their Claims against the purchase price of the property. In addition, the security interests in the Debtors' Assets held by holders of Claims in Classes 3, 4, and 5 would attach to the proceeds of any sale of the Debtors' Assets. After these Claims are satisfied, the remaining funds could be used to pay holders of Claims in Classes 6, 7, and 8. Upon analysis and consideration of this alternative, the Debtors do not believe a sale of their Assets under section 363 of the Bankruptcy Code would yield a higher recovery for holders of Claims than the Plan.

C. Liquidation Under Chapter 7 or Applicable Non-Bankruptcy Law

If no plan can be confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code in which a trustee would be elected or appointed to liquidate the Assets of the Debtors for distribution to their creditors in accordance with the priorities established by the Bankruptcy Code. The effect a chapter 7 liquidation would have on the recovery of holders of allowed Claims and Interests is set forth in the Liquidation Analysis attached hereto as **Exhibit G**.

XVI.
CONCLUSION AND RECOMMENDATION

The Debtors believe the Plan is in the best interests of all stakeholders and urge the holders of Claims in Classes 3, 4, 5, 6, 7, and 8 to vote in favor thereof.

Dated: December 20, 2016
Dallas, Texas

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CHC Group Ltd.
6922767 Holding SARL
Capital Aviation Services B.V.
CHC Cayman ABL Borrower Ltd.
CHC Cayman ABL Holdings Ltd.
CHC Cayman Investments I Ltd.
CHC Den Helder B.V.
CHC Global Operations (2008) ULC
CHC Global Operations Canada (2008) ULC
CHC Global Operations International ULC
CHC Helicopter (1) S.à r.l.
CHC Helicopter (2) S.à r.l.
CHC Helicopter (3) S.à r.l.
CHC Helicopter (4) S.à r.l.
CHC Helicopter (5) S.à r.l.
CHC Helicopter Australia Pty Ltd
CHC Helicopter Holding S.à r.l.
CHC Helicopter S.A.
CHC Helicopters (Barbados) Limited
CHC Helicopters (Barbados) SRL
CHC Holding (UK) Limited
CHC Holding NL B.V.
CHC Hoofddorp B.V.
CHC Leasing (Ireland) Limited
CHC Netherlands B.V.
CHC Norway Acquisition Co AS
Heli-One (Netherlands) B.V.
Heli-One (Norway) AS
Heli-One (U.S.) Inc.
Heli-One (UK) Limited
Heli-One Canada ULC
Heli-One Holdings (UK) Limited
Heli-One Leasing (Norway) AS
Heli-One Leasing ULC
Heli-One USA Inc.
Heliworld Leasing Limited
Integra Leasing AS
Lloyd Bass Strait Helicopters Pty. Ltd.
Lloyd Helicopter Services Limited
Lloyd Helicopter Services Pty. Ltd.
Lloyd Helicopters International Pty. Ltd.
Lloyd Helicopters Pty. Ltd.
Management Aviation Limited

By: */s/ Robert A. Del Genio*
Name: Robert A. Del Genio
Title: Chief Restructuring Officer

Exhibit A

Debtors

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

Exhibit B

Plan

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

----------	x	
	:	
In re:	:	**Chapter 11**
	:	
CHC GROUP LTD. *et al.*,	:	**Case No. 16–31854 (BJH)**
	:	
	:	
	:	**(Jointly Administered)**
Debtors.	:	
	:	
----------	x	

SECOND AMENDED JOINT CHAPTER 11 PLAN OF
CHC GROUP LTD. AND ITS AFFILIATED DEBTORS

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THE DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BY THE BANKRUPTCY COURT, BUT SUCH APPROVAL HAS NOT BEEN GRANTED TO DATE.

WEIL, GOTSHAL & MANGES LLP
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Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777

– and –

767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors and Debtors in Possession

Dated: December 19, 2016
Dallas, Texas

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Each of CHC Group Ltd., 6922767 Holding SARL, Capital Aviation Services B.V., CHC Cayman ABL Borrower Ltd., CHC Cayman ABL Holdings Ltd., CHC Cayman Investments I Ltd., CHC Den Helder B.V., CHC Global Operations (2008) ULC, CHC Global Operations Canada (2008) ULC, CHC Global Operations International ULC, CHC Helicopter (1) S.à r.l., CHC Helicopter (2) S.à r.l., CHC Helicopter (3) S.à r.l., CHC Helicopter (4) S.à r.l., CHC Helicopter (5) S.à r.l., CHC Helicopter Australia Pty Ltd, CHC Helicopter Holding S.à r.l., CHC Helicopter S.A., CHC Helicopters (Barbados) Limited, CHC Helicopters (Barbados) SRL, CHC Holding (UK) Limited, CHC Holding NL B.V., CHC Hoofddorp B.V., CHC Leasing (Ireland) Limited, CHC Netherlands B.V., CHC Norway Acquisition Co AS, Heli-One (Netherlands) B.V., Heli-One (Norway) AS, Heli-One (U.S.) Inc., Heli-One (UK) Limited, Heli-One Canada ULC, Heli-One Holdings (UK) Limited, Heli-One Leasing (Norway) AS, Heli-One Leasing ULC, Heli-One USA Inc., Heliworld Leasing Limited, Integra Leasing AS, Lloyd Bass Strait Helicopters Pty. Ltd., Lloyd Helicopter Services Limited, Lloyd Helicopter Services Pty. Ltd., Lloyd Helicopters International Pty. Ltd., Lloyd Helicopters Pty. Ltd., and Management Aviation Limited (each, a "**Debtor**" and collectively, the "**Debtors**") proposes the following joint chapter 11 plan of reorganization pursuant to section 1121(a) of the Bankruptcy Code. Capitalized terms used herein shall have the meanings set forth in Section 1.1 below.

ARTICLE I. DEFINITIONS AND INTERPRETATION.

1.1 *Definitions.*

The following terms shall have the respective meanings specified below:

ABL Credit Agreement means that certain Credit Agreement, dated as of June, 12, 2015 (as amended, restated, supplemented or otherwise modified from time to time), by and among CHC Cayman ABL Borrower Ltd., as borrower, the lenders party thereto from time to time, the ABL Credit Facility Administrative Agent, and the ABL Credit Facility Collateral Agent, including all agreements, notes, instruments, and any other documents delivered pursuant thereto or in connection therewith (in each case, as amended, restated, modified, or supplemented from time to time prior to the Petition Date).

ABL Credit Agreement Claim means any Claim arising under or related to the ABL Credit Agreement or any other Loan Documents, including all Obligations, including Obligations in respect of Hedging Agreements entered into with Hedging Affiliates and/or Bank Products Agreements entered into with any Bank Products Affiliate (as each such term is defined in the ABL Credit Agreement).

ABL Credit Facility means, collectively, all advances and other extensions of credit made to the Debtors under the ABL Credit Agreement.

ABL Credit Facility Administrative Agent means Morgan Stanley Senior Funding, Inc., solely in its capacity as administrative agent under the ABL Credit Agreement, and together with any of its successors in such capacity.

ABL Credit Facility Collateral Agent means BNP Paribas S.A., solely in its capacity as collateral agent under the ABL Credit Agreement, and together with any of its successors in such capacity.

ABL Allowed Primary General Unsecured Claim means a Seventy-Eight Million Dollar ($78,000,000) Allowed General Unsecured Claim against the Estate of CHC Cayman ABL Borrower LTD., as borrower under the ABL Credit Agreement.

ABL Allowed Secondary General Unsecured Claims mean a Seventy-Eight Million Dollar ($78,000,000) Allowed General Unsecured Claim against each of the Estates of CHC Cayman ABL Holdings LTD., CHC Helicopter Holdings S.À R.L., CHC Helicopter S.A., and 6922767 Holdings SARL, as guarantors under the ABL Credit Agreement.

ABL Lender Parties means Morgan Stanley Senior Funding, Inc., Morgan Stanley Bank, N.A., BNP Paribas S.A., Natixis, New York Branch, and Deutsche Bank AG New York Branch, each as lenders under the ABL Credit Agreement, the ABL Credit Facility Administrative Agent, and the ABL Credit Facility Collateral Agent.

Accredited Investor means an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act of 1933, as amended.

Additional Consenting Parties means each of the other beneficial owners (or investment managers or advisors for the beneficial owners) of the Senior Secured Notes, Unsecured Notes, or Claims against the Debtors, in each case, that becomes a party to the Plan Support Agreement from and after October 11, 2016 in accordance with its terms by executing and delivering a Joinder Agreement (as defined in the Plan Support Agreement), together with any of their respective successors and permitted assigns under the Plan Support Agreement.

Administrative Expense Claim means any Claim for costs and expenses of administration of the Chapter 11 Cases pursuant to sections 327, 328, 330, 365, 503(b), 507(a)(2), or 507(b) of the Bankruptcy Code, including (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) the Professional Fee Claims; (c) the Milestone Administrative Expense Claim; (d) the Put Option Premium, to the extent paid in cash pursuant to the terms and conditions of the Backstop Agreement; and (e) the Restructuring Expenses.

Aircraft Equipment means an aircraft, aircraft engine, propeller, appliance, or spare part (each as defined in section 40102 of title 49 of the United States Code) that is subject to a security interest granted by, leased to, or conditionally sold to any of the Debtors, including all records and documents relating to such equipment.

Aircraft Sublease means any agreement relating to any sublease (including, without limitation, any sub-sublease) of Aircraft Equipment, including, without limitation, any sublease agreement and any security assignment of sublease agreement or of any insurances maintained by the sublessee, or of any insurance or other proceeds of any such sublease agreement or security assignment.

Allowed means, (a) with respect to any Claim, (i) any Claim arising on or before the Effective Date (A) that is not Disputed, or (B) as to which all such challenges have been determined by a Final Order to the extent such challenges are determined in favor of the respective holder, (ii) any Claim that is compromised, settled, or otherwise resolved pursuant to the authority of the Debtors or Reorganized Debtors in a Final Order of the Bankruptcy Court,

(iii) any Claim expressly allowed by Final Order of the Bankruptcy Court, (iv) any Claim expressly allowed under this Plan, (v) any Claim that is listed in the Schedules as liquidated, non-contingent and undisputed, and (vi) any Administrative Expense Claim (A) that was incurred by a Debtor in the ordinary course of business before the Effective Date to the extent due and owing without defense, offset, recoupment or counterclaim of any kind, and (B) that is not otherwise Disputed; and (b) with respect to any Interest, such Interest is reflected as outstanding in the stock transfer ledger or similar register of any of the Debtors on the Distribution Record Date and is not subject to any objection or challenge. If a Claim is Allowed only in part, any provisions hereunder with respect to Allowed Claims are applicable solely to the Allowed portion of such Claim.

Amended and Restated ABL Credit Agreement means the Revolving Credit Agreement, as amended and restated, substantially in the form contained in the Plan Supplement and the terms of which shall be consistent in all material respects with those set forth in the Amended and Restated ABL Credit Facility Term Sheet.

Amended and Restated ABL Credit Facility means that certain asset-backed loan credit facility provided to the Reorganized Debtors pursuant to the Amended and Restated ABL Credit Agreement.

Amended and Restated ABL Credit Facility Documents means, collectively, the Amended and Restated ABL Credit Agreement and all other agreements, documents, and instruments delivered or entered into in connection therewith (including any guarantee agreements and collateral documentation).

Amended and Restated ABL Credit Facility Term Sheet means that term sheet approved on November 29, 2016 at Docket No. 1298.

Amended By-Laws means, with respect to a Reorganized Debtor, such Reorganized Debtor's amended or amended and restated by-laws (including any articles of association, operating agreement (including the Reorganized CHC Operating Agreement), or similar constitutional document, if any, required under the laws of such Reorganized Debtor's jurisdiction of organization), a substantially final form of which will be contained in the Plan Supplement to the extent they contain material changes to the existing document, and the terms of which shall be consistent in all material respects with the Plan Term Sheet (as defined in, and attached to, the Plan Support Agreement) and otherwise acceptable to the Requisite Plan Sponsors in their sole discretion, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties).

Amended Certificate of Incorporation means, with respect to a Reorganized Debtor, such Reorganized Debtor's amended or amended and restated certificate of incorporation (including any operating agreement (including the Reorganized CHC Operating Agreement), memorandum of association or similar constitutional document, if any, required under the laws of such Reorganized Debtor's jurisdiction of organization), a substantially final form of which will be contained in the Plan Supplement, to the extent it contains material changes to the

existing document, and the terms of which shall be consistent in all material respects with the Plan Term Sheet and otherwise acceptable to the Requisite Plan Sponsors in their sole discretion, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties).

Asset means all of the right, title, and interest in and to property of whatever type or nature (including real, personal, mixed, intellectual, tangible, and intangible property).

Avoidance Actions means any and all actual or potential Claims and Causes of Action to avoid a transfer of property or an obligation incurred by any of the Debtors pursuant to any applicable section of the Bankruptcy Code, including sections 502(d), 544, 545, 547, 548, 549, 550, 551, 553(b), and 724(a) of the Bankruptcy Code, or under similar or related state or federal statutes and common law.

Backstop Agreement means that certain Backstop Agreement, dated as of October 11, 2016, by and among CHC Parent and the Backstop Parties.

Backstop Commitment means the obligation of the Backstop Parties to purchase the New Second Lien Convertible Notes in the Rights Offering in the amounts set forth in Exhibit A to the Backstop Agreement, pursuant to the terms and conditions of the Backstop Agreement.

Backstop Parties means certain of the Plan Sponsors and the Individual Creditor Parties, together with any of their respective successors and permitted assigns pursuant to the terms and conditions of the Backstop Agreement, that have agreed to backstop the Rights Offering under the Backstop Agreement, each in its capacity as such.

Ballot means the applicable form or forms of ballot(s) to be distributed to holders of Claims entitled to vote on the Plan and on which the acceptance or rejection of the Plan is to be indicated.

Bankruptcy Code means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.

Bankruptcy Court means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, having jurisdiction over the Chapter 11 Cases and, to the extent of any reference made under section 157 of title 28 of the United States Code or the Bankruptcy Court is determined not to have authority to enter a Final Order on an issue, the unit of such District Court having jurisdiction over the Chapter 11 Cases under section 151 of title 28 of the United States Code.

Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time, applicable to the Chapter 11 Cases, and any Local Rules of the Bankruptcy Court.

Business Day means any day other than a Saturday, a Sunday or any other day on which banking institutions in New York, New York are authorized or required by law or executive order to close.

Canadian Court means the Supreme Court of British Columbia.

Canadian Recognition Proceeding means the proceeding commenced before the Canadian Court by CHC Parent, as foreign representative of the Debtors, on September 30, 2016, under Part IV of the Companies' Creditors Arrangement Act, seeking, among other things, recognition of the Chapter 11 Cases as "foreign main proceedings" (ii) recognition of CHC Parent as the foreign representative of the Debtors; (iii) recognition of certain orders granted by the Bankruptcy Court in the Chapter 11 Cases; and (iv) a stay of all proceedings against the Canadian Debtors and their directors and officers.

Cash means legal tender of the United States of America.

Cash Collateral Order means, collectively, (a) the interim orders authorizing the use of prepetition collateral and cash collateral entered by the Bankruptcy Court on *May 07, 2016* [Docket No. 61]; *June 08, 2016* [Docket No. 274]; *July 08, 2016* [Docket No. 570]; *August 09, 2016* [Docket No. 734]; *September 02, 2016* [Docket No. 831]; *September 23, 2016* [Docket No. 906]; *October 21, 2016* [Docket No. 1045]; *November 7, 2016* [Docket No. 1146]; *December 6, 2016* [Docket No. 1292]; and *December ___, 2016* [Docket No. ___] and (b) the final order authorizing and granting such relief, entered by the Bankruptcy Court on [*January __, 2017*] [Docket No. __].

Cause of Action means any action, claim, cross-claim, third-party claim, cause of action, controversy, demand, right, Lien, indemnity, contribution, guarantee, suit, obligation, liability, debt, damage, judgment, account, defense, remedy, offset, power, privilege, license and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, secured or unsecured, assertable directly or derivatively (including under alter ego theories), whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity or pursuant to any other theory of law. For the avoidance of doubt, Cause of Action includes: (a) any right of setoff, counterclaim or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to sections 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress and usury and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any claims under any state or foreign law, including any fraudulent transfer or similar claims.

Cayman Proceedings means any proceedings in the Cayman Islands necessary to effectuate the Restructuring.

Chapter 11 Case means, with respect to a Debtor, such Debtor's case under chapter 11 of the Bankruptcy Code commenced on May 5, 2016 in the Bankruptcy Court, jointly

administered with all other Debtors' cases under chapter 11 of the Bankruptcy Code, and styled *In re CHC Group Ltd., et al.*, Ch. 11 Case No. 16-31854 (BJH).

CHC Parent means CHC Group Ltd., a Cayman Islands exempted company.

Claim means a "claim" against a Debtor, as such term is defined in section 101(5) of the Bankruptcy Code.

Class means any group of Claims or Interests classified under this Plan pursuant to section 1122(a) of the Bankruptcy Code.

Collateral means any Asset of an Estate that is subject to a Lien securing the payment or performance of a Claim, which Lien is valid and has not been avoided under the Bankruptcy Code or applicable nonbankruptcy law.

Confirmation Date means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order.

Confirmation Hearing means the hearing to be held by the Bankruptcy Court regarding confirmation of this Plan, as such hearing may be adjourned or continued from time to time.

Confirmation Order means the order of the Bankruptcy Court, together with all exhibits, appendices, supplements, and related documents, confirming this Plan pursuant to section 1129 of the Bankruptcy Code, which shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties.

Consenting Creditor Parties means the Milestone Parties, the Plan Sponsors, the Creditors' Committee, the Individual Creditor Parties, and the Additional Consenting Parties.

Convenience Claim means any Claim against the Debtors that would otherwise be a Primary General Unsecured Claim that is (i) Allowed in the Convenience Claim Amount or less, or (ii) irrevocably reduced to the Convenience Claim Amount at the election of the holder of the Allowed Primary General Unsecured Claim evidenced on the Ballot submitted by such holder; *provided, however*, that a Primary General Unsecured Claim may not be subdivided into multiple Claims of the Convenience Claim Amount or less for purposes of receiving treatment as a Convenience Claim; *provided, further, however* that, to the extent that a holder of a Convenience Claim against a Debtor holds any joint and several liability claims, guaranty claims, or other similar claims against any other Debtors arising from or relating to the same obligations or liability as such Convenience Claim, such holder shall only be entitled to a distribution on one Convenience Claim against the Debtors in full and final satisfaction of all such Claims.

Convenience Claim Amount means One Hundred Thousand Dollars ($100,000), or such greater amount as may be agreed to among the Debtors and the Creditors' Committee.

Convenience Claim Distribution Amount means the aggregate amount of Cash distributed to holders of Allowed Convenience Class Claims against all Debtors, which amount shall not exceed Seven Hundred Fifty Thousand Dollars ($750,000) in the aggregate.

Creditors' Committee means the statutory committee of unsecured claimholders appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, as same may be constituted from time to time.

Cure Amount means the payment of Cash or the distribution of other property (as the parties may agree or the Bankruptcy Court may order) as necessary (a) to cure a monetary default by the Debtors in accordance with the terms of an executory contract or unexpired lease of the Debtors and (b) to permit the Debtors to assume such executory contract or unexpired lease under section 365(a) of the Bankruptcy Code.

Cure Dispute means a pending objection regarding assumption, cure, "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code), or other issues related to assumption of an executory contract or unexpired lease.

Cure Notice means a notice of a proposed Cure Amount to be paid in connection with an executory contract or unexpired lease to be assumed or assumed and assigned under the Plan pursuant to section 365 of the Bankruptcy Code, which notice shall include (i) procedures for objecting to proposed assumptions or assumptions and assignments of executory contracts and unexpired leases, (ii) any Cure Amount to be paid in connection therewith, and (iii) procedures for resolution by the Bankruptcy Court of any related disputes.

Debtor has the meaning set forth in the introductory paragraph of this Plan.

Debtor in Possession means, with respect to a Debtor, that Debtor in its capacity as a debtor in possession pursuant to sections 1101, 1107(a), and 1108 of the Bankruptcy Code.

Disallowed means, with respect to any Claim or Interest, that such Claim or Interest has been determined by a Final Order or specified in a provision of this Plan not to be Allowed.

Disbursing Agent means any Entity in its capacity as a disbursing agent under Section 6.6 hereof, including any Debtor, or Reorganized Debtor, as applicable, that acts in such a capacity.

Disclosure Statement means the Disclosure Statement for this Plan, as supplemented from time to time, which is prepared and distributed in accordance with sections 1125, 1126(b), and 1145 of the Bankruptcy Code, Bankruptcy Rules 3016 and 3018, and other applicable law, which shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties.

Disclosure Statement Order means the order entered by the Bankruptcy Court approving the Disclosure Statement.

Disputed means, with respect to a Claim, (a) any Claim, proof of which was timely and properly filed, which is disputed under Section 7.1 of this Plan or as to which the Debtors have interposed and not withdrawn an objection or request for estimation (pursuant to Section 7.3 of this Plan or otherwise) that has not been determined by a Final Order, (b) any Claim, proof of which was required to be filed by order of the Bankruptcy Court but as to which a proof of claim was not timely or properly filed, (c) any Claim that is listed in the Schedules as unliquidated, contingent, or disputed, or (d) any Claim that is otherwise disputed by any of the Debtors or Reorganized Debtors in accordance with applicable law or contract, which dispute has not been withdrawn, resolved, or overruled by a Final Order.

Disputed Claims Reserve means the reserve established pursuant to and governed by Section 7.7 of this Plan.

Distribution Record Date means the Effective Date.

DTC means the Depository Trust Company, a limited-purpose trust company organized under the New York State Banking Law.

Effective Date means the date which is the first Business Day selected by the Debtors on which (a) all conditions to the effectiveness of this Plan set forth in Section 9.1 hereof have been satisfied or waived in accordance with the terms of this Plan and (b) no stay of the Confirmation Order is in effect.

Eligible Offeree means a holder or transferee of an Allowed Senior Secured Notes Claim or an Allowed Unsecured Notes Claim, in each case who is an Accredited Investor as of the Rights Offering Record Date.

Entity has the meaning set forth in section 101(15) of the Bankruptcy Code.

Estate means the estate of a Debtor created under section 541 of the Bankruptcy Code.

Exculpated Parties means, collectively, and in each case in their capacities as such: (a) the Debtors; (b) the Plan Sponsors; (c) the Disbursing Agent; (d) the Senior Secured Notes Indenture Trustee; (e) the Secured Parties Collateral Agent; (f) the Milestone Parties and the Milestone Trustees; (g) the Creditors' Committee and its current and former members; (h) the Unsecured Notes Indenture Trustee; (i) the Individual Creditor Parties; (j) the Backstop Parties; (k) the ABL Lender Parties; and (l) with respect to each of the foregoing entities, such entities' predecessors, professionals, successors, assigns, subsidiaries, affiliates, managed accounts and funds, current and former officers and directors, principals, shareholders, members, partners, managers, employees, subcontractors, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals, and such entities' respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such.

Existing CHC Interests means all Interests in CHC Parent immediately prior to the Effective Date, including all options, warrants, ordinary and preferred shares.

Exit Revolving Credit Agreement means the Revolving Credit Agreement, as amended and restated, substantially in the form contained in the Plan Supplement, and the terms of which shall be reasonably acceptable to the Debtors, the Creditors' Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties.

Exit Revolving Credit Facility means that certain revolving credit facility provided to the Reorganized Debtors pursuant to the Exit Revolving Credit Agreement.

Exit Revolving Credit Facility Agent means _____, solely in its capacity as administrative agent under the Exit Revolving Credit Agreement, and together with any of its successors in such capacity.

Exit Revolving Credit Facility Documents means, collectively, the Exit Revolving Credit Agreement and all other agreements, documents, and instruments delivered or entered into in connection therewith (including any guarantee agreements and collateral documentation).

Final Order means an order, ruling, or judgment of the Bankruptcy Court (or other court of competent jurisdiction) entered by the Clerk of the Bankruptcy Court (or such other court) which has not been modified, amended, reversed, vacated or stayed and as to which (A) the time to appeal, petition for certiorari, or move for a new trial, stay, reargument or rehearing has expired and as to which no appeal, petition for certiorari or motion for new trial, stay, reargument or rehearing is then pending or (B) if an appeal, writ of certiorari, new trial, stay, reargument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court (or other court of competent jurisdiction) shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied, or a new trial, stay, reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for a new trial, stay, reargument or rehearing shall have expired, as a result of which such order shall have become final in accordance with Bankruptcy Rule 8002; provided that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order, shall not cause an order not to be a Final Order.

General Unsecured Claim means any Claim that is (a) not an Administrative Expense Claim, a Professional Fee Claim, a Priority Tax Claim, an Other Priority Claim, an Other Secured Claim, a Revolving Credit Agreement Claim, a Senior Secured Note Claim, an ABL Credit Agreement Claim (other than the ABL Allowed General Unsecured Claim), an Unsecured Notes Claim, a Senior Secured Notes Deficiency Claim, an Intercompany Claim, or a Convenience Claim, or (b) otherwise determined by an order of the Bankruptcy Court to be a General Unsecured Claim, including, for the avoidance of doubt, the Milestone Allowed General Unsecured Claim.

Governmental Unit has the meaning set forth in section 101(27) of the Bankruptcy Code.

Impaired means, with respect to a Claim, Interest, or a Class of Claims or Interests, "impaired" within the meaning of such term in sections 1123(a)(4) and 1124 of the Bankruptcy Code.

Indenture Trustees means the Senior Secured Notes Indenture Trustee and the Unsecured Notes Indenture Trustee.

Individual Creditor Parties means Solus Alternative Asset Management LP and Marble Ridge Capital LP, as beneficial holders, or investment advisors or managers for the account of such beneficial holders of Unsecured Notes, together with any of their respective successors and permitted assigns under the Plan Support Agreement that have executed the Plan Support Agreement.

Intercompany Claim means any Claim against a Debtor held by either another Debtor or by a non-debtor affiliate of a Debtor. For the avoidance of doubt, any Claims against a Debtor held by either another Debtor or by a non-debtor affiliate of a Debtor that has otherwise been assigned by such Debtor or non-debtor affiliate to a third-party is not an Intercompany Claim.

Intercompany Interest means an Interest in a Debtor other than CHC Parent held by another Debtor or by a non-debtor affiliate of a Debtor.

Interest means any equity security (as defined in section 101(16) of the Bankruptcy Code) of a Debtor, including all ordinary shares, common stock, preferred stock, or other instrument evidencing any fixed or contingent ownership interest in any Debtor, whether or not transferable, including any option, warrant, or other right, contractual or otherwise, to acquire any such interest in a Debtor, that existed immediately before the Effective Date.

Issuing Banks has the meaning ascribed to such term in the Revolving Credit Agreement.

Lien has the meaning set forth in section 101(37) of the Bankruptcy Code.

Local Rules means the local bankruptcy rules of the Bankruptcy Court.

Management Incentive Plan means the management incentive plan that will be adopted by the Reorganized Debtors on, or as soon as reasonably practicable after, the Effective Date, consistent with the terms set forth in the Plan Supplement.

Management Incentive Plan Securities means the New Membership Interests, or any options, warrants, or other securities, issued pursuant to the Management Incentive Plan.

Milestone means The Milestone Aviation Group Limited.

Milestone Administrative Expense Claim has the meaning ascribed to the term "Agreed Administrative Expense Claim" in the Milestone Term Sheet.

Milestone Aircraft Lease Agreements means the Milestone Committed Aircraft Lease Agreements and the Milestone Incremental Aircraft Lease Agreements.

Milestone Committed Aircraft Lease Agreements means the Facility Documents and the Definitive Restructuring Documents in respect of the Committed Aircraft (as those terms are defined in the Milestone Term Sheet).

Milestone Incremental Aircraft Lease Agreements means Definitive Restructuring Documents entered into post-petition for the Incremental Aircraft (as those terms are defined in the Milestone Term Sheet).

Milestone Parties means collectively, The Milestone Aviation Group Limited; The Milestone Aviation Asset Holding Group No. 1 Ltd; The Milestone Aviation Asset Holding Group No. 8 Ltd; The Milestone Aviation Asset Holding Group No. 20 Ltd; The Milestone Aviation Asset Holding Group No. 25 Ltd; Milestone Export Leasing, Limited; GE Capital Equipment Finance Ltd; and GE European Equipment Finance (Aircraft No. 2) Limited.

Milestone Trustees has the meaning ascribed to such term in the Milestone Term Sheet.

Milestone Term Sheet means that certain term sheet, dated as of October 11, 2016, by and among CHC Parent and The Milestone Aviation Group Limited, attached as Exhibit C to the Plan Support Agreement, and all exhibits, schedules, and annexes, including the PK Commitment Letter, related thereto, as may be amended pursuant to the terms thereof.

Milestone Allowed General Unsecured Claim means the Allowed General Unsecured Claim of the Milestone Parties in the amounts set forth in the Milestone Term Sheet.

New Board means the initial five (5) member board of managers of Reorganized CHC comprised of: (a) the Chief Executive Officer, Karl Fessenden; (b) three (3) managers selected by the Requisite Plan Sponsors in their sole discretion, but after consultation with the Chief Executive Officer; and (c) one (1) independent manager selected by the Requisite Plan Sponsors in their sole discretion, but after consultation with the Creditors' Committee and the Individual Creditor Parties, and in each instance as disclosed in the Plan Supplement.

New Intercreditor Agreement means that certain Intercreditor Agreement, to be entered into on the Effective Date, if necessary, by and between the Exit Revolving Credit Facility Agent and the New Second Lien Convertible Notes Indenture Trustee, substantially in the form contained in the Plan Supplement and the terms of which shall be reasonably acceptable to the Debtors, the Creditors' Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties.

New Membership Interest means one of the ordinary membership interests of Reorganized CHC to be issued on the Effective Date.

New Second Lien Convertible Notes means the New Second Lien Convertible Notes due three-and-a-half years from the Effective Date, issued pursuant to the New Second Lien Convertible Notes Indenture in the initial aggregate principal amount of Four Hundred

Sixty-Four Million One Hundred Forty-Eight Thousand One Hundred Forty-Eight Dollars ($464,148,148).

New Second Lien Convertible Notes Documents means, collectively, the New Second Lien Convertible Notes Indenture and all other agreements, documents, and instruments delivered or entered into in connection therewith (including any guarantee agreements and collateral documentation).

New Second Lien Convertible Notes Indenture means that certain Indenture, to be dated as of the Effective Date, by and among Reorganized CHC, the guarantors party thereto, and the New Second Lien Convertible Notes Indenture Trustee, substantially in the form contained in the Plan Supplement and the terms of which shall be reasonably acceptable to the Debtors, the Creditors' Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties.

New Second Lien Convertible Notes Indenture Trustee means _____, solely in its capacity as indenture trustee under the New Second Lien Convertible Notes Indenture.

New Unsecured Notes means the New Unsecured Notes due seven (7) years from the Effective Date issued pursuant to the New Unsecured Notes Indenture in the aggregate principal amount of Thirty-Seven Million Five Hundred Thousand Dollars ($37,500,000), less the Convenience Claim Distribution Amount.

New Unsecured Notes Indenture means that certain Indenture, to be dated as of the Effective Date, by and among Reorganized CHC, the guarantors party thereto, and the New Unsecured Notes Indenture Trustee, substantially in the form contained in the Plan Supplement and the terms of which shall be reasonably acceptable to the Debtors, the Creditors' Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties.

New Unsecured Notes Indenture Trustee means _____, solely in its capacity as indenture trustee under the New Unsecured Notes Indenture.

Non-Eligible Offeree means a holder of an Allowed Senior Secured Notes Claim or an Allowed Unsecured Notes Claim that is not an Accredited Investor as of the Rights Offering Record Date.

Other Priority Claim means any claim asserting a priority described in section 507(a) of the Bankruptcy Code that is not: (a) an Administrative Expense Claim; (b) a Professional Fee Claim; or (c) a Priority Tax Claim.

Other Secured Claim means any Secured Claim against a Debtor other than a Revolving Credit Agreement Claim, an ABL Credit Agreement Claim, or a Senior Secured Notes Claim.

Person means an individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, estate,

unincorporated organization, governmental unit (as defined in section 101(27) of the Bankruptcy Code, or other entity (as defined in section 101(15) of the Bankruptcy Code).

Petition Date means May 5, 2016.

PK means PK Transportation Finance Ireland Limited.

PK Financing Commitment Letter means the financing commitment letter from PK for a One Hundred Fifty Million Dollar ($150,000,000) asset backed debt facility in the form attached as Exhibit B to the Milestone Term Sheet, as approved by the Bankruptcy Court on _____ [Docket No. ____].

PK Financing Facility Documents means collectively, any and all agreements, documents, and instruments delivered or entered into in connection with the PK Financing Facility (including any guarantee agreements and collateral documentation) substantially in the forms contained in the Plan Supplement.

PK Financing Facility means the senior secured asset backed term loan facility between PK and a group of other lenders to be arranged by PK, as lenders, and a special purpose company incorporated in Ireland wholly owned by CHC Parent, as the borrower, for the purpose of acquiring and/or refinancing certain aircraft as contemplated by the PK Financing Commitment Letter, such facility to be utilized through one drawdown per aircraft.

Plan means this joint chapter 11 plan of reorganization, including all appendices, exhibits, schedules, and supplements hereto (including any appendices, schedules, and supplements to the Plan that are contained in the Plan Supplement), all as may be modified from time to time in accordance with the Bankruptcy Code, the terms hereof, and the terms of the Plan Support Agreement.

Plan Distribution means the payment or distribution of consideration to holders of Allowed Claims under this Plan.

Plan Document means any document, other than this Plan, to be executed, delivered, assumed, or performed in connection with the occurrence of the Effective Date, each of which, for the avoidance of doubt, is a Restructuring Document (as defined in the Plan Support Agreement), and includes, without limitation, any document included in the Plan Supplement, the Amended and Restated ABL Credit Facility Documents, PK Financing Facility Documents (if applicable), Amended Certificate of Incorporation, Amended By-Laws, Exit Revolving Credit Facility Documents, New Intercreditor Agreement, New Second Lien Convertible Notes Documents, the Registration Rights Agreement and the Reorganized CHC Operating Agreement.

Plan Equity Value means the agreed equity value of the New Membership Interests, which equity value is Five Hundred Forty-Three Million Five Hundred Thousand Dollars ($543,500,000) (assuming conversion of the New Second Lien Convertible Notes in full).

Plan Sponsors means the beneficial holders, or investment advisors or managers for the account of such beneficial holders, of Senior Secured Notes that have executed the Plan Support Agreement, and which are listed on Exhibit A to the Plan Term Sheet (as defined in, and attached to, the Plan Support Agreement).

Plan Supplement means a supplemental appendix to this Plan which shall be consistent with the Plan Support Agreement and contain, among other things, substantially final forms of the Management Incentive Plan term sheet, the Amended Certificates of Incorporation of the applicable Reorganized Debtors, the Amended By-Laws of the applicable Reorganized Debtors, the Reorganized CHC Operating Agreement, the Exit Revolving Credit Agreement, the Amended and Restated ABL Credit Agreement, the PK Financing Facility Documents (if applicable), the New Second Lien Convertible Notes Indenture, the New Unsecured Notes Indenture, the New Intercreditor Agreement (if applicable), the Schedule of Assumed Contracts and Leases, the Schedule of Rejected Contracts and Leases, the Schedule of Assumed Aircraft Leases, the Schedule of Rejected Aircraft Leases, the Schedule of Assumed Compensation and Benefit Plans, and, with respect to the members of the New Board and officers of the Reorganized Debtors, information required to be disclosed in accordance with section 1129(a)(5) of the Bankruptcy Code; *provided*, that, through the Effective Date, the Debtors shall have the right to amend the documents contained in, and the exhibits to, the Plan Supplement in accordance with the terms of this Plan and the Plan Support Agreement. Each of the Plan Supplement documents shall be in form and substance reasonably acceptable to the Debtors, the Creditors Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties, *provided however* that all Governance Matters (as defined in the Plan Support Agreement) shall be consistent in all material respects with the Plan Term Sheet, and determined by the Requisite Plan Sponsors in their sole discretion, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties), and otherwise in accordance with the Plan Support Agreement. The Plan Supplement shall be filed with the Bankruptcy Court no later than ten (10) calendar days before the Voting Deadline.

Plan Support Agreement means that certain Plan Support Agreement (including all exhibits thereto), dated as of October 11, 2016, by and among the Debtors and the Consenting Creditor Parties, as may be amended, restated, or otherwise modified in accordance with its terms, and as approved by the Support Agreements Approval Order.

Plan Term Sheet has the meaning ascribed to "Term Sheet" in the Plan Support Agreement.

Post-Effective Date Committee means the committee established pursuant to Section 12.4 hereof.

Post-Effective Date Committee Fee Cap means a cap of Five Hundred Thousand Dollars ($500,000) in the aggregate on the fees and expenses of the Post-Effective Date Committee.

Postpetition Aircraft Agreement means an agreement (including leases, subleases, security agreements, and mortgages and any amendments, modifications, or supplements of or to any lease, sublease, security agreement, or mortgage, and such leases, subleases, security agreements, guarantee agreements, or mortgages as so amended, modified, or supplemented, and any agreement settling or providing for any Claims or other otherwise addressing any matters relating to any lease, sublease, security agreement, mortgage or any amendment, modification, or supplement of or to any lease, sublease, security agreement, or mortgage) entered into by the Debtors relating to Aircraft Equipment and either (i) set forth on the Schedule of Assumed Aircraft Leases or the Schedule of Rejected Aircraft Leases in Plan Supplement or (ii) entered into subsequent to the filing of such schedules and identified by the Debtors as a Postpetition Aircraft Agreement in a filing with the Bankruptcy Court.

Prepetition Note Indentures *means* the Senior Secured Notes Indenture and the Unsecured Notes Indenture.

Primary General Unsecured Claim means (i) a General Unsecured Claim against the Debtors, other than (a) any guaranty claim or other similar claims arising from or relating to the same obligations or liability as such General Unsecured Claim (including Claims arising out of a security or collateral assignment by one Debtor to the extent such Claim secures or otherwise supports any primary obligation of another Debtor entity), or (b) a General Unsecured Claim arising out of an Aircraft Sublease, and (ii) the ABL Primary General Unsecured Claim.

Primary General Unsecured Claims Distribution means collectively, (i) five-point-seven percent (5.7%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which shall equate to point-eight percent (0.8%) of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan), and (ii) Seventeen Million Nine Hundred Seventy-Nine Thousand Six Hundred Forty-Eight Dollars ($17,979,648) of the New Unsecured Notes.

Priority Tax Claim means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

Pro Rata means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class.

Professional Fee Claim means any Claims for accrued fees and expenses (including success fees) for services rendered and expenses incurred by Professional Persons, subject to the Court's approved interim compensation procedures from the Petition Date through and including the Effective Date to the extent such fees and expenses have not been paid pursuant to an order of the Bankruptcy Court. For the avoidance of doubt, the fees and expenses of the Indenture Trustees and all other Restructuring Expenses do not constitute Professional Fee Claims.

Professional Person means any Person retained by order of the Bankruptcy Court in connection with these Chapter 11 Cases pursuant to sections 327, 328, 330, 503(b), or 1103 of

the Bankruptcy Code, excluding any ordinary course professional retained pursuant to an order of the Bankruptcy Court.

Put Option Premium means a nonrefundable aggregate premium (a) payable on the Effective Date to the Backstop Parties in New Second Lien Convertible Notes in a principal amount of Thirty Million Eight Hundred Fourteen Thousand Eight Hundred Fifteen Dollars ($30,814,815) or (b) payable in cash if the Backstop Agreement is terminated prior to the Effective Date, in each case pursuant to the terms and conditions of the Backstop Agreement.

QIB means a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act.

Registration Rights Agreement means one or more registration agreements that may be entered into on the Effective Date by the Registration Rights Parties, terms of which shall be consistent in all material respects with the Plan Term Sheet and otherwise acceptable to the Requisite Plan Sponsors in their sole discretion, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties).

Registration Rights Parties means Reorganized CHC and the Plan Sponsors.

Reinstated or Reinstatement means (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim entitles the holder of such Claim in accordance with section 1124 of the Bankruptcy Code, or (b) if applicable under section 1124 of the Bankruptcy Code: (i) curing all prepetition and postpetition defaults other than defaults relating to the insolvency or financial condition of the applicable Debtor or its status as a debtor under the Bankruptcy Code; (ii) reinstating the maturity date of the Claim; (iii) compensating the holder of such Claim for damages incurred as a result of its reasonable reliance on a contractual provision or such applicable law allowing the Claim's acceleration; and (iv) not otherwise altering the legal, equitable or contractual rights to which the Claim entitles the holder thereof.

Released Parties means, collectively, and in each case solely in their capacities as such: (a) the Debtors; (b) the Plan Sponsors; (c) the Backstop Parties; (d) the Senior Secured Notes Indenture Trustee; (e) the Secured Parties Collateral Agent; (f) the Milestone Parties, the Milestone Trustees, and PK; (g) the Creditors' Committee and its current and former members (h) the Unsecured Notes Indenture Trustee; (i) the Individual Creditor Parties; (j) the ABL Lender Parties, and (k) with respect to each of the foregoing Entities, such Entities' predecessors, professionals, successors, assigns, subsidiaries, affiliates, managed accounts and funds, current and former officers and directors, principals, shareholders, members, partners, managers, employees, subcontractors, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals, and such Entities' respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such.

Releasing Parties means (i) the holders of all Claims or Interests who vote to accept this Plan, (ii) the holders of Claims or Interests that are Unimpaired under this Plan,

(iii) the holders of Claims or Interests whose vote to accept or reject this Plan is solicited but who do not vote either to accept or to reject this Plan, and (iv) the holders of Claims or Interests who vote to reject this Plan but do not opt out of granting the releases set forth herein.

Reorganized CHC means a new Cayman limited liability company, which will acquire all of the Assets of the CHC Parent on the Effective Date in accordance with this Plan and the Cayman Proceedings.

Reorganized CHC Operating Agreement means the operating agreement for Reorganized CHC, the terms of which shall be consistent in all material respects with the Plan Term Sheet and otherwise be acceptable to the Requisite Plan Sponsors in their sole discretion, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties).

Reorganized Debtors means the Debtors, as reorganized as of the Effective Date in accordance with this Plan, and Reorganized CHC.

Requisite Plan Sponsors means, as of any date of determination, the Plan Sponsors that are providing at least a majority of the Plan Sponsors' aggregate Backstop Commitments in respect of the Rights Offering.

Restructuring means the financial and operational restructuring of the Debtors, the principal terms of which are set forth in this Plan and the Plan Supplement.

Restructuring Expenses means the fees and expenses payable pursuant to the Cash Collateral Order, the Plan Support Agreement, the Backstop Agreement, and the Amended and Restated ABL Credit Facility Term Sheet.

Restructuring Transactions means the one or more transactions outlined in Exhibit D to the Disclosure Statement, which shall also be included in the Plan Supplement (and may be amended and supplemented therein).

Revolving Credit Agreement means that certain Credit Agreement, dated as of January 23, 2014 (as amended, restated, supplemented or otherwise modified from time to time), by and among CHC Helicopter S.A., CHC Global Operations International Inc., CHC Global Operations (2008) Inc., Heli-One Canada Inc., Heli-One Leasing Inc., CHC Den Helder B.V., CHC Holding NL B.V., CHC Netherlands B.V., CHC Norway Acquisition Co AS, and Heli-One (Norway) AS, as borrowers, the lenders and Issuing Banks party thereto from time to time, the Revolving Credit Facility Administrative Agent, and the Secured Parties Collateral Agent, including all agreements, notes, instruments, and any other documents delivered pursuant thereto or in connection therewith (in each case, as amended, restated, modified, or supplemented from time to time prior to the Petition Date).

Revolving Credit Agreement Claim means any Claim arising under or related to the Revolving Credit Agreement or any other Loan Documents, including all Secured Obligations, including Secured Obligations consisting of Cash Management Obligations and/or Hedging Obligations (as each such term is defined in the Revolving Credit Agreement), which

claims shall be Allowed in the aggregate amount of Three Hundred Eighty-Three Million Twenty Thousand Eight Hundred Eighty-Six Dollars ($383,020,886).

Revolving Credit Facility means, collectively, all advances and other extensions of credit made to the Debtors under the Revolving Credit Agreement.

Revolving Credit Facility Administrative Agent means HSBC Bank PLC., solely in its capacity as administrative agent under the Revolving Credit Agreement, and together with any of its successors in such capacity.

Revolving Credit Facility Lenders means the lenders party to the Revolving Credit Agreement, solely in their capacity as such.

Rights Offering means that certain rights offering pursuant to which each Eligible Offeree is entitled to receive Subscription Rights to acquire the New Second Lien Convertible Notes in accordance with the Rights Offering Procedures.

Rights Offering Procedures means the procedures for the implementation of the Rights Offering, as approved by the Bankruptcy Court pursuant to the Disclosure Statement Order and included in Section XIII of the Disclosure Statement.

Rights Offering Record Date means the date established in the Rights Offering Procedures as the record date for determining the holders of Allowed Senior Secured Notes Claims or Allowed Unsecured Notes Claims entitled to receive the Subscription Rights.

Schedule of Assumed Aircraft Leases means the schedule of unexpired aircraft leases to be assumed and, if applicable, assigned, by the Debtors, to be filed as part of the Plan Supplement, which schedule shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee and the Requisite Plan Sponsors.

Schedule of Assumed Compensation and Benefit Plans means the schedule of employment and severance policies, and compensation and benefits plans, policies and programs of the Debtors to be assumed by the Debtors, to be filed as part of the Plan Supplement, which schedule shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee and the Requisite Plan Sponsors.

Schedule of Assumed Contracts and Leases means the schedule of executory contracts and unexpired leases to be assumed, and, if applicable, assigned, by the Debtors, to be filed as part of the Plan Supplement, which schedule shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee and the Requisite Plan Sponsors.

Schedule of Rejected Aircraft Leases means the schedule of unexpired aircraft leases to be rejected by the Debtors, to be filed as part of the Plan Supplement, which schedule shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee and the Requisite Plan Sponsors.

Schedule of Rejected Contracts and Leases means the schedule of executory contracts and unexpired leases to be rejected by the Debtors, to be filed as part of the Plan

Supplement, which schedule shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee and the Requisite Plan Sponsors.

Schedules means, the schedules of assets and liabilities, statements of financial affairs, lists of holders of Claims and Interests, and all amendments or supplements thereto filed by the Debtors with the Bankruptcy Court.

Secondary General Unsecured Claim means (i) a General Unsecured Claim that is a guaranty claim, or other similar claims arising from or relating to the same obligations or liability as a Primary General Unsecured Claim (including Claims arising out of a security or collateral assignment by one Debtor to the extent such Claim secures or otherwise supports any primary obligation of another Debtor entity) asserted against any Debtor other than the Debtor against which the Primary General Unsecured Claim is asserted, (ii) a General Unsecured Claim arising out of an Aircraft Sublease, and (iii) the ABL Allowed Secondary General Unsecured Claims.

Secondary General Unsecured Claims Distribution means collectively, (i) five-point-nine percent (5.9%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which shall equate to point-nine percent (0.9%) of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan), and (ii) Eighteen Million Seven Hundred Seventy Thousand Three Hundred Fifty-Two Dollars ($18,770,352) of the New Unsecured Notes.

Secondary Recovery Debtors means 6922767 Holding SARL, Capital Aviation Services B.V., CHC Helicopter Australia Pty Ltd, CHC Helicopter S.A., CHC Helicopters (Barbados) Limited, CHC Helicopters (Barbados) SRL, Heli-One Leasing (Norway) AS, or Heli-One Leasing ULC.

Secured Claim means a Claim to the extent (a) secured by a valid, perfected and enforceable Lien on property of a Debtor's Estate, the amount of which is equal to or less than the value of such property (i) as set forth in this Plan, (ii) as agreed to by the holder of such Claim and the Debtors, or (iii) as determined by a Final Order in accordance with section 506(a) of the Bankruptcy Code or (b) subject to any setoff right of the holder of such Claim under section 553 of the Bankruptcy Code.

Secured Parties Collateral Agent means HSBC Corporate Trustee Company (UK) Limited, in its capacity as collateral agent under the Revolving Credit Facility and the Senior Secured Notes, and together with any of its successors in such capacity.

Securities Act means the Securities Act of 1933, as amended.

Security means any "security" as such term is defined in section 101(49) of the Bankruptcy Code.

Senior Secured Notes means the 9.25% Senior Secured Notes due 2020 issued pursuant to the Senior Secured Notes Indenture in the aggregate principal amount outstanding of

One Billion Fourteen Million Two Hundred Eighty-Nine Thousand Two Hundred Dollars ($1,014,289,200).

Senior Secured Notes Claim means any Claim arising from, or related to, the Senior Secured Notes Indenture and the Senior Secured Notes, including all accrued prepetition interest, fees, and other expenses due under the Senior Secured Notes and Senior Secured Notes Indenture, including the Senior Secured Notes Indenture Trustee Expenses, and any related guarantee claims.

Senior Secured Notes Deficiency Claim means any portion of the Senior Secured Notes Claim that is an unsecured Claim.

Senior Secured Notes Indenture means that certain Indenture, dated as of October 4, 2010, by and among CHC Helicopter S.A., as issuer, each of the guarantors named therein, the Senior Secured Notes Indenture Trustee, and the Secured Parties Collateral Agent, including all agreements, notes, instruments, and any other documents delivered pursuant thereto or in connection therewith (in each case, as amended, modified, or supplemented from time to time).

Senior Secured Notes Indenture Trustee means The Bank of New York Mellon, solely in its capacity as indenture trustee under the Senior Secured Notes Indenture.

Senior Secured Notes Indenture Trustee Charging Lien means the Lien that secures repayment of the Senior Secured Notes Indenture Trustee Expenses, as provided for in section 7.07(d) of the Senior Secured Notes Indenture.

Senior Secured Notes Indenture Trustee Expenses means any reasonable and documented fees and out-of-pocket costs and expenses, incurred prior to or after the Petition Date by the Senior Secured Notes Indenture Trustee that are required to be paid under the Senior Secured Notes Indenture. Such amounts shall include, without limitation: (i) any extraordinary expenses incurred by the Senior Secured Notes Indenture Trustee that are required to be paid under the Senior Secured Notes Indenture, and (ii) the reasonable, documented, out-of-pocket costs and expenses of, and reasonable and documented unpaid legal fees and expenses actually incurred by counsel to the Senior Secured Notes Indenture Trustee in connection with the Chapter 11 Cases and the distributions to the holders of Senior Secured Notes Claims.

Senior Secured Notes Subscription Rights means the Subscription Rights to participate in Two Hundred Eighty Million Dollars ($280,000,000) of the Rights Offering for the New Second Lien Convertible Notes (the number of New Membership Interests issuable upon conversion of such New Second Lien Convertible Notes will be equal to 74.41% of the New Membership Interests on a fully diluted basis (but subject to dilution for the Management Incentive Plan) as of the Effective Date (*i.e.*, Four Hundred Four Million Four Hundred Forty-Four Thousand Four Hundred Forty-Four Dollars ($404,444,444) face amount of the New Second Lien Convertible Notes as of the Effective Date)).

Subscription Rights means the rights to purchase New Second Lien Convertible Notes in accordance with the Rights Offering Procedures.

Support Agreements means, collectively, the Plan Support Agreement, the Backstop Agreement, the Milestone Term Sheet, and all exhibits, schedules, annexes and agreements related to each of the foregoing, including, without limitation, the PK Financing Commitment Letter (as defined in the Plan Support Agreement).

Support Agreements Approval Order means the order of the Bankruptcy Court entered on [*December __, 2016*] [Docket No. __] approving the Support Agreements.

Tax Code means the Internal Revenue Code of 1986, as amended from time to time.

Unimpaired means, with respect to a Claim, Interest, or Class of Claims or Interests, not "impaired" within the meaning of such term in sections 1123(a)(4) and 1124 of the Bankruptcy Code.

Unsecured Notes means the 9.375% Unsecured Notes due 2021 issued pursuant to the Unsecured Notes Indenture in the aggregate principal amount outstanding of Ninety-Four Million Seven Hundred Thirty-Two Thousand Three Hundred Dollars ($94,732,300).

Unsecured Notes Claim means any Claim arising from, or related to, the Unsecured Notes Indenture and the Unsecured Notes, including all accrued prepetition interest, fees, and other expenses due under the Unsecured Notes and Unsecured Notes Indenture, including the Unsecured Notes Indenture Trustee Expenses, and any related guarantee claims.

Unsecured Notes Indenture means that certain Indenture, dated as of May 13, 2013 (as amended, modified, or otherwise supplemented from time to time), by and among CHC Helicopter S.A., as issuer, each of the guarantors named therein, and The Bank of New York Mellon, as original indenture trustee, including all agreements, notes, instruments, and any other documents delivered pursuant thereto or in connection therewith (in each case, as amended, modified, or supplemented from time to time prior to the Petition Date).

Unsecured Notes Indenture Trustee means the Law Debenture Trust Company of New York, solely in its capacity as successor indenture trustee under the Unsecured Notes Indenture, and together with any of its successors in such capacity.

Unsecured Notes Indenture Trustee Charging Lien means the Lien that secures repayment of the Unsecured Notes Indenture Trustee Expenses, as provided for in section 7.07(d) of the Unsecured Notes Indenture.

Unsecured Notes Indenture Trustee Expenses means any reasonable and documented fees and out-of-pocket costs and expenses, incurred prior to or after the Petition Date by the Unsecured Notes Indenture Trustee that are required to be paid under the Unsecured Notes Indenture. Such amounts shall include, without limitation: (i) any extraordinary expenses incurred by the Unsecured Notes Indenture Trustee that are required to be paid under the Unsecured Notes Indenture, and (ii) the reasonable, documented, out-of-pocket costs and expenses of, and reasonable and documented unpaid legal fees and expenses actually incurred by counsel to the Unsecured Notes Indenture Trustee in connection with the Chapter 11 Cases and the distributions to the holders of Unsecured Notes Claims.

Unsecured Notes Subscription Rights means the Subscription Rights to participate in Twenty Million Dollars ($20,000,000) of the Rights Offering for the New Second Lien Convertible Notes (the number of New Membership Interests issuable upon conversion of such New Second Lien Convertible Notes will be equal to 5.32% of the New Membership Interests on a fully diluted basis (but subject to dilution for the Management Incentive Plan) as of the Effective Date (*i.e.*, Twenty-Eight Million Eight Hundred Eighty-Eight Thousand Eight Hundred Eighty-Nine Dollars ($28,888,889) face amount of the New Second Lien Convertible Notes as of the Effective Date)).

U.S. Trustee means the United States Trustee for Region 6.

Voting Deadline means the deadline established by the Bankruptcy Court by which ballots accepting or rejecting the Plan must be received by the Debtors' solicitation agent.

1.2 *Interpretation; Application of Definitions; Rules of Construction.*

Unless otherwise specified, all section or exhibit references in this Plan are to the respective section in or exhibit to this Plan, as the same may be amended, waived, or modified from time to time. The words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to this Plan as a whole and not to any particular section, subsection, or clause contained therein and have the same meaning as "in this Plan," "of this Plan," "to this Plan," and "under this Plan," respectively. The words "includes" and "including" are not limiting and shall be read to include "without limitation". The headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. For purposes herein: (a) in the appropriate context, each term, whether stated in the singular or plural, shall include both the singular and plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the reference document shall be substantially in that form or substantially on those terms and conditions; (c) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (d) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

1.3 *Reference to Monetary Figures.*

All references in this Plan to monetary figures shall refer to the legal tender of the United States of America unless otherwise expressly provided.

1.4 *Consent Rights of Consenting Creditor Parties.*

Notwithstanding anything herein to the contrary, any and all consent rights of the respective Consenting Creditor Parties set forth in the Plan Support Agreement with respect to the form and substance of this Plan, the Plan Supplement, the other Plan Documents, and any other Restructuring Documents (as defined in the Plan Support Agreement), including any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated

herein by this reference (including to the applicable definitions in Section 1.1 hereof) and fully enforceable as if stated in full herein.

1.5 ***Controlling Document.***

In the event of an inconsistency between this Plan and any instrument or document in the Plan Supplement, the terms of the relevant instrument or document in the Plan Supplement shall control unless otherwise specified in such Plan Supplement document. In the event of an inconsistency between this Plan, the Disclosure Statement, or any exhibit or schedule to the Disclosure Statement, this Plan shall control. As of the Effective Date, in the event of an inconsistency between this Plan and the Plan Support Agreement, this Plan shall control. The provisions of this Plan and of the Confirmation Order shall be construed in a manner consistent with each other so as to effectuate the purposes of each; *provided*, that if there is determined to be any inconsistency between any provision of this Plan and any provision of the Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of the Confirmation Order shall govern, and any such provisions of the Confirmation Order shall be deemed a modification of this Plan.

ARTICLE II. ADMINISTRATIVE EXPENSE CLAIMS, FEE CLAIMS, AND PRIORITY TAX CLAIMS.

2.1 ***Treatment of Administrative Expense Claims.***

Except with respect to Professional Fee Claims and Priority Tax Claims, and to the extent that a holder of an Allowed Administrative Expense Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtors, as applicable, agree to a less favorable treatment, on the Effective Date or as soon thereafter as is reasonably practicable, each holder of an Allowed Administrative Expense Claim shall receive, in full and final satisfaction of such Allowed Claim, Cash in an amount equal to the Allowed amount of such Claim; *provided*, that Allowed Administrative Expense Claims that arise in the ordinary course of the Debtors' business including Administrative Expense Claims arising from or with respect to the sale of goods or services on or after the Petition Date, shall be paid by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course of business in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents relating to such transactions, without further action by the holders of such Administrative Expense Claims or further approval by the Bankruptcy Court.

2.2 ***Treatment of Professional Fee Claims.***

All Professional Persons seeking payment of Professional Fee Claims shall file, no later than sixty (60) days after the Effective Date, their respective applications for final allowances of compensation for services rendered and reimbursement of expenses incurred. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the Allowed amounts of such Professional Fee Claims shall be determined by the Bankruptcy Court and shall be paid in full, in Cash. The Reorganized Debtors are authorized to pay compensation for professional services rendered and

reimbursement of expenses incurred after the Confirmation Date in the ordinary course and without the need for Bankruptcy Court approval. For the avoidance of doubt, this Section of the Plan shall not be applicable to any Restructuring Expenses, which shall be paid pursuant to Section 5.23 of the Plan.

2.3 *Treatment of Priority Tax Claims.*

Except to the extent that a holder of an Allowed Priority Tax Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtors, as applicable, agree to a less favorable treatment, on the Effective Date or as soon thereafter as is reasonably practicable, each holder of an Allowed Priority Tax Claim shall receive, at the option of the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtors, as applicable, in full and final satisfaction of such Allowed Priority Tax Claim, (i) Cash in an amount equal to the Allowed amount of such Claim, (ii) equal annual installment payments in Cash, of a total value, as of the Effective Date, equal to the Allowed amount of such Claim, over a period ending not later than five (5) years after the Petition Date, or (iii) treatment in a manner not less favorable than the most favored non-priority unsecured claim provided for by this Plan; *provided*, that Allowed Priority Tax Claims that arise in the ordinary course of the Debtors' business, shall be paid by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course of business in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents relating to such transactions, including this Plan, without further action by the holders of such Administrative Expense Claims or further approval by the Bankruptcy Court.

ARTICLE III. CLASSIFICATION OF CLAIMS AND INTERESTS.

3.1 *Classification in General.*

A Claim or Interest is placed in a particular Class for all purposes, including voting, confirmation, and distribution under this Plan and under sections 1122 and 1123(a)(1) of the Bankruptcy Code; *provided*, that a Claim or Interest is placed in a particular Class for the purpose of receiving distributions pursuant to this Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and such Claim or Interest has not been satisfied, released, or otherwise settled prior to the Effective Date.

A Claim or Interest shall be deemed classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class, and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class, *provided, however*, that any Claim classified in Class 7 shall not be classified in any other Class.

3.2 *Grouping of Debtors for Convenience Only.*

The Plan groups the Debtors together solely for the purpose of describing treatment of Claims and Interests under this Plan and confirmation of this Plan. Although this Plan applies to all of the Debtors, the Plan constitutes forty-three (43) distinct chapter 11 plans, one for each Debtor, except with respect to the Class 7 consolidation for distribution purposes

only set forth in Section 5.21 herein, and for voting and distribution purposes, each Class of Claims will be deemed to contain sub-classes for each of the Debtors, to the extent applicable. To the extent there are no Allowed Claims or Interests with respect to a particular Debtor, such Class is deemed to be omitted with respect to such Debtor. Except as otherwise provided herein, to the extent a holder has a Claim that may be asserted against more than one Debtor, the vote of such holder in connection with such Claims shall be counted as a vote of such Claim against each Debtor against which such holder has a Claim. The grouping of the Debtors in this manner shall not affect any Debtor's status as a separate legal Entity, change the organizational structure of the Debtors' business enterprise, constitute a change of control of any Debtor for any purpose, cause a merger of consolidation of any legal Entities, or cause the transfer of any Assets, and, except as otherwise provided by or permitted under this Plan, all Debtors shall continue to exist as separate legal Entities.

3.3 *Summary of Classification of Claims and Interests.*

The following table designates the Classes of Claims against and Interests in each Debtor and specifies which Classes are: (a) Impaired and Unimpaired under this Plan; (b) entitled to vote to accept or reject this Plan in accordance with section 1126 of the Bankruptcy Code; and (c) deemed to accept or reject this Plan with respect to such Debtor:

Class	**Type of Claim or Interest**	**Impairment**	**Entitled to Vote**
Class 1	Other Priority Claims	Unimpaired	No (Deemed to accept)
Class 2	Other Secured Claims	Unimpaired	No (Deemed to accept)
Class 3	Revolving Credit Agreement Claims	Impaired	Yes
Class 4	ABL Credit Agreement Claims	Impaired	Yes
Class 5	Senior Secured Notes Claims	Impaired	Yes
Class 6	Unsecured Notes Claims	Impaired	Yes
Class 7	General Unsecured Claims	Impaired	Yes
Class 8	Convenience Claims	Impaired	Yes
Class 9	Intercompany Claims	Unimpaired	No (Deemed to accept)
Class 10	Existing CHC Interests	Impaired	No (Deemed to reject)
Class 11	Intercompany Interests	Unimpaired	No (Deemed to accept)

3.4 ***Separate Classification of Other Secured Claims.***

Although all Other Secured Claims have been placed in one Class for purposes of nomenclature within this Plan, each Other Secured Claim, to the extent secured by a Lien on Collateral different from the Collateral securing another Other Secured Claim, shall be treated as being in a separate sub-Class for the purposes of receiving Plan Distributions.

3.5 ***Elimination of Vacant Classes.***

With respect to each Debtor, any Class that, as of the commencement of the Confirmation Hearing, does not have at least one holder of a Claim or Interest that is Allowed in an amount greater than zero for voting purposes shall be considered vacant, deemed eliminated from this Plan for purposes of voting to accept or reject this Plan, and disregarded for purposes of determining whether this Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to such Class.

3.6 ***Voting Classes; Presumed Acceptance by Non-Voting Classes***

With respect to each Debtor, if a Class contains Claims eligible to vote and no holder of Claims eligible to vote in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by the holders of such Claims in such Class.

3.7 ***Voting; Presumptions; Solicitation.***

(a) Acceptance by Certain Impaired Classes. Only holders of Allowed Claims in Classes 3, 4, 5, 6, 7, and 8 are entitled to vote to accept or reject this Plan. An Impaired Class of Claims shall have accepted this Plan if (i) the holders of at least two-thirds (2/3) in amount of the Allowed Claims actually voting in such Class have voted to accept this Plan and (ii) the holders of more than one-half (1/2) in number of the Allowed Claims actually voting in such Class have voted to accept this Plan. Holders of Claims in Classes 3, 4, 5, 6, 7, and 8 will receive ballots containing detailed voting instructions.

(b) Deemed Acceptance by Unimpaired Classes. Holders of Claims and Interests in Classes 1, 2, 9, and 11 are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Accordingly, such holders are not entitled to vote to accept or reject this Plan.

(c) Deemed Rejection by Impaired Classes. Holders of Existing CHC Interests in Class 10 are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Existing CHC Interests are not entitled to vote to accept or reject the Plan.

3.8 ***Cramdown.***

For any Class of Claims entitled to vote on this Plan that does not vote to accept this Plan, the Debtors will either (a) seek confirmation of this Plan under section 1129(b) of the Bankruptcy Code or (b) amend or modify this Plan in accordance with the terms hereof and the Bankruptcy Code.

3.9 ***No Waiver.***

Nothing contained in this Plan shall be construed to waive a Debtor's or other Person's right to object on any basis to any Claim.

ARTICLE IV. TREATMENT OF CLAIMS AND INTERESTS.

4.1 ***Class 1: Other Priority Claims.***

(a) Treatment: The legal, equitable, and contractual rights of the holders of Allowed Other Priority Claims are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Priority Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtor, as applicable, agree to a less favorable treatment, on the later of the Effective Date and the date that is ten (10) Business Days after the date such Other Priority Claim becomes an Allowed Claim, or as soon thereafter as is reasonably practicable, each holder of an Allowed Other Priority Claim shall receive, in full and final satisfaction of such Allowed Other Priority Claim, at the option of the Debtors, with consent of the Requisite Plan Sponsors and the Creditors' Committee, not be unreasonably withheld, or the Reorganized Debtor, as applicable, (i) Cash in an amount equal to the Allowed amount of such Claim or (ii) other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; *provided*, that Other Priority Claims that arise in the ordinary course of the Debtors' business, shall be paid by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course of business, and in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents relating to such transactions without further action by the holders of such Other Priority Claims or further approval by the Bankruptcy Court.

(b) Impairment and Voting: Allowed Other Priority Claims are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Priority Claims are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders will not be solicited with respect to such Allowed Other Priority Claims.

4.2 ***Class 2: Other Secured Claims.***

(a) Treatment: The legal, equitable, and contractual rights of the holders of Allowed Other Secured Claims are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Secured Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtor, as applicable, agree to less favorable treatment, each holder of an Allowed Other Secured Claim shall, in full and final satisfaction of such Allowed Other Secured Claim, at the option of the Debtors with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or Reorganized Debtors: (i) be Reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code, notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the holder of an Allowed Other Secured Claim to demand or to receive payment of such Allowed Other Secured Claim prior to the stated maturity of such Allowed Other Secured Claim from and after the

occurrence of a default; (ii) Cash in an amount equal to the Allowed amount of such Claim as determined in accordance with section 506(a) of the Bankruptcy Code, on the later of the initial distribution date under this Plan and thirty (30) days after the date such Other Secured Claim is Allowed (or as soon thereafter as is practicable); or (iii) receive the Collateral securing its Allowed Other Secured Claim on the later of the initial distribution date under this Plan and the date such Other Secured Claim becomes an Allowed Other Secured Claim (or as soon thereafter as is reasonably practicable).

(b) Impairment and Voting: Allowed Other Secured Claims are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Secured Claims are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders will not be solicited with respect to such Allowed Other Secured Claims.

4.3 ***Class 3: Revolving Credit Agreement Claims.***

(a) Treatment: On the Effective Date, or as soon as practicable thereafter, holders of Allowed Revolving Credit Agreement Claims shall receive, in full and final satisfaction of such Allowed Revolving Credit Agreement Claims, such holder's Pro Rata share of the Exit Revolving Credit Facility.

(b) Impairment and Voting: Allowed Revolving Credit Agreement Claims are Impaired. Holders of Allowed Revolving Credit Agreement Claims are entitled to vote on this Plan.

4.4 ***Class 4: ABL Credit Agreement Claims.***

(a) Treatment: On the Effective Date, or as soon as practicable thereafter, each holder of an Allowed ABL Credit Agreement Claim shall receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed ABL Credit Agreement Claim and, in accordance with the Amended and Restated ABL Credit Facility Term Sheet, its Pro Rata share of: (i) the Amended and Restated ABL Credit Agreement; (ii) distributions on account of the ABL Allowed Primary General Unsecured Claim and ABL Allowed Secondary General Unsecured Claim, which Allowed General Unsecured Claims shall receive treatment in accordance with Section 4.7 hereof; and (iii) the Exit Payment (as defined in the Amended and Restated ABL Credit Facility Term Sheet).

(b) Impairment and Voting: Allowed ABL Credit Agreement Claims are Impaired. Holders of Allowed ABL Credit Agreement Claims are entitled to vote on this Plan.

4.5 ***Class 5: Senior Secured Notes Claims.***

(a) Treatment: On or as soon as practicable after the Effective Date, each holder of a Senior Secured Notes Claim, which Claims are deemed Allowed in the aggregate amount of not less than One Billion Sixty-Seven Million Eight Hundred and Thirty-Two Thousand Five Hundred and Seventy-Six Dollars ($1,067,832,576) through the Petition Date, including accrued prepetition interest, plus fees and other expenses due under the Senior Secured Notes and Senior Secured Notes Indenture, including Senior Secured Notes Indenture Trustee

Expenses, shall receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed Senior Secured Notes Claim, and, in accordance with the Restructuring Transactions, (A) other than the Senior Secured Notes Indenture Trustee, its Pro Rata share of: (i) seventy-nine-and-a-half percent (79.5%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which shall equate to eleven-point-six percent 11.6% of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan); and (ii) (x) to the extent such holder is an Eligible Offeree, the Senior Secured Notes Subscription Rights and (y) to the extent such holder is a Non-Eligible Offeree, its share (calculated pursuant to the Rights Offering Procedures) of up to one percent (1%) of the New Membership Interests otherwise distributable to holders of Allowed Senior Secured Notes Claims (after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan) and (B) to the Senior Secures Notes Indenture Trustee, Cash in amount equal to the Senior Secured Notes Indenture Trustee Expenses outstanding as of the Effective Date. Any unclaimed portion of New Membership Interests otherwise available to Non-Eligible Offerees holding Allowed Senior Secured Notes Claims shall be distributed Pro Rata to all holders of Allowed Senior Secured Notes Claims. Upon acceptance of the Plan by Class 5, all holders of Senior Secured Notes Claim shall be deemed to have agreed to forgo any distribution in respect of their Senior Secured Notes Deficiency Claim. Distributions received under the Plan by holders of Allowed Senior Secured Notes Claims shall be subject to the Senior Secured Notes Indenture Trustee Charging Lien if the Senior Secured Notes Indenture Trustee Expenses are not paid pursuant to this Section 4.5(a).

(b) Impairment and Voting: Allowed Senior Secured Notes Claims are Impaired. Holders of Allowed Senior Secured Notes Claims are entitled to vote on this Plan.

4.6 ***Class 6: Unsecured Notes Claims.***

(a) Treatment: On or as soon as practicable after the Effective Date, each holder of an Allowed Unsecured Notes Claim, which Claims are deemed Allowed in the aggregate amount of not less than Ninety-Eight Million Five Hundred Thirty-One Thousand Four Hundred and Sixty Dollars ($98,531,460) through the Petition Date, including accrued prepetition interest, plus fees and other expenses due under the Unsecured Notes and Unsecured Notes Indenture, including the Unsecured Notes Indenture Trustee Expenses, shall receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed Unsecured Notes Claim, and, in accordance with the Restructuring Transactions, (A) other than the Unsecured Notes Indenture Trustee, its Pro Rata share of: (i) eight-point-nine percent (8.9%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which shall equate to one-point-three percent (1.3%) of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan); and (ii) (x) to the extent such holder is an Eligible Offeree, the Unsecured Notes Subscription Rights or (y) to the extent such holder is a Non-Eligible Offeree, its share (calculated pursuant to the Rights Offering Procedures) of up to zero-point-one percent (0.1%) of the New Membership

Interests otherwise distributable to holders of Allowed Unsecured Notes Claims (after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan) and (B) to the Unsecured Notes Indenture Trustee, Cash in amount equal to the Unsecured Notes Indenture Trustee Expenses outstanding as of the Effective Date. Any unclaimed portion of New Membership Interests otherwise available to Non-Eligible Offerees holding Allowed Unsecured Notes Claims shall be distributed Pro Rata to all holders of Allowed Unsecured Notes Claims. Distributions received under the Plan by holders of Allowed Unsecured Notes Claims shall be subject to the Unsecured Notes Indenture Trustee Charging Lien if the Unsecured Notes Indenture Trustee Expenses are not paid pursuant to this Section 4.6(a).

(b) Impairment and Voting: Allowed Unsecured Notes Claims are Impaired. Holders of Allowed Unsecured Notes Claims are entitled to vote on this Plan.

4.7 ***Class 7: General Unsecured Claims.***

(a) Treatment: Each holder of an Allowed General Unsecured Claim against the Debtors shall receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed General Unsecured Claim, and, in accordance with the Restructuring Transactions: (i) on account of its Allowed Primary General Unsecured Claim, its Pro Rata share of the Primary General Unsecured Claims Distribution, plus (ii) on account of any Allowed Secondary General Unsecured Claim against one or more Secondary Recovery Debtors, if applicable, its Pro Rata share of the Secondary General Unsecured Claims Distribution allocated to the applicable Secondary Recovery Debtor against which it holds an Allowed Secondary General Unsecured Claim, as set forth on and in accordance with the schedule attached to the Disclosure Statement as Exhibit C. For the avoidance of doubt, if a holder of Allowed General Unsecured Claims holds an Allowed Secondary General Unsecured Claim against any Debtor that is not a Secondary Recovery Debtor, such holder shall not receive any additional recoveries on account of such claim.

(b) Impairment and Voting: Allowed General Unsecured Claims are Impaired. Holders of Allowed General Unsecured Claims are entitled to vote on this Plan.

4.8 ***Class 8: Convenience Claims***

(a) Treatment: Except to the extent that a holder of an Allowed Convenience Claim and the Debtors, with the consent of the Creditors' Committee, which shall not be unreasonably withheld, or the Reorganized Debtors, as applicable, agree to less favorable treatment, each holder of an Allowed Convenience Claim shall receive, on the later of (i) the Effective Date and (ii) the date on which such Convenience Claim becomes Allowed, or, in each case, as soon as reasonably practicable thereafter, in full and final satisfaction of such Allowed Convenience Claim, the lesser of (i) payment in full in Cash, or (ii) its Pro Rata share of the Convenience Claims Distribution Amount. Allowed Convenience Claims shall not include interest from and after the Petition Date or include any penalty on such Claim.

(b) Impairment and Voting: Allowed Convenience Claims are Impaired. Holders of Allowed Convenience Claims are entitled to vote on this Plan.

4.9 ***Class 9: Intercompany Claim***

(a) Treatment: All Allowed Intercompany Claims shall be adjusted, continued, or discharged, in each case in a manner reasonably acceptable to the Debtors or Reorganized Debtors, as applicable, the Requisite Plan Sponsors, and the Creditors' Committee. All Intercompany Claims between any Debtor and a nondebtor affiliate shall be Unimpaired under this Plan.

(b) Impairment and Voting: All Allowed Intercompany Claims are either Unimpaired or are deemed Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Intercompany Claims are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan. Therefore, holders of Allowed Intercompany Claims are not entitled to vote on this Plan.

4.10 ***Class 10: Existing CHC Interests.***

(a) Treatment: As soon as reasonably practicable following the Effective Date, CHC Parent shall be liquidated or voluntarily struck-off. Holders of Existing CHC Interests shall not receive or retain any property under the Plan or pursuant to the Cayman Proceedings on account of such Interests.

(b) Impairment and Voting: Existing CHC Interests are Impaired. Holders of Existing CHC Interests are conclusively deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Existing CHC Interests are not entitled to vote to accept or reject this Plan.

4.11 ***Class 11: Intercompany Interests.***

(a) Treatment: Intercompany Interests are Unimpaired. On the Effective Date, all Allowed Intercompany Interests shall be Reinstated.

(b) Impairment and Voting: Allowed Intercompany Interests are Unimpaired. Holders of Allowed Intercompany Interests are conclusively presumed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code. Holders of Allowed Intercompany Interests are not entitled to vote to accept or reject this Plan.

4.12 ***Debtors' Rights in Respect of Unimpaired Claims.***

Except as otherwise provided in this Plan, nothing under this Plan shall affect the rights of the Reorganized Debtors in respect of any Unimpaired Claim, including all rights in respect of legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired Claim.

4.13 ***Treatment of Vacant Classes.***

Any Claim or Interest in a Class that is considered vacant under Section 3.5 of this Plan shall receive no Plan Distribution.

ARTICLE V. MEANS FOR IMPLEMENTATION; POST-EFFECTIVE DATE GOVERNANCE.

5.1 ***Continued Corporate Existence.***

Except as otherwise provided in this Plan or pursuant to the Cayman Proceedings, the Debtors shall continue to exist after the Effective Date as Reorganized Debtors in accordance with the applicable laws of the respective jurisdictions in which they are incorporated or organized and pursuant to the Amended Certificates of Incorporation and the Amended By-Laws. On or after the Effective Date, each Reorganized Debtor may, in its sole discretion, take such action as permitted by applicable law and such Reorganized Debtor's organizational documents, as such Reorganized Debtor may determine is reasonable and appropriate, including causing: (i) a Reorganized Debtor to be merged into another Reorganized Debtor or an affiliate of a Reorganized Debtor; (ii) a Reorganized Debtor to be dissolved; (iii) the legal name of a Reorganized Debtor to be changed; or (iv) the closure of a Reorganized Debtor's Chapter 11 Case on the Effective Date or any time thereafter. In addition, CHC Helicopter S.A. may convert to a S.a. r.l.; provided, however, that if such conversion occurs on or prior to the Effective Date, then such conversion shall be at the sole discretion of the Requisite Plan Sponsors, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties).

5.2 ***Restructuring Transactions***

Pursuant to section 1123(a)(5)(D) of the Bankruptcy Code, on, or, unless specifically provided otherwise herein, prior to the Effective Date, or as soon thereafter as is reasonably practicable, the Debtors, subject to any consents required by the Plan Support Agreement, or Reorganized Debtors, as applicable, may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate this Plan including (a) the Restructuring Transactions; (b) the consummation of the transactions provided for under or contemplated by the Support Agreements; (c) the execution and delivery of appropriate agreements or other documents containing terms that are consistent with or reasonably necessary to implement the terms of this Plan and the Support Agreements and that satisfy the requirements of applicable law; (d) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of this Plan and the Support Agreements; (e) the implementation and consummation of the Cayman Proceedings; and (f) all other actions that the Debtors, with the consent of the Creditors' Committee and the Requisite Plan Sponsors, not to be unreasonably withheld, or Reorganized Debtors, as applicable, determine are necessary or appropriate and that are not inconsistent with this Plan.

5.3 ***Exit Revolving Credit Facility***

(a) On the Effective Date, the Exit Revolving Credit Facility Documents or any other document necessary to effectuate the treatment of the Revolving Credit Agreement Claims shall be executed and delivered, and the Reorganized Debtors shall be authorized to execute, deliver and enter into the Exit Revolving Credit Facility Documents without the need for any further corporate action and without further action by the holders of Allowed Revolving Credit Agreement Claims.

(b) On the Effective Date, (a) upon the granting of Liens in accordance with the Exit Revolving Credit Facility Documents, the lenders and collateral agent thereunder shall have valid, binding and enforceable Liens on the collateral specified in the Exit Revolving Credit Facility Documents; and (b) upon the granting of guarantees, mortgages, pledges, Liens and other security interests in accordance with the Exit Revolving Credit Facility Documents, the guarantees, mortgages, pledges, Liens and other security interests granted to secure the obligations arising under the Exit Revolving Credit Facility Documents shall be granted in good faith as an inducement to the lenders thereunder to convert to term loans and/or extend credit thereunder and shall be deemed not to constitute a fraudulent conveyance or fraudulent transfer, shall not otherwise be subject to avoidance, and the priorities of such Liens and security interests shall be as set forth in the Exit Revolving Credit Facility Documents.

5.4 ***Amended and Restated ABL Credit Facility***

(a) On the Effective Date, the Amended and Restated ABL Credit Facility Documents shall be executed and delivered, and the Reorganized Debtors shall be authorized to execute, deliver and enter into the Amended and Restated ABL Credit Facility Documents, without the need for any further corporate action and without further action by the holders of Allowed ABL Credit Agreement Claims.

(b) On the Effective Date, (a) upon the granting of Liens in accordance with the Amended and Restated ABL Credit Facility Documents, the lenders and collateral agent thereunder shall have valid, binding and enforceable Liens on the collateral specified in the Amended and Restated ABL Credit Facility Documents; and (b) upon the granting of guarantees, mortgages, pledges, Liens and other security interests in accordance with the Amended and Restated ABL Credit Facility Documents, the guarantees, mortgages, pledges, Liens and other security interests granted to secure the obligations arising under the Amended and Restated ABL Credit Facility Documents shall be granted in good faith as an inducement to the lenders thereunder to convert to term loans and extend credit thereunder and shall be deemed not to constitute a fraudulent conveyance or fraudulent transfer, shall not otherwise be subject to avoidance, and the priorities of such Liens and security interests shall be as set forth in the Amended and Restated ABL Credit Facility Documents.

5.5 ***PK Financing Facility***

(a) On the Effective Date, the Reorganized Debtors shall be authorized, but not obligated, to execute, deliver, and enter into the PK Financing Facility Documents and take any additional actions as are necessary or appropriate to implement and effectuate the

transactions contemplated by the PK Financing Commitment Letter, without the need for any further corporate, partnership, limited liability company or shareholder action.

(b) In the event that the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, determine to proceed with the PK Financing Facility, (i) the Debtors or the Reorganized Debtors, as applicable, shall be authorized to pay PK an Arrangement Fee (as defined in the PK Financing Commitment Letter) on the date the PK Financing Facility Documents are signed and a Commitment Fee (as defined in the PK Financing Commitment Letter) to PK on the Effective Date and (ii) substantially final forms of the PK Financing Facility Documents will be included in the Plan Supplement.

5.6 ***Authorization, Issuance, and Delivery of New Membership Interests***

On the Effective Date, Reorganized CHC is authorized to issue or cause to be issued and shall issue the New Membership Interests, without the need for any further corporate, partnership, limited liability company or shareholder action.

5.7 ***New Second Lien Convertible Notes***

(a) On the Effective Date, the Reorganized Debtors and the New Second Lien Convertible Notes Indenture Trustee will enter into the New Second Lien Convertible Notes Indenture substantially in the form contained in the Plan Supplement, and the Reorganized Debtors shall be authorized to execute, deliver, and enter into the New Second Lien Convertible Notes Indenture and any related documents, without the need for any further corporate, partnership, limited liability company or shareholder action.

(b) On the Effective Date, (a) upon the granting of Liens in accordance with the New Second Lien Convertible Notes Indenture, the holders of the New Second Lien Convertible Notes and the collateral agent thereunder shall have valid, binding and enforceable Liens on the collateral specified in the New Second Lien Convertible Notes Indenture and related guarantee and collateral documentation; and (b) upon the granting of guarantees, mortgages, pledges, Liens and other security interests in accordance with the New Second Lien Convertible Notes Indenture, the guarantees, mortgages, pledges, Liens and other security interests granted to secure the obligations arising under the New Second Lien Convertible Notes Indenture shall be granted in good faith and shall be deemed not to constitute a fraudulent conveyance or fraudulent transfer, shall not otherwise be subject to avoidance, and the priorities of such Liens and security interests shall be as set forth in the New Second Lien Convertible Notes Indenture and related guarantee and collateral documentation.

5.8 ***New Unsecured Notes***

On the Effective Date, the Reorganized Debtors and the New Unsecured Notes Indenture Trustee will enter into the New Unsecured Notes Indenture substantially in the form contained in the Plan Supplement, and the Reorganized Debtors shall be authorized to execute, deliver, and enter into the New Unsecured Notes Indenture and any related documents, without the need for any further corporate, partnership, limited liability company or shareholder action.

5.9 ***Reorganized CHC Operating Agreement.***

On the Effective Date, Reorganized CHC and all the holders of the New Membership Interests then outstanding shall be deemed to be parties to the Reorganized CHC Operating Agreement, substantially in the form contained in the Plan Supplement, without the need for execution by any such holder. The Reorganized CHC Operating Agreement shall be binding on Reorganized CHC and all parties receiving, and all holders of, New Membership Interests of Reorganized CHC; *provided*, that regardless of whether such parties execute the Reorganized CHC Operating Agreement, such parties will be deemed to have signed the Reorganized CHC Operating Agreement, which shall be binding on such parties as if they had actually signed it.

5.10 ***Cancellation of Certain Existing Agreements.***

(a) Except as expressly provided herein, on the Effective Date, all notes, instruments, certificates evidencing debt of, or Interests in, the Debtors, including the Revolving Credit Agreement, the Senior Secured Notes, the ABL Credit Agreement Senior Secured Notes Indenture, Unsecured Notes, Unsecured Notes Indenture, the Existing CHC Interests, and all options and other entitlements to purchase and/or receive Existing CHC Interests, shall be deemed surrendered and cancelled and obligations of the Debtors thereunder shall be discharged; *provided, however* that any surrender and/or cancellation of the notes, instruments and certificates evidencing debt of, or Interests in, the Debtors shall only be with respect to the Debtors and Reorganized Debtors and shall not alter the rights or obligations of any parties other than the Debtors or their non-debtor affiliates vis-à-vis one another with respect to such agreements. On the Effective Date or, to the extent subject to the Cayman Proceeding, as soon as practicable after the Effective Date, all Existing CHC Interests and all options and other entitlements to purchase and/or receive Existing CHC Interests, and all instruments and documents evidencing the foregoing, shall be deemed surrendered and cancelled and obligations of the Debtors thereunder shall be discharged.

(b) The Senior Secured Notes Indenture Trustee shall be released from all duties under the Senior Secured Notes Indenture; provided, however, that notwithstanding Confirmation or the occurrence of the Effective Date or subsection (a) of this Section 5.10, the Senior Secured Notes Indenture shall continue in effect to the extent necessary to: (i) enforce the rights, Claims and interests of the Senior Secured Notes Indenture Trustee vis-a-vis any parties other than the Debtors or their non-debtor affiliates, (ii) allow the holders of Allowed Senior Secured Notes Claims to receive distributions under the Plan from the Senior Secured Notes Indenture Trustee or from any other source, to the extent provided for under the Plan; (iii) preserve any rights of the Senior Secured Notes Indenture Trustee to payment of fees, expenses, indemnification obligations and Liens securing such right to payment from or on any money or property to be distributed in respect to the Senior Secured Notes Claims under this Plan or from the holders of Allowed Senior Secured Notes Claims, (iv) permit the Senior Secured Notes Indenture Trustees to enforce any obligation owed to it under the Plan, and (v) permit the Senior Secured Notes Indenture Trustees to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court.

(c) The Unsecured Notes Indenture Trustee shall be released from all duties under the Unsecured Notes Indenture; provided, however, that notwithstanding Confirmation or the occurrence of the Effective Date or subsection (a) of this Section 5.10, the Unsecured Notes Indenture shall continue in effect to the extent necessary to: (i) enforce the rights, Claims and interests of the Unsecured Notes Indenture Trustee vis-a-vis any parties other than the Debtors or their non-debtor affiliates, (ii) allow the holders of Allowed Unsecured Notes Claims to receive distributions under the Plan from the Unsecured Notes Indenture Trustee or from any other source, to the extent provided for under the Plan; (iii) preserve any rights of the Unsecured Notes Indenture Trustee to payment of fees, expenses, indemnification obligations and Liens securing such right to payment from or on any money or property to be distributed in respect to the Unsecured Notes Claims under this Plan or from the holders of Allowed Unsecured Notes Claims, (iv) permit the Unsecured Notes Indenture Trustees to enforce any obligation owed to it under the Plan, and (v) permit the Unsecured Notes Indenture Trustees to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court.

(d) The Secured Parties Collateral Agent shall be released from all duties under the Collateral Agent and Administrative Agent Appointment Deed, dated as of October 4, 2010, by and among the Secured Parties Collateral Agent, the Revolving Credit Facility Administrative Agent, the Senior Secured Notes Indenture Trustee, and the other parties thereto (the "Appointment Deed"), the Revolving Credit Agreement and the Senior Secured Notes Indenture (or any other document entered into by the Secured Parties Collateral Agent in connection with its obligations thereunder); *provided, however*, that notwithstanding Confirmation Order or the occurrence of the Effective Date or subsection (a) of this Section 5.10, the Revolving Credit Agreement, the Senior Secured Notes Indenture, the Appointment Deed, or any other document entered in connection with the Secured Parties Collateral Agent's obligations thereunder, shall continue in effect to the extent necessary to: (i) enforce the rights, Claims, and interests of the Secured Parties Collateral Agent vis-a-vis any parties other than the Debtors or their non-debtor affiliates, (ii) preserve any rights of the Secured Parties Collateral Agent to payment of fees, expenses, indemnification obligations and Liens securing such right to payment from or on any money or property to be distributed in respect to the Revolving Credit Agreement Claims and the Senior Secured Notes Claims under this Plan or from the Holders of Allowed Revolving Credit Agreement Claims or Allowed Senior Secured Notes Claims, (iii) permit the Secured Parties Collateral Agent to enforce any obligation owed to it under the Plan, and (iv) permit the Secured Parties Collateral Agent to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court.

5.11 ***Release of Liens.***

Upon the full payment or other satisfaction of an Allowed Other Secured Claim, or promptly thereafter, the holder of such Allowed Other Secured Claim shall deliver to the Debtors or Reorganized Debtors, as applicable, any Collateral or other property of a Debtor held by such holder, together with any termination statements, instruments of satisfaction, or releases of all security interests with respect to its Allowed Other Secured Claim that may be reasonably required to terminate any related financing statements, mortgages, mechanics' or other statutory liens, or lis pendens, or similar interests or documents. To the extent any of foregoing actions, whether arising prior to the Effective Date or thereafter, require action to be taken by the Secured

Parties Collateral Agent, the Debtors or Reorganized Debtors, as applicable, shall pay the reasonable and documented fees and expenses of the Secured Parties Collateral Agent.

5.12 ***Officers and Boards of Directors.***

(a) The composition of each board of managers, directors or similar governing body, as applicable, of the Reorganized Debtors, including the New Board, shall be disclosed prior to the entry of the Confirmation Order to the extent required by section 1129(a)(5) of the Bankruptcy Code.

(b) The officers of each Reorganized Debtor shall be disclosed prior to the entry of the Confirmation Order to the extent required by section 1129(a)(5) of the Bankruptcy Code. On the Effective Date, the applicable Reorganized Debtors shall enter into new employment agreements with certain members of the management team.

(c) Except to the extent that a member of the board of managers, directors or similar governing body of a Debtor continues to serve in such capacity on the Effective Date, such members of each Debtor prior to the Effective Date, in their capacities as such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date and each such member will be deemed to have resigned or shall otherwise cease to be a manager or director of the applicable Debtor on the Effective Date without any further action required on the part of any such Debtor or member. Commencing on the Effective Date, each of the managers and directors of each of the Reorganized Debtors shall serve pursuant to the terms of the applicable organizational documents of such Reorganized Debtor and may be replaced or removed in accordance with such organizational documents.

5.13 ***Management Incentive Plan.***

The New Board shall adopt the Management Incentive Plan on, or as soon as reasonably practicable after, the Effective Date.

5.14 ***New Intercreditor Agreement.***

On the Effective Date, the Exit Revolving Credit Facility Agent and the New Second Lien Convertible Notes Indenture Trustee shall enter into the New Intercreditor Agreement. Each lender under the Exit Revolving Credit Facility and each holder of the New Second Lien Convertible Notes shall be deemed to have directed the applicable agent, New Second Lien Convertible Notes Indenture Trustee or Exit Revolving Credit Facility Agent, as applicable, to execute the New Intercreditor Agreement and shall be bound to the terms of the New Intercreditor Agreement from and after the Effective Date as if it were a signatory thereto.

5.15 ***Registration Rights***

On the Effective Date, the Registration Rights Parties shall enter into the Registration Rights Agreement. The Registration Rights Agreement shall provide, following the occurrence of an initial public offering of Reorganized CHC's New Membership Interests, the Registration Rights Parties with certain demand registration rights, piggyback registration rights and shelf registration rights for the offer and resale of any New Second Lien Convertible Notes

held by the Registration Parties, the New Membership Interests underlying the New Second Lien Convertible Notes and any New Membership Interests held by the Registration Rights Parties, including New Membership Interests held upon the conversion of the New Second Lien Convertible Notes. The Registration Rights Agreement shall contain customary terms and conditions, including, without limitation, provisions with respect to blackout periods.

5.16 ***Rights Offering.***

Following approval by the Bankruptcy Court of the Rights Offering Procedures, Reorganized CHC shall consummate the Rights Offering in accordance therewith. The Rights Offering shall be conducted, and the New Second Lien Convertible Notes shall be issued to the Eligible Offerees that exercise their respective Subscription Rights pursuant to the Rights Offering Procedures and the Plan. The consummation of the Rights Offering is conditioned on the consummation of the Plan, the Rights Offering Procedures and any other condition specified in the Backstop Agreement. Amounts held by the Subscription Agent with respect to the Rights Offering prior to the Effective Date shall not be entitled to any interest on account of such amounts. On the Effective Date, in exchange for providing the Backstop Commitment, and pursuant to the terms and conditions of the Backstop Agreement and the Support Agreements Approval Order, the Backstop Parties shall receive the New Second Lien Convertible Notes constituting the Put Option Premium.

5.17 ***Intercompany Interests.***

On the Effective Date and without the need for any further corporate action or approval of any board of directors, management, or shareholders of any Debtor or Reorganized Debtor, as applicable, all Intercompany Interests shall be Reinstated and unaffected by this Plan and continue in place following the Effective Date.

5.18 ***Tax Matters.***

Subject to definitive guidance from the U.S. Internal Revenue Service or a court of competent jurisdiction to the contrary, all parties (including the Reorganized Debtors, all holders of Allowed Senior Secured Notes Claims and Allowed Unsecured Notes Claims who receive New Second Lien Convertible Notes pursuant to this Plan, the New Second Lien Convertible Notes Indenture Trustee and all other parties to the New Second Lien Convertible Notes Indenture) shall, unless prohibited by applicable law, treat the New Second Lien Convertible Notes as equity for U.S. federal income tax purposes (that is not preferred stock for purposes of section 305 of the Tax Code), and the New Second Lien Convertible Notes Indenture shall so provide. To the extent permitted by applicable law, all parties shall report consistent therewith for U.S. state and local income tax purposes.

5.19 ***Separability.***

Notwithstanding the combination of separate plans of reorganization for the Debtors set forth in this Plan for purposes of economy and efficiency, this Plan constitutes a separate chapter 11 plan for each Debtor. Voting and distributions will be calculated and made on a Debtor-by-Debtor basis. If the Bankruptcy Court does not confirm this Plan with respect to one or more Debtors, it may still, with the consent of the Debtors, the Requisite Plan Sponsors

and the Creditors' Committee, confirm this Plan with respect to any other Debtor that satisfies the confirmation requirements of section 1129 of the Bankruptcy Code.

5.20 ***Settlement of Claims and Controversies.***

Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the Plan Distributions and other benefits provided under this Plan, the provisions of this Plan shall constitute a good faith compromise and settlement of all Claims and controversies relating to the rights that a holder of a Claim or Interest may have with respect to such Claim or Interest or any Plan Distribution on account thereof, including (i) the amount, value, and treatment of ABL Claims, Senior Secured Notes Claims, and Unsecured Notes Claims against the Debtors; (ii) the validity, extent and priority of the Liens securing the Senior Secured Notes; (iii) the value of the Debtors' encumbered and unencumbered Assets; (iv) any potential adequate protection or diminution in value Claim by the holders of Senior Secured Notes; (v) any potential Claim to surcharge Collateral under section 506(c) of the Bankruptcy Code; (vi) the allocation of distributable value among the creditor classes; and (vii) the Plan Equity Value and the total enterprise value of the Debtors. In the event that, for any reason, the Confirmation Order is not entered or the Effective Date does not occur, the Debtors, the Plan Sponsors, the Creditors' Committee, and the other Consenting Creditor Parties reserve all of their respective rights with respect to any and all disputes resolved and settled under the Plan. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of each of the compromises and settlements embodied in the Plan, and the Bankruptcy Court's finding that all such compromises or settlements are: (i) in the best interest of the Debtors, the Estates, the Reorganized Debtors, and their respective property and stakeholders; and (ii) fair, equitable and within the range of reasonableness. The provisions of the Plan, including, without limitation, its release, injunction, exculpation and compromise provisions, are mutually dependent.

5.21 ***Limited Consolidation for Primary General Unsecured Claims Distribution.***

(a) Consistent with Section 5.20 hereof, this Plan provides for recoveries on account of Allowed Primary General Unsecured Claims in Class 7 from the Primary General Unsecured Claims Distribution, regardless of the Debtor entity against which such Allowed Primary General Unsecured Claims are asserted. The Debtors shall not be consolidated for any other purpose. To the extent necessary, the Plan shall serve as a motion seeking, and entry of the Confirmation Order shall constitute, the approval, pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, effective as of the Effective Date, of the limited consolidation for distribution on account of Primary General Unsecured Claims as provided in this section.

(b) For the avoidance of doubt, the limited consolidation described in this Section shall only apply to distributions on account of Allowed Primary General Unsecured Claims and shall not impact, waive, or otherwise effect any Allowed Secondary General Unsecured Claims asserted against any Debtor or any recoveries on such Allowed Secondary General Unsecured Claims, if applicable. Providing distributions to holders of Allowed Primary General Unsecured Claims in the manner described in this Section shall not affect: (i) the legal and corporate structures of the Debtors; (ii) pre- and post-Effective Date guarantees, liens and

security interests that are required to be maintained (a) in connection with contracts or leases that were entered into during the Chapter 11 Cases or Executory Contracts and Unexpired Leases that have been or will be assumed by the Debtors or (b) pursuant to this Plan; (iii) Intercompany Interests; (iv) distributions from any insurance policies or proceeds of such policies; or (v) the revesting of assets in the separate Reorganized Debtors. In addition, such consolidation shall not constitute a waiver of the mutuality requirement for setoff under section 553 of the Bankruptcy Code.

(c) The characterization of each General Unsecured Claim as a Primary General Unsecured Claim or a Secondary General Unsecured Claim for distribution purposes shall be reasonably determined by the Voting Agent and the Debtors or Reorganized Debtors, as applicable, subject to the reasonable consent of the Creditors' Committee or the Post-Effective Date Committee, as applicable, or as otherwise ordered by the Bankruptcy Court.

5.22 ***Adjustment of Primary General Unsecured Claims Distribution and Secondary General Unsecured Claims Distribution.***

Notwithstanding anything herein to the contrary, the Debtors may modify the allocation between and among the Secondary General Unsecured Claims Distribution and the Primary General Unsecured Claims Distribution, including between and among the Secondary Recovery Debtors identified on Exhibit C to the Disclosure Statement, to the extent necessary to satisfy the requirements of the Bankruptcy Code.

5.23 ***Restructuring Expenses.***

On the Effective Date, or as soon as practicable thereafter, the Debtors or the Reorganized Debtors, as applicable, shall pay in full in Cash all outstanding Restructuring Expenses incurred, or estimated to be incurred, through the Effective Date, in accordance with the terms of the applicable orders, engagement letters or other applicable contractual arrangements, but without regard to any notice or objection period as may be contained in such applicable orders, engagement letters, or other applicable arrangements, subject to adjustment, if necessary, for the actual Restructuring Expenses incurred.

ARTICLE VI. DISTRIBUTIONS.

6.1 ***Distributions Generally.***

The Disbursing Agent shall make all Plan Distributions to the appropriate holders of Allowed Claims in accordance with the terms of this Plan.

6.2 ***Plan Funding.***

Plan Distributions of Cash shall be funded from the Debtors' and the Reorganized Debtors' Cash on hand as of the applicable date of such Plan Distribution.

6.3 ***No Postpetition Interest on Claims.***

Except as otherwise specifically provided for in this Plan, the Confirmation Order, or another order of the Bankruptcy Court or required by the Bankruptcy Code, postpetition interest shall not accrue or be paid on any Claims, and no holder of a Claim shall be entitled to interest accruing on such Claim on or after the Petition Date.

6.4 ***Date of Distributions.***

Unless otherwise provided in this Plan, any distributions and deliveries to be made under this Plan shall be made on the Effective Date or as soon thereafter as is practicable; *provided*, that the Reorganized Debtors may implement periodic distribution dates to the extent they determine them to be appropriate.

6.5 ***Distribution Record Date.***

As of the close of business on the Distribution Record Date, the various lists of holders of Claims in each Class, as maintained by the Debtors or their agents, shall be deemed closed, and there shall be no further changes in the record holders of any Claims after the Distribution Record Date. Neither the Debtors, the Reorganized Debtors, nor the Disbursing Agent shall have any obligation to recognize any transfer of a Claim occurring after the close of business on the Distribution Record Date. In addition, with respect to payment of any Cure Amounts or disputes over any Cure Amounts, neither the Debtors, the Reorganized Debtors, nor the Disbursing Agent shall have any obligation to recognize or deal with any party other than the non-debtor party to the applicable executory contract or unexpired lease, even if such non-debtor party has sold, assigned, or otherwise transferred its Claim for a Cure Amount.

6.6 ***Disbursing Agent.***

All distributions under this Plan shall be made by the Disbursing Agent on and after the Effective Date as provided herein. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties. The Reorganized Debtors shall use all commercially reasonable efforts to provide the Disbursing Agent (if other than the Reorganized Debtors) with the amounts of Claims and the identities and addresses of holders of Claims, in each case, as set forth in the Debtors' or Reorganized Debtors' books and records. The Reorganized Debtors shall cooperate in good faith with the applicable Disbursing Agent (if other than the Reorganized Debtors) to comply with the reporting and withholding requirements outlined in Section 6.17 of this Plan.

6.7 ***Delivery of Distributions.***

The Disbursing Agent will issue or cause to be issued, the applicable consideration under this Plan and, subject to Bankruptcy Rule 9010, will make all distributions to any holder of an Allowed Claim as and when required by this Plan at: (i) the address of such holder on the books and records of the Debtors or their agents; or (ii) at the address in any written notice of address change delivered to the Debtors or the Disbursing Agent, including any addresses included on any transfers of Claim filed pursuant to Bankruptcy Rule 3001. In the event that any distribution to any holder is returned as undeliverable, no distribution or payment

to such holder shall be made unless and until the Disbursing Agent has been notified of the then-current address of such holder, at which time or as soon thereafter as reasonably practicable such distribution shall be made to such holder without interest.

6.8 ***Unclaimed Property.***

One year from the later of (a) the Effective Date and (b) the date that is ten (10) Business Days after the date a Claim is first Allowed, all distributions payable on account of Claim that are not deliverable and remain unclaimed shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and shall revert to the Reorganized Debtors or their successors or assigns, and all claims of any other Entity (including the holder of a Claim in the same Class) to such distribution shall be discharged and forever barred. The Reorganized Debtors and the Disbursing Agent shall have no obligation to attempt to locate any holder of an Allowed Claim other than by reviewing the Debtors' books and records and filings with the Bankruptcy Court. Notwithstanding the foregoing, if any General Unsecured Claims Distributions remain unclaimed for one year after attempted distribution, such undeliverable distributions shall be distributed, Pro Rata, to the holders of Allowed General Unsecured Claims against the Debtor entity that made such undeliverable distributions in accordance with Section 6.1 hereof.

6.9 ***Satisfaction of Claims.***

Unless otherwise provided herein, any distributions and deliveries to be made on account of Allowed Claims under this Plan shall be in complete and final satisfaction, settlement, and discharge of and exchange for such Allowed Claims.

6.10 ***Manner of Payment Under Plan.***

Except as specifically provided herein, at the option of the Debtors or the Reorganized Debtors, as applicable, any Cash payment to be made under this Plan may be made by a check or wire transfer or as otherwise required or provided in applicable agreements or customary practices of the Debtors.

6.11 ***Fractional Shares and Notes and De Minimis Cash Distributions.***

No fractional New Membership Interests shall be distributed. When any distribution would otherwise result in the issuance of a number of New Membership Interests that is not a whole number, the New Membership Interests subject to such distribution shall be rounded to the next higher or lower whole number as follows: (i) fractions equal to or greater than 1/2 shall be rounded to the next higher whole number; and (ii) fractions less than 1/2 shall be rounded to the next lower whole number. The total number of New Membership Interests to be distributed on account of Allowed Claims will be adjusted as necessary to account for the rounding provided for herein. No consideration will be provided in lieu of fractional shares that are rounded down. Neither the Reorganized Debtors nor the Disbursing Agent shall have any obligation to make a distribution that is less than one (1) New Membership Interest or Fifty Dollars ($50.00) in Cash. Fractional New Membership Interests that are not distributed in accordance with this section shall be returned to, and ownership thereof shall vest in, Reorganized CHC. The New Second Lien Convertible Notes and New Unsecured Notes each

shall be issued in denominations of One Dollar ($1) or any integral multiples thereof and any other amounts shall be rounded down.

6.12 ***No Distribution in Excess of Amount of Allowed Claim.***

Notwithstanding anything to the contrary in this Plan, no holder of an Allowed Claim shall receive, on account of such Allowed Claim, Plan Distributions in excess of the Allowed amount of such Claim plus any postpetition interest on such Claim, to the extent such interest is permitted by Section 6.3 of this Plan.

6.13 ***Allocation of Distributions Between Principal and Interest.***

Except as otherwise required by law (as reasonably determined by the Debtors), consideration received in respect of an Allowed Claim shall be allocable first to the principal amount of the Claim (as determined for U.S. federal income tax purposes) and then, to the extent of any excess, to the remainder of the Claim, including any Claim for accrued but unpaid interest.

6.14 ***Exemption from Securities Laws.***

(a) The issuance of and the distribution under this Plan of the New Membership Interests and the New Unsecured Notes shall be exempt from registration under the Securities Act and any other applicable securities laws to the fullest extent permitted by section 1145 of the Bankruptcy Code. These securities may be resold without registration under the Securities Act or other federal securities laws pursuant to the exemption provided by section 4(a)(1) of the Securities Act, unless the holder is an "underwriter" with respect to such securities, as that term is defined in section 1145(b) of the Bankruptcy Code. In addition, such section 1145 exempt securities generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of the several states.

(b) The Rights Offering and the issuance and sale, as applicable, of the Subscription Rights and the New Second Lien Convertible Notes (and the New Membership Interests issuable upon conversation thereof) pursuant to the Rights Offering and to the Backstop Parties under the Backstop Agreement (including the New Second Lien Convertible Notes (and the New Membership Interests issuable upon the conversion thereof) comprising the Put Option Premium) is being made in reliance on the exemption from registration set forth in section 4(a)(2) of the Securities Act and Regulation D thereunder. Such securities will be considered "restricted securities" and may not be transferred except pursuant to an effective registration statement or under an available exemption from the registration requirements of the Securities Act, such as, under certain conditions, the resale provisions of Rule 144 of the Securities Act.

6.15 ***Setoffs and Recoupments.***

Each Debtor or Reorganized Debtor, as applicable, or such Entity's designee, may, pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy law, offset or recoup against any Allowed Claim and the distributions to be made pursuant to this Plan on account of such Allowed Claim any and all Claims, rights, and Causes of Action that such Debtor or Reorganized Debtor or its successors may hold against the holder of such Allowed

Claim; *provided*, that neither the failure to effect a setoff or recoupment nor the allowance of any Claim hereunder will constitute a waiver or release by a Debtor or Reorganized Debtor or its successor of any Claims, rights, or Causes of Action that a Reorganized Debtor or it successor or assign may possess against such holder.

6.16 ***Rights and Powers of Disbursing Agent.***

(a) The Disbursing Agent shall be empowered to: (i) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under this Plan; (ii) make all applicable distributions or payments provided for under this Plan; (iii) employ professionals to represent it with respect to its responsibilities; and (iv) exercise such other powers (A) as may be vested in the Disbursing Agent by order of the Bankruptcy Court (including any order issued after the Effective Date) or pursuant to this Plan or (B) as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of this Plan.

(b) To the extent the Disbursing Agent is an Entity other than a Debtor or Reorganized Debtor, except as otherwise ordered by the Bankruptcy Court and subject to the written agreement of the Reorganized Debtors, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement Claims (including for reasonable attorneys' and other professional fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors.

6.17 ***Withholding and Reporting Requirements.***

(a) In connection with this Plan and all instruments issued in connection therewith and distributed thereon, the Reorganized Debtors and the Disbursing Agent shall comply with all applicable withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all distributions under this Plan shall be subject to any such withholding or reporting requirements. In the case of a non-Cash distribution that is subject to withholding, the distributing party may withhold an appropriate portion of such distributed property and sell such withheld property to generate Cash necessary to pay over the withholding tax. Any amounts withheld pursuant to the preceding sentence shall be deemed to have been distributed to and received by the applicable recipient for all purposes of this Plan.

(b) Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution under this Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such holder by any Governmental Unit, including income, withholding, and other tax obligations, on account of such distribution. The Reorganized Debtors and the Disbursing Agent have the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to any issuing or disbursing party for payment of any such tax obligations.

(c) The Reorganized Debtors and the Disbursing Agent may require, as a condition to receipt of a distribution, that the holder of an Allowed Claim provide any information necessary to allow the distributing party to comply with any such withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority. If the

Reorganized Debtors or the Disbursing Agent make such a request and the holder fails to comply before the date that is 180 days after the request is made, the amount of such distribution shall irrevocably revert to the applicable Reorganized Debtor and any Claim in respect of such distribution shall be discharged and forever barred from assertion against such Reorganized Debtor or its respective property.

ARTICLE VII. PROCEDURES FOR RESOLVING CLAIMS.

7.1 *Disputed Claims Generally.*

Except insofar as a Claim is Allowed under the Plan, the Debtors or the Reorganized Debtors, as applicable, shall be entitled to object to Claims. Any objections to Claims shall be served and filed on or before: (a) the one-hundred and eightieth (180th) day following the later of (i) the Effective Date and (ii) the date that a proof of Claim is filed or amended or a Claim is otherwise asserted or amended in writing by or on behalf of a holder of such Claim; or (b) such later date as may be fixed by the Bankruptcy Court.

7.2 *Objections to Professional Fee Claims.*

Any objections to Professional Fee Claims shall be served and filed (a) no later than thirty (30) days after the filing of the final applications for compensation or reimbursement by the applicable Professional Person or (b) such later date as ordered by the Bankruptcy Court.

7.3 *Estimation of Claims.*

The Debtors or the Reorganized Debtors, as applicable, may at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether the Debtors had previously objected to or otherwise disputed such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Reorganized Debtors may pursue supplementary proceedings to object to the allowance of such Claim.

7.4 *Claim Resolution Procedures Cumulative.*

All of the objection, estimation, and resolution procedures in this Plan are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently settled, compromised, withdrawn, or resolved in accordance with this Plan by any mechanism approved by the Bankruptcy Court.

7.5 ***Resolution of Disputed Claims***

On and after the Effective Date, the Reorganized Debtors shall have the authority to litigate, compromise, settle, otherwise resolve or withdraw any objections to all Claims against the Debtors and to compromise and settle any such Disputed Claims without notice to or approval by the Bankruptcy Court or any other party; *provided*, *however*, that for so long as the Post-Effective Date Committee is in existence, the Post-Effective Date Committee shall have (i) consultation rights for the settlement of any General Unsecured Claims filed or asserted in the amount of Five Million Dollars ($5,000,000) or more and (ii) reasonable consent rights with respect to any settlement of a General Unsecured Claim that is settled for an Allowed General Unsecured Claim in excess of Five Million Dollars ($5,000,000). In the event the Post-Effective Date Committee does not consent to any such Claim settlement, the Reorganized Debtors shall have the right to seek approval of such Claim settlement by the Bankruptcy Court pursuant to Bankruptcy Rule 9019. Upon request, the Debtors or the Reorganized Debtors shall also provide the Post-Effective Date Committee with a spreadsheet of all General Unsecured Claims, which shall include the filed Claim amounts and any objections asserted thereto.

7.6 ***No Distributions Pending Allowance.***

No payment or distribution provided under this Plan shall be made on account of a Disputed Claim unless and until (and only to the extent that) such Claim becomes an Allowed Claim.

7.7 ***Disputed Claims Reserve***

(a) There shall be withheld from the New Membership Interests and New Unsecured Notes to be distributed to holders of Allowed General Unsecured Claims an amount of New Membership Interests and New Unsecured Notes that would be distributable to Disputed General Unsecured Claims had such Disputed Claims been Allowed on the Effective Date, together with all earnings thereon (net of any expenses relating thereto, including any taxes imposed thereon or otherwise payable by the Disputed Claims Reserve). There shall also be withheld Cash in an amount that would be distributable to any Disputed Convenience Claims had such Disputed Claims been Allowed on the Effective Date, together with all earnings thereon (net of any expenses relating thereto, including any taxes imposed thereon or otherwise payable by the Disputed Claims Reserve). The Disbursing Agent shall hold in the Disputed Claims Reserve all dividends, payments, and other distributions made on account of, as well as any obligations arising from, property held in the Disputed Claims Reserve, to the extent that such property continues to be so held at the time such distributions are made or such obligations arise, and such dividends, payments, or other distributions shall be held for the benefit of (i) holders of Disputed General Unsecured Claims against any of the Debtors whose Claims are subsequently Allowed, (ii) holders of New Unsecured Notes pending resolution of distributions to holders of Allowed Convenience Claims, (iii) holders of Disputed Convenience Claims against any of the Debtors whose Claims are subsequently Allowed, and (iv) other parties entitled thereto hereunder.

(b) The Debtors intend to seek a determination by the Bankruptcy Court of the estimated amount (either on an individual or aggregate basis) of Disputed General Unsecured

Claims and the Disputed Convenience Claims for purposes of determining the amount of the Disputed Claims Reserve attributable to such Disputed Claims. The New Membership Interests held in the Disputed Claims Reserve pursuant to this Section 7.7 shall be deemed voted by the Disbursing Agent proportionally in the same manner as any outstanding New Membership Interests held by parties other than the Disbursing Agent are voted. The Disbursing Agent shall be responsible for payment, out of the assets of the Disputed Claims Reserve, of any taxes imposed on the Disputed Claims Reserve or its assets. In the event, and to the extent, any Cash in the Disputed Claims Reserve is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets of the Disputed Claims Reserve (including any income that may arise upon the distribution of the assets in the Disputed Claims Reserve), assets of the Disputed Claims Reserve may be sold to pay such taxes. To the extent that a Disputed General Unsecured Claim becomes an Allowed Claim after the Effective Date, the Disbursing Agent shall distribute to the holder thereof the distribution, if any, of the New Membership Interests and New Unsecured Notes to which such holder is entitled hereunder out of the Disputed Claims Reserve. To the extent that a Disputed Convenience Claim becomes an Allowed Claim after the Effective Date, the Disbursing Agent shall distribute to the holder thereof the distribution, if any, of Cash to which such holder is entitled hereunder out of the Disputed Claims Reserve. No interest shall be paid with respect to any Disputed Convenience Claim or any Disputed General Unsecured Claim that becomes an Allowed Claim after the Effective Date.

(c) In the event the New Membership Interests and New Unsecured Notes remaining in the Disputed Claims Reserve are insufficient to satisfy all the Disputed Claims that have become Allowed and are due to be satisfied with distributions from the Disputed Claims Reserve, such Disputed Claims shall be satisfied Pro Rata or ratably, as applicable, from the Disputed Claims Reserve consistent with the proportional recoveries provided by the Plan and as set forth in Exhibit C to the Disclosure Statement. After all New Membership Interests and New Unsecured Notes have been distributed from the Disputed Claims Reserve, no further distributions shall be made in respect of Disputed Claims. At such time as all Disputed Claims have been resolved, any remaining New Membership Interests and New Unsecured Notes in the Disputed Claims Reserve shall be shall be released from the Disputed Claims Reserve for distribution in accordance with Sections 4.7 and 5.8 hereof.

7.8 ***Distributions After Allowance.***

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the holder of such Allowed Claim in accordance with the provisions of this Plan. As soon as practicable after the date on which the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the holder of such Claim the distribution (if any) to which such holder is entitled under this Plan as of the Effective Date, without any interest to be paid on account of such Claim unless required by the Bankruptcy Code.

ARTICLE VIII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.

8.1 ***Assumption and Rejection of Executory Contracts and Unexpired Leases.***

(a) As of and subject to the occurrence of the Effective Date, all executory contracts and unexpired leases to which the Debtors are party shall be deemed rejected except for an executory contract or unexpired lease that (i) has previously been assumed or rejected pursuant to a Final Order of the Bankruptcy Court, (ii) is specifically designated on the Schedule of Assumed Contracts and Leases filed and served prior to commencement of the Confirmation Hearing, (iii) is specifically designated on the Schedule of Rejected Contracts and Leases filed and served prior to commencement of the Confirmation Hearing, (iv) is specifically designated on the Schedule of Assumed Aircraft Leases filed and served prior to commencement of the Confirmation Hearing, (v) is specifically designated on the Schedule of Rejected Aircraft Leases filed and served prior to commencement of the Confirmation Hearing, or (vi) is the subject of a separate (A) assumption motion filed by the Debtors or (B) rejection motion filed by the Debtors under section 365 of the Bankruptcy Code before the Confirmation Date. The Debtors reserve the right the modify the treatment of any particular executory contract or unexpired lease pursuant to this Plan, and any such modification shall be reasonably acceptable to the Debtors, the Requisite Plan Sponsors, and the Creditors' Committee.

(b) Subject to the occurrence of the Effective Date, the payment of any applicable Cure Amount, and the resolution of any Cure Dispute, the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the rejections, assumptions, and assumptions and assignments provided for in this Plan pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated or provided in a separate order of the Bankruptcy Court, rejections or assumptions or assumptions and assignments of executory contracts and unexpired leases pursuant to this Plan are effective as of the Effective Date. Each executory contract and unexpired lease assumed pursuant to this Plan or by order of the Bankruptcy Court but not assigned to a third party before the Effective Date shall vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of this Plan, any order of the Bankruptcy Court authorizing and providing for its assumption, or applicable law.

(c) Unless otherwise provided herein or by separate order of the Bankruptcy Court, each executory contract and unexpired lease that is assumed or assumed and assigned shall include any and all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument, or other document is listed in the Schedule of Assumed Contracts and Leases or Schedule of Assumed Aircraft Leases.

(d) Notwithstanding anything to the contrary contained in this Plan, subject to the terms and conditions of the Milestone Term Sheet as approved by the Bankruptcy Court, on the Effective Date, (i) the Milestone Committed Aircraft Lease Agreements shall be assumed and shall vest in and be fully enforceable against applicable Reorganized Debtor; (ii) any guarantee agreement or other Definitive Restructuring Document (as defined in the Milestone Term Sheet)

that is not an executory contract, shall be reinstated pursuant to section 1123(a)(2) of the Bankruptcy Code and shall vest in and be fully enforceable against the applicable Reorganized Debtor; and (iii) the Milestone Incremental Aircraft Lease Agreements shall vest in and be fully enforceable against the applicable Reorganized Debtor.

8.2 ***Determination of Cure Disputes and Deemed Consent.***

(a) The Debtors shall file, as part of the Plan Supplement, the Schedule of Assumed Contracts and Leases and the Schedule of Assumed Aircraft Leases, which, if and where applicable, will indicate whether the executory contract or lease is also being assigned and to whom, and shall simultaneously serve a Cure Notice on parties to executory contracts or unexpired leases to be assumed or, if applicable, assigned, reflecting the Debtors' intention to assume or assume and assign the contract or lease in connection with this Plan and, where applicable, setting forth the proposed Cure Amount (if any).

(b) With respect to each executory contract or unexpired lease to be assumed or assumed and assigned by the Debtors, unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed to by the parties thereto prior to the Effective Date, the dollar amount required to Cure any defaults of the Debtors existing as of the Confirmation Date shall be the Cure Amount set in the Cure Notice. The Cure Amount shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by the Debtors or Reorganized Debtors, as applicable, upon assumption of the relevant executory contract or unexpired lease. Upon payment in full of the Cure Amount, any and all proofs of Claim based upon an executory contract or unexpired lease that has been assumed in the Chapter 11 Cases or hereunder shall be deemed Disallowed and expunged without any further notice to or action by any party or order of the Bankruptcy Court.

(c) If there is a dispute regarding (i) any Cure Amount, (ii) the ability of the Debtors to provide adequate assurance of future performance (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (iii) any other matter pertaining to assumption or assumption and assignment, such dispute shall be heard by the Bankruptcy Court prior to such assumption or assumption and assignment being effective. Any counterparty to an executory contract or unexpired lease that fails to object timely to the notice of the proposed assumption or assumption and assignment of such executory contract or unexpired lease or the relevant Cure Amount within fifteen (15) days of the Debtors' notice of intent to assume or assume and assign, shall be deemed to have consented to such assumption or assumption and assignment and the Cure Amount (even if Zero Dollars ($0)), and shall be forever barred, estopped, and enjoined from challenging the validity of such assumption or assumption and assignment or the amount of such Cure Amount thereafter.

8.3 ***Rejection***

In the event that the rejection of an executory contract or unexpired lease hereunder results in damages to the other party or parties to such contract or lease, any Claim for such damages, if not heretofore evidenced by a timely filed proof of Claim, shall be forever barred and shall not be enforceable against the Debtors or the Reorganized Debtors, or their respective Estates, properties or interests in property, unless a proof of Claim is filed with the Bankruptcy Court and served upon the Debtors or the Reorganized Debtors, as applicable, no

later than thirty (30) days after the later of (i) the Confirmation Date or (ii) the effective date of the rejection of such executory contract or unexpired lease, as set forth on the Schedule of Rejected Contracts and Leases or on the Schedule of Rejected Aircraft Leases or order of the Bankruptcy Court. The Confirmation Order shall constitute the Bankruptcy Court's approval of the rejection of all the leases and contracts identified in the Schedule of Rejected Contracts and Leases, the Schedule of Rejected Contracts and Leases, and Schedule of Rejected Aircraft Leases.

8.4 ***Survival of the Debtors' Indemnification Obligations.***

Any obligations of the Debtors pursuant to their corporate charters, by-laws, limited liability company agreements, memorandum and articles of association, or other organizational documents and agreements to indemnify current and former officers, directors, agents, or employees with respect to all present and future actions, suits, and proceedings against the Debtors or such officers, directors, agents, or employees based upon any act or omission for or on behalf of the Debtors shall not be discharged, impaired, or otherwise affected by this Plan; *provided*, that the Reorganized Debtors shall not indemnify any person for any Claims or Causes of Action arising out of or relating to any act or omission that is a criminal act or constitutes fraud, gross negligence, or willful misconduct. All such obligations shall be deemed and treated as executory contracts to be assumed by the Debtors under this Plan and shall continue as obligations of the Reorganized Debtors.

8.5 ***Compensation and Benefit Plans.***

The Debtors shall file, as part of the Plan Supplement, the Schedule of Assumed Compensation and Benefit Plans. Unless otherwise provided in this Plan, all employment and severance policies, and all compensation and benefits plans, policies, and programs of the Debtors applicable to their respective employees, retirees, and non-employee directors, including all savings plans, retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans, and life and accidental death and dismemberment insurance plans, in each case to the extent specifically listed on the Schedule of Assumed Compensation and Benefit Plans, are deemed to be, and shall be treated as, executory contracts under this Plan and, on the Effective Date, will be assumed pursuant to sections 365 and 1123 of the Bankruptcy Code. Any such policy, plan, or program not specifically listed on the Schedule of Assumed Compensation and Benefit Plans shall be deemed rejected. For the avoidance of doubt, any awards granted under the Management Incentive Plan will be governed by such plan and will not be subject to any provisions of the foregoing assumed plans, programs, or arrangements.

8.6 ***Insurance Policies.***

All insurance policies to which any Debtor is a party as of the Effective Date shall be deemed to be and treated as executory contracts, shall be assumed by the applicable Debtor, and shall vest in the Reorganized Debtors and continue in full force and effect thereafter in accordance with their respective terms.

8.7 ***Reservation of Rights.***

(a) The Debtors may amend the Schedule of Assumed Contracts and Leases, the Schedule of Rejected Contracts and Leases, the Schedule of Assumed Aircraft Leases, and the Schedule of Rejected Aircraft Leases and any Cure Notice through 4:00 p.m. (Central Time) on the Business Day immediately prior to the commencement of the Confirmation Hearing in order to (i) add, delete, or reclassify any executory contract or unexpired lease or amend a proposed assignment and /or (ii) amend the proposed Cure; *provided, however*, that if the Confirmation Hearing is adjourned for a period of more than two (2) consecutive calendar days, the Debtors' right to amend such schedules and notices shall be extended to 4:00 p.m. (Central Time) on the Business Day immediately prior to the adjourned date of the Confirmation Hearing, with such extension applying in the case of any and all subsequent adjournments of the Confirmation Hearing. For the avoidance of doubt, any such amendments shall be reasonably acceptable in all respects to the Debtors, the Requisite Plan Sponsors, and the Creditors' Committee.

(b) Neither the exclusion nor the inclusion by the Debtors of any contract or lease on any exhibit, schedule, or other annex to this Plan or in the Plan Supplement, nor anything contained in this Plan, will constitute an admission by the Debtors that any such contract or lease is or is not an executory contract or unexpired lease or that the Debtors or the Reorganized Debtors or their respective affiliates have any liability thereunder.

(c) Except as otherwise provided in this Plan, or in a previously entered order of the Bankruptcy Court, nothing shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, Causes of Action, or other rights of the Debtors or the Reorganized Debtors under any executory or non-executory contract or unexpired or expired lease.

(d) Nothing in this Plan will increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtors or the Reorganized Debtors, as applicable, under any executory or non-executory contract or unexpired or expired lease.

(e) If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of its assumption under this Plan, the Debtors or Reorganized Debtors, as applicable, shall have sixty (60) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

ARTICLE IX. CONDITIONS PRECEDENT TO THE OCCURRENCE OF THE EFFECTIVE DATE.

9.1 ***Conditions Precedent to the Effective Date.***

The Effective Date shall not occur unless all of the following conditions precedent have been satisfied or waived in accordance with Section 9.2 of this Plan:

(a) the Plan Documents are reasonably acceptable in all respects to (a) the Debtors, the Requisite Plan Sponsors, and the Creditors' Committee and (b) the Individual Creditor Parties and the Milestone Parties, solely to the extent and under the circumstances provided for pursuant to Section 2(b) of the Plan Support Agreement; *provided, however*, any

Plan Documents regarding organizational and governance matters of the Reorganized Debtors and Reorganized CHC, including, without limitation, the Reorganized CHC Operating Agreement, the Registration Rights Agreement, the Amended Certificate of Incorporation and the Amended By-Laws, shall be acceptable in all respects to the Requisite Plan Sponsors in their sole discretion, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties);

(b) the Debtors maintain unrestricted cash liquidity (i.e., cash, cash equivalents and unrestricted availability under any financing arrangement for general working capital purposes), without regard to the proceeds from the Rights Offering, in the amount set forth on Schedule 6(a)(xix) of the Plan Support Agreement (after accounting for payments to be made in connection with the Effective Date), or such lesser amount as reasonably determined by the Debtors, the Requisite Plan Sponsors and the Creditors' Committee;

(c) the Plan Support Agreement is in full force and effect;

(d) the conditions to effectiveness of the Backstop Agreement have been satisfied or waived in accordance with the terms thereof, and the Backstop Agreement is in full force and effect and binding on all parties thereto;

(e) the Bankruptcy Court has entered the Confirmation Order and it is a Final Order, and which order is in all respects reasonably acceptable to the Debtors, Requisite Plan Sponsors and the Creditors' Committee and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties;

(f) all Restructuring Expenses have been paid in accordance with Section 5.23 hereof

(g) all governmental and third-party approvals and consents, including Bankruptcy Court approval, necessary in connection with the transactions provided for in this Plan have been obtained, are not subject to unfulfilled conditions, and are in full force and effect, and all applicable waiting periods have expired without any action having been taken by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on such transactions;

(h) the Confirmation Order has been recognized by the Canadian Court pursuant to the Canadian Recognition Proceeding; and

(i) the Cayman Proceedings have been completed.

9.2 ***Waiver of Conditions Precedent.***

(a) Each of the Conditions Precedent to the occurrence of the Effective Date may be waived subject to the written consent, which shall not be unreasonably withheld, of the Debtors, the Requisite Plan Sponsors, and the Creditors' Committee and, to the extent such waiver (i) materially, adversely, disproportionately, and directly impacts the treatment of any Claims of the Individual Creditor Parties, the consent of the Individual Creditor Parties, which

shall not be unreasonably withheld, and (ii) materially and directly impacts the rights, interests of the Milestone Parties under the Milestone Term Sheet (including any agreements contemplated therein or related thereto) and the PK Financing Documents, the consent of Milestone, which shall not be unreasonable withheld. If any such condition precedent is waived pursuant to this Section and the Effective Date occurs, each party agreeing to waive such condition precedent shall be estopped from withdrawing such waiver after the Effective Date or otherwise challenging the occurrence of the Effective Date on the basis that such condition was not satisfied. If this Plan is confirmed for fewer than all of the Debtors as provided for in Section 5.19 of this Plan, only the conditions applicable to the Debtor or Debtors for which this Plan is confirmed must be satisfied or waived for the Effective Date to occur.

(b) The stay of the Confirmation Order pursuant to Bankruptcy Rule 3020(e) shall be deemed waived by and upon the entry of the Confirmation Order, and the Confirmation Order shall take effect immediately upon its entry.

ARTICLE X. EFFECT OF CONFIRMATION.

10.1 *Binding Effect.*

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, and subject to the occurrence of the Effective Date, on and after the entry of the Confirmation Order, the provisions of this Plan shall bind every holder of a Claim against or Interest in any Debtor and inure to the benefit of and be binding on such holder's respective successors and assigns, regardless of whether the Claim or Interest of such holder is impaired under this Plan and whether such holder has accepted this Plan.

10.2 *Vesting of Assets.*

Except as otherwise provided in this Plan, on and after the Effective Date, all Assets of the Estates, including all claims, rights, and Causes of Action and any property acquired by the Debtors under or in connection with this Plan, shall vest in each respective Reorganized Debtor free and clear of all Claims, Liens, charges, other encumbrances, and Interests. Subject to the terms of this Plan, on and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property and prosecute, compromise, or settle any Claims (including any Administrative Expense Claims) and Causes of Action without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules other than restrictions expressly imposed by this Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Debtors may pay the charges that they incur on or after the Confirmation Date for Professional Persons' fees, disbursements, expenses, or related support services without application to the Bankruptcy Court.

10.3 *Discharge of Claims Against and Interests in the Debtors.*

Upon the Effective Date and in consideration of the distributions to be made under this Plan, except as otherwise provided in this Plan or in the Confirmation Order, each holder (as well as any trustee or agent on behalf of such holder) of a Claim or Interest and any successor, assign, and affiliate of such holder shall be deemed to have forever waived, released,

and discharged the Debtors, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, Interests, rights, and liabilities that arose prior to the Effective Date. Except as otherwise provided in this Plan, upon the Effective Date, all such holders of Claims and Interests and their successors, assigns, and affiliates shall be forever precluded and enjoined, pursuant to sections 105, 524, and 1141 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or terminated Interest in any Debtor or any Reorganized Debtor.

10.4 ***Term of Pre-Confirmation Injunctions and Stays.***

Unless otherwise provided in this Plan, all injunctions and stays arising under or entered during the Chapter 11 Cases, whether under sections 105 or 362 of the Bankruptcy Code or otherwise, and in existence on the date of entry of the Confirmation Order, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

10.5 ***Injunction Against Interference with Plan.***

Upon the entry of the Confirmation Order, all holders of Claims and Interests and all other parties in interest, along with their respective successors and assigns and present and former affiliates, employees, agents, officers, directors, and principals, shall be enjoined from taking any action to interfere with the implementation or the occurrence of the Effective Date.

10.6 ***Plan Injunction.***

(a) Except as otherwise provided in this Plan or in the Confirmation Order, as of the entry of the Confirmation Order but subject to the occurrence of the Effective Date, all Entities who have held, hold, or may hold Claims or Interests are, with respect to any such Claim or Interest, permanently enjoined after the entry of the Confirmation Order from: (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative, or other forum) against or affecting, directly or indirectly, a Debtor, a Reorganized Debtor, or an Estate or the property of any of the foregoing, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Entities mentioned in this subsection (i) or any property of any such transferee or successor; (ii) enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree, or order against a Debtor, a Reorganized Debtor, or an Estate or its property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Entities mentioned in this subsection (ii) or any property of any such transferee or successor; (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against a Debtor, a Reorganized Debtor, or an Estate or any of its property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Entities mentioned in this subsection (iii) or any property of any such transferee or successor; (iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply

with the provisions of this Plan to the full extent permitted by applicable law; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of this Plan; *provided*, that nothing contained herein shall preclude such Entities who have held, hold, or may hold Claims against or Interests in a Debtor or an Estate from exercising their rights, or obtaining benefits, pursuant to and consistent with the terms of this Plan and the Plan Documents and the Cayman Proceedings.

(b) By accepting distributions pursuant to this Plan, each holder of an Allowed Claim or Allowed Interest will be deemed to have affirmatively and specifically consented to be bound by this Plan, including the injunctions set forth in this Section.

10.7 *Releases.*

(a) <u>Releases by the Debtors</u>. As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce this Plan and the Plan Documents and the Cayman Proceedings, for good and valuable consideration, including the contributions and service of the Released Parties to the Chapter 11 cases, the reorganization of the Debtors, and the implementation of the Restructuring, the adequacy of which is hereby confirmed, and except as otherwise provided in this Plan or in the Confirmation Order, the Released Parties are deemed forever released and discharged by the Debtors, the Reorganized Debtors, and the Estates from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, the Reorganized Debtors, or their Estates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements between any Debtor and any Released Party, the Restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the transactions contemplated by Section 5.2 hereof, the Disclosure Statement, the the Rights Offering, the Support Agreements, and this Plan and related agreements, instruments, and other documents (including the Plan Supplement and other Plan Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to this Plan, or any other act or omission, other than Claims or Causes of Action arising out of or related to any act or omission of a Released Party that is a criminal act or constitutes intentional fraud, willful misconduct, or gross negligence; *provided, however*, that the releases provided for herein shall not affect any settlement approved or subject to approval by the Bankruptcy Court to the extent any releases provided for in such settlement differ from the releases contained in this Section 10.7(a).

(b) Releases by Holders of Claims and Interests. As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce this Plan, the Plan Documents, and the Cayman Proceedings, for good and valuable consideration, including the contributions and service of the Released Parties to the Chapter 11 Cases, the reorganization of the Debtors, and the implementation of the Restructuring, the adequacy of which is hereby confirmed, and except as otherwise provided in this Plan or in the Confirmation Order, as an integral component of this Plan, the Released Parties are deemed forever released and discharged by the Releasing Parties, from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such holders or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements between any Debtor and any Released Party, the Restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the transactions contemplated by Section 5.2 hereof, the Disclosure Statement, the Rights Offering, the Support Agreements, and this Plan and related agreements, instruments, and other documents (including the Plan Supplement and other Plan Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to this Plan, or any other act or omission, other than Claims or Causes of Action arising out of or related to any act or omission of a Released Party that is a criminal act or constitutes intentional fraud, willful misconduct, or gross negligence; *provided, however*, that, for the avoidance of doubt, the releases provided for herein shall not release any claim against any non-Debtor that has been asserted by the named plaintiff or any member of the class (provided that such class member does not timely opt out of the class) in *Rudman v. CHC Group et al.*, 15-cv-3773-LAK, pending in the United States District Court for the Southern District of New York.

10.8 *Exculpation.*

To the extent permitted by applicable law, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, loss, and liability for any claim in connection with or arising out of the administration of the Chapter 11 Cases; the negotiation and pursuit of the Disclosure Statement, the Rights Offering, the Support Agreements, the transactions contemplated by Section 5.2 hereof, this Plan and all related agreements, instruments, and other documents (including the Plan Supplement and other Plan Documents), or the solicitation of votes for, or confirmation of, this Plan; the funding of this Plan; the occurrence of the Effective Date; the administration of this Plan or the property to be distributed under this Plan; the issuance of securities under or in connection with this Plan; or the transactions in furtherance of any of the foregoing; except

to the extent arising out of or related to any act or omission of an Exculpated Party that is a criminal act or constitutes intentional fraud, willful misconduct or gross negligence. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting such Exculpated Parties from liability. For the avoidance of doubt, nothing in this Plan or the Confirmation Order is intended to affect the police or regulatory activities of governmental agencies.

10.9 ***Injunction Related to Releases and Exculpation.***

The Confirmation Order shall permanently enjoin the commencement or prosecution by any Entity, whether directly, derivatively, or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, or liabilities released or exculpated pursuant to this Plan.

10.10 ***Subordinated Claims.***

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments thereof under this Plan take into account and conform to the relative priority and rights of the Claims and Interest in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, sections 510(a), 510(b), or 510(c) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors reserve the right to reclassify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

10.11 ***Waiver of Certain Avoidance Actions***

On the Effective Date, the Reorganized Debtors shall be deemed to waive and release all Avoidance Actions against non-insider trade vendors and employees of Reorganized CHC as of the Effective Date.

10.12 ***Retention of Causes of Action and Reservation of Rights.***

Except as expressly provided in Section 10.11 of this Plan, and subject to Sections 10.7, 10.8, and 10.9 of this Plan, nothing contained in this Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights, claims, Causes of Action, rights of setoff or recoupment, or other legal or equitable defenses that the Debtors had immediately before the Effective Date on behalf of the Estates or of themselves in accordance with any provision of the Bankruptcy Code or any applicable nonbankruptcy law. Subject to Sections 10.7, 10.8, and 10.9 of this Plan, the Reorganized Debtors shall have, retain, reserve, and be entitled to assert all such claims, Causes of Action, rights of setoff or recoupment, and other legal or equitable defenses as fully as if the Chapter 11 Cases had not been commenced, and all of the Debtors' legal and equitable rights in respect of any Unimpaired Claim may be asserted after the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

10.13 ***Ipso Facto and Similar Provisions Ineffective.***

Any term of any policy, contract, or other obligation applicable to a Debtor shall be void and of no further force or effect with respect to any Debtor to the extent that such policy, contract, or other obligation is conditioned on, creates an obligation of the Debtor as a result of, or gives rise to a right of any Entity based on any of the following: (a) the insolvency or financial condition of a Debtor; (b) the commencement of the Chapter 11 Cases; (c) the confirmation or consummation of this Plan, including any change of control that will occur as a result of such consummation; (d) any change of control resulting from the issuance, or mandatory conversion of the New Second Lien Convertible Notes; (e) any change of control resulting from the Cayman Proceedings; or (f) the Restructuring.

ARTICLE XI. RETENTION OF JURISDICTION.

11.1 ***Retention of Jurisdiction.***

Pursuant to sections 105(c) and 1142 of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction, pursuant to 28 U.S.C. §§ 1334 and 157, over all matters arising in or related to the Chapter 11 Cases for, among other things, the following purposes:

(a) to hear and determine applications for the assumption of executory contracts or unexpired leases and any disputes over Cure Amounts resulting therefrom;

(b) to determine any motion, adversary proceeding, application, contested matter, and other litigated matter in the Chapter 11 Cases pending on or commenced after the entry of the Confirmation Order;

(c) to hear and resolve any disputes arising from or related to (i) any orders of the Bankruptcy Court granting relief under Bankruptcy Rule 2004 or (ii) any protective orders entered by the Bankruptcy Court in connection with the foregoing;

(d) to ensure that distributions to holders of Allowed Claims are accomplished as provided in this Plan and the Confirmation Order and pursuant to the Cayman Proceedings;

(e) to consider, if necessary, Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim, including any Administrative Expense Claim;

(f) to enter, implement, or enforce such orders as may be appropriate in the event that the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(g) to issue and enforce injunctions and releases, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any Entity with the consummation, implementation, or enforcement of this Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

(h) to hear and determine any application to modify this Plan in accordance with section 1127 of the Bankruptcy Code to remedy any defect or omission or reconcile any inconsistency in this Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(i) to hear and determine all Professional Fee Claims;

(j) to resolve disputes concerning Disputed Claims and any reserves with respect to Disputed Claims or the administration thereof;

(k) to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan, the Confirmation Order, the Support Agreements, any transactions or payments in furtherance of either, or any agreement, instrument, or other document governing or related to any of the foregoing;

(l) to take any action and issue such orders, including any such action or orders as may be necessary after entry of the Confirmation Order or the occurrence of the Effective Date, as may be necessary to construe, enforce, implement, execute, and consummate this Plan, including any release, exculpation, or injunction provisions set forth in this Plan, or to maintain the integrity of this Plan following the occurrence of the Effective Date;

(m) to determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(n) to hear and determine any disputes with the Post-Effective Date Committee as provided herein;

(o) to hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited determination of taxes under section 505(b) of the Bankruptcy Code);

(p) to hear and determine any other matters related to the Chapter 11 Cases and not inconsistent with the Bankruptcy Code or title 28 of the United States Code;

(q) to hear and determine any disputes arising in connection with the interpretation, implementation, or enforcement of any Postpetition Aircraft Agreement;

(r) to resolve any disputes concerning whether an Entity had sufficient notice of the Chapter 11 Cases, the Disclosure Statement, any solicitation conducted in connection with the Chapter 11 Cases, any bar date established in the Chapter 11 Cases, or any deadline for responding or objecting to a Cure Amount, in each case, for the purpose for determining whether a Claim or Interest is discharged hereunder or for any other purpose;

(s) to recover all Assets of the Debtors and property of the Estates, wherever located; and

(t) to enter a final decree closing each of the Chapter 11 Cases.

ARTICLE XII. MISCELLANEOUS PROVISIONS.

12.1 *Amendments.*

(a) Plan Modifications. This Plan may be amended, modified, or supplemented by the Debtors, subject to the consent rights set forth in the Plan Support Agreement, in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law, without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as otherwise ordered by the Bankruptcy Court. In addition, after the Confirmation Date, so long as such action does not materially and adversely affect the treatment of holders of Allowed Claims or Allowed Interests pursuant to this Plan, the Debtors, subject to the consent rights set forth in the Plan Support Agreement, may remedy any defect or omission or reconcile any inconsistencies in this Plan or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes of effects of this Plan, and any holder of a Claim or Interest that has accepted this Plan shall be deemed to have accepted this Plan as amended, modified, or supplemented.

(b) Certain Technical Amendments. Prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to this Plan without further order or approval of the Bankruptcy Court, subject to the consent rights set forth in the Plan Support Agreement; *provided*, that such technical adjustments and modifications do not adversely affect the treatment of holders of Allowed Claims or Allowed Interests under this Plan.

12.2 *Revocation or Withdrawal of Plan.*

The Debtors reserve the right to revoke or withdraw this Plan prior to the Effective Date as to any or all of the Debtors, subject to the consent rights set forth in, and the terms and conditions of, the Plan Support Agreement. If, with respect to a Debtor, this Plan has been revoked or withdrawn prior to the Effective Date, or if confirmation or the occurrence of the Effective Date as to such Debtor does not occur on the Effective Date, then, with respect to such Debtor: (a) this Plan shall be null and void in all respects; (b) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount any Claim or Interest or Class of Claims or Interests), assumption of executory contracts or unexpired leases affected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void; and (c) nothing contained in this Plan shall (i) constitute a waiver or release of any Claim by or against, or any Interest in, such Debtor or any other Entity; (ii) prejudice in any manner the rights of such Debtor or any other Person or Entity; or (iii) constitute an admission of any sort by any Debtor or any other Person or Entity.

12.3 *Dissolution of Creditors' Committee*

Except to the extent provided herein, upon the Effective Date, the current and former members of the Creditors' Committee, and their respective officers, employees, counsel, advisors and agents, shall be released and discharged of and from all further authority, duties, responsibilities and obligations related to and arising from and in connection with the Chapter 11 Cases; provided, however, that following the Effective Date, the Creditors' Committee shall continue in existence and have standing and a right to be heard for the following limited

purposes: (1) Claims and/or applications for compensation by Professionals and requests for allowance of Administrative Claims for substantial contribution pursuant to section 503(b)(3)(D) of the Bankruptcy Code; (2) any appeals of the Confirmation Order, (3) any appeals to which the Creditors' Committee is a named party; (4) any adversary proceedings or contested matters as of the Effective Date to which the Creditors' Committee is a named party; and (5) responding to creditor inquiries for fourteen (14) days following the Effective Date. Following the completion of the Creditors' Committee's remaining duties set forth above, the Creditors' Committee shall be dissolved, and the retention or employment of the Creditors' Committee's respective attorneys, accountants and other agents shall terminate.

12.4 ***Post-Effective Date Committee***

So long as the Creditors' Committee does not terminate its obligations under the Plan Support Agreement, a Post-Effective Date Committee shall be formed on the Effective Date, with its rights as set forth in Section 7.5 hereof. The Post-Effective Date Committee shall consist of three (3) members appointed by and from the Creditors' Committee and may adopt by-laws governing its conduct. The Reorganized Debtors will reimburse the Post-Effective Date Committee and its members (in such capacity) for reasonable and documented fees and out-of-pocket expenses, subject to the Post-Effective Date Committee Fee Cap. Unless the Post-Effective Date Committee votes to disband earlier, the existence of the Post-Effective Date Committee, and all rights and powers associated therewith, shall terminate on the date on which all Disputed General Unsecured Claims have been resolved.

12.5 ***Exemption from Certain Transfer Taxes.***

Pursuant to section 1146 of the Bankruptcy Code, the issuance, transfer, or exchange of any security or other property hereunder, including, to the fullest extent permitted by applicable law, all sale transactions consummated by the Debtors and approved by the Bankruptcy Court on and after the Confirmation Date through and including the Effective Date, including any transfers effectuated under this Plan, including pursuant to the transactions contemplated by Section 5.2 hereof, and any assumption, assignment, or sale by the Debtors of their interests in unexpired leases of nonresidential real property or executory contracts pursuant to section 365(a) of the Bankruptcy Code, and any transfer of title to or ownership of any of the Debtors' interests in any Aircraft Equipment, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax. In furtherance thereof, and to the fullest extent permitted by applicable law, any such issuance, transfer, or exchange shall constitute a "transfer under a plan" within the purview of section 1146 of the Bankruptcy Code.

12.6 ***Payment of Statutory Fees.***

All fees payable under section 1930 of chapter 123 of title 28 of the United States Code shall be paid on the Effective Date, or as soon as practicable thereafter, by the Debtors or Reorganized Debtors. Quarterly fees owed to the U.S. Trustee shall be paid when due in accordance with applicable law and the Debtors and Reorganized Debtors shall continue to file reports to show the calculation of such fees for the Debtors' Estates until the Chapter 11 Cases are closed under section 350 of the Bankruptcy Code. Each and every one of the Debtors shall remain obligated to pay quarterly fees to the U.S. Trustee until the earliest of that particular

Debtor's case is closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code.

12.7 ***Severability.***

Subject to Section 5.19 of this Plan, if, prior to the entry of the Confirmation Order, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation by the Bankruptcy Court, the remainder of the terms and provisions of this Plan shall remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with this Section, is valid and enforceable pursuant to its terms.

12.8 ***Governing Law.***

Except to the extent that the Bankruptcy Code or other federal law is applicable or to the extent that a Plan Document provides otherwise, the rights, duties, and obligations arising under this Plan and the Plan Documents shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York, without giving effect to the principles of conflict of laws thereof.

12.9 ***Immediate Binding Effect.***

Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 7062, or otherwise, upon the occurrence of the Effective Date, the terms of this Plan and the Plan Documents shall be immediately effective and enforceable and deemed binding upon and inure to the benefit of the Debtors, the Reorganized Debtors, the holders of Claims and Interests, the Released Parties, the Exculpated Parties, and each of their respective successors and assigns.

12.10 ***Successors and Assigns.***

The rights, benefits, and obligations of any Entity named or referred to in this Plan shall be binding on and shall inure to the benefit of any heir, executor, administrator, successor, or permitted assign, if any, of each such Entity.

12.11 ***Entire Agreement.***

On the Effective Date, this Plan, the Plan Supplement, the Confirmation Order and the Cayman Proceedings shall supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into this Plan; *provided, however*, the Plan Support Agreement and Backstop Agreement shall not be so superseded solely to the extent such

agreements contain covenants or other obligations that apply to the period after the Effective Date.

12.12 ***Computing Time.***

In computing any period of time prescribed or allowed by this Plan, unless otherwise set forth in this Plan or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

12.13 ***Exhibits to Plan.***

All exhibits, schedules, supplements, and appendices to this Plan (including the Plan Supplement) are incorporated into and are a part of this Plan as if set forth in full herein.

12.14 ***Expedited Tax Determination.***

The Reorganized Debtors may request an expedited determination of U.S. federal, state, or local taxes under section 505(b) of the Bankruptcy Code for all returns filed on or on behalf of the Debtors or the Reorganized Debtors for all taxable periods through the Effective Date.

12.15 ***Notices.***

All notices, requests, and demands to or upon the Debtors or Reorganized Debtors, as applicable, shall be in writing (including by email transmission) and, unless otherwise provided herein, shall be deemed to have been duly given or made only when actually delivered, addressed as follows:

(a) *If to the Debtors or Reorganized Debtors*:

CHC Group Ltd.
600 E. Las Colinas Blvd., Suite 1000
Irving, Texas 75039
Attn: Hooman Yazhari
Telephone: (214) 262-7300
Email: hooman.yazhari@chc.ca

– and –

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Gary T. Holtzer, Esq.
Kelly DiBlasi, Esq.
Telephone: (212) 310-8000
Email: gary.holtzer@weil.com
kelly.diblasi@weil.com

– and –

Weil, Gotshal & Manges LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Attn: Stephen A. Youngman, Esq.
Telephone: (214) 746-7770
Email: stephen.youngman@weil.com

(b) *If to the Plan Sponsors*:

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park, Bank of America Tower
New York, NY 10036
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Jason Rubin, Esq.
Telephone: (212) 872-1000
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jrubin@akingump.com

(c) *If to the Creditors' Committee:*

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036
Attn: Douglas Mannal, Esq.
Anupama Yerramalli, Esq.
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rringer@kramerlevin.com

– and –

Gardere Sewell Wynne LLP
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1601 Elm Street
Dallas, Texas 75201
Attn: Marcus Helt, Esq.
Telephone: (214) 999-3000
Email: mhelt@gardere.com

(d) *If to the Individual Creditor Parties:*

Brown Rudnick LLP
One Financial Center
Boston, MA 02111
Attn: Steven B. Levine, Esq.
Email: SLevine@brownrudnick.com

(e) *If to Milestone:*

Sidley Austin LLP
787 Seventh Avenue
New York, NY 10019
Attn: Michael G. Burke
Email: mgburke@sidley.com

After the occurrence of the Effective Date, the Reorganized Debtors have authority to send a notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entities must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the occurrence of the Effective Date, the Reorganized Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities that have filed such renewed requests.

12.16 ***Reservation of Rights.***

Except as otherwise provided herein, this Plan shall be of no force or effect unless the Bankruptcy Court enters the Confirmation Order. None of the filing of this Plan, any statement or provision of this Plan, or the taking of any action by the Debtors with respect to this Plan shall be or shall be deemed to be an admission or waiver of any rights of the Debtors with respect to any Claims or Interests prior to the Effective Date.

[The balance of this page has been intentionally left blank.]

CHC Group Ltd.
6922767 Holding SARL
Capital Aviation Services B.V.
CHC Cayman ABL Borrower Ltd.
CHC Cayman ABL Holdings Ltd.
CHC Cayman Investments I Ltd.
CHC Den Helder B.V.
CHC Global Operations (2008) ULC
CHC Global Operations Canada (2008) ULC
CHC Global Operations International ULC
CHC Helicopter (1) S.à r.l.
CHC Helicopter (2) S.à r.l.
CHC Helicopter (3) S.à r.l.
CHC Helicopter (4) S.à r.l.
CHC Helicopter (5) S.à r.l.
CHC Helicopter Australia Pty Ltd
CHC Helicopter Holding S.à r.l.
CHC Helicopter S.A.
CHC Helicopters (Barbados) Limited
CHC Helicopters (Barbados) SRL
CHC Holding (UK) Limited
CHC Holding NL B.V.
CHC Hoofddorp B.V.
CHC Leasing (Ireland) Limited
CHC Netherlands B.V.
CHC Norway Acquisition Co AS
Heli-One (Netherlands) B.V.
Heli-One (Norway) AS
Heli-One (U.S.) Inc.
Heli-One (UK) Limited
Heli-One Canada ULC
Heli-One Holdings (UK) Limited
Heli-One Leasing (Norway) AS
Heli-One Leasing ULC
Heli-One USA Inc.
Heliworld Leasing Limited
Integra Leasing AS
Lloyd Bass Strait Helicopters Pty. Ltd.
Lloyd Helicopter Services Limited
Lloyd Helicopter Services Pty. Ltd.
Lloyd Helicopters International Pty. Ltd.
Lloyd Helicopters Pty. Ltd.
Management Aviation Limited

By: /s/ Robert Del Genio _____
Name: Robert Del Genio
Title: Chief Restructuring Officer

Exhibit C

Estimated Recovery for Allowed Secondary General Unsecured Claims at Secondary Recovery Debtors

Estimated Recovery for Allowed Secondary General Unsecured Claims at Secondary Recovery Debtors[1]

Secondary Recovery Debtor	Estimated Recovery for Allowed Secondary General Unsecured Claims at Secondary Recovery Debtors[2]	Allocated Secondary Unsecured Claims Distribution
6922767 Holding SARL	0.10%	0.03% of New Membership Interests and $0.6 million of New Unsecured Notes
Capital Aviation Services B.V.	0.66%	0.07% of New Membership Interests and $1.5 million of New Unsecured Notes
CHC Helicopter Australia Pty Ltd	0.71%	0.18% of New Membership Interests and $3.8 million of New Unsecured Notes
CHC Helicopter S.A.	1.23%	0.36% of New Membership Interests and $7.9 million of New Unsecured Notes
CHC Helicopters (Barbados) Limited	0.88%	0.13% of New Membership Interests and $2.8 million of New Unsecured Notes
CHC Helicopters (Barbados) SRL	--[3]	--[3]
Heli-One Leasing (Norway) AS	--[3]	--[3]
Heli-One Leasing ULC	0.62%	0.10% of New Membership Interests and $2.2 million of New Unsecured Notes

[1] Subject to footnote 3, this **Exhibit C** reflects estimated recoveries for Secondary General Unsecured Claims and such estimates may increase or decrease based upon the Secondary General Unsecured Claims allowed at each Secondary Recovery Debtor.

[2] Holders of Secondary General Unsecured Claims against a Debtor other than a Secondary Recovery Debtor will not receive any additional recovery on account of such Secondary General Unsecured Claims, but will continue to receive their recovery on the corresponding Primary General Unsecured Claim.

[3] There are currently no Secondary General Unsecured Claims asserted against these Debtors. If any Secondary General Unsecured Claims are asserted and Allowed, the allocation of the Secondary General Unsecured Claims Distribution among the other Debtors on this **Exhibit C** will decrease ratably according to the waterfall described in Section I.8 of this Disclosure Statement. In no event would the recovery on account of an Allowed Secondary General Unsecured Claim fall below the amount that is required to satisfy the standards for confirmation under the Bankruptcy Code.

Exhibit D

Restructuring Transactions

Restructuring Transactions

In contemplation of the Plan,[1] prior to the mailing of the Disclosure Statement, (A) Reorganized CHC was formed and registered as a Cayman Islands limited liability company (which has elected, or shall elect, to be treated as a corporation for U.S. federal income tax purposes) and entered into an asset purchase agreement (the "**APA**") with CHC Parent, pursuant to which Reorganized CHC shall, on the Effective Date, acquire all of the assets of CHC Parent (including all the stock of its sole direct subsidiary on a restructured basis) in exchange for (i) New Unsecured Notes and New Membership Interests and (ii) the agreement of Reorganized CHC to conduct the Rights Offering contemplated by the Plan pursuant to which Reorganized CHC will offer to sell to eligible holders of Senior Secured Notes Claims and Unsecured Notes Claims the New Second Lien Convertible Notes (these Subscription Rights, collectively with the New Unsecured Notes and New Membership Interests, the "**Plan Consideration**") and (B) CHC Parent and each of the respective Debtors, as applicable, entered into one or more assumption agreements (collectively, the "**Assumption Agreement**"), pursuant to which CHC Parent shall, after the Confirmation Date and at least one day prior to the Effective Date, assume primary responsibility for certain Claims against such Debtors, as described in the Restructuring Transactions below. The exercise of the Subscription Rights shall be governed by the Rights Offering Procedures set forth in the Disclosure Statement Order, subscription forms and related documents.

In furtherance of the foregoing and the implementation of the Plan, the following transactions shall occur in the following order on or prior to the Effective Date (as indicated below):

(1) Prior to the Effective Date, pursuant to the Assumption Agreement, CHC Parent shall assume (i) from CHC Helicopter S.A. ("**CHC SA**"), primary responsibility for all of CHC SA's obligations under and with respect to the Senior Secured Notes Claims and Unsecured Notes Claims and (ii) from each of the Debtors, primary responsibility for any General Unsecured Claims against such Debtor that are aircraft lease rejection claims (including by reason of a guarantee of an aircraft lease rejection claim) (collectively, all assumed claims under this paragraph, the "**Assumed Claims**") in exchange for a new intercompany note (a "**New Intercompany Note**") from the respective Debtor to CHC Parent with terms to be agreed upon by them prior to the Effective Date (which note may be, in whole or in part, immediately contributed by CHC Parent indirectly to the capital of the respective Debtor in cancellation thereof), the issuance of new equity by the respective Debtor to CHC Parent (which new equity shall be immediately contributed by CHC Parent indirectly to the capital of the parent of the respective Debtor, or, in lieu thereof, the new equity may be issued directly to the parent of the respective Debtor), and/or an indirect capital contribution from CHC Parent to the respective Debtor. For the avoidance of doubt, such assumption by CHC Parent (a) is not an assumption of an executory contract or unexpired lease pursuant to section 365(a) of the Bankruptcy Code, and (b) shall not prejudice or enhance the distributions to which the Assumed Claims are otherwise entitled under Plan but, rather, shall make CHC Parent (rather than the Debtor from whom the Claim was assumed) primarily responsible for such distributions.[2] In the event, and to the extent, that any desired contribution of any New Intercompany Note or new equity received by CHC Parent

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan.

[2] Accordingly, the rights under the Plan that each holder of an Assumed Claim has against the applicable Debtor from whom the Claim was assumed, and the distributions to such holder under the Plan on account of such Claim (other than changing the person making such distribution), are not being impacted by these Restructuring Transactions.

in consideration for Assumed Claims is not completed on or prior to the Effective Date, Reorganized CHC shall contribute (or cause to be contributed) such note or new equity directly or indirectly to the capital of the respective reorganized Debtors.

(2) In accordance with, and subject to the terms of, the treatment sections of the Plan, the following transactions shall occur concurrently on the Effective Date:

(i) On behalf of, and at the direction of CHC Parent pursuant hereto, Reorganized CHC shall issue New Membership Interests and New Unsecured Notes (in addition to the Subscription Rights previously provided) to holders of Allowed Senior Secured Notes Claims, Allowed Unsecured Notes Claims and Allowed General Unsecured Claims, as applicable pursuant to the terms of the Plan, in full and final satisfaction and discharge of such Claims.

(ii) To the extent that there are Disputed Claims, the Plan Consideration that would otherwise be distributable in respect of such Claims, if such Claims had been Allowed Claims as of the Effective Date, shall be transferred to the Disputed Claims Reserve and administered in accordance with Article VII of the Plan.

(iii) As to any General Unsecured Claims satisfied and discharged by CHC Parent pursuant to paragraph 2(i) above that were not Assumed Claims, CHC Parent shall be treated as having acquired and immediately contributed such Claims indirectly to the capital of CHC SA, and, in turn, CHC SA shall be treated as immediately transferring such General Unsecured Claims to the respective subsidiary Debtors. Such later transfers shall take the form of, in whole or in part, contributions to capital (directly or indirectly), transfers in satisfaction of preexisting intercompany debt, transfers in exchange for new intercompany debt (which new intercompany debt may be, in whole or in part, immediately contributed indirectly to the capital of the respective Debtor in cancellation thereof), or transfers for the issuance of new equity (which new equity shall be immediately contributed indirectly to the capital of the parent of the respective Debtor, or in lieu thereof, the new equity may be issued directly to the parent of the respective Debtor).

(3) On the Effective Date, pursuant to the Rights Offering, Reorganized CHC shall receive the Cash exercise price and shall issue the New Second Lien Convertible Notes.

(4) On the Effective Date, in accordance with the terms of the Plan, the APA, and the Cayman Proceeding, CHC Parent shall transfer to Reorganized CHC (or, at the direction of Reorganized CHC, to a newly formed, direct, wholly-owned Cayman Islands organized subsidiary of Reorganized CHC) all of its assets (including all the stock of its sole direct subsidiary on a restructured basis and all New Intercompany Notes held by CHC Parent at the time of transfer).

Exhibit E

ABL Settlement Term Sheet

October 26, 2016

CHC CAYMAN ABL BORROWER LTD.

RESTRUCTURING OF CREDIT AGREEMENT FOR AIRCRAFT MSN NO(S). 2674, 2914, 2949, 2986, 9009, 31072, 31099, 31561, 31610, 760625, 760632, 760636 AND 760674

SUMMARY OF TERMS AND CONDITIONS

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

This term sheet (including all of the exhibits attached hereto, this "Term Sheet") sets forth the terms and conditions agreed among the CHC Parties (as defined below) and the Lender Parties (as defined below) with respect to (a) the restructuring of the existing loan transaction with respect to the aircraft listed on Schedule A hereto (the "Restructured Aircraft") consisting of the airframes (each an "Airframe" and, collectively, the "Airframes") referenced in such Schedule A hereto, and the engines (each, an "Engine" and, collectively, the "Engines") attached thereto, (b) the abandonment of the aircraft listed on Schedule B hereto (the "Abandoned Aircraft" and collectively with the Restructured Aircraft, the "Aircraft") consisting of the Airframes and the Engines referenced in such Schedule B, (c) the claims of the Lender Parties and (d) certain warranty rights of CHC relating to the four (4) EC225 Abandoned Aircraft (MSNs 2674, 2914, 2949 and 2986) (the "EC225 Aircraft") and the one (1) S76C++ Abandoned Aircraft (MSN 760674) (the "Abandoned S76C++").

This Term Sheet contains recitals of certain matters relating to the existing transaction with respect to the Aircraft (in Part 1), a summary of terms and conditions for the amendment to the existing loan transaction (in Part 2), the terms and conditions of interim arrangements with respect to the Aircraft (in Part 3), certain termination events (in Part 4), liquidation of the prepetition deficiency claim in respect of the existing transaction (in Part 5), extension of certain periods under the Cape Town Convention (as defined below), if applicable (in Part 6), certain waivers (in Part 7), certain warranty rights (in Part 8) and provisions on authority, transaction costs and disputes, as well as miscellaneous provisions (in Part 9).

* * *

Part 1

Certain Matters Relating to Existing Transaction

1.1 Parties to Existing Transaction:

CHC Cayman ABL Borrower Ltd., as borrower under the Existing Credit Agreement referred to below (the "Borrower" or "CHC").

CHC Cayman ABL Holdings Ltd., as parent of the borrower and affiliate guarantor ("Holdings Guarantor").

CHC Helicopter Holding S.à r.l., as affiliate guarantor ("Holdco Guarantor").

CHC Helicopter S.A., as affiliate guarantor ("Company Guarantor").

6922767 Holding SARL, as parent guarantor ("Parent Guarantor" and, together with the Borrower, Holdings Guarantor, Holdco Guarantor, and Company Guarantor, the "CHC Parties").

Morgan Stanley Senior Funding, Inc., as administrative agent (the "Administrative Agent").

Morgan Stanley Senior Funding, Inc., as a lender ("MSSL").

Morgan Stanley Bank, N.A., as a lender ("MSB").

BNP Paribas S.A., as collateral agent (the "Collateral Agent").

BNP Paribas S.A., as a lender ("BNPP").

Deutsche Bank AG New York Branch, as a lender ("DBNY").

Natixis, New York Branch, as a lender ("Natixis" and, collectively with the Administrative Agent, the Collateral Agent, MSSL, MSB, BNPP and DBNY, the "Lender Parties").

1.2 Existing Operative Documents:

(a) Credit Agreement, dated as of June 12, 2015, among CHC and the Lender Parties (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Credit Agreement").

(b) Guarantee Agreement, dated as of June 12, 2015, among Company, Holdco, Parent Guarantor and the Administrative Agent (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Guarantee Agreement").

(c) Guarantee and Collateral Agreement, dated as of June 12, 2015, among Borrower, Holdings, the Administrative Agent and the Collateral Agent (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Collateral Agreement").

(d) Guarantee and Collateral Agreement, dated as of June 12, 2015, between Holdings and the Collateral Agent (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Mortgage" and, collectively with the Existing Credit Agreement, the Existing Guarantee Agreement, the Existing Collateral Agreement and the other "Operative Documents" (or comparable term) referred to therein, the "Existing Operative Documents").

Capitalized terms used herein without definition will have the meanings specified therefor in the Existing Credit Agreement.

Part 2

Summary of Terms and Conditions for Amended Credit Agreement

2.1 Credit Agreement Amendment Terms: The Existing Operative Documents will be amended as set forth in Exhibit A hereto.

2.2 [RESERVED]

2.3 [RESERVED]

2.4 Indemnities: The indemnity provisions of the Amended Operative Documents will be unchanged from those in the corresponding Existing Operative Documents, as applicable, provided that [REDACTED].

2.5 Lender Parties' Representations and Warranties at Credit Agreement Amendment Effective Date:

(a) Each of the Lender Parties will represent and warrant that each of the Amended Operative Documents to which it is a party constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity, whether considered in a proceeding at law or in equity.

(b) Each of the Lender Parties will represent and warrant that all Restructured Aircraft are free and clear of any Liens created by the Lender Parties, as applicable, other than Liens created pursuant to the Amended Operative Documents.

(c) The representations and warranties of the CHC Parties will be limited to those set forth on Exhibit B hereto.

2.6 Conditions to Credit Agreement Amendment Effective Date:

The effective date of the Credit Agreement Amendment and the other Operative Documents Amendments (as defined below) (the "Credit Agreement Amendment Effective Date"), but not the Catch-Up Payment or the Interim Payments, will be subject only to the following conditions precedent:

(i) preparation, execution and delivery of (a) an amendment to the Existing Credit Agreement (the "Credit Agreement Amendment", and the Existing Credit Agreement as amended by the Credit Agreement Amendment, the "Amended Credit Agreement") and (b) any other amendments to the Existing Operative Documents (such amendments, collectively with the Credit Agreement Amendment, the "Operative Documents Amendments" and the Existing Operative Documents as amended by the Operative Documents Amendments, the "Amended Operative Documents") necessary to implement the terms set forth herein, which documentation will be, in each case, in form and substance reasonably satisfactory to the Lender Parties and the CHC Parties;

(ii) delivery by the CHC Parties of an incumbency certificate as to the person or persons authorized to execute and deliver the Operative Documents Amendments to which each of the CHC Parties is a party;

(iii) Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court") approval of, and entry of a related order approving, this Term Sheet and the transactions contemplated hereunder in form and substance reasonably satisfactory to the Lender Parties and the CHC Parties by November 4, 2016 (such date or such later date that constitutes the Bankruptcy Court's earliest available date for such approval and entry, the "Outside Approval Date"), which approval shall not have been stayed, vacated or reversed, or amended or modified in any manner unacceptable to the Lender Parties or the CHC Parties; provided, that, the Outside Approval Date may be extended with the approval of the CHC Parties and Required Lenders (as defined in the Existing Credit Agreement); and

(iv) the earlier to occur of (x) substantial consummation (as defined in Section 1101(2) of the Bankruptcy Code) of any plan of reorganization filed by the CHC Parties and their affiliates in their current Chapter 11 cases ("Substantial Consummation") and (y) the effective date (as defined in such plan) of such plan, which shall be no later than April 2, 2017 (the "Outside Date"); provided, that, the Outside Date may be extended with the approval of the CHC Parties and the Required Lenders (as defined in the Existing Credit Agreement).

Upon the Credit Agreement Amendment Effective Date, (a) the Existing Credit Agreement will be deemed amended pursuant to the Credit Agreement Amendment and (b) the Existing Operative Documents will be deemed amended pursuant to the Operative Documents Amendments.

2.7 Other Terms; Governing Law and Documentation: The Existing Credit Agreement, the Existing Guarantee Agreement and the other Existing Operative Documents will remain unchanged, except to the extent provided for in this Term Sheet. During the Interim Period, the Lender Parties agree that, notwithstanding the Existing Operative Documents, the Lender Parties' entitlement to payments of principal, interest, fees, costs and expenses under the Existing Operative Documents, and of adequate protection pursuant to the Bankruptcy Code, shall be as set forth in this Term Sheet.

The Credit Agreement Amendment and the other Operative Documents Amendments will be governed by the laws of the State of New York.

The Credit Agreement Amendment and the other Operative Documents Amendments will be prepared by counsel to the Administrative Agent, Paul Hastings, LLP and be in form and substance reasonably acceptable to the CHC Parties.

2.8 Plan Treatment of Amended Operative Documents; Plan Support: Subject only to the CHC Parties' and Lender Parties' right to terminate the Term Sheet as set forth in Section 4.2 below, any plan of reorganization filed by the CHC Parties and their affiliates in their current Chapter 11 cases will provide that the Amended Operative Documents will become the valid, binding and enforceable obligations of the reorganized CHC Parties (or any applicable successors) on the earlier to occur of (x) Substantial Consummation of such plan and (y) the effective date (as defined in such plan) of such plan, and the Lender Parties agree, subject to receipt of a disclosure statement approved by the Bankruptcy Court, to vote all of their claims under the Existing Operative Documents, including, without limitation, secured claims and the Prepetition Deficiency Claims set forth in Section 5.1 herein, in support of any plan that is consistent with the terms and conditions set forth herein.

Part 3

Interim Arrangements

3.1 Catch-Up Payment and Interim Payments: For the period commencing on May 5, 2016 (the "Petition Date") to, but excluding, the date an order of the Bankruptcy Court approving this Term Sheet is entered (the "Bankruptcy Court Approval Date"), CHC will make a payment (such payment, the "Catch-Up Payment") to the Lender Parties at a rate equal to the Monthly Interim Payment (as set forth in Exhibit A-2 hereto) (pro-rated for partial months) for such period, within five (5) business days following the Bankruptcy Court Approval Date.

In addition to the Catch-Up Payment, for the period (such period, the "Interim Period") commencing on the Bankruptcy Court Approval Date to, but excluding, the date that is the earliest of (a) the Credit Agreement Amendment Effective Date, and (b) the date this Term Sheet is terminated pursuant to Section 4.2 below, CHC will make payments (such payments, the "Interim Payments") to the Lender Parties during the Interim Period at a rate equal to the Monthly Interim Payment, payable monthly in arrears (pro-rated for partial months) due on the fifth (5th) business day of each month and, if the last day of the Interim Period does not fall on the fifth (5th) business day of the month, the Monthly Interim Payment for such partial month shall be due on the fifth (5th) business day following the last day of the Interim Period, commencing on the first such date following the Bankruptcy Court Approval Date.

Upon the Credit Agreement Amendment Effective Date, the Interim Payments, together with the Catch-Up Payment will be in full satisfaction of all administrative expense claims, adequate protection claims and other claims with respect to the Aircraft, the Existing Operative Documents, this Term Sheet and the transactions contemplated hereby and thereby for the period from and after the Petition Date until the end of the Interim Period; provided, that, [REDACTED]; provided, that the Interim Payments and the Catch-Up Payment paid to the Lender Parties shall not be subject to disgorgement unless there is a termination of this Term Sheet due to a breach of this Term Sheet by the Lender Parties or failure of the Credit Agreement Amendment Effective Date to occur due to a failure to act in good faith or in a manner consistent with this Term Sheet by the Lender Parties. For the avoidance of doubt, during the Interim Period no further payments will be made pursuant to the Cash Collateral Orders as of August 18, 2016.

3.2 Certain Payment Conventions: If any payment contemplated by this Term Sheet is due on a day that is not a business day, such payment will be made on the next succeeding business day with the same force and effect as if paid on the scheduled date. Any payments under this Term Sheet that are to be pro-rated will be pro-rated based on a 360-day year of twelve (12) 30-day months.

3.3 Compliance with Other Terms: Notwithstanding clause 2.4(iii), during the Interim Period, the CHC Parties and their affiliates will maintain, operate and insure the Restructured Aircraft in compliance with the Existing Operative Documents as modified by the terms set forth in Exhibit A under the heading "Certain Provisions" and the first paragraph under the heading "Other Terms" and such compliance will constitute

compliance with the Existing Operative Documents.

3.4 [RESERVED]

3.5 [RESERVED]

3.6 Section 1110; Section 365; Cape Town Convention: Except as provided in Section 6.1 below or in this Section 3.6, nothing in this Term Sheet will affect the Lender Parties' rights, if any, to the protection of the Convention on International Interests in Mobile Equipment, together with the Protocol thereunder relating to aircraft (collectively, the "Cape Town Convention"), with respect to the Existing Credit Agreement, if the Cape Town Convention is applicable, or the right of the CHC Parties or their affiliates to challenge any and all claims to such protection. This Term Sheet will not constitute an election or agreement within the meaning of Section 1110 or any other provision of the Bankruptcy Code. Nothing herein constitutes an assumption by the CHC Parties or any of their affiliates of any contract or lease under Section 365(a) of the Bankruptcy Code and the CHC Parties reserve, for themselves and their affiliates, all of their rights to reject any contract or lease except as otherwise provided in this Term Sheet.

3.7 [RESERVED]

3.8 Abandoned Aircraft Each Abandoned Aircraft will be abandoned and any such related leases and subleases rejected, on the date set forth next to such Abandoned Aircraft on Exhibit A-2, with the return of such Abandoned Aircraft to have terms and conditions consistent with the terms set forth in paragraph numbers 3 through 15 of the *Order Granting Debtors' First Omnibus Motion to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* Docket No. 428, adjusted to appropriately reflect the abandonment rather than rejection of the Aircraft (the "*Abandonment Terms*"); provided that neither the CHC Parties nor any of their affiliates will have any obligation to store the Abandoned Aircraft beyond the time provided for in the Abandonment Terms and if there is any inconsistency between such paragraphs in such order and this Term Sheet, the terms of this Term Sheet will govern.

Part 4

Certain Termination Events

4.1 [RESERVED]

4.2 Termination Due to Failure to Emerge from Chapter 11: [REDACTED]

Part 5

Existing Credit Agreement Prepetition Deficiency Claim

5.1 Liquidation of Prepetition Claim: Upon the Credit Agreement Amendment Effective Date, the parties agree that with respect to the deficiency claim related to the Existing Credit Agreement and any other Existing Operative Documents, the Lender Parties will receive a separate and distinct stipulated, allowed general unsecured non-priority pre-petition claim against each of the bankruptcy estates of the Borrower, Parent Guarantor, Holdings Guarantor, Holdco Guarantor, and the Company Guarantor, as borrower and guarantors respectively, under the Existing Credit Agreement, in the amount of $78,000,000 (each, a "Prepetition Deficiency Claim" and, together, the "Prepetition Deficiency Claims"), provided that the aggregate total recovery from the Chapter 11 estates of Borrower, Parent Guarantor, Holdings Guarantor, Holdco Guarantor and the Company Guarantor in respect of the Prepetition Deficiency Claims will not exceed, in the aggregate, $78,000,000.

5.2 Transferability of Prepetition Deficiency Claim: Subject to compliance with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, any order of the Bankruptcy Court (including, for the avoidance of doubt, any plan distribution procedures), any confirmed plan of reorganization (including, for the avoidance of doubt, any plan distribution procedures) and any other applicable law (including, without limitation, applicable securities laws), the Prepetition Deficiency Claims will be freely transferable by the Lender Parties, in whole or in part, at any time before or after the confirmation of a reorganization plan in the CHC Parties' and their affiliates' Chapter 11 cases; provided that, with respect to any transfers prior to the confirmation of a reorganization plan in the CHC Parties and their affiliates' Chapter 11 cases, prior to any such transfer any such transferee agrees in writing for the benefit of the CHC Parties to be bound by all the terms of this Term Sheet (including Section 2.8 hereof) applicable to the Lender Parties by executing a joinder agreement.

Part 6

Extension of Cape Town Convention

6.1 Extension of 60- Nothing contained herein constitutes a stipulation or an admission

Day Section 1110 Period; Cape Town Convention:	that the Aircraft are entitled to the protection of Article XI of the Cape Town Convention, and the CHC Parties and their affiliates reserve all of their rights under applicable agreements and law, including the right to contest that the Cape Town Convention is applicable. However, if the Cape Town Convention is applicable, the parties hereby agree to grant an extension under Article XI of the Cape Town Convention until the earlier of (a) the Credit Agreement Amendment Effective Date and (b) the date this Term Sheet is terminated pursuant to the terms of Section 4.2 above (such period, the "Extension Period") in order to enter into the Credit Agreement Amendment and the other Operative Documents Amendments and to satisfy the conditions precedent set forth herein for such transaction.

Part 7

Certain Waivers and Releases

7.1 Waiver:	[REDACTED]
7.2 Releases:	[REDACTED]

Part 8

Certain Warranty Rights

8.1 Warranty Rights:	[REDACTED]

Part 9

Authority, Transaction Costs, Disputes and Miscellaneous

9.1 Authority: Subject to Bankruptcy Court approval of this Term Sheet, each CHC Party hereby represents that it has authority to execute this Term Sheet and to enter into the transactions contemplated hereby. Each Lender Party hereby (a) represents and warrants that (i) it has all necessary authority to execute this Term Sheet and enter into the transactions contemplated hereby and (ii) no consents or approvals are required for the consummation of the transactions contemplated hereby under its organizational or constitutive documents, under the Existing Operative Documents or from any person who has provided financing to it or the Existing Operative Documents, except any consent or approval that has been obtained and is in full force and effect, and (b) agrees not to sell or otherwise transfer any equity, debt or other interest in or related to the Aircraft or the Existing Operative Documents unless such sale or transfer is expressly subject to the terms and conditions of this Term Sheet and the potential purchaser or transferee agrees to be bound by the terms hereof.

9.2 Transaction Costs: Except as provided herein, neither the CHC Parties nor any of their affiliates will be liable for any costs and expenses (including, without limitation, fees, expenses and disbursements of counsel or advisors) incurred by any other party in connection with entering into this Term Sheet or any of the transactions contemplated by this Term Sheet and no indemnification or reimbursement with respect thereto will be provided by the CHC Parties or any of their affiliates under any indemnity or reimbursement provision in the Amended Operative Documents.

Upon the Bankruptcy Court Approval Date, and unless there is a termination of this Term Sheet due to a breach of this Term Sheet by the Lender Parties or failure of the Credit Agreement Amendment Effective Date to occur due to a failure to act in good faith or in a manner consistent with this Term Sheet by the Lender Parties, the Lender Parties will have no obligation to return to CHC the approximately [REDACTED]. The Lender Parties agree that notwithstanding anything to the contrary set forth in the Cash Collateral Orders nor the submission of any additional invoices by the Lender Parties, the Lender Parties will not receive any additional adequate protection or other payments other than payments and claims specifically set forth in this Term Sheet.

9.3 Exit Payment: Within five (5) business days following the Credit Agreement Amendment Effective Date, the CHC Parties will pay the Lender Parties an aggregate payment of [REDACTED] (such aggregate payment, the "Exit Payment"). For the avoidance of doubt, the Exit Payment will only be made if the Credit Agreement Amendment Effective Date occurs.

9.4 Disputes: All disputes arising under or in connection with this Term Sheet, the Existing Credit Agreement, any other Existing Operative Document or any agreement entered pursuant hereto (except for the Amended Operative Documents) will, prior to the issuance of a final decree from the Bankruptcy Court closing the CHC Parties' and their affiliates' current Chapter 11 cases, be resolved by the Bankruptcy Court, which will have exclusive jurisdiction over such disputes. All disputes arising under or in connection with any Amended Operative Document will be resolved in accordance with the terms thereof following the Credit Agreement Amendment Effective Date.

9.5 Miscellaneous: This Term Sheet may not be amended or modified except by a writing signed by all parties hereto. This Term Sheet may be executed in one or more counterparts (including by facsimile or electronic (e.g., pdf transmission), each of which together or separately will constitute an original and, which taken together, will be considered one and the same binding agreement. This Term Sheet will be binding upon and inure to the benefit of the parties hereto together with their respective successors and permitted assigns, including, without limitation, any transferee of the interest of any such person in the Aircraft or any Existing Operative Document and any other person asserting an interest in the Aircraft under the Existing Operative Documents. Each of the parties hereto agrees that it will cooperate in good faith to implement and consummate the transactions contemplated hereby in a timely manner. The words "hereof", "herein" and "hereby" and words of similar import, when used in this Term Sheet, will refer to this Term Sheet as a whole, including all the schedules and exhibits attached hereto, not to any particular provision of this Term Sheet.

9.6 Governing Law: This Term Sheet will be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

[Signature Pages Follow.]

Agreed this 14th day of October, 2016

6922767 Holding SARL

By: CHC Group Ltd., as Authorized Signatory

By: _____
Name: Hooman Yazhari
Title: Manager A

CHC Cayman ABL Holdings Ltd.

By: CHC Group Ltd., as Authorized Signatory

By: _____
Name: Hooman Yazhari
Title: Director

CHC Cayman ABL Borrower Ltd.

By: CHC Group Ltd., as Authorized Signatory

By: _____
Name: Hooman Yazhari
Title: Director

CHC Group Ltd.

By: _____
Name: Hooman Yazhari
Title: Senior Vice President, Legal & Administration

Signature Page

Morgan Stanley Senior Funding, Inc.
as Administrative Agent

By: _____
Name: Lisa Hansen
Title: VP

Morgan Stanley Senior Funding, Inc.
as Lender

By: _____
Name: Lisa Hansen
Title: VP

Morgan Stanley Bank, N.A.
as Lender

By: _____
Name: Lisa Hansen
Title: VP

BNP Paribas S.A.
as Collateral Agent

By: _____
Name: Philippe LOMBARD
Title: Global Head of Asset Leasing Solutions

By: _____
Name: Axel ROHRLICH
Title: Senior Director, Asset Leasing Solutions

BNP Paribas S.A.
as Lender

By: _____
Name: Philippe LOMBARD
Title: Global Head of Asset Leasing Solutions

By: _____
Name: Axel ROHRLICH
Title: Senior Director, Asset Leasing Solutions

Signature Page

Deutsche Bank AG New York Branch
as Lender

By: _____
Name:
Title:

By: _____
Name: Tom Bradshaw
Title: Managing Director

Deutsche Bank AG New York Branch
as Lender

By: _____
Name: David J. Bell
Title: Managing Director

By: _____
Name:
Title:

Signature Page

For internal use only

Natixis, New York Branch
as Lender

By: _____
Name: John-Charles van Essche
Title: Managing Director

By: _____
Name: Christian Paragot-Rieutort
Title: Executive Director

Signature Page

Schedule A to
Summary of Terms and Conditions

RESTRUCTURED AIRCRAFT

Sikorsky Model S76C++ Aircraft Bearing MSN 760625

Sikorsky Model S76C++ Aircraft Bearing MSN 760632

Sikorsky Model S76C++ Aircraft Bearing MSN 760636

AgustaWestland Model AW139 Aircraft Bearing MSN 31072

AgustaWestland Model AW139 Aircraft Bearing MSN 31099

AgustaWestland Model AW139 Aircraft Bearing MSN 31561

AgustaWestland Model AW139 Aircraft Bearing MSN 31610

Airbus Helicopters Model AS332L1 Aircraft Bearing MSN 9009

Schedule B to
Summary of Terms and Conditions

ABANDONED AIRCRAFT

Sikorsky Model S76C++ Aircraft Bearing MSN 760674

Airbus Helicopters Model EC225 Aircraft Bearing MSN 2674

Airbus Helicopters Model EC225 Aircraft Bearing MSN 2914

Airbus Helicopters Model EC225 Aircraft Bearing MSN 2949

Airbus Helicopters Model EC225 Aircraft Bearing MSN 2986

Exhibit A to
Summary of Terms and Conditions[1]

RESTRUCTURED MORTGAGE FINANCING TERMS

Amended Credit Agreement Terms: The payment terms of the Loan in the Existing Operative Documents (including the relevant provisions of sections 2 and 4 of the Existing Credit Agreement) will be amended and restated and replaced with the following terms:

(a) The Loan's amended principal amount as of the Credit Agreement Amendment Effective Date will be as set out in Exhibit A-1, and will be subdivided into portions, each associated with a Restructured Aircraft, as set forth in Exhibit A-1. For the avoidance of doubt, the Loan and all portions thereof shall at all times be fully cross-collateralized by all Restructured Aircraft (other than any Restructured Aircraft that is the subject of a sale, total loss (actual or constructive) or other disposition in accordance with the terms of the Amended Operative Documents).

(b) The Loan will commence on the Credit Agreement Amendment Effective Date and become due in full on the date that is the [REDACTED] anniversary of the Credit Agreement Amendment Effective Date (as so amended, the "Amended Termination Date").

(c) The Loan will have an amortization schedule calculated on the basis of [REDACTED] mortgage-style amortization with a balloon payment due at the Amended Termination Date (as set out in Exhibit A-1), with monthly payments in arrears due on the fifth (5th) business day following the monthly anniversary of the Credit Agreement Amendment Effective Date, based on an assumed fixed interest rate equal to [REDACTED] per annum (with the accrual of interest at such rate commencing on the Credit Agreement Amendment Effective Date) and default rate interest, as applicable, to be charged at the rate set forth in the Existing Credit Agreement.

(d) The aggregate fixed amount of each monthly payment for the Loan is as set forth in Exhibit A-1 under the heading "Fixed Monthly Payment", which monthly amount constitutes the combined monthly principal amortization and accrued interest for the Restructured Aircraft, such monthly principal amortization amount to be applied

[1] Capitalized terms in this Exhibit A, which are not otherwise defined in this Term Sheet, shall have the meaning ascribed to them in the Existing Credit Agreement.

pro rata to the portions of the principal amount associated with each Restructured Aircraft.[2] Subject to the provisions herein relating to a total loss (actual or constructive), the Fixed Monthly Payment will be made regardless of the status of the Restructured Aircraft whatsoever including whether such aircraft are operating and/or operational. For the avoidance of doubt, any other on-going obligations or provisions, including debt sufficiency, principal or interest re-set, increased or additional costs or compensation for changes in law, illegality, market disruption or force majeure events, interest or swap rate adjustment or other provisions in the Existing Operative Documents that would increase or, upon the occurrence of a contingency, could increase the interest or the Fixed Monthly Payment or the principal on the Loan above the applicable amounts set forth in this Term Sheet will be deleted or rendered ineffective.

(e) [REDACTED]

(f) [REDACTED]

(g) [REDACTED]

No Other On-going Payments: Any provisions in the Existing Operative Documents (including clauses 2.1(b)(II), 2.6, 4.5, 4.10, 8.14(q) and 11.22 of the Existing Credit Agreement) that impose upon any CHC Party, any affiliate thereof or any operator of any Restructured Aircraft any obligation to make payments in respect of (a) any on-going management, commitment, agency, work or other fees howsoever named or (b) any costs or expenses of any inspection of any Restructured Aircraft or Manuals and Technical Records or any portion thereof by any Lender Party or any of their respective representatives, appraisers or other designees will be deleted or rendered ineffective; provided that with respect to clause 4.10 of the Existing Credit Agreement, such deletion or ineffectiveness shall only be with respect to any changes in a requirement of Law made or announced prior to the Credit Agreement Amendment Effective Date. For the avoidance of doubt and notwithstanding anything in the Existing Operative Documents to the contrary, no CHC Party, nor any affiliate thereof or operator of any Restructured Aircraft, will have any further obligation to pay any Lenders' fees.

Any provisions in the Existing Operative Documents that impose upon any CHC Party, any affiliate thereof or any operator of any Restructured Aircraft any obligation with respect to costs, losses, payments or other liabilities with respect to any funding, hedging or other financial

[2] Full amortization schedules for the Loan and for each Restructured Aircraft to be included in the Amended Operative Documents.

arrangements of any Lender Party (or any such arrangements of any lender, swap provider or other financier of any Lender Party) in relation to or in connection with any Restructured Aircraft will be deleted or rendered ineffective.

Financial Condition-Related Provisions:

Any financial or other covenants (including clause 8.1 of the Existing Credit Agreement) that require any CHC Party, any affiliate thereof or any operator of any Restructured Aircraft to maintain certain financial condition ratios or other measurements (including as to the Payment Condition, which shall be deemed satisfied), or prevent any CHC Party, any affiliate thereof or any operator of any Restructured Aircraft from taking certain actions unless certain financial condition ratios or other measurements are met (including as to the Payment Condition, which shall be deemed satisfied), and any other provisions in the Existing Operative Documents (including any incorporated, or that could be applied, by reference to any provisions outside of the Existing Operative Documents) that become operative upon any change (including a material adverse change or the failure to meet the Payment Condition, which shall be deemed satisfied) in the condition of any CHC Party, any affiliate thereof or any operator of any Restructured Aircraft or in the condition of the market or that provide for notices, certifications or reporting as to any such condition or that may require notices, discussions or amendments of the Existing Operative Documents or the Amended Operative Documents on account of any provisions similar to any aspect of the foregoing in another agreement or prospective agreement of any CHC Party or any third party will be deleted or rendered ineffective.

Any requirements in the Existing Operative Documents to supply appraisals (including under clause 7.6(c) of the Existing Credit Agreement), accounts and other financial information (including under clauses 7.1, 7.2 and 7.6(a) of the Existing Credit Agreement) will be limited to the provision of audited consolidated accounts of CHC Group Ltd. or its successor prepared under the accounting standard then used by it in the ordinary course of their preparation (currently US GAAP). For the avoidance of doubt, any requirement in the Existing Operative Documents to provide information relating to financial or other covenants will be deleted or rendered ineffective.

No Dominion Events; Events of Default:

Any Dominion Event requirements in the Existing Operative Documents will be deleted or rendered ineffective.

Any Events of Default in the Existing Operative Documents based on (a) financial covenant obligations in the Existing Operative Documents or in other agreements (including clauses 9.1(c)(iii) and 9.1(e)(iii), (vi) and (vii) of the Existing Credit Agreement), (b) the borrowing base

(including clause 9.1(c)(ii) of the Existing Credit Agreement), or (c) a direct or indirect change of control of CHC or its affiliates (including 9.1(j) of the Existing Credit Agreement) will be deleted or rendered ineffective for purposes of the Amended Credit Agreement and the other Amended Operative Documents.

Borrowing Base Reserve Provisions; Asset Value-Related Provisions: The requirement to provide a Borrowing Base Certificate in clause 7.2(f) of the Existing Credit Agreement as well as all other clauses utilizing such definition or the related definition Borrowing Base will be deleted or rendered ineffective.

Any provisions in the Existing Operative Documents (including clauses 2.1(b) and 4.4(b) of the Existing Credit Agreement) that become operative upon an impairment, revaluation or appraisal of the value, or otherwise in relation to the value, of the Restructured Aircraft or other assets of any CHC Party, any affiliate thereof or any operator of the Restructured Aircraft or require the posting of additional collateral will be deleted or rendered ineffective.

Any obligations of any CHC Party, any affiliate thereof or any operator of any Restructured Aircraft that require the maintenance of a particular collateral coverage ratio will be deleted or rendered ineffective.

Limitations on Indebtedness: Limitations on Indebtedness in the Existing Operative Documents (including clause 8.13 of the Existing Credit Agreement) will be deemed to apply only to the Borrower and the Subsidiary Borrowers.

Certain Provisions: During any period that a Restructured Aircraft is not operating in revenue service, the Borrower and any operator of such Restructured Aircraft will be permitted to store such Restructured Aircraft in accordance with any manufacturer-approved storage program and to keep Manuals and Technical Records at locations chosen by the Borrower or any operator of such Restructured Aircraft in accordance with its ordinary course of business and applicable legal requirements, and any provisions in the Existing Operative Documents imposing inconsistent or additional requirements will be deleted or rendered ineffective.

Other Terms: The utilization requirement in clause 7.12 of the Existing Credit Agreement will be deleted or rendered ineffective.

For the avoidance of doubt, none of the conditions precedent in clause 6 of the Existing Credit Agreement are any longer relevant.

With respect to any proposed novation or transfer of any Amended Operative Document by any CHC Party that is a party thereto, or any of their respective successors, to another member of the CHC Group, the Lender Parties will not withhold their consent unreasonably or with undue delay and any inconsistent restrictions in the Existing Operative Documents will be deleted or rendered ineffective. Any other provisions

in the Existing Operative Documents that may restrict the ability of any CHC Party or any group of such members to sell, transfer, lease, lend or otherwise dispose of its business, in whole or in part, change any aspect or nature thereof or otherwise accomplish group restructuring or reorganization by prohibiting any such action or aspect thereof (including clauses 8.2 and 8.11 of the Existing Credit Agreement), either as a general matter or of a particular type or under certain circumstances, or by requiring consents of any Lender Party will be deleted or rendered ineffective. For the avoidance of doubt, for the purpose of the carve-outs from clause 8.3 of the Existing Credit Agreement and the definitions of Permitted Acquisitions and Permitted Investments, any future investment to be made on terms that are substantially similar to (or more favorable to the Lender Parties than) the investment in the CHC Parties or their affiliates by the new shareholders of CHC Group Ltd. on or around the Credit Agreement Amendment Effective Date, shall be deemed a capital contribution in respect of common equity. Each reference to CD&R or the CD&R Investors in the Existing Operative Documents shall be deemed amended to mean (as context may require) each Plan Sponsor (including with respect to clause 8.11 of the Existing Credit Agreement) or funds and/or accounts affiliated with, or managed and/or advised by, the Plan Sponsors, as applicable. "Plan Sponsor" means each of the following entities: AllianceBernstein L.P., Bain Capital Credit, LP, Carl Marks Management Company, Franklin Advisers, Inc., Tennenbaum Capital Partners, Wayzata Investment Partners LLC, Marble Ridge Capital L.P. and Solus Alternative Asset Management LP.

[REDACTED]

No representations or warranties in the Existing Operative Documents will be deemed to be continually given or repeated at any time or be otherwise construed as continuing undertakings following the time when such representations and warranties were first made by any CHC Party, any affiliate thereof or any operator of any Restructured Aircraft.

Any terms in the Existing Operative Documents that are inconsistent with the terms set forth in this Term Sheet will be deemed to be deleted or rendered ineffective.

For the avoidance of doubt, Exhibits A-1 and A-2 will be deemed to be a part of this Exhibit A incorporated herein by this reference.

Exhibit A-1 to
Summary of Terms and Conditions

AMENDED CREDIT AGREEMENT PAYMENTS

MSN	Model	Amended Principal Balance at Credit Agreement Amendment Effective Date	Fixed Monthly Payment	Balloon Payment Due at Amended Termination Date
9009	AS332L1	[REDACTED]	See Below	See Below
31072	AW139	[REDACTED]		
31099	AW139	[REDACTED]		
31561	AW139	[REDACTED]		
31610	AW139	[REDACTED]		
760625	S76C++	[REDACTED]		
760632	S76C++	[REDACTED]		
760636	S76C++	[REDACTED]		
Aggregate Amount for All Restructured Aircraft		[REDACTED]	[REDACTED]	[REDACTED]

Exhibit A-2 to
Summary of Terms and Conditions

RESTRUCTURED AIRCRAFT

MSN	Model	Monthly Interim Payment
9009	AS332L1	See Below
31072	AW139	
31099	AW139	
31561	AW139	
31610	AW139	
760625	S76C++	
760632	S76C++	
760636	S76C++	
Aggregate Amount for All Restructured Aircraft		[REDACTED]

ABANDONED AIRCRAFT

MSN	Model	Agreed Abandonment Date
2674	EC225	Date of Entry of Abandonment Order
2914	EC225	Date of Entry of Abandonment Order
2949	EC225	Date of Entry of Abandonment Order
2986	EC225	Date of Entry of Abandonment Order
760674	S76C++	Date of Entry of Abandonment Order

Exhibit B to
Summary of Terms and Conditions

CHC PARTIES' REPRESENTATIONS

The representations and warranties of the CHC Parties will be limited to the following representations and warranties to be made on the Credit Agreement Amendment Effective Date by the Borrower and, but only so long as CHC Group Ltd. or its successor will be required to be the sole guarantor in accordance with the provisions set forth under "Other Terms" in Exhibit A hereto, by such guarantor, in each case, as to itself:

1. Status. It is a corporation, company or other entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, except (other than with respect to the Borrower), to the extent that the failure to be in good standing would not reasonably be expected to have a Material Adverse Effect.

2. Non-Conflict. The execution and delivery by it of the Operative Documents Amendments to which it is a party, the consummation by it of the transactions contemplated in such Operative Documents Amendments and compliance with the terms and provisions of such Operative Documents Amendments are within its corporate power, do not and will not result in a violation of its constitutional documents as currently in effect, and do not and will not conflict with, or result in a breach of any term or provision of, or constitute a default under any material indenture, mortgage, or other agreement or instrument to which it is a party or by which it or any of its material properties is or may be bound; provided that it makes no representation or warranty in this paragraph with respect to the Existing Operative Documents.

3. Legal Validity. Each Operative Documents Amendment to which it is a party has been duly authorised by all necessary corporate action on its part and by the Bankruptcy Court and executed and delivered by it and constitutes its legal, valid and binding obligations, enforceable against it in accordance with their terms, except as their enforceability may be limited by bankruptcy, liquidation, examinership, insolvency, reorganisation and other laws of general application affecting the enforcement of creditors' rights and general principles of equity (regardless of whether such proceeding is considered a proceeding in equity or at law) and except, in the case of the Credit Agreement Amendment, as limited by applicable laws that may affect the remedies provided in the Credit Agreement Amendment but such limitations would not make such remedies inadequate for the practical realization of the rights and benefits intended to be provided thereby.

4. Consents. It has received every material consent, approval or authorisation of, and has given every material notice to, the governmental authority in its country of incorporation having jurisdiction with respect to the execution, delivery or performance of the Operative Documents Amendments to which it is a party including all monetary and other obligations under such Operative Documents Amendments) that is required for it to execute and deliver the Operative Documents Amendments to which it is a party, and to perform the transactions contemplated by such Operative Documents Amendments, and each such consent, approval or

authorisation is valid and is in full force and effect and has not been revoked; provided that it makes no representation or warranty in this paragraph as to (a) any consent, approval, authorisation, notice or any other action that may be required under or by any of the Existing Operative Documents, including any filings, registrations and recordations as may be necessary or advisable with respect thereto under any applicable laws, (b) the order of the Bankruptcy Court approving the Term Sheet and the transaction contemplated thereunder, which has been obtained and is in full force and effect, or (c) any periodic renewals of the registration of any Restructured Aircraft with the aircraft registry it is currently registered on, the registration of the "international interests" that may be created under the Operative Documents Amendments pursuant to the Cape Town Treaty or any other consent, approval, authorisation, notice or any other action that may be required or allowed to be obtained, given, made or performed after the Credit Agreement Amendment Effective Date.

Exhibit F

CHC Organizational Chart

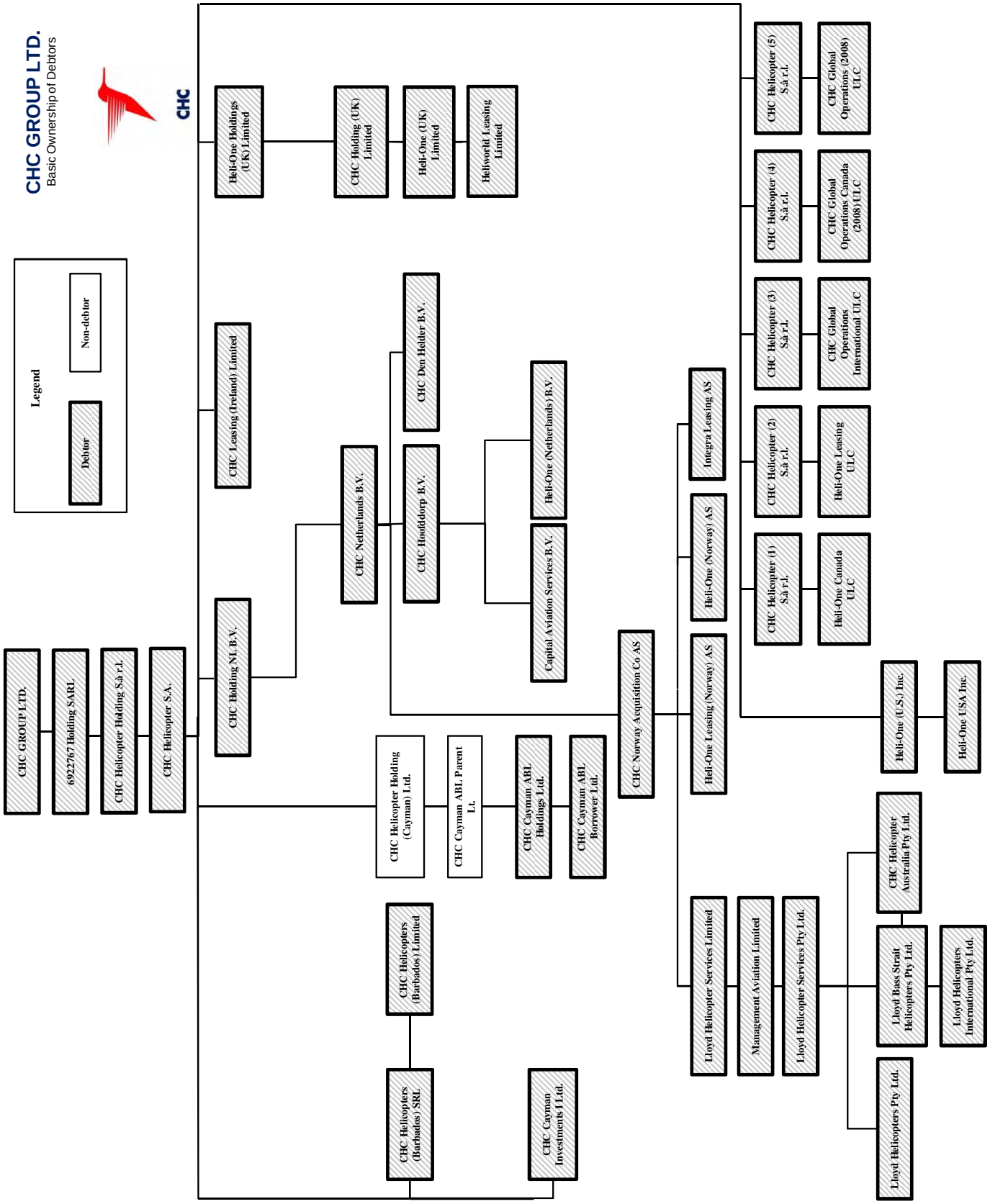
CHC GROUP LTD.
Basic Ownership of Debtors
CHC
Legend
Debtor
Non-debtor
CHC GROUP LTD.
6922767 Holding SARL
CHC Helicopter Holding S.à r.l.
CHC Helicopter S.A.
CHC Holding NL B.V.
CHC Leasing (Ireland) Limited
Heli-One Holdings (UK) Limited
CHC Holding (UK) Limited
Heli-One (UK) Limited
Heliworld Leasing Limited
CHC Netherlands B.V.
CHC Hoofddorp B.V.
CHC Den Helder B.V.
Heli-One (Netherlands) B.V.
Capital Aviation Services B.V.
CHC Helicopter Holding (Cayman) Ltd.
CHC Cayman ABL Parent L.t.
CHC Cayman ABL Holdings Ltd.
CHC Cayman ABL Borrower Ltd.
CHC Norway Acquisition Co AS
Heli-One Leasing (Norway) AS
Heli-One (Norway) AS
Integra Leasing AS
CHC Helicopter (1) S.à r.l.
CHC Helicopter (2) S.à r.l.
CHC Helicopter (3) S.à r.l.
CHC Helicopter (4) S.à r.l.
CHC Helicopter (5) S.à r.l.
Heli-One Canada ULC
Heli-One Leasing ULC
CHC Global Operations International ULC
CHC Global Operations Canada (2008) ULC
CHC Global Operations (2008) ULC
Heli-One (U.S.) Inc.
Heli-One USA Inc.
CHC Helicopters (Barbados) Limited
CHC Helicopters (Barbados) SRL
CHC Cayman Investments I Ltd.
Lloyd Helicopter Services Limited
Management Aviation Limited
Lloyd Helicopter Services Pty Ltd.
CHC Helicopter Australia Pty Ltd.
Lloyd Bass Strait Helicopters Pty Ltd.
Lloyd Helicopters International Pty Ltd.
Lloyd Helicopters Pty Ltd.

Exhibit G

Liquidation Analysis

Liquidation Analysis

1. **Introduction**

CHC Group Ltd. ("**CHC Parent**") and certain of its affiliates and subsidiaries (collectively, the "**Debtors**") are soliciting votes with respect to the *Joint Chapter 11 Plan of CHC Group Ltd. and its Affiliated Debtors* (as may be amended from time to time, the "**Plan**") as set forth in the disclosure statement for the Plan (as may be amended from time to time, the "**Disclosure Statement**").[1] Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that the Bankruptcy Court find, as a condition to confirmation of the Plan, that each holder of a Claim or Interest in each Impaired Class: (i) has accepted the Plan; or (ii) will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such Person would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. In order to make these findings, the Bankruptcy Court must: (1) estimate the cash proceeds (the "**Liquidation Proceeds**") that a chapter 7 trustee (the "**Trustee**") would generate if each Debtor's chapter 11 case were converted to a chapter 7 case on the Effective Date and the Assets of such Debtor's estate were liquidated; (2) determine the distribution (the "**Liquidation Distribution**") that each holder of a Claim or Interest would receive from the Liquidation Proceeds under the priority scheme dictated in chapter 7; and (3) compare each holder's Liquidation Distribution to the distribution under the Plan that such holder would receive if the Plan were confirmed and consummated. Accordingly, asset values discussed herein may be different than amounts referred to in the Plan. The analysis (the "**Liquidation Analysis**") is based upon certain assumptions discussed herein and in the Disclosure Statement.

THE DEBTORS MAKE NO REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THE ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN, OR A TRUSTEE'S ABILITY TO ACHIEVE FORECASTED RESULTS. IN THE EVENT THAT THESE CHAPTER 11 CASES ARE CONVERTED TO A CHAPTER 7 LIQUIDATION, ACTUAL RESULTS COULD VARY MATERIALLY FROM THE ESTIMATES AND PROJECTIONS SET FORTH IN THIS LIQUIDATION ANALYSIS.

2. **Basis of Presentation**

The Liquidation Analysis has been prepared assuming that the Debtors' chapter 7 liquidation would commence on or about February 3, 2017 (the "**Liquidation Date**"). Due to the global nature of the business, complex organizational structure and outstanding liabilities at different corporate entities, this Liquidation Analysis was prepared on a legal entity basis.

The Liquidation Analysis represents an estimate of recovery values and percentages based upon a hypothetical liquidation if a Trustee were appointed by the Bankruptcy Court to convert Assets into cash. The determination of the hypothetical proceeds from the liquidation of Assets is a highly uncertain process involving the extensive use of estimates and assumptions which, although considered reasonable by management and their advisors, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of the Debtors and their management. The Liquidation Analysis should be read in conjunction with the assumptions, qualifications, and explanations set forth in the Disclosure Statement and the Plan in their entirety as well as the notes and assumptions set forth below.

[1] All capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Disclosure Statement, to which this exhibit is attached as **Exhibit G**.

The Liquidation Analysis assumes operations would cease on the Liquidation Date and that a liquidation would start immediately thereafter. It is assumed that CHC would file a Chapter 7 proceeding and a Trustee would be appointed to the case. This analysis assumes all of the Debtors and their non-debtor affiliates are included in the chapter 7 case, except that certain entities are excluded from the analysis due to the de minimis value that resides at these entities.

All owned Assets including equipment, inventory and aircraft would be sold over a 60 day period. This liquidation process is projected utilizing CHC's most recent financials, weekly cash flow projections and third party analysis and reports.

The cessation of business in a liquidation is likely to trigger certain Claims that otherwise would not exist under a chapter 11 reorganization plan. For purposes of this analysis, given the global nature of the business and local and jurisdictional laws, we have assumed that local obligations, including (among other things) severance, pension and other employee obligations, will be entitled to priority in payment over secured and unsecured Claims.

The Liquidation Analysis also does not include estimates for the tax consequences that may be triggered upon the liquidation and sale events of Assets in the manner described above. Such tax consequences may be material.

The Liquidation Analysis does not include recoveries resulting from any potential preference, fraudulent transfer, or other litigation or avoidance actions.

An administrative expense forecast was created to estimate the cost of executing the liquidation over a 60-day period.

3. Liquidation Process

For purposes of this analysis, the Debtors' hypothetical liquidation would be conducted in a chapter 7 environment with the Trustee managing the bankruptcy estate of each Debtor to maximize recovery in an expedited process. The Trustee's initial step would be to develop a liquidation plan to generate proceeds from the sale of entity specific Assets for distribution to creditors. The major components of the liquidation are as follows:

- generation of cash proceeds from Asset sales;
- satisfying costs related to the liquidation process, such as personnel retention costs, liquidation costs and Trustee, professional and other administrative fees;
- satisfying of local obligations, including severance, pension and other employee obligations;
- transfer of value between entities through intercompany obligations and equity pledges; and
- distribution of net proceeds generated from Asset sales to the holders of Claims and Interests in accordance with the priority scheme under chapter 7 of the Bankruptcy Code

4. Distribution of Net Proceeds to Claimants

Any available net proceeds would be allocated to the applicable holders of Claims and Interests in strict priority in accordance with section 726 of the Bankruptcy Code:

- Secured Claims: Claims that are paid with the proceeds of Collateral to the extent secured by property of the Estates, including Claims arising under the Debtors' secured credit facilities;[2]

- Administrative & Priority Claims: includes Claims for postpetition accounts payable, accrued expenses, accrued and unpaid professional fees, Claims arising under section 503(b)(9) of the Bankruptcy Code, and certain unsecured Claims entitled to priority under section 507 of the Bankruptcy Code;

- Unsecured Claims: includes non-secured, non-priority debt, including trade payables, and various other unsecured liabilities; and

- Equity: to the extent any available net proceeds remain available for distribution after satisfaction in full of the foregoing classes of Claims, any equity security in a Debtor as defined in section 101(16) of the Bankruptcy Code, including all common stock or units, preferred stock or units or other instruments evidencing an ownership interest in any of the Debtors.

5. Conclusion

The Debtors have determined, as summarized in the following analysis, upon the Effective Date, the Plan will provide all holders of Claims and Interests with a recovery (if any) that is not less than what they would otherwise receive pursuant to a liquidation of the Debtors under chapter 7 of the Bankruptcy Code, and as such believe that the Plan satisfies the requirement of 1129(a)(7) of the Bankruptcy Code.

[2] This liquidation analysis is based on certain assumptions regarding the validity and perfection of the liens securing the Debtors' secured debt facilities, including assumptions arising out of agreements memorialized in the Support Agreements filed at Docket No. 956 and the ABL Settlement Agreement at Docket No. 1071. Notwithstanding those assumptions, and in particular to the extent the Support Agreements are not approved by the Bankruptcy Court, or are approved but subsequently terminated, this liquidation analysis should not be read to imply that any party is admitting, waiving any rights or arguments in respect of, or making any concessions in respect of, the validity or perfection of such liens.

Specific Notes to the Liquidation Analysis

Proceeds Available to Creditors

- Cash Balance as of Liquidation Date before liquidation: Opening Cash at the commencement of the liquidation is based upon the most recent cash forecast and is forecasted on an entity by entity basis.[3]

- Accounts Receivable Collections: For the 60 day period liquidation period, collections by entity are forecasted at 15% of the normal course weekly cash flow forecast. Most collections would occur in the first few weeks of a liquidation and are limited as CHC would stop providing services to customers. Moreover, some of CHC's customers pay for services in advance.

- Owned Aircraft By Entity: Owned aircraft are assumed to be sold at forced liquidation value or parts value. In total, 51 aircraft are assumed to be sold for approximately 53% of the Ascend and HeliValue appraisals. The 13 aircraft securing the Asset Based Loan ("**ABL**") are assumed to be valued at forced liquidation value, with EC225 aircraft valued at a part-out rate.

- Inventory, Rotables & Major Spares, Facilities, and Equipment & Land: Inventory, rotables, major spares, facilities, equipment, and land are assumed to be sold using a liquidator, which would result in minimal recovery of these Assets (20%-60% recovery estimate), net of any fees. The assumed values are based on the Debtors' financials as of July 31, 2016 and the recovery on inventory, rotables and major spares is based on a third party valuation report.

Liquidation Costs

- The liquidation plan was developed using the most recent Cash balances.
  - Use of Cash in the liquidation is assumed using the normal course weekly disbursements and adjusted for cessation of operations and the estimated necessary costs incurred in a liquidation.
  - The largest cost in the liquidation would be personnel. Personnel would be required to, among other things, ensure that aircraft are secure, locate Assets, and assist in the liquidation of the Debtor. This analysis assumes 30%-45% of normal course payroll and 30%-45% of normal course benefits would continue.
  - Other material Cash items include (i) OEM expenditures (but only expenditures for parts necessary to maximize value), (ii) freight and customs costs for shipping Assets (and parts as needed), (iii) payments to taxing authorities (to be paid in the normal course as to not incur Liens on Assets), (iv) insurance payments (to insure high value Assets are insured and director and officer liability coverage is maintained), (v) travel costs (to move employees around bases during the liquidation), (vi) fuel costs (related to any needed movement of aircraft), and (vii) IT costs (to keep computer systems at a minimum level of operation to effectuate the liquidation).

[3] This liquidation analysis does not segregate encumbered and unencumbered cash at each entity for purposes of applying the cash against liquidation costs or for any other purpose.

- Professional fees would be paid for February 2017 and March 2017 for the current set of professionals retained in the Chapter 11 Cases. However, the analysis assumes that no transaction fees are to be paid.

- Ordinary course professionals are assumed to be retained by the Trustee for financial and accounting support during the liquidation at 75% of the current monthly run rate.

- Section 326 of the Bankruptcy Code provides for Trustee fees in the amount of 3% of liquidation proceeds in excess of $1 million. The Liquidation Analysis, therefore, assumes Trustee fees are approximately 3% of the Liquidation Proceeds.

- Approximately 2% of existing Accounts Payable and Accrued is assumed to be the settlement of float as checks clear in the first week of filing plus an additional 1% of AP/Accrued for other expenses related to the liquidation.

Local Liabilities

- Due to the global nature of CHC's operations and the various bankruptcy laws and local laws that may be implicated by the liquidation, it is assumed that foreign jurisdictions would require payment of employee liabilities (*e.g.*, WARN type liabilities), pension liabilities (but excluding Canada which are SERP liabilities that are backed by letters of credit), severance liabilities, and maintenance obligations before Cash would be allowed to be distributed to secured and unsecured creditors.

Intercompany and Equity Pledges

- Once all administrative expenses (i.e. the Liquidation Costs and Local Liabilities described above) are satisfied, the remaining proceeds are assumed to be transferred through intercompany transactions (Non-Debtors would satisfy intercompany transactions to Debtors and Non-Debtors, to the extent value is available).

- Any remaining value would then be subject to transfer (equity pledges) to respective parent entities. Certain equity pledges are unpledged and would not benefit secured creditors.

Proceeds Available for Deficiency and Unsecured Claims

- The value available for distribution on account of deficiency Claims and unsecured Claims is assumed to be that of the unperfected aircraft, as well as the unpledged equity transfers, and the remaining value at the non-Debtors.

Claims

- Secured Claims (i.e. the Revolving Credit Agreement Claims, the ABL Credit Agreement Claims, and the Senior Secured Notes Claims) are projected to total approximately $1.58 billion including pre-petition accrued and unpaid interest and fees.

- Lease rejection Claims are projected to total $1.37 billion (assuming no mitigation), which is the estimated NPV of the lease payments, return conditions, and other costs.

- The total Claims pool, including deficiency Claims, capital lease obligations, lease rejections Claims, AP/Accrued, Unsecured Notes Claims, and unsatisfied Local Liabilities totals to approximately $3.08 billion.

- The proposed Support Agreements filed at Docket No. 956 and ABL Settlement Agreement at Docket No. 1071 provide for certain fees and expenses which, if approved, will be administrative expenses of the Debtors' estates. This analysis does not account for such expenses.

CHC Consolidated Liquidation Summary

($ USD in millions)		Consolidated Value
Proceeds Available		
Cash Balance as of 2/3 before wind down	$	135.7
AR Collections		26.3
Cash Balance as of 3/31 before wind down costs	$	162.0
Owned Aircraft		112.3
Unpledged/Unperfected AC		96.2
Inventory		38.1
Rotables & Major Spares		132.4
Facilties		7.6
Equipment & Land		7.8
Proceeds Available to Creditors Before Local Expenses & Wind Down	$	556.5
Wind Down Costs		(92.7)
Proceeds Available to Creditors Before Local Expenses	$	463.8
Local Expenses Satisfied		
Employee Liability		(54.1)
Pension Liability		(16.5)
Severance Liability		(30.1)
Other Lessor Liability / Maintenance		(4.0)
Total Local Expenses Satisfied	$	(104.8)
Net Proceeds Available to Creditors	**$**	**359.0**
Proceeds Available to Secured Claims from their Interest in Collateral		
Senior Secured RCF Proceeds	$	227.9
% Recovery		*61.5%*
Secured Notes Proceeds		-
% Recovery		*0.0%*
Asset Based Loan Proceeds		56.6
% Recovery		*40.7%*
Proceeds Available for Unsecured / Deficiency Claims		**74.5**
Unsecured / Deficiency Claims		**Total**
Senior Secured RCF Deficiency Claim	$	(142.8)
Secured Notes Deficiency Claim		(1,066.2)
Asset Based Loan Deficiency Claim		(82.4)
Capital Lease Obligations		(9.5)
Lease Rejection Claims		(1,369.9)
AP/Accrued		(227.8)
Senior Unsecured Notes		(98.5)
Local Expenses Unsatisfied		(81.9)
Total Unsecured / Deficiency Claims	**$**	**(3,079.0)**

CHC Estimated Liquidation Recovery by Entity - For Unsecured / Deficiency Claims

($ USD in millions)

Entity	Total Unsecured / Deficiency Claims	Recovery Percentage
6922767 Holding S.A.R.L	2,592.5	-
Capital Aviation Services B.V.	1,696.7	0.23%
CHC Cayman ABL Borrower Ltd.	82.4	-
CHC Cayman ABL Holdings Ltd.	82.4	-
Cayman Investments I Limited	-	-
CHC Den Helder BV	1,307.7	-
CHC Global Operations (2008) ULC	1,312.0	-
CHC Global Operations Canada (2008) ULC	1,315.0	-
CHC Global Operations International ULC	1,326.4	-
CHC Group Ltd	1,530.0	-
CHC Helicopter (1) S.à r.l.	1,389.9	-
CHC Helicopter (2) S.à r.l.	1,389.9	-
CHC Helicopter (3) S.à r.l.	1,389.9	-
CHC Helicopter (4) S.à r.l.	1,389.9	-
CHC Helicopter (5) S.à r.l.	1,389.9	-
CHC Helicopter Australia Pty. Ltd	2,101.0	0.70%
CHC Helicopter Holding S.à r.l.	1,547.9	-
CHC Helicopter S.A.	2,265.0	0.86%
CHC Helicopters (Barbados) Limited	2,014.3	0.70%
CHC Helicopters (Barbados) SRL	1,920.2	0.28%
CHC Holding (U.K.) Limited	1,307.5	-
CHC Holding NL B.V.	1,307.5	-
CHC Hoofddorp B.V.	1,308.1	-
CHC Leasing (Ireland) Ltd.	1,539.7	-
CHC Netherlands B.V.	1,307.5	-
CHC Norway Acquisition Co AS	1,307.5	-
Heli-One (Netherlands) B.V.	1,308.9	-
Heli-One (Norway) AS	1,342.2	-
Heli-One (UK) Limited	1,310.1	-
HeliOne (US) Inc.	1,307.5	-
Heli-One Canada ULC	1,389.4	-
Heli-One Holdings (UK) Limited	1,389.9	-
Heli-One Leasing (Norway) AS	1,326.7	0.24%
Heli-One Leasing ULC	1,860.2	0.49%
Heli-One USA Inc.	1,389.9	-
Heliworld Leasing Limited	2,138.6	-
Integra Leasing AS	1,307.6	-
Lloyd Bass Strait Helicopters Pty. Ltd.	1,389.9	-
Lloyd Helicopter Services Limited	1,389.9	-
Lloyd Helicopter Services Pty. Ltd.	1,389.9	-
Lloyd Helicopters International Pty. Ltd.	1,389.9	-
Lloyd Helicopters Pty. Ltd.	1,389.9	-
Management Aviation Limited	1,389.9	-

Exhibit H

Financial Projections

Financial Projections

- *The prospective financial information included in this Disclosure Statement has been prepared by, and is the responsibility of, the Debtors' management team ("**Management**"). No independent auditors have examined, compiled or performed any procedures with respect to the accompanying prospective financial information.*

- *The Debtors do not, as a matter of course, publish their business plans, budgets or strategies or disclose projections or forecasts of their anticipated financial positions, results of operations or cash flows. Accordingly, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated business plans, budgets, strategies, projections or forecasts of their anticipated financial positions, results of operations or cash flows to holders of Claims or Interests prior to the Effective Date or to include such information in documents required to be filed with the SEC or otherwise make such information publicly available.*

- *The assumptions, projections and other financial information contained in this section contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995.*

- The Debtors believe that the Plan meets the feasibility requirements set forth in section 1129(a)(11) of the Bankruptcy Code, as confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successor under the Plan. In connection with the planning and development of a plan of reorganization and for the purposes of determining whether such plan would satisfy this feasibility standard, the Debtors analyzed their ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources.

- Management, with the assistance of their advisors, has prepared financial projections (the "**Financial Projections**") for the fiscal years 2017 through 2019 (the "**Projection Period**"). The Financial Projections were prepared by Management, with the assistance of their advisors, and are based on a number of assumptions made by Management and their advisors with respect to the potential future performance of the Reorganized Debtors' operations assuming the consummation of the Plan. The Financial Projections are presented on a consolidated basis, including estimates of operating results for Debtor entities and non-Debtor entities combined. The Financial Projections will assist each holder of a Claim or Interest in the Debtors to determine whether to vote to accept or to reject the Plan.

- In general, as illustrated by the Financial Projections, the reduction of debt on the Debtors' balance sheet will substantially reduce future interest expense and improve future cash flows. Based on the Financial Projections, the Debtors should have sufficient cash flow to pay and service their post-restructuring debt obligations, including the Exit Revolving Credit Facility, the Amended and Restated ABL Credit Facility, the PK Financing Facility (if applicable), the New Second Lien Convertible Notes, and the New Unsecured Notes, and to operate their business. The Debtors believe that the Confirmation Date and Effective Date are not likely to be followed by either the liquidation or the further reorganization of the Reorganized Debtors. Accordingly, the Debtors believe that the Plan satisfies the feasibility requirements of section 1129(a)(11) of the Bankruptcy Code.

- THESE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH PUBLISHED GUIDELINES OF THE SEC OR GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FOR PREPARATION AND PRESENTATION OF PROSPECTIVE FINANCIAL INFORMATION. THE PROJECTED BALANCE SHEETS DO NOT REFLECT THE IMPACT OF FRESH START ACCOUNTING, WHICH COULD RESULT IN A MATERIAL CHANGE TO ANY OF THE PROJECTED VALUES.

- ALTHOUGH MANAGEMENT HAS PREPARED THE FINANCIAL PROJECTIONS IN GOOD FAITH AND BELIEVES THE ASSUMPTIONS TO BE REASONABLE, IT IS IMPORTANT TO NOTE THAT THE DEBTORS AND THE REORGANIZED DEBTORS CAN PROVIDE NO ASSURANCE THAT SUCH ASSUMPTIONS WILL BE REALIZED. AS DESCRIBED IN SECTION X OF THE DISCLOSURE STATEMENT, A VARIETY OF RISK FACTORS COULD AFFECT THE REORGANIZED DEBTORS' FINANCIAL RESULTS AND MUST BE CONSIDERED. ACCORDINGLY, THE FINANCIAL PROJECTIONS SHOULD BE REVIEWED IN CONJUNCTION WITH A REVIEW OF THE RISK FACTORS SET FORTH IN SECTION X OF THE DISCLOSURE STATEMENT AND THE ASSUMPTIONS DESCRIBED HEREIN, INCLUDING ALL RELEVANT QUALIFICATIONS AND FOOTNOTES, AND ANY RESULTING CHANGES TO THE FINANCIAL PROJECTIONS COULD BE MATERIAL.

1. General Assumptions

- *Overview:* CHC Group Ltd., along with its Debtor and non-Debtor subsidiaries, provides services through two segments: Helicopter Services and Heli-One. The Helicopter Services segment consists of flying operations in the Eastern North Sea, the Western North Sea, the Americas and the Asia Pacific Region. Flying operations consist primarily of transportation for the offshore oil-and-gas industry, search-and-rescue services, and emergency medical services. The Heli-One segment includes helicopter maintenance, repair and overhaul ("**MRO**") facilities in Norway, Poland, Canada and the United States, providing services for CHC's fleet and for external customers based primarily in Europe, Asia and North America.

- *Presentation:* The Financial Projections are presented on a consolidated basis, including estimates of operating results for Debtor and non-Debtor entities, combined.

- *Accounting Policies:* The Financial Projections may not reflect all of the adjustments necessary to implement fresh-start accounting pursuant to Accounting Standards Certification 852-10, as issued by the Financial Accounting Standards Board.

- *Methodology:* Key personnel from all of the Debtors' operating regions and various functions provided input in the development of the Financial Projections. In developing the Financial Projections, the Debtors reviewed their fleet's current contracted status and made assessments of whether or not these contracts were likely to be renewed or if volume or price changes were likely. Fleet composition projections were developed based on the projected revenue activity levels as well as the status of negotiations with lessors. The Debtors hired experts to evaluate the near and longer term outlook on oil and gas production, pricing, and off-shore rig activity levels. In addition, the MRO activity level of Heli-One was evaluated based on projected global helicopter activity and the potential for market share gains. The Financial Projections were developed on a region-by-region basis and incorporate multiple sources of information. While the Debtors remain confident in the long term fundamentals of the offshore market the Financial Projections reflect a prolonged downturn in the oil and gas market as the timing of an industry recovery remains uncertain.

- *Plan Consummation:* The Financial Projections assume that the Plan will be confirmed or consummated on or about January 31, 2017.

***2.* Assumptions With Respect to the Projected Income Statement**

Productive Aircraft: A contract-by-contract review was completed to determine the productive aircraft that the Debtor would operate. The number of productive aircraft is driven by the assumption of contract renewals, losses, changes in activity levels as well as future speculative contracts.

Revenues: Revenue in the Financial Projections is generated on a per aircraft basis based on the productive aircraft servicing each contract. In addition, the Debtors generate revenue through their MRO activities.

Direct Costs: Direct Costs are projected based on historical operating costs in each region (adjusted for cost reduction efforts). These costs include crew, base, maintenance, insurance, base rechargeables, and other.

General and Administrative: General and Administrative costs ("**G&A**") are primarily comprised of labor costs and other expenses associated with the Debtors' corporate overhead. The amount of G&A is based on historical G&A costs, adjusted for cost reduction efforts. These costs include segment support costs and global support costs.

Lease Expense: Lease Expense is forecasted based on the projected amount and composition of aircraft necessary to support the Financial Projections. The expense is based on certain renegotiated and contract rates.

Equity Earnings: Equity Earnings reflects the projected earnings from equity accounted investees.

Depreciation & Amortization: Depreciation and Amortization reflects the anticipated depreciation and amortization of the Debtors' fleet, based on current net book values.

Other: Other includes projected restructuring expenses associated with the Chapter 11 Cases including, but not limited to, professional fees, fleet return costs and other items. In addition, Other includes projected asset impairments, stock-based compensation, and one-time cost items including severance.

Net Interest & Other Financing: Interest expense is forecasted based on the capital structure at emergence and other banking fees.

Income Tax Expense: Income Tax Expense is projected based on the jurisdictional mix of the Debtors' projected revenue.

3. Assumptions with Respect to the Projected Balance Sheet and Projected Statement of Cash Flows

Pro Forma Adjustments Related to Emergence: The FY2017 balance sheet reflects certain adjustments related to the Debtors' emergence from chapter 11 in accordance with the terms of the Plan. These adjustments primarily relate to the paydown of the Revolving Credit Facility, if applicable, and the extinguishment of the Debtors' Senior Secured Notes and Unsecured Notes. The New Second Lien Convertible Notes and New Unsecured Notes, as contemplated in the Plan, are reflected on the balance sheet. In addition, the Financial Projections reflect assumptions with respect to the terms of the Exit Revolving Credit Facility, the Amended and Restated ABL Facility, as well as the PK Financing Facility, as the terms of those facilities have not been finalized, and remain subject to ongoing discussion and negotiation among the parties.

Cash Pension Expense: Cash Pension Expense includes projected contributions for the UK and Norway pension plans.

Working Capital: Working Capital assumptions are based on the historical days sales outstanding and historical days payable as well as on the historical levels of prepaid and other current Assets and current

liabilities. FY2017 reflects the loss of the advancements on accounts receivable from an accounts receivable securitization counterparty as well as draws on Letters of Credit.

Cash Restructuring Costs: Cash Restructuring Costs include severance related, lease return costs, and restructuring professional fees.

Capital Expenditures: Projections for capital expenditures were prepared with consideration of the Debtors' fixed Assets including bases, aircraft, and aircraft parts. The Financial Projections reflect the return of certain aircraft financed under the ABL Credit Facility as well as the purchase of new aircraft financed through the Amended and Restated ABL Credit Facility and, if applicable, the PK Financing Facility (collectively, the "**New Asset Backed Loans**"). The return and financing of aircraft are assumed to occur upon emergence.

Other Disposals: Other Disposals consists of parts sales in the normal course of business. No aircraft are projected to be sold due to the uncertainty in the market for used aircraft.

Borrowing / (Repayment) of Revolving Credit Facility: Reflects the paydown of the Revolving Credit Facility at emergence and subsequent borrowings to maintain $150 million of cash on the balance sheet.

Borrowing / (Repayment) of New Asset Backed Loans: Reflects the adjustment of the existing ABL Credit Facility and borrowings and subsequent repayments on the New Asset Backed Loans.

Cash to Balance Sheet – Investment: Reflects the cash after closing expenses that will benefit the Debtors.

Capital Lease Repayment / Buyout: Reflects the projected payments on capital leases and aircraft buyouts. The projections include capital lease payments related to the current Boundary Bay Facility lease, however, the projections also forecast savings related to renegotiating or relocating the Boundary Bay Facility.

CONSOLIDATED INCOME STATEMENT	Year Ending April 30,		
($ in millions)	**2017E**	**2018E**	**2019E**
Average Productive Aircraft Count	109	93	90
Total HS Gross Revenue	$ 784	$ 646	$ 616
% Growth		*(17.6%)*	*(4.7%)*
Total H1 External Revenue	142	150	154
% Growth		*5.7%*	*2.9%*
Total Gross Revenue	$ 926	$ 796	$ 770
% Growth		*(14.0%)*	*(3.3%)*
Direct Costs	(579)	(470)	(465)
G&A	(150)	(114)	(109)
Lease Expense	(109)	(104)	(108)
Equity Earnings	5	-	-
Depreciation & Amortization	(135)	(172)	(133)
Other [(1)]	(117)	(71)	(30)
Operating Income	$ (159)	$ (135)	$ (75)
% of Gross Revenue	*(17.2%)*	*(17.0%)*	*(9.7%)*
Net Interest & Other Financing [(2)]	(34)	(27)	(46)
Income Tax Expense	(11)	(6)	(8)
Net Income / (Loss)	$ (204)	$ (168)	$ (129)
Reconciliation of Net Income to Adj. EBITDA & Adj. EBITDAR			
Net Income / (Loss)	$ (204)	$ (168)	$ (129)
Income Tax Expense	11	6	8
Net Interest & Other Financing [(2)]	34	27	46
Depreciation & Amortization	135	172	133
Other [(1)]	117	71	30
Adj. EBITDA	$ 92	$ 108	$ 88
Lease Expense	109	104	108
Adj. EBITDAR	$ 201	$ 212	$ 196

(1) Other includes one-time items, stock-based comp, asset impairments, restructuring & other

(2) Does not include accretion on the New Second Lien Mandatory Convertible Notes which may change as a result of fresh start accounting

CONSOLIDATED BALANCE SHEET	Year Ending April 30,		
($ in millions)	**2017E**	**2018E**	**2019E**
Cash & Cash Equivalents	$ 150	$ 150	$ 150
Accounts Receivables	117	99	96
Inventory	98	83	82
Prepaid Expenses	31	26	25
Income Tax Receivables	22	22	22
Other Current Assets	61	61	61
Total Current Assets	$ 479	$ 442	$ 436
Aircraft	591	565	539
Rotables	286	213	174
Other PP&E	140	128	117
Total Fixed Assets	$ 1,018	$ 906	$ 830
Other Long Term Assets	549	528	507
Total Assets	$ 2,046	$ 1,876	$ 1,773
Payables and Accruals	$ 81	$ 61	$ 60
Deferred Revenue	49	42	40
Income Tax Payable	35	35	35
Other Current Liabilities	55	55	55
Total Current Liabilities	$ 220	$ 193	$ 191
Revolving Credit Facility	209	301	362
Asset-Based Revolving Credit Facilities	181	161	142
New Second Lien Mandatory Convertible Notes	464	464	464
New Unsecured Notes	38	40	42
Capital Leases & Other Debt	39	24	23
Total Debt	$ 931	$ 990	$ 1,033
Other Long Term Liabilities	190	156	141
Total Liabilities	$ 1,340	$ 1,339	$ 1,365
Shareholders' Equity	$ 705	$ 537	$ 408
Total Liabilities & Shareholders' Equity	$ 2,046	$ 1,876	$ 1,773

Notes:

(1) Balance sheet is subject to fresh start accounting

(2) New Second Lien Mandatory Convertible Notes reflected at face value and is subject to further analysis and fresh start accounting

CONSOLIDATED STATEMENT OF CASH FLOWS	Year Ending April 30,		
($ in millions)	**2017E**	**2018E**	**2019E**
Adj. EBITDAR	$ 201	$ 212	$ 196
Lease Expense	(109)	(104)	(108)
Adj. EBITDA	$ 92	$ 108	$ 88
Cash Interest on Debt Obligations	(30)	(28)	(32)
Cash Income Tax	(11)	(6)	(8)
Cash Pension Expense	(26)	(28)	(28)
Changes in Working Capital	(48)	10	3
Cash Restructuring Costs	(110)	(45)	(4)
Other	(30)	(8)	(4)
Operating Cash Flow	$ (162)	$ 3	$ 15
Non-Aircraft Capex	(82)	(64)	(60)
Aircraft Capex	(115)	-	-
Total Disposals	133	4	4
Net Cash Flow From Investing Activities	$ (64)	$ (60)	$ (56)
Borrowing / (Repayment) of Revolving Credit Facility	(119)	92	62
Borrowing / (Repayment) of Asset Backed Loans	36	(20)	(20)
Cash to Balance Sheet - Investment [(1)]	225	-	-
Capital Lease Repayment / Buyout	(8)	(15)	(1)
Financing Cash Flow	$ 135	$ 57	$ 41
Change in Cash	$ (91)	$ 0	$ -

Notes:

(1) $225mm investment is the $300mm investment less $75mm of closing fees and expenses

Exhibit K

Requested Hearing Date: February 13, 2017 at 9:00 a.m. (CT)
Requested Objection Deadline: February 8, 2017 at 4:00 p.m. (CT)

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

In re:	:	**Chapter 11**
CHC GROUP LTD. et al.,	:	**Case No. 16–31854 (BJH)**
Debtors.	:	**(Jointly Administered)**

DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105, 363, AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(h), 6006, AND 9019 AUTHORIZING THE DEBTORS TO ENTER INTO AND PERFORM UNDER THE 2017 OMNIBUS RESTRUCTURE AGREEMENT WITH AIRBUS HELICOPTERS (SAS) REGARDING CERTAIN OF THE DEBTORS' EXECUTORY CONTRACTS

THE DEBTORS HAVE REQUESTED A HEARING TO BE CONDUCTED ON THIS MATTER ON FEBRUARY 13, 2017 AT 9:00 A.M. IN COURTROOM #2, 14TH FLOOR OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT

OF TEXAS, DALLAS DIVISION, EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE ST., DALLAS, TEXAS 75242.

TO THE HONORABLE BARBARA J. HOUSER, UNITED STATES BANKRUPTCY JUDGE:

CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**")[1], respectfully represent as follows:

Relief Requested

1. The Debtors hereby submit this motion (the "**Motion**"), pursuant to sections 105(a), 363(b), and 365(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 6004(h), 6006, and 9019 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), respectfully requesting entry of an order, substantially in the form attached hereto as **Exhibit B** (the "**Order**"), authorizing the Debtors to enter into, and perform under, the 2017 Omnibus Restructure Agreement, between Airbus Helicopters (SAS) and the Debtors, dated as of January 24, 2017 (together with all exhibits and schedules thereto, the "**Restructure Agreement**") regarding certain executory contracts between the Debtors and Airbus Helicopters (SAS) ("**Airbus**") and settlement of related claims.

2. A redacted copy of the Restructure Agreement is attached hereto as **Exhibit C**.[2]

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[1] A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, where applicable, is attached hereto as **Exhibit A**.

[2] Contemporaneous with the filing of this Motion, the Debtors filed a *Motion for an Order Pursuant to 11 U.S.C. §§ 105(a) and 107(b) and Fed. R. Bankr. P. 9018 Authorizing the Filing of Certain Information Under Seal in Connection with the Debtors' Motion for an Order Pursuant to Sections 105, 363, and 365 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 6004(h), 6006, and 9019 Authorizing the Debtors to Enter Into and Perform Under the 2017 Omnibus Restructure Agreement with Airbus Helicopters (SAS)*

Jurisdiction and Venue

3. The United States Bankruptcy Court for the Northern District of Texas (the "**Court**") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The bases for the relief requested herein are sections 105(a) and 363(b) of the Bankruptcy Code.

Background

4. On May 5, 2016 (the "**Petition Date**"), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

5. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas [Docket No. 52].

The Debtors' Businesses

6. The Debtors, together with their non-debtor affiliates (collectively, "**CHC**"), comprise a global commercial helicopter services company, primarily engaged in providing helicopter services to the offshore oil and gas industry. CHC also provides helicopter services for search and rescue and emergency medical services to various government agencies.

Regarding Certain of the Debtors' Executory Contracts requesting authorization to file certain confidential information contained in the Restructure Agreement under seal.

In addition, CHC maintains the industry's largest independent helicopter maintenance, repair, and overhaul business, which services helicopter fleets for both CHC as well as third-party customers. CHC manages its domestic and overseas businesses from its headquarters in Irving, Texas and its sales force from an office in Houston, Texas. CHC maintains one of its primary engine overhaul facilities in Fort Collins, Colorado. Only certain entities within CHC – primarily the issuers or guarantors of the Debtors' funded debt – are Debtors in the chapter 11 proceedings. CHC's other entities, including certain operating entities, are not debtors in these cases and are continuing to conduct their business in the ordinary course.

7. Additional information about the Debtors' businesses, capital structure and the circumstances leading to the commencement of these chapter 11 cases can be found in the *Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief* [Docket No. 13] (the "**Del Genio Declaration**").

The CHC/Airbus Relationship

8. Helicopters manufactured by Airbus are expected to make up a significant portion of the CHC's fleet on a go-forward basis. The Debtors' agreements with Airbus extend not only to the purchase of helicopters, spare parts, and other key services required to operate CHC's existing fleet, but also to other aspects of CHC's business, including its maintenance repair and overhaul business. Airbus provides critical licenses as well as technical and parts support to CHC's maintenance, repair and overhaul businesses. CHC and Airbus are parties to several executory contracts relating to the Debtors' helicopters, maintenance and other aspects of Debtors' operations that are fundamental to the Debtors' operations and ongoing success.

9. Airbus has filed certain proofs of claims alleging over $4,603,409 of general unsecured claims and $1,601,168 of administrative priority claims. In addition, the

Debtors scheduled over $467,268 in general unsecured claims held by Airbus and certain of its affiliates. These filed and scheduled claims are set forth below:

#Claim	Creditor	Debtor(s)	General Unsecured	Admin Priority
353	Airbus Helicopters (SAS)	Heli-One Canada ULC	$65,776.05	$27,295.18
365	Airbus Helicopters (SAS)	Heli-One (Norway) (AS)	$4,537,633.72	$1,573,873.10
Scheduled	Airbus Group Australia Pacific Ltd	Lloyd Bass Strait Helicopters Pty. Ltd. Lloyd Helicopter Services Pty. Ltd. Lloyd Helicopters International Pty. Ltd. CHC Helicopter Australia Pty, Ltd. Lloyd Helicopters Pty. Ltd.	$3,260.51	
Scheduled	Airbus Group Australia Pacific Ltd	Heli-One (Norway) (AS)	$179,059.35	
Scheduled	Airbus Helicopters Canada Limited	Lloyd Bass Strait Helicopters Pty. Ltd. Lloyd Helicopter Services Pty. Ltd. Lloyd Helicopters International Pty. Ltd. Lloyd Helicopters Pty. Ltd. CHC Helicopter Australia Pty, Ltd.	$3,289.38	
Scheduled	Airbus Helicopters Simulation Center	Lloyd Bass Strait Helicopters Pty. Ltd. Lloyd Helicopter Services Pty. Ltd. Lloyd Helicopters International Pty. Ltd. CHC Helicopter Australia Pty, Ltd. Lloyd Helicopters Pty. Ltd.	$142,500.06	
Scheduled	Airbus Helicopters Simulation Center	CHC Global Operations (2008) ULC	$139,159.31	

The Restructure Agreement

10. During the pendency of the chapter 11 cases, the Debtors have engaged in extensive good-faith discussions and negotiations with Airbus with respect to their existing contracts and the claims associated therewith, in order to ensure a beneficial ongoing relationship between the parties. These discussions have culminated in the Restructure Agreement which, as stated, provides for a comprehensive contractual framework governing the relationship between the Debtors and Airbus post-emergence and the resolution of the various claims asserted by Airbus.

11. The Restructure Agreement provides for the termination or amendment of various executory contracts between the Debtors and Airbus, as well as the entry into certain new contracts upon emergence, as discussed in more detail below.[3]

A. **Termination of Certain Existing Agreements.** The Restructure Agreement contemplates that the following agreements (the "**Airbus Terminated Agreements**") will be terminated on the Effective Date (as defined in the Restructure Agreement):

i. The Damper PBH Contract (NCA-03-SCE 100) dated January 9, 2003, by and among Airbus and Heli-One Norway (AS) ("**Heli-One**"), as successor to ASTEC NW, as amended and supplemented, which sets forth the scope of work, pricing and terms for part and technical support for the EC225 and EC332L2 dampers;

ii. The EC155 PBH Contract (PBH EC155B&B1) dated January 6, 2006, by and among Airbus Group Australia Pacific Ltd (previously called Australian Aerospace Limited) and Heli-One, which sets forth the conditions on which parts and technical support was received. The final helicopters covered by this contract will be consensually removed from

[3] Capitalized terms used in this section but not otherwise defined shall have the meaning ascribed to them in the Restructure Agreement. The summary of the terms of the Restructure Agreement contained in this Motion is qualified in its entirety by the terms of the Restructure Agreement. To the extent the Motion and the Restructure Agreement are inconsistent, the Restructure Agreement shall control.

coverage under this contract.

B. **Amendments of Certain Agreements.** The Restructure Agreement contemplates that the following agreements (the "**Airbus Amended Agreements**") will be amended and revised as set forth below:

i. Helicopter Purchase Agreement (EC No 225.118/2011) dated September 13, 2011, by and among Airbus (previously called Eurocopter) and CHC Leasing (Ireland) Designated Activity Company (previously called CHC Leasing (Ireland) Ltd.), relating to the purchase of Airbus helicopter model EC 225 helicopters, will be amended and revised on the Effective Date as set forth in Amendment 3 to Purchase Agreement No. 225.118/2011 and the associated letter agreements referenced therein, all in the form of Exhibit 1 to the Restructure Agreement, which sets forth adjusted order provisions on a go-forward basis;

ii. Colorado RCA 555-2010 dated June 9, 2010, by and among Airbus and Heli-One American Support LLC, shall be amended and revised on the Effective Date as set forth in Amendment No. 4 to Colorado RCA (RCAM-555-2010) and the associated letter agreements referenced therein, all in the form of Exhibit 2 to the Restructure Agreement, which authorizes Heli-One to continue to perform specific maintenance and overhaul tasks on certain Airbus helicopter types and certain Airbus components for certain customers in specific regions;

iii. EC135/EC145 Contract dated January 6, 2014, by and among Airbus Group Australia Pacific Ltd (previously called Australian Aerospace Limited) and Heli-One, shall be amended and revised on the Effective Date as set forth in Amendment No. 4 to EC135/EC145 Contract (AAL/AH/H1-PBH 135/145) and the associated letter agreements referenced therein, all in the form of Exhibit 3 to the Restructure Agreement, which sets forth the ongoing scope of work, pricing and terms, under which parts and technical support for the Airbus helicopter type EC135 and EC145 are to be sourced;

iv. Amendment Nos. 18 and 19 to the Damper PBH Contract (NCA-03-SCE 100), dated January 9, 2003, shall be approved and effective as of the Effective Date, all in the form of Exhibit 4 to the Restructure Agreement, which sets forth the ongoing scope of work, pricing and terms for support of part and technical support for EC225 and EC332L2 dampers.

C. **Entry into New Agreements.** The Restructure Agreement provides that on or after the Effective Date, the parties will enter into the following new

agreements:

i. A new Norway RCA Agreement, by and among Airbus and Heli-One, relating to the licensing of Heli-One Norway (AS) ("**Heli-One"**), effective as of January 1, 2018, as set forth in Exhibit 5 to the Restructure Agreement, to perform specific maintenance and overhaul tasks on certain Airbus helicopter types and certain Airbus components for certain customers in specific regions;

ii. A new Damper PBH Contract, entered into as of the Effective Date, by and among Airbus and Heli-One, as set forth in Exhibit 6 to the Restructure Agreement, which sets forth the scope of work, pricing and terms for part and technical support for the EC225 and EC332L2 dampers;

iii. A new HUMS Contract, entered into as of the Effective Date, by and among Airbus and CHC Group Ltd., as set forth in Exhibit 7 to the Restructure Agreement, which sets forth the scope of work, and condition for which support is received for the Health Usage Monitoring System (HUMS), a system that records the status of critical systems and components on helicopters.

D. **Reaffirmation of Norway RCA 671-2012.** Lastly, the Restructure Agreement provides that the Norway RCA Agreement (RCEA-671-2012) dated January 17, 2013, by and among Airbus and Heli-One (the "**Norway RCA Agreement**", together with the Airbus Terminated Agreements and the Airbus Amended Agreements, the "**Airbus Existing Agreements**"), under which Airbus authorized performance of maintenance services for certain agreed Airbus helicopter models, as amended and supplemented, will be reaffirmed and assumed, without being amended or revised, on the Effective Date.

12. The Restructure Agreement also contains a comprehensive resolution and global settlement of the various claims and cure amounts associated with the Airbus Existing Agreements. More specifically, upon the Effective Date, Airbus will be entitled to a settlement payment of $2,693,328 (the "**Settlement Payment**") in full satisfaction of any and all Airbus Claims (as defined in the Restructure Agreement), including but not limited to all general unsecured claims and priority administrative expense claims asserted by Airbus on behalf of itself or its Affiliates (as defined in the Restructure Agreement) under the Airbus Existing

Agreements. Upon receipt of the Settlement Payment, Airbus and its Affiliates shall be deemed to have waived all Airbus Claims without further action required by any of the Debtors or Airbus, including but not limited to their scheduled and filed proofs of claims that constitute Airbus Claims, which shall be withdrawn from the Debtors' claims register.

13. In addition, pursuant to the Restructure Agreement, Airbus shall issue for the benefit of the Debtors, two credit notes (each, a "**Credit Note**"), which shall be effective in 2017 and 2018. Each Credit Note issued shall be fully available and useable by CHC without any restrictions.

Basis for Relief

The Debtors Should Be Authorized to Enter into the Restructure Agreement Pursuant to Sections 105(a), 363(b) and 365(a) of the Bankruptcy Code

14. The Bankruptcy Code authorizes the use of property outside the ordinary course of business with court approval and given a valid business reason. More specifically, section 363 of the Bankruptcy Code, in pertinent part, authorizes a debtor in possession to "use, sell, or lease, other than in the course of business, property of the estate," after notice and a hearing. 11 U.S.C. § 363(b)(1). Although section 363 does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, courts routinely authorize the use of debtor's property if it is based upon the reasonable business judgment of the debtor. *See, e.g., Institutional Creditors of Cont'l Air Lines, Inc. v. Cont'l Air Lines, Inc. (In re Cont'l Air Lines, Inc.),* 780 F.2d 1223, 1226 (5th Cir. 1986) ("for the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.") (citing *In re Lionel Corp*., 722 F.2d 1063, 1071 (2d Cir.1983)); *In re ASARCO, LLC,* 441 B.R. 813, 830 (Bankr. S.D. Tex. 2010); *In re*

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Martin, 91 F.3d 389, 395 (3d Cir. 1996); *In re Elpida Memory, Inc.*, No. 12-10947 (CSS), 2012 WL 6090194, at *5 (Bankr. D. Del. Nov. 20, 2012); *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999).

15. The standard for approval of the use of property outside the ordinary course of business is a deferential one. *See GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd. (In re State Park Bldg. Grp., Ltd.)*, 331 B.R. 251, 254 (Bankr. N.D. Tex. 2005) ("[g]reat judicial deference is given to the Trustee's exercise of business judgment.")

16. In addition, the Court also may grant the requested relief pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, which provides that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a).

17. The Debtors believe that the comprehensive agreement and framework set forth in the Restructure Agreement is a valid exercise of their business judgment and that entry into the Restructure Agreement is consistent with their fiduciary duties to maximize value for their estates and creditors. The treatment of the Airbus Existing Agreements and the related claims thereunder contained in the Restructure Agreement will provide the Debtors with the opportunity to continue their contractual relationship with Airbus post-emergence basis on more favorable terms. In addition, the Debtors will be able to avoid costly, and potentially lengthy, litigation that would distract the Debtors from their restructuring efforts and diminish their limited liquidity. Accordingly, the Debtors respectfully request that the court enter the Order authorizing the Debtors to enter into, and perform under, the Restructure Agreement.

18. Further, Section 365(a) allows the debtor in possession to maximize the value of a debtor's estate by assuming executory contracts or unexpired leases that benefit the

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estate and by rejecting those that do not. *In re Nat'l Gypsum Co.*, 208 F.3d 498, 505 (5th Cir. 2000). A court should approve a decision to assume or reject an executory contract or unexpired lease pursuant to section 365 if based on a sound exercise of the debtor's business judgment. *See Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985); *see also In re Wolflin Oil, L.L.C.*, 318 B.R. 392, 396 (Bankr. N.D. Tex. 2004) (same).

19. Based on the foregoing, the Debtors respectfully submit that the decision to enter into the Restructure Agreement and assume, as amended, the Airbus Amended Agreements, and to reaffirm the Norway RCA Agreement, as part of the Restructure Agreement, represents a reasonable exercise of the Debtors' business judgment. As the Restructure Agreement reaffirms the Norway RCA Agreement and modifies the terms of the Airbus Amended Agreements relating to helicopters, maintenance and other critical aspects of the Debtors' operations while allowing the Debtors to realize cost savings, the Debtors submit that assuming these agreements, as reaffirmed or amended pursuant to the Restructure Agreement, is in the best interests of the Debtors' estates. Further, the Restructure Agreement provides a framework for the Debtors and Airbus to continue a business relationship post-emergence. Given this relationship's critical importance to the operations and ongoing success of the Debtors, assumption of the agreements, as amended in the Restructure Agreement, represents a reasonable exercise of the Debtors' business judgment and will benefit the Debtors and their estates.

20. Similarly, the Debtors submit that, pursuant to section 365 of the Bankruptcy Code, the Court should authorize the rejection of the Airbus Termination Agreements, as those agreements are no longer needed for the Debtors operations and will be

replaced with new Airbus agreements under the Restructure Agreement. Accordingly, the Airbus Termination Agreements are no longer beneficial for the Debtors' operations.

21. The Debtors believe they have sound business reasons to enter into, and perform under, the Restructure Agreement and that entry into the Restructure Agreement is consistent with their fiduciary duties to maximize value for their estates and creditors.

The Settlement Contained in the Restructure Agreement Should Be Approved Pursuant to Bankruptcy Rule 9019(a)

22. In addition, the settlement embodied in the Restructure Agreement should be approved pursuant to Bankruptcy Rule 9019. A bankruptcy court may approve a settlement in accordance with Bankruptcy Rule 9019, which provides that "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a).

23. "Compromises are 'a normal part of the process of reorganization,'" *Protective Comm. for Indep. S'holders of TMT Trailer Ferry Inc., v. Anderson*, 390 U.S. 414, 424 (1968), and are favored in bankruptcy because they minimize litigation costs and further the parties' interest in expediting the administration of the bankruptcy case. *See Myers v. Martin (In re Martin)*, 91 F.3d 389, 394 (3d Cir. 1996); *In re Bond*, 1994 U.S. App. Lexis 1282, *9-*14 (4th Cir. 1994). "One of the goals of Congress in fashioning the Bankruptcy Code was to encourage parties in a distress situation to work out a deal among themselves." *In re Mirant Corp.*, 334 B.R. 800, 811 (Bankr. N.D. Tex. 2005).

24. The decision to approve a particular settlement lies within the sound discretion of the bankruptcy court. *In re World Health Alts., Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006); 9 Collier on Bankruptcy at ¶ 9019.02. Approval of a settlement is appropriate "when the settlement is fair and equitable and the best interests of the estate." *Official Committee of*

Unsecured Creditors v. Moeller (In re Age Refining, Inc.), 801 F.3d 530, 540 (5th Cir. 2015); *In re Heritage Organization, LLC*, 375 B.R. 230, 260 (Bankr. N.D. Tex. 2007). In determining whether to approve a settlement, courts in the Fifth Circuit have applied a three factor test with a focus on comparing "the terms of the compromise with the likely rewards of litigation." *In re Age Refining, Inc*., 801 F.3d at 540 (*citing In re Jackson Brewing Co*., 624 F.2d 599, 607 (5th Cir. 1980)). A bankruptcy court must evaluate: (a) the probability of success in the litigation, with due consideration for the uncertainty in fact and law, (b) the complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and (c) all other factors bearing on the wisdom of the compromise. *See In re Age Refining, Inc.*, 801 F.3d at 540; *In re Cajun Elec. Power Coop*., 119 F.3d 349, 356 (5th Cir. 1997); *In re Jackson Brewing Co*., 624 F.2d at 607; *In re Mirant Corp*., 348 B.R. 725, 739-40 (Bankr. N.D. Tex. 2006). Furthermore, "[u]nder the rubric of the third, catch-all provision, [the Fifth Circuit has] specified two additional factors that bear on the decision to approve a proposed settlement." *Id*. These "other factors" include consideration of (i) "the best interest of creditors, with proper deference to their reasonable views;" and (ii) "the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion." *In re Cajun Elec. Power Coop*., 119 F.3d at 356; *see also In re Age Refining, Inc*., 801 F.3d at 540.

25. "In evaluating a Rule 9019 settlement, a bankruptcy court does not 'conduct a mini-trial to determine the probable outcome of any claims waived in the settlement.'" *In re Age Refining*, 801 F.3d at 541. "Rather, the bankruptcy court must apprise [itself] of the relevant facts and law so that [it] can make an informed and intelligent decision." *Id*.; *see also TMT Trailer Ferry*, 390 U.S. at 425 (noting that a court should "compare the terms of the compromise with the likely rewards of litigation"); *In re Cajun Elec. Power Coop*., 119

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F.3d at 356; *In re Heritage Organization, LLC*, 375 B.R. at 260 ("it is unnecessary to conduct a mini-trial to determine the probable outcome of any claims waived in the settlement. The judge need only apprise himself of the relevant facts and law so that he can make an informed and intelligent decision...."); *In re Mirant*, 348 B.R. at 741, n.36 ("For a settlement to meet the best interests test, the amount being paid or received by the estate (or, here, Mirant) need only be within the extremes of the range."); *In re Nutritional Sourcing Corp.*, 398 B.R. 816, 833 (Bankr. D. Del. 2008) (quoting *In re Coram Healthcare Corp.*, 315 B.R. 321, 330 (Bankr. D. Del. 2004)) (holding that a court need not be convinced that the proposed settlement is the best possible outcome, rather "[t]he court need only conclude that the settlement falls within the reasonable range of litigation possibilities somewhere above the lowest point in the range of reasonableness.").

26. In the Debtors' business judgment, the resolution (including, without limitation, the settlement of the Airbus Claims) embodied in the Restructure Agreement is fair and equitable and in the best interest of the Debtors, their estates and creditors, and should be approved. In addition to providing the Debtors with clarity on the treatment of the Airbus Existing Agreements, the Restructure Agreement also provides for a prompt and complete global resolution of the Airbus Claims. Such claims, if litigated, could be distracting, impose significant demands on certain of the Debtors' personnel, and result in significant litigation costs. Failure to approve the Restructure Agreement could result in extensive and protracted litigation that could drain the Debtors' limited liquidity and adversely impact their ability to timely emerge from chapter 11. In addition, such litigation may impair the Debtors' ability to utilize Airbus' services with respect to various helicopters in CHC's fleet.

27. Lastly, the Restructure Agreement is the product of lengthy good faith, arm's length negotiations between the Debtors and Airbus that culminated in a global settlement that falls well within the range of reasonable litigation outcomes. Accordingly, each of the applicable factors weighs in favor of approving the Restructure Agreement.

28. Based on the foregoing, the Debtors respectfully request that the Court authorize the Debtors to enter into, and perform under, the Restructure Agreement as such action is a reasonable exercise of the Debtor's business judgment and is supported by a good business reason.

The Assumption of the Airbus Assumed Agreements Under the Restructure Agreement Represents a Sound Exercise of Business Judgment and Should Be Approved

29. Section 365 allows the debtor in possession to maximize the value of a debtor's estate by assuming executory contracts or unexpired leases that benefit the estate and by rejecting those that do not. *In re Nat'l Gypsum Co.*, 208 F.3d 498, 505 (5th Cir. 2000). A court should approve a decision to assume or reject an executory contract or unexpired lease pursuant to section 365 if based on a sound exercise of the debtor's business judgment. *See Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985); *see also In re Wolflin Oil, L.L.C.*, 318 B.R. 392, 396 (Bankr. N.D. Tex. 2004) (same). Section 365 of the Bankruptcy Code provides as follows:

> (a) Except as provided in . . . subsections (b), (c), and (d) of this section, the trustee, subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor.
>
> (b)(1) If there has been a default in an executory contract or unexpired lease of the debt the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee:
>
> (A) cures, or provides adequate assurance that the trustee will promptly cure, such default . . . ;

(B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and

(C) provides adequate assurance of future performance under such contract or lease.

See 11 U.S.C. §§ 365(a), (b)(1).

30. The Debtors submit that assumption of the Airbus Amended Agreements, as amended, and assumption of the Norway RCA Agreement (together with the Airbus Amended Agreements, the "**Airbus Assumed Agreements**") represents a reasonable exercise of the Debtors' business judgment and will benefit the Debtors' estates. As described above, the assumption of the Airbus Assumed Agreements, as amended by the Restructure Agreement (wherever applicable), provides significant benefits to the Debtors and their estates, including the ability to continue to provide to, and receive services from, Airbus on a go-forward basis.

31. Moreover, pursuant to the Restructure Agreement, Airbus has agreed to the assumption of the Airbus Assumed Agreements on the terms and conditions discussed therein and herein.

Rule 6004(h) Waiver

32. The Debtors respectfully request that any order approving this Motion be effective immediately, thereby waiving the 14-day stay period imposed by Bankruptcy Rule 6004(h). Waiver of the stay period is necessary for the Restructure Agreement to be implemented as expeditiously as possible and within the time frames contemplated by the parties.

Notice

33. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion shall be given to: (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the

Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (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) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to Airbus; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. Due to the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

No Prior Request

34. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

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WHEREFORE, the Debtors respectfully request that the Court enter an order (a) authorizing the Debtors to enter into, and perform under, the Restructure Agreement and (b) granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York
January 24, 2017

By: */s/ Jasmine Ball*

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Attorneys for Debtors and Debtors in Possession

EXHIBIT A

Debtors

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

Exhibit B

Proposed Form of Order

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

----------	x	
	:	
In re:	:	**Chapter 11**
	:	
CHC GROUP LTD. *et al.*,	:	**Case No. 16– 31854 (BJH)**
	:	
	:	
Debtors.	:	**(Jointly Administered)**
	:	
----------	x	

ORDER GRANTING DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105, 363, AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(h), 6006, AND 9019 AUTHORIZING THE DEBTORS TO ENTER INTO AND PERFORM UNDER THE 2017 OMNIBUS RESTRUCTURE AGREEMENT WITH AIRBUS HELICOPTERS (SAS) REGARDING CERTAIN OF THE DEBTORS' EXECUTORY CONTRACTS

Upon the motion dated January 24, 2017 (the "**Motion**")[1] of CHC Group Ltd. and its above-captioned debtor affiliates (collectively, the "**Debtors**"), pursuant to sections 105(a), 363(b), and 365(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 6004(h), 6006, and 9019 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy**

[1] Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

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Rules"), respectfully requesting entry of an order authorizing the Debtors to enter into, and perform under, the 2017 Omnibus Restructure Agreement, between Airbus Helicopters (SAS) and the Debtors, dated as of January 24, 2017 (together with all exhibits and schedules thereto, the "**Restructure Agreement**") regarding certain executory contracts between the Debtors and Airbus Helicopters (SAS) ("**Airbus**") and settlement of related claims, and upon consideration of the Del Genio Declaration, and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b)(2); 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; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (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) the Securities and

Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to the Lessor; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002, and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the "**Hearing**"); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted.

2. Pursuant to sections 105(a), 363(b)(1) and 365(a) of the Bankruptcy Code, and Bankruptcy Rule 9019, the Debtors are hereby authorized to enter into and perform under the Restructure Agreement.

3. The Restructure Agreement, and the transactions contemplated therein, represent a valid exercise of the Debtors' business judgment and are hereby approved in their entirety.

4. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the entry into and performance under the Restructure Agreement.

5. Subject to the occurrence of the Effective Date, the Debtors are authorized to assume, pursuant to section 365 of the Bankruptcy Code, the Airbus Assumed Agreements (as defined in the Motion), as amended by the Restructure Agreement.

6. Subject to the occurrence of the Effective Date, pursuant to section 365 of the Bankruptcy Code, the Airbus Terminated Agreements shall be deemed rejected and terminated.

7. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

8. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a) and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

9. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

END OF ORDER

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Respectfully Submitted,

DEBEVOISE & PLIMPTON LLP

/s/ Jasmine Ball

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Attorneys for Debtors and Debtors in Possession

Exhibit C

The Restructure Agreement

2017 OMNIBUS RESTRUCTURE AGREEMENT

between

AIRBUS HELICOPTERS (SAS) AND ITS AFFILIATES

and

CHC GROUP, LTD AND ITS AFFILIATES

THIS 2017 OMNIBUS RESTRUCTURE AGREEMENT ("**2017 Omnibus Restructure Agreement**") is entered into as of January 24, 2017, by and between Airbus Helicopters (SAS), a French societe par actions simplifiee with offices in Marignane, France ("**Airbus**") and CHC Group, Ltd., a Cayman limited liability corporation with offices in Irving, Texas, together with its Affiliates and their successors and permitted assigns ("**CHC**" or "**Customer**", and together with Airbus, individually, a "**Party**", and collectively, the "**Parties"**);

WHEREAS, Airbus (previously called Eurocopter) and CHC Leasing (Ireland) Designated Activity Company (previously called CHC Leasing (Ireland) Ltd.) entered into Helicopter Purchase Agreement (EC No 225.118/2011) dated September 13, 2011, relating to the purchase of Airbus helicopter model EC 225 helicopters, as amended and supplemented ("**Purchase Agreement No. 225.118/2011**");

WHEREAS, Airbus and Heli-One Norway (AS) ("**Heli-One**") entered into Norway RCA Agreement (RCEA-671-2012) dated January 17, 2013, under which Airbus authorized performance of maintenance services for certain agreed Airbus helicopter models, as amended and supplemented ("**Norway RCA 671-2012**");

WHEREAS, Airbus and Heli-One American Support LLC entered into Colorado RCA (RCAM-555-2010) dated June 9, 2010, under which Airbus authorized Heli-One American Support LLC to perform maintenance Services for certain agreed Airbus helicopter models as amended and supplemented ("**Colorado RCA 555-2010**");

WHEREAS, Airbus and Heli-One, as successor to ASTEC NW, entered into Damper PBH Contract (NCA-03-SCE 100) dated January 9, 2003, relating to maintenance services for Super Puma dampers, as amended and supplemented ("**Damper PBH Contract**");

WHEREAS, Airbus Group Australia Pacific Ltd (previously called Australian Aerospace Limited) and Heli-One entered into EC135/EC145 Contract (AAL/AH/H1-PBH 135/145) dated January 6, 2014, relating to maintenance services of the Airbus Helicopter model EC135 and EC145 helicopters, as amended and supplemented ("**EC135/EC145 Contract**");

WHEREAS, Airbus and Heli-One entered into EC155 PBH Contract (PBH EC155B&B1) dated January 6, 2006, relating to maintenance services of the Airbus Helicopter model EC155 helicopters, as amended and supplemented ("**EC155 Contract**");

WHEREAS, Airbus and Heli-One will, upon CHC's emergence from its current voluntary bankruptcy case (the "**Bankruptcy Case**") under title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the Northern District of Texas (the "**Bankruptcy Court**"), enter into a new Norway RCA Agreement that will become effective on January 1, 2018, under which Airbus authorizes Heli-One to perform maintenance services for certain agreed Airbus helicopter models ("**New Norway RCA**");

WHEREAS, Airbus and Heli-One will, upon CHC's emergence from the Bankruptcy Case, enter into a new Damper PBH Contract relating to maintenance services of Super Puma dampers, which will only become effective on the Final Approval Date ("**New Damper PBH**");

WHEREAS, Airbus and Heli-One will, upon CHC's emergence from the Bankruptcy Case, enter into a new HUMS Contract relating to software and technical support for the HUMS product, which will only become effective on the Final Approval Date ("**New HUMS Contract**");

WHEREAS, Airbus and Customer have existing agreements in place and will reaffirm certain existing agreements, amend certain existing agreements, and enter into new agreements with specified effective dates as overviewed herein and referenced in Schedule A attached hereto ("**Airbus Reaffirmed Agreements**"), Schedule B attached hereto ("**Airbus Amended Agreements**"), Schedule C attached hereto ("**Airbus New Agreements**") and Schedule D attached hereto ("**Airbus Terminated Agreements**");

WHEREAS, Airbus acknowledges that Customer and certain of its Affiliates are debtors in possession ("**Debtors**") under the Bankruptcy Code filed on May 5, 2016 ("**Petition Date**") and pending in the Bankruptcy Court ("**Pending Cases**");

WHEREAS, the Parties desire to restructure and amend the Purchase Agreement No. 225.118/2011, Colorado RCA 555-2010, and EC135/EC145 Contract in accordance with and subject to certain terms and conditions listed herein;

WHEREAS, the Parties desire to enter into the New Norway RCA, New Damper PBH and New HUMS Contract in accordance with and subject to certain terms and conditions listed herein;

WHEREAS, the Parties desire to terminate the Damper PBH Contract and the EC155 Contract in accordance with and subject to certain terms and conditions listed herein;

WHEREAS, subject to the terms and conditions herein, Airbus and Customer desire that Customer assume the Airbus Amended Agreements (as amended by this 2017 Omnibus Restructure Agreement and the applicable Amending Documents), and to reject the Airbus Terminated Agreements, each in accordance with Section 365 of the Bankruptcy Code, and that Customer and Airbus otherwise reaffirm and agree that the Airbus Reaffirmed Agreements are to remain in effect in accordance with their existing terms;

WHEREAS, the Parties desire to resolve certain claims of Airbus and its Affiliates that have been asserted or may be asserted in the Pending Cases, and to agree upon mutual releases of other claims between Customer and its Affiliates and Airbus and its Affiliates as set forth herein.

NOW THEREFORE, in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and adequacy of which is acknowledged, Customer and Airbus hereby agree as follows:

1. Definitions.

(a) ***Affiliate*** means any individual, partnership, corporation, or other entity of whatever nature, directly or indirectly controlling or controlled by or under direct or indirect common control with another individual, partnership, corporation, or other entity of whatever nature. For purposes of this definition, "control" means the possession, directly or indirectly, of at least fifty percent (50%) of the voting equity of another entity (or other comparable interest for an entity other than a corporation), by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

(b) ***Amending Documents*** means Amendment No. 3 to the Purchase Agreement No.225.118/2011, Amendment No. 4 to Colorado RCA (RCAM-555-2010), Amendments No. 18 and 19 to the Damper PBH Contract and Amendment No. 4 to EC135/EC145 Contract (AAL/AH/H1-PBH 135/145) that are to be executed and delivered by Airbus and Customer at Closing pursuant to this 2017 Omnibus Restructure Agreement and in the form of the applicable Exhibits attached hereto.

(c) ***Assumption and Approval Order*** means an order of the Bankruptcy Court (i) approving and authorizing the assumption, upon emergence, by Customer of the Airbus Amended Agreements (as amended by this 2017 Omnibus Restructure Agreement and the applicable Amending Documents) and the assumption by Customer of the Airbus Reaffirmed Agreements, (ii) approving and authorizing in all respects this 2017 Omnibus Restructure Agreement and all of the actions and transactions contemplated herein in accordance with the terms hereof and thereof, and (iii) issued by the Bankruptcy Court under and pursuant to the appropriate provisions of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure, including, without limitation 11 U.S.C. §§105, 363 and 365 and Federal Rules of Bankruptcy Procedure 9014 and 9019, and following such notice and opportunity for a hearing as provided by the rules of the Bankruptcy Court and the Bankruptcy Code. The Parties acknowledge that the proposed form of the

Assumption and Approval Order submitted to the Bankruptcy Court by Customer in connection with a motion requesting such approvals and authorizations will be in a form determined reasonably satisfactory to both Parties. Any such determination on behalf of Airbus will only apply to such portions of the Assumption and Approval Order that relate to the approvals and authorizations required of the Bankruptcy Court in regard to this 2017 Omnibus Restructure Agreement, and such determination will not be unreasonably withheld or delayed by Airbus.

(d) ***CHC Payments*** means the payment required under Section 8 below which shall be a condition precedent, for the sole benefit of Airbus, for the effectiveness of the Amending Documents and the Airbus New Agreements and the Airbus obligations under this 2017 Omnibus Restructure Agreement including without limitation the obligations under Section 8 (e)(ii), (f), (g) and (h).

(e) ***Closing*** means the execution and delivery by Airbus and Customer of duplicate counterpart originals of each of the Closing Documents, and the completion of all other Closing Actions as defined in and set forth in Section 2(g), below.

(f) ***Closing Documents*** means the Amending Documents and the Exhibits attached hereto.

(g) ***Conditions Precedent*** means each of the conditions precedent set forth in Section 2 (a) below.

(h) ***Effective Date*** means the date and time the Closing is effected and all Closing Actions completed as provided in Section 2 (g) below.

(i) ***Execution Date*** means the date of Airbus and Customer entering into this 2017 Omnibus Restructure Agreement as set forth on the first page hereof.

(j) ***Existing Agreements*** means the Helicopter Purchase Agreement (EC No 225.118/2011), Norway RCA 671-2012, Colorado RCA 555-2010, Damper PBH Contract (NCA-03-SCE 100), EC135/145 Contract (AAL/AH/H1-PBH 135/145) and EC155 PBH Contract (PBH EC155B&B1).

(k) ***Final Approval Date*** means the first date upon which both of the following events have occurred: (i) the Assumption and Approval Order has been entered on the docket of the Bankruptcy Court, and (ii) such Assumption and Approval Order is in full force and effect and is not, in any way, stayed as to its effectiveness, including by order of the Bankruptcy Court or pursuant to Federal Rule of Bankruptcy Procedure 6004(h) or otherwise.

(l) ***Knowledge*** means, with respect to a Party, the actual knowledge of the person or persons acting on behalf of such Party or an Affiliate of such Party and primarily responsible for the negotiation and finalization of this 2017 Omnibus Restructure Agreement; and for the avoidance of doubt, and absent such actual knowledge, this term

shall not include any knowledge imputed to, or otherwise deemed to be possessed by, any such person or persons.

(m) All other capitalized terms used herein but not otherwise defined in this 2017 Omnibus Restructure Agreement shall have the same meaning assigned in the Existing Agreements, as applicable in connection with the context in which used.

2. Effectiveness and Conditions Precedent.

(a) The Closing, and simultaneous occurrence of the Effective Date, shall be subject to the satisfaction of all of the following Conditions Precedent:

(i) Customer has assumed, pursuant to section 365 of the Bankruptcy Code, each of the Airbus Amended Agreements as amended by this 2017 Omnibus Restructure Agreement and the Amending Documents, and each of the Airbus Reaffirmed Agreements; provided that notwithstanding anything to the contrary set forth in this 2017 Omnibus Restructure Agreement, the Airbus Amended Agreements (each as amended by the Amending Documents), the Airbus Reaffirmed Agreements, shall only be deemed assumed pursuant to section 365 of the Bankruptcy Code upon Closing;

(ii) The Bankruptcy Court shall have issued an Assumption and Approval Order and such order shall be in full force and effect and not subject to any stay at the time of Closing;

(iii) Customer shall have rejected or filed with the Bankruptcy Court a motion or notice to reject pursuant to Section 365 of the Bankruptcy Code the Airbus Terminated Agreements (or shall have listed such rejected agreements on the Customer's plan supplement schedules); and

(iv) The earlier to occur of (x) substantial consummation (as defined in Section 1101(2) of the Bankruptcy Code) of the Second Amended Joint Chapter 11 Plan of CHC Group, Ltd. And Its Affiliated Debtors, filed on December 19, 2016 (as amended and supplemented from time to time, the "*Plan*") and (y) the effective date (as defined in the Plan) of the Plan.

(b) Satisfaction of the Conditions Precedent set forth above may be waived in whole or in party by Customer or Airbus at or prior to Closing, in each case in the sole discretion of the Party benefiting from such Condition Precedent.

(c) There shall be no other conditions to the effectiveness of the Closing Documents or this 2017 Omnibus Restructure Agreement, other than the conditions precedent set forth in Section 2(a) and the completion of all Closing Actions as set forth in Section 2(g).

(d) If the Assumption and Approval Order entered by the Court imposes material conditions upon Airbus or Customer that are not in the proposed form of the Assumption and Approval Order as determined reasonably satisfactory by Airbus and Customer in accordance with the provisions of Section 1(d) of this 2017 Omnibus Restructure Agreement and that materially restrict the rights of Airbus or Customer as contemplated herein or impose material obligations upon Airbus or Customer other than as contemplated herein, such conditions set forth in the Assumption and Approval Order must be reasonably satisfactory to the applicable Party upon which such conditions are imposed in order for the Conditions Precedent set forth in clause (a)(ii) of this Section 2 to be considered satisfied. Each Party shall be entitled, at its discretion, to object to the material conditions imposed by the Court and terminate this 2017 Omnibus Restructure Agreement by sending a written notice to the other Party, specifying in detail any such conditions which are not satisfactory within ten (10) calendar days after the entry of such Assumption and Approval Order. Each Party shall be deemed to have no objection to any such conditions and to have deemed such conditions reasonably satisfactory if the Party has not given a written notice to the other Party in accordance with the proceeding sentence.

(g) Provided that all Conditions Precedent have been satisfied or waived in writing at or prior thereto, a Closing shall be held as promptly as possible following the Final Approval Date, but no later than 10:00 am local time on the tenth (10th) calendar day thereafter, or at such other date and time as the parties may mutually agree in writing. Closing shall be held at Airbus' offices in France, unless otherwise agreed. Should any Conditions Precedent not be satisfied or waived in writing as of the scheduled date and time of Closing, then subject to the provisions of Section 11 below, the Closing shall be continued until the first calendar day thereafter on which all Conditions Precedent are satisfied or waived in writing as provided in this Section 2; provided that, notwithstanding anything to the contrary in this 2017 Omnibus Restructure Agreement, Airbus and Customer shall have no obligation to participate in, or effect, the Closing if the Conditions Precedent are not fully satisfied or waived in writing as permitted herein on or before June 30, 2017. At Closing, the following actions shall take place (***Closing Actions***):

(i) Airbus and Customer shall execute and deliver to each other duplicate counterpart originals of each of the Closing Documents;

(ii) Each of Customer and Airbus and the applicable Affiliates of Airbus (including Airbus Group Australia Pacific Ltd.) and Customer, respectively, will take such actions and execute and deliver to each other such documentation as reasonably required to effect the matters set forth in Section 8 below;

(iii) Customer will make the payments required under Section 8 below;

(iv) Airbus will issue to Customer the Credit Notes required in, and defined in, Section 7 below; and

(v) Each of Customer and Airbus, respectively, will execute such additional documents and take such further actions as reasonably requested by the other and necessary to implement the provisions of this 2017 Omnibus Restructure Agreement in accordance with the terms hereof.

Upon completion of the Closing Actions, (i) the Airbus Amended Agreements, as amended by this 2017 Omnibus Restructure Agreement and the Amending Documents, and to the extent applicable the Airbus Reaffirmed Agreements, shall be deemed assumed pursuant to section 365 of the Bankruptcy Code, (ii) the Closing Documents, and all other matters that the terms and conditions of this 2017 Omnibus Restructure Agreement provide will be effective upon or take place upon or after the Effective Date, including, without limitation, the provisions of Section 8(h) and Section 8(i), shall be effective, binding and enforceable in accordance with their respective terms, and (iii) Closing shall be deemed effected and completed. Entry into this 2017 Omnibus Restructure Agreement does not constitute an obligation of Customer to assume or reject, nor constitute or be construed as an assumption, rejection, or assumption and assignment of the Existing Agreements, the Reaffirmed Agreements, or any other applicable agreement referenced herein (including Contract No. 611/2013 for the performance of repair services in the frame of support and service activities and including for the avoidance of doubt, the agreements under which the claims listed in Section 8(a) were filed or scheduled) ("**Referenced Agreements**"), nor cause any of the Referenced Agreements to become a new post-petition agreement binding and enforceable upon Customer, except upon Closing and only in accordance with the terms and conditions herein. In addition, entry into this 2017 Omnibus Restructure Agreement does not impact Airbus' rights under the Bankruptcy Code or applicable law with respect to the Customer's determination whether to assume or reject the Referenced Agreements or Customer's defenses or objections related thereto, provided that Airbus agrees not to assert that the Referenced Agreements are post-petition agreements. Additionally, entry into this 2017 Omnibus Restructure Agreement or any performance by Customer or Airbus hereunder shall not affect any rights of Customer or Airbus under the Bankruptcy Code, except as specifically provided herein (including, without limitation, as provided in the last sentence of Section 8(h) hereof) upon the occurrence of the Effective Date.

3. Reaffirmation Relating to Restructuring

(a) Norway RCA Agreement (RCEA-671-2012) shall be reaffirmed, without being amended and revised, on the Effective Date.

4. Amendments Relating to Restructuring.

(a) Purchase Agreement No. 225.118/2011 shall be amended and revised on the Effective Date as set forth in Amendment No. 3 to Purchase Agreement No. 225.118/2011 and the associated letter agreements referenced therein, all in the form of Exhibit 1 hereto.

(b) Colorado RCA 555-2010 shall be amended and revised on the Effective Date as set forth in Amendment No. 4 to Colorado RCA (RCAM-555-2010) and the associated letter agreements referenced therein, all in the form of Exhibit 2 hereto.

(c) EC135/EC145 Contract shall be amended and revised on the Effective Date as set forth in Amendment No. 4 to EC135/EC145 Contract (AAL/AH/H1-PBH 135/145) and the associated letter agreements referenced therein, all in the form of Exhibit 3 hereto.

(d) Amendment Nos. 18 and 19 to the Damper PBH Contract (NCA-03-SCE 100), dated January 9, 2003, shall be approved and effective as of the Effective Date, all in the form of Exhibit 4.

5. New Agreements Relating to Restructuring.

(a) The Parties shall enter into the New Norway RCA on the Effective Date in the form of Exhibit 5 hereto, which agreement shall not be effective until January 1, 2018.

(b) The Parties shall enter into the New Damper PBH on the Effective Date in the form of Exhibit 6 hereto.

(c) The Parties shall enter into the New HUMS Contract on the Effective Date in the form of Exhibit 7 hereto.

6. Termination of Certain Existing Agreements; Related Credits; Certain Other Agreements.

(a) The Damper PBH Contract shall be terminated on the Effective Date and Airbus will credit all dampers currently covered by the contract, except that those dampers on the helicopters with manufacturer serial numbers 2396, 2484, 2493, 2675 and 2930 (and their associated deposits) will be transferred to the New Damper PBH.

(b) The EC155 Contract shall be terminated on the Effective Date.

(c) At the Closing, Airbus will, as of the Effective Date and as further provided in Section 8 below, waive, discharge and release Customer from any liability whatsoever for or as a result of, and all rights and remedies of Airbus in connection with any existing defaults or payment delays under the Existing Agreements, including, but not limited to, any interest that Airbus may claim or has claimed to have been due as a result of such delay in payment and any rights or remedies of Airbus attributable to any claim that Customer is or was in default or breach of the Existing Agreements, or any other related agreements between Customer and Airbus by reason of any such delay in payment, provided, the waiver contained herein shall not relieve Customer from payment of the amounts due or to become due under the Referenced Agreements, as amended by the 2017 Omnibus Restructure Agreement, or for claims for the provision by Airbus and its Affiliates for goods and services provided to the Debtors under the Referenced Agreements which accrued or were incurred after the Petition Date (the "**Post-Petition**

Obligations"), which shall continue to be invoiced, paid and discharged in the ordinary course of business and in accordance with the payment terms in the Referenced Agreements. Nothing herein shall be construed as an admission by Customer as to any default in or breach of any such agreements or default or delay in any such payment, or the accrual or any liability of Customer for any such interest, or a waiver of Customer's rights or defenses related to the Post-Petition Obligations.

7. Credit Note Delivery.

On the Effective Date, Airbus shall issue two credit notes (each, a "**Credit Note**") in the amount of $857,924 each, with the first effective for 2017 and the second effective for 2018. Each Credit Note issued shall be fully available and useable by Customer, without any use restrictions. Notwithstanding that the currency related to the Credit Notes is set forth in U.S. Dollars, the calculations with respect to the usage of the Credit Notes will be calculated at the prevailing Euro/U.S. Dollar foreign exchange rate at each time the Credit Note is used or credited against usage.

8. Cure of Prepetition Claims and Release of Claims

(a) Airbus and its Affiliates have claims (as defined in the Bankruptcy Code) for amounts which became due from Customer on or before the Petition Date ("**Bankruptcy Claims**") in connection with the Pending Cases (collectively, the "**Airbus Claims**") as described in more detail on Exhibit 8, including proofs of claim numbers 353 and 365and claims which were scheduled by various Debtors, as set forth below:

#Claim	Creditor	Debtor(s)	General Unsecured	Admin Priority
353	Airbus Helicopters (SAS)	Heli-One Canada ULC	$65,776.05	$27,295.18
365	Airbus Helicopters (SAS)	Heli-One (Norway) (AS)	$4,537,633.72	$1,573,873.10
Scheduled	Airbus Group Australia Pacific Ltd	Lloyd Bass Strait Helicopters Pty. Ltd. Lloyd Helicopter Services Pty. Ltd. Lloyd Helicopters International Pty. Ltd. CHC Helicopter Australia Pty, Ltd. Lloyd Helicopters Pty. Ltd.	$3,260.51	
Scheduled	Airbus Group Australia Pacific Ltd	Heli-One (Norway) (AS)	$179,059.35	
Scheduled	Airbus Helicopters Canada Limited	Lloyd Bass Strait Helicopters Pty. Ltd. Lloyd Helicopter Services Pty. Ltd. Lloyd Helicopters International Pty. Ltd. Lloyd Helicopters Pty. Ltd. CHC Helicopter Australia Pty, Ltd.	$3,289.38	
Scheduled	Airbus Helicopters Simulation Center	Lloyd Bass Strait Helicopters Pty. Ltd. Lloyd Helicopter Services Pty. Ltd. Lloyd Helicopters International Pty. Ltd. CHC Helicopter Australia Pty, Ltd. Lloyd Helicopters Pty. Ltd.	$142,500.06	
Scheduled	Airbus Helicopters Simulation Center	CHC Global Operations (2008) ULC	$139,159.31	

(b) Airbus represents and warrants that it owns and controls or otherwise has authority to settle one hundred percent (100%) of the Airbus Claims.

(c) Conditioned upon the occurrence of the Effective Date, Airbus waives, for and behalf of itself and each of its Affiliates, excluding for the avoidance of doubt, Vector Aerospace Financial Services Ireland Limited, Vector Aerospace Helicopter Services Inc. and Vector Aerospace International Limited (collectively, "***Vector***"), each of the Airbus Claims and agrees that each such claim may be disallowed. The Bankruptcy Claims asserted by Vector (the "***Vector Claims***") shall not constitute Airbus Claims hereunder and nothing in this Section 8 shall constitute a waiver of any party's right with respect to the Vector Claims. Prior to the occurrence of the Effective Date, nothing in this Section 8 shall constitute a waiver by Airbus of any liability or obligation or a waiver of any right with respect to any Airbus Claims.

(d) Airbus represents and warrants to Customer that the Airbus Claims constitute and at Closing will constitute any and all claims of Airbus and any Affiliates of Airbus (other than the Vector Claims) arising out of facts and circumstances occurring on or before the Petition Date that have been or may be asserted against Customer or any Affiliate of Customer in the Pending Cases. In the event that either of the Parties discover one or more Bankruptcy Claims of Airbus or any Affiliate of Airbus (other than and in addition to the Airbus Claims or Vector Claims), that have been filed in the Pending Cases arising out of facts and circumstances occurring on or before the Petition Date, then Airbus will, and will (as applicable) cause its Affiliates to, withdraw each of such additional Bankruptcy Claims. Airbus further agrees, for itself and on behalf of each of its Affiliates, and for the avoidance of doubt, that upon the Effective Date none of the Airbus Claims or any such additional Bankruptcy Claims shall form the basis for any claim that any event of default has occurred or is continuing under the Existing Agreement as amended or any other agreement related to this 2017 Omnibus Restructure Agreement, and none of the Debtors shall have any obligation or liability (whether directly or indirectly) with respect to such additional Bankruptcy Claims.

(e) Customer and Airbus, individually and on behalf of their respective Affiliates, agree that in full satisfaction of all Airbus Claims:

(i) On the Effective Date, Customer will pay to Airbus an amount equal to $2,693,328, which will be paid in Euros at the applicable foreign exchange rate in effect on the Effective Date.

(ii) Upon the occurrence of the Effective Date, and in accordance with Section 6 of this 2017 Omnibus Restructure Agreement, Airbus (x) hereby completely and irrevocably waives, discharges and releases the Airbus Claims, and (y) agrees it shall not take any action whatsoever to recover, collect, or assert any of the Airbus Claims against Customer or any of its Affiliates, and (z) consents to the expungement of the Airbus Claims by Customer's claims agent.

(f) Airbus agrees that, upon the occurrence of the Effective Date and the payment by Customer of the amount due Airbus in Section 8(e)(i), above:

(i) Airbus will, and will (as applicable) cause its Affiliates to, withdraw each of the Airbus Claims, and

(ii) Airbus shall not and shall cause its Affiliates to not take any action whatsoever to recover, collect, or assert any of the Airbus Claims against Customer or any of its Affiliates.

(g) Upon the occurrence of the Effective Date and subject to the provisions of this Section 8, including, without limitation, Sections 8(h) and 8(j) below, Customer and each of its Affiliates (collectively, the "**Customer Release Parties**") hereby completely and irrevocably releases, waives and discharges Airbus and its Affiliates, and any agent or trustee acting on behalf of any of the foregoing (collectively, the "**Airbus Release Parties**"), from all claims of any kind that any of the Customer Release Parties has, had, or may have arising out of facts and circumstances occurring on or before the date hereof against any of the Airbus Release Parties, in any way concerning or relating to the Referenced Agreements, provided that nothing in this Section 8(g) (or otherwise in this 2017 Omnibus Restructure Agreement or any of the exhibits attached hereto) shall be deemed or construed to alter or otherwise effect or change any rights or claims that CHC or any of its Affiliates may have against Airbus or any of its Affiliates arising out of accidents involving the EC225 and AS332 L2 helicopter types and the resulting regulatory actions, including, without limitation, the April 29, 2016 EC225 helicopter type accident near the Flesland Airport in Bergen, Norway and the resulting regulatory suspension of flight operations of such helicopter type. Nothing in this Section 8(g) (or otherwise in this 2017 Omnibus Restructure Agreement or any of the exhibits attached hereto) shall be deemed or construed to alter or otherwise affect or change any rights, defenses or claims, including, without limitation, any objections to jurisdiction, venue, forum or choice of law, that Airbus or its Affiliates may have should CHC or any of its Affiliates bring a claim against Airbus or any of its Affiliates arising out of accidents involving the EC225 and AS332 L2 helicopter types and the resulting regulatory actions, including, without limitation, the April 29, 2016 EC225 helicopter type accident near the Flesland Airport in Bergen, Norway and the resulting regulatory suspension of flight operations of such helicopter type, and, with respect to any such claims, nothing in this paragraph (or otherwise in this 2017 Omnibus Restructure Agreement) shall be argued, deemed or construed as consent by Airbus or its Affiliates to the jurisdiction of any court, including, without limitation, the United States Bankruptcy Court or the United States District Court for the Northern District of Texas, or any other federal or state court in the United States of America.

(h) Upon the occurrence of the Effective Date and subject to the provisions of this Section 8, including without limitation Sections 8(i) and 8(j) below, Airbus, for itself and on behalf of each of the other Airbus Release Parties, hereby completely and irrevocably releases, waives and discharges the Customer Release Parties from any and all liability under or for the Airbus Claims and any and all claims of any kind that Airbus or any of

the Airbus Release Parties has, had, or may have arising out of facts and circumstances occurring on or before the date hereof against the Customer Release Parties in any way concerning or relating to the Referenced Agreements, provided, such release shall not include (1) the Vector Claims and all rights the Parties may have with respect to the Vector Claims or (2) the Post-Petition Obligations, which Customer shall pay according to the credit terms provided in the Referenced Agreements, as amended in this 2017 Omnibus Restructure Agreement, and in the ordinary course of its business, however the Customer retains its rights to dispute any such amounts and such disputes shall be resolved in accordance with the terms and conditions of the Referenced Agreements.

(i) Notwithstanding anything to the contrary set forth in this Section 8, and without limiting in any way the terms of Section 8(j) hereof, nothing in this Section 8 shall, or shall be deemed or construed to, amend, alter, waive, limit, release, discharge or otherwise change any condition, obligation, or requirement of Customer or Airbus set forth in this 2017 Omnibus Restructure Agreement or in any Closing Document to be executed and delivered by Customer, Airbus, or any of the Airbus Release Parties on the Effective Date, or amend, alter, waive, limit, release, discharge or otherwise change any of the following

(i) any claims by or obligations, rights, defenses, objections, offsets, counterclaims or remedies of Airbus or Customer, or their respective Affiliates, that arise out of facts and circumstances first occurring after the date hereof;

(ii) any rights, defenses, objections, counterclaims or claims, or other waivers, credits or offsets specifically allowed under the terms of this 2017 Omnibus Restructure Agreement;

(iii) any rights, remedies or recovery, or rights of defense or offset, whether such claims arise before or after the Petition Date, with respect to a warranty, guarantee, or similar product support claim in connection with any Aircraft, Engine or Part (as such terms are defined in the Existing Agreements or any other applicable agreements) that is covered under the Existing Agreements, the Airbus Reaffirmed Agreements, or any other agreements,

(iv) the Post-Petition Obligations; or

(v) the Vector Claims.

(j) Airbus and Customer hereby agree that the Airbus Reaffirmed Agreements (i) have not been terminated, and (ii) to the Knowledge of each of Airbus and Customer, are not subject to any right of termination thereunder due to any fact or circumstance occurring on or prior to the date hereof, and (iii) are as of the date hereof, and upon the occurrence of the Effective Date, shall be and remain, in full force and effect in accordance with their terms.

(k) For the avoidance of doubt, notwithstanding anything to the contrary set forth in this 2017 Omnibus Restructure Agreement or any of the exhibits attached hereto, nothing

in this 2017 Omnibus Restructure Agreement shall be deemed or construed to alter or otherwise affect or change any rights or claims that CHC, Airbus or any of their Affiliates may have arising out of the accidents involving the EC225 and AS332 L2 helicopter types and the resulting regulatory actions, including, without limitation, the April 29, 2016 EC225 helicopter type accident near the Flesland Airport in Bergen, Norway and the resulting regulatory suspension of flight operations of such helicopter type. If there is any conflict between any provisions in any documents related to the EC225 and AS332 L2 helicopter type (including, without limitation, the existing documents, the documents referenced herein, the documents attached as exhibits hereto and the Referenced Agreements) and the provisions contained in this 2017 Omnibus Restructure Agreement, including, for the avoidance of doubt, the immediately preceding sentence, the provisions herein shall control. The provisions herein can only be modified by a writing signed by both CHC and Airbus.

(l) Airbus, for itself and on behalf of its Affiliates, hereby confirms that in connection with the assumption by the Customer at Closing of the Airbus Amended Agreements, as amended by this 2017 Omnibus Restructure Agreement and the Amending Documents, and to the extent applicable, the Airbus Reaffirmed Agreements, in accordance with Section 365 of the Bankruptcy Code, as contemplated in this 2017 Omnibus Restructure Agreement, Customer has provided adequate assurance that Customer will continue to perform under the terms of each of such agreements.

(m) Airbus agrees to vote all of its claims in support of the Plan in the Pending Cases.

(n) Upon the occurrence of the Effective Date and the payment by Customer of the amount due to Airbus in Section 8(e)(i), the Customer's claims and noticing agent is authorized and directed to amend the claims register to reflect the terms of this 2017 Omnibus Restructure Agreement.

9. Confidentiality and Disclosure.

(a) Airbus and Customer agree that all commercial and financial information set forth or referred to, in this 2017 Omnibus Restructure Agreement is confidential and proprietary. Accordingly, Airbus and Customer further agree that neither Airbus nor Customer shall disclose any of such information to any other person or entity, without the prior written consent of the other party hereto, provided that, Airbus and Customer may disclose such information to their respective professional advisors who have a need to know such information in connection with the Pending Cases and the transactions contemplated hereby, including without limitation, counsel and advisors retained by Airbus or Customer in connection with the Pending Cases, negotiation of the amendments and agreements, and the performance of the obligations contemplated in this 2017 Omnibus Restructure Agreement and further, such information may be disclosed in accordance with the following terms of this Section 9(a). Notwithstanding the foregoing, any information which is contained or referenced in the Existing Agreements (as such agreements currently exist and as may be amended upon the Effective Date), or upon their execution and delivery at Closing, any information which is contained or referenced in the Amending Documents, will be governed by and may be disclosed in accordance

with the terms of the Existing Agreements and the Amending Documents, as applicable. In the event of any conflict between this Section 9(a) and the provisions of such Existing Agreements, or the Amending Documents, the terms and conditions herein will govern and control.

(b) Airbus and Customer acknowledge that Airbus and Customer may be asked to provide to the Official Committee of Unsecured Creditors, and its counsel and advisors (the "**Committee**"), appointed in the Pending Cases, this 2017 Omnibus Restructure Agreement or other information relating to this 2017 Omnibus Restructure Agreement or the matters contemplated herein, including without limitation all of the Existing Agreements (this 2017 Omnibus Restructure Agreement and all such information and agreements referred to herein as "**Confidential Information**"). Notwithstanding any provision of the Existing Agreements (including any associated letter agreement) and this Section 9 to the contrary, Customer may provide such Confidential Information to the Committee solely in accordance with the following, unless otherwise agreed by Airbus. In connection with the production of any such Confidential Information to the Committee, Customer shall, and unless Airbus otherwise agrees, designate such Confidential Information as "Highly Confidential – Attorneys' or Advisors' Eyes Only"; and Customer shall specify that such Confidential Information may not be shared with any member of the Committee, or any member of any subcommittee. Subject to the execution and delivery of a confidentiality agreement, mutually acceptable in form and substance to Airbus and Customer, among Airbus, Customer and the Ad Hoc Committee, Customer may provide to the Ad Hoc Committee and its counsel and advisors Confidential Information in the same, or substantially the same, form as provided to the Committee in accordance with the foregoing provisions.

(c) Airbus shall not, unless Customer otherwise agrees or unless Airbus is directed by order of the Court, produce any Confidential Information to the Committee, but shall advise Customer of any request from the Committee such that Customer may produce the Confidential Information to the Committee with the designation specified above. Airbus and Customer shall promptly notify the other of any receipt of a request for production by the Committee that would encompass any Confidential Information. Airbus and Customer agree that they will confer and cooperate with each other in responding to any such request. Prior to any production to the Committee, Customer shall provide to Airbus a complete description of the Confidential Information that will be provided as part of the production. If Airbus and Customer cannot agree on the scope or terms of any such disclosure of Confidential Information to the Committee, Airbus and Customer shall have the right to seek relief from the Court on at least five (5) days' prior notice to other party. If any such production is made, then Customer shall request that the Committee and its attorneys and advisors destroy all Confidential Information so produced and provide proof of such destruction.

(d) Airbus and Customer shall consult with respect to what Confidential Information shall be included in any pleadings filed with the Court, or in any material provided to the Committee, in connection with satisfying the conditions precedent set forth in Section 2, above.

10. Miscellaneous.

(a) No provision of this 2017 Omnibus Restructure Agreement may be amended, supplemented, waived, modified, discharged, terminated, or otherwise varied orally, but only by an instrument in writing that specifically identifies the provision of this 2017 Omnibus Restructure Agreement that it purports to amend, supplement, waive, modify, discharge, terminate, or otherwise vary and is signed by Airbus and Customer. Each such amendment, supplement, waiver, modification, discharge, termination, or variance shall be effective only in the specific instance and for the specific purpose for which it is given. No provision of this 2017 Omnibus Restructure Agreement shall be varied or contradicted by oral communication, course of dealing or performance, or other manner not set forth in an agreement, document, or instrument in writing and signed by Airbus and Customer.

(b) This 2017 Omnibus Restructure Agreement is not intended to provide, and shall not provide, any person not a party hereto with any rights of any nature whatsoever against any of the parties hereto, and no person not a party hereto shall have any right, power, or privilege in respect of this 2017 Omnibus Restructure Agreement, or have any benefit or interest arising out of this 2017 Omnibus Restructure Agreement.

(c) This 2017 Omnibus Restructure Agreement and any amendments, waivers, consents, or supplements hereto may be executed in any number of counterparts (or upon separate signature pages bound together into one or more counterparts), each fully-executed set of which when so executed shall be deemed to be an original, and all of which counterparts, taken together, shall constitute one and the same instrument.

(d) The headings of the Sections and clauses of this 2017 Omnibus Restructure Agreement are inserted for convenience only and shall not affect the interpretation hereof.

(e) This 2017 Omnibus Restructure Agreement shall be binding upon, and shall inure to the benefit of and shall be enforceable by, the parties hereto and their respective successors and assigns, in accordance with its terms and subject to the Conditions Precedent, as applicable; provided, however, that no party may assign, delegate or otherwise transfer all or any part of its rights or obligations under this 2017 Omnibus Restructure Agreement without the prior written consent of the other party hereto.

(f) Each of the parties hereto agrees that the Bankruptcy Court shall have exclusive jurisdiction over all matters arising out of or relating to this 2017 Omnibus Restructure Agreement; provided, however, if the Bankruptcy Court does not have subject matter jurisdiction over any such matter or declines to hear any dispute in regard to such matter, then the foregoing exclusive jurisdiction shall no longer apply. This 2017 Omnibus Restructure Agreement shall be governed by United States bankruptcy law and to the extent that United States bankruptcy law does not supply a rule of decision, this 2017 Omnibus Restructure Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, including all matters of validity, performance and enforceability, but without regard to conflict of law principles that would lead to the

application of the laws of a state or jurisdiction other than the State of New York. For the avoidance of doubt, this paragraph applies only to matters arising out of or relating to this 2017 Omnibus Restructure Agreement; nothing in this paragraph (or otherwise in this 2017 Omnibus Restructure Agreement) is intended to (a) alter or otherwise affect or change the choice of law, jurisdiction, venue or forum selection provisions (or their effect) in any other agreement among the Parties, their Affiliates, successors or assigns, including without limitation all the exhibits and agreements attached to this 2017 Omnibus Restructure Agreement, the Airbus Reaffirmed Agreements, the Airbus Terminated Agreements or any future agreement or (b) govern the choice of law, jurisdiction, venue or forum selection for any claim of any kind arising out of any such other or future agreement among the Parties, their affiliates, successors or assigns.

(g) This 2017 Omnibus Restructure Agreement and Exhibits on and as of the date hereof constitute the entire agreement of the parties hereto with respect to the subject matter hereof, and all prior understandings or agreements, whether written or oral, between the parties hereto with respect to such subject matter are superseded in their entireties, except to the extent expressly provided or incorporated herein. If there are any discrepancies between, on the one hand, the Closing Documents or any other Exhibit hereto and, on the other hand, any provision of this 2017 Omnibus Restructure Agreement, the provisions of the Closing Documents and any such other Exhibit shall control and govern.

(h) The terms set forth in this 2017 Omnibus Restructure Agreement are part of a comprehensive compromise and resolution and each element is an integral aspect of the agreed settlement and is non-severable.

11. Expiration and Good Faith Negotiations.

(a) Except for Sections 9 and 10 herein which shall survive and remain in full force and effect in accordance with their terms, this 2017 Omnibus Restructure Agreement will expire and terminate if the Conditions Precedent have not been satisfied or waived as provided herein on or prior to June 30, 2017 (the "**Expiration Date**").

(b) In the event of the expiration and termination of this 2017 Omnibus Restructure Agreement, Airbus and Customer shall have no further liability or obligation hereunder except for Sections 9 and 10 herein which shall survive and remain in full force and effect in accordance with their terms as noted above. For avoidance of doubt, if Closing occurs prior to the Expiration Date, this 2017 Omnibus Restructure Agreement will not expire or be terminated on any Expiration Date as set forth above, but will be and remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, Airbus and Customer have executed this 2017 Omnibus Restructure Agreement as of the Execution Date first above written.

AIRBUS HELICOPTERS (SAS)

By: _____

Name: ALAIN VIGNEAU

Title: Senior Manager Sales Off Gas

By: _____

Name: FANNY RENARD

Title: Sales manager Oil & Gas

CHC GROUP, LTD.

By: _____

Name: Hooman Yazhari

Title: Senior Vice President, Legal & Administration

By: _____

Name: _____

Title: _____

Signature Page to 2017 Omnibus Restructure Agreement

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Accepted and Agreed Solely With Respect to the EC135/EC145 Contract (AAL/AH/H1-PBH 135/145) dated January 6, 2014, between Airbus Group Australia Pacific Ltd (previously called Australian Aerospace Limited) and Heli-One Norway (AS)

AIRBUS GROUP AUSTRALIA PACIFIC LTD.

By:_____ By:_____

Name: _____ Name:_____

Title: _____ Title:_____

2017 OMNIBUS RESTRUCTURE AGREEMENT
TABLE OF CONTENTS

EXHIBITS

1. Amendment No. 3 to the Purchase Agreement No.225.118/2011
2. Amendment No. 4 to Colorado RCA (RCAM-555-2010)
3. Amendment No. 4 to EC135/EC145 Contract (AAL/AH/H1-PBH 135/145)
4. Amendment Nos. 18 and 19 to the Damper PBH Contract
5. New Norway RCA
6. New Damper PBH
7. New HUMS Contract
8. Negotiated Offset Calculation

SCHEDULES

Schedule A: **Airbus Reaffirmed Agreements**

Norway RCA 671-2012

Schedule B: **Airbus Amended Agreements**

Purchase Agreement No. 225.118/2011

Colorado RCA 555-2010

EC135/EC145 Contract

Schedule C: **Airbus New Agreements**

New Norway RCA

New Damper PBH

New HUMS Contract

Schedule D: **Airbus Terminated Agreements**

Damper PBH Contract

EC155 Contract

Exhibit 1

Amendment No. 3 to the Purchase Agreement No. 225.118/2011

Filed Under Seal

Exhibit 2

Amendment No. 4 to Colorado RCA (RCAM-555-2010)

Filed Under Seal

Exhibit 3

Amendment No. 4 to EC135/EC145 Contract (AAL/AH/H1-PBH 135/145)

Filed Under Seal

Exhibit 4

Amendment Nos. 18 and 19 to the Damper PBH Contract

Filed Under Seal

Exhibit 5

New Norway RCA

Filed Under Seal

Exhibit 6

New Damper PBH

Filed Under Seal

Exhibit 7

New HUMS Contract

Filed Under seal

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Exhibit 8

Negotiated Offset Calculation

Filed Under Seal

Exhibit L

FILED
DALLAS COUNTY
1/28/2016 3:57:55 PM
FELICIA PITRE
DISTRICT CLERK

Tonya Pointer

Cause No. **DC-16-09090**

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited,	§	IN THE DISTRICT COURT OF
	§	DALLAS COUNTY, TEXAS
Plaintiff,	§	_____ JUDICIAL DISTRICT
v.	§	
AIRBUS HELICOPTERS, INC.,	§	
Defendant.	§	

PLAINTIFF WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION'S ORIGINAL PETITION AND REQUEST FOR DISCLOSURE

On April 29, 2016, a fatal accident involving an Airbus EC225LP[1] helicopter occurred in Norway. An in-flight detachment of the main rotor hub from the main gearbox occurred, resulting in the death of all passengers on board. The Federal Aviation Authority has since banned flight of the EC225LP helicopters because it determined that an "unsafe condition exists and is likely to exist or develop on other helicopters of these same type designs." The European Aviation Safety Agency has issued a similar ban.

Plaintiff purchased three EC225LP helicopters from Defendant Airbus. After discovering that the helicopters were defective and not airworthy, Plaintiff revoked its acceptance of the non-conforming goods. Airbus, however, has refused to refund the purchase price and take ownership of the helicopters, although the helicopters remain grounded, unsafe, and without a fix in sight. Accordingly, Plaintiff Wells Fargo Bank

[1] The EC225 helicopter model is also marketed as a "Super Puma" and more recently as an "H225."

Northwest, National Association, not in its individual capacity but solely as owner trustee ("Plaintiff," "Buyer," or "Wells Fargo") for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited ("Macquarie Rotorcraft"), files this Original Petition complaining of Defendant Airbus Helicopters, Inc. ("Defendant" or "Airbus").

DISCOVERY LEVEL

1. Pursuant to Rules 190.1 and 190.3 of the Texas Rules of Civil Procedure, Plaintiff intends to conduct discovery under Level 2.

NATURE OF THE SUIT

2. This lawsuit arises from Airbus's breach of contract and, in the alternative, breach of warranty.

3. This action is filed to recover any and all damages to Buyer caused by Airbus's breaches of the Purchase Agreement, including attorneys' fees, pre- and post-judgment interest, costs and all other relief to which Buyer is entitled.

PARTIES

4. Plaintiff Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited, is a national banking association formed under the laws of the United States of America and located at 299 South Main Street 12th Floor, Salt Lake City, Utah 84111. Wells Fargo assumed all of Macquarie Bank Limited's ("Macquarie Bank") rights and obligations under the purchase agreement between Macquarie Bank and Defendant Airbus Helicopters, Inc. dated January 30, 2014 designated as "Contract No. V-6718-1 thru 3" for the purchase of three (3) EC225LP helicopters ("Purchase Agreement").

5. Defendant Airbus Helicopters, Inc. is a Delaware corporation with its headquarters located at 2701 Forum Drive, Grand Prairie, Texas 75052. Defendant Airbus Helicopters, Inc. is the successor to a Delaware corporation known as "American Eurocopter Corporation." It may be served through its registered agent, Kevin C. Cabaniss, at 2701 Forum Drive, Grand Prairie, Texas 75052.

JURISDICTION AND VENUE

8. This Court has subject matter jurisdiction over this lawsuit because the amount in controversy is within the jurisdictional limits of this Court.

9. This Court has personal jurisdiction over Defendant because Defendant is a resident and/or has its principal office in Texas.

10. Venue is proper in Dallas County, Texas, as the parties contractually recognized that Dallas County is a proper venue for disputes arising out of the Purchase Agreement.

BACKGROUND

11. Phoenix Aviation Group ("Phoenix") entered into an agreement to purchase three (3) EC225LP helicopters bearing manufacturer serial numbers 2909, 2919 and 2943 (the "Helicopters") with Airbus on January 30, 2014. The agreement is designated as "Contract No. V-6718-1 thru 3."

12. On April 2, 2014, Macquarie Bank, Phoenix, and Airbus entered into an assignment and assumption agreement for Macquarie Bank to assume the Purchase Agreement, including all rights and obligations of Phoenix.

13. Also on April 2, 2014, Macquarie Bank and Airbus agreed and entered into a Supplement to Purchase Agreement.

14. The Purchase Agreement, as supplemented, established a purchase price for each of the Helicopters. The Purchase Agreement also required a 20% deposit payable by the Buyer upon entry into the Purchase Agreement. The Buyer paid the full purchase price, including the deposit, for the Helicopters to Airbus.

15. In exchange for the purchase price, Airbus agreed to deliver the Helicopters. Airbus promised in the agreement that the Helicopters would conform to the published specification for each helicopter. Airbus also represented and warranted each new helicopter and parts manufactured by them to be free from defects in material and workmanship. Further, Airbus promised a certificate of airworthiness for each helicopter and that each helicopter would comply with EASA Certification.

16. The first helicopter was scheduled for delivery in September 2014 and the remaining two in January 2015.

17. On September 30, 2014, Wells Fargo, Macquarie Bank, and Airbus entered into an assignment and assumption agreement for Wells Fargo (not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, a wholly owned subsidiary of Macquarie Bank) to assume all rights and obligations of Macquarie Bank under the Purchase Agreement for the first of the EC225LP helicopters bearing manufacturer's serial number 2919.

18. On December 19, 2014, Wells Fargo, Macquarie Bank, and Airbus entered into an assignment and assumption agreement for Wells Fargo (not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, a wholly owned subsidiary of Macquarie Bank) to assume all rights and obligations of Macquarie

Bank under the Purchase Agreement for the second of the EC225LP helicopters bearing manufacturer's serial number 2909.

19. Also on December 19, 2014, Wells Fargo, Macquarie Bank, and Airbus entered into an assignment and assumption agreement for Wells Fargo (not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, a wholly owned subsidiary of Macquarie Bank) to assume all rights and obligations of Macquarie Bank under the Purchase Agreement for the third of the EC225LP helicopters bearing manufacturer's serial number 2943.

20. Under the September 30, 2014 and December 19, 2014 Assignment and Assumption Agreements, Macquarie Bank assigned all right, title, and interest in and to the Purchase Agreement with respect to the Helicopters and all rights and obligations with respect to the Helicopters to Wells Fargo, including without limitation, rights with respect to warranties, training, and technical publications. Airbus consented to the assignment of the rights and interests by Macquarie Bank to Wells Fargo.

21. Airbus delivered, and Buyer accepted after an inspection, the first of the Helicopters bearing serial number 2919 on October 1, 2014. The helicopter was accepted in Marignane, France.

22. Airbus delivered, and Buyer accepted after an inspection, the second of the Helicopters bearing serial number 2909 on December 30, 2014. The helicopter was accepted in Marignane, France.

23. Airbus delivered, and Buyer accepted after an inspection, the third of the Helicopters bearing serial number 2943 on January 27, 2015. The helicopter was accepted in Marignane, France.

24. The Helicopters were registered with the Aruba Department of Civil Aviation. Each helicopter was transported by a brief ferry flight conducted by Airbus pilots directly to Calden, Germany to be stored in the facility of Airbus's German affiliate, Airbus Helicopters Deutschland GmbH ("Airbus Germany") pursuant to an Aircraft Storage Agreement between Airbus and Buyer's servicing affiliate, Macquarie Rotorcraft Leasing, Inc. The Helicopters have not been used or leased by Buyer after delivery was completed.

25. On April 29, 2016, a fatal accident involving an Airbus EC225LP helicopter being operated by CHC Helikopter Service AS occurred at Turoy, near Bergen, Norway. The Accident Investigation Board of Norway ("AIBN") launched an investigation into the causes of the accident. As a result of the investigation, the AIBN issued a safety recommendation on June 1, 2016, regarding the main gearbox.

26. On June 2, 2016, the European Aviation Safety Agency ("EASA") issued a flight prohibition of all Airbus EC225LP helicopters. The EASA Emergency Airworthiness Directive, No. 2016-0104-E, stated that issues with the main gearbox suspension bars and attachment fittings, along with findings of fatigue and surface degradation in the outer race of a second stage planet gear had been observed, but that the root cause of the damage and mitigating measures had not been determined. Accordingly, all EC225LP Airbus helicopters were grounded until further notice.

27. On June 3, 2016, the FAA also issued an Emergency Airworthiness Directive, AD No. 2016-12-51, immediately prohibiting flights of all Airbus EC225LP helicopters. The FAA Emergency Airworthiness Directive defined the unsafe condition as failure of the main rotor system, which will result in loss of control of the helicopter.

28. The defects in the helicopter related to the main gearbox and main rotor system were not discoverable through a visual or flight delivery inspection. Such defects have resulted in both the EASA and the FAA immediately prohibiting flight of the helicopters.

29. Within a reasonable time after learning that the Helicopters were not in an airworthy condition, and with no corrective measures being promptly identified, Buyer sent a letter to Airbus on July 1, 2016, revoking acceptance of the non-conforming Helicopters. The letter detailed that the Helicopters are subject to Emergency Airworthiness Directives by EASA and the FAA. Thus, Buyer revoked its acceptance of the Helicopters and additional equipment and accessories acquired under the Purchase Agreement and requested a refund of the total purchase price paid. Buyer has continued to incur and pay for obligations as a prudent owner under its insurance policies, ongoing registration fees, and storage fees until such time as Airbus accepts title for the Helicopters and refunds the purchase price (and other costs enumerated herein).

30. On July 8, 2016, Airbus replied by letter denying Buyer's request to refund the purchase price or reimburse any of the expenses incurred by Buyer.

31. On July 21, 2016, Buyer sent another letter to Airbus asking Airbus to reassess its position, as the Helicopters' nonconformance has substantially impaired the value of the Helicopters. As of the time of this filing on July 28, 2016, Airbus has not responded to this request.

CLAIMS AND CAUSES OF ACTION

A. BREACH OF CONTRACT

32. The foregoing paragraphs are hereby adopted and incorporated by reference. The Purchase Agreement is a valid and enforceable contract. Pursuant to the Purchase Agreement, Buyer agreed to pay a stated purchase price for each helicopter. In exchange, Airbus agreed to, among other things, to deliver three new EC225LP helicopters that "conform to the published specifications" and to provide "a certificate of airworthiness for [each] helicopter." Buyer performed all its obligations under the Agreement. Accordingly, all conditions precedent to Buyer's rights to recover under the Agreement have been performed, excused, waived, or otherwise satisfied.

33. Airbus breached the Agreement when it failed to deliver the Helicopters in airworthy condition, with failure of the main rotor system, which would result in loss of control of the helicopter, likely to exist or develop. The non-conformity substantially impairs the value of the aircraft to Buyer. Buyer cannot lease the Helicopters to operators. Nor can it sell them without incurring substantial loss. Indeed, one of the leading helicopter appraisal companies is unwilling at this time to provide valuations of EC225 helicopters that reflect the impact of the airworthiness issues and the related EASA and FAA groundings. This leaves Buyer with helicopters that it cannot fly, lease, or sell for any price that would not result in substantial losses to Buyer.

34. The non-conformity was not reasonably discoverable from the visual and flight delivery inspection provided for under the Purchase Agreement. There has not been any substantial change in the condition of the Helicopters since Buyer's acceptance. Within a reasonable time after learning of the non-conformity, Buyer revoked its

acceptance. Buyer requested that Airbus refund the total purchase price paid under the Purchase Agreement. Airbus refused.

35. Buyer requested that Airbus promptly assume responsibility for insurance, registration, and storage of the Helicopters. Airbus's breach and refusal to assume responsibility for the Helicopters has caused Buyer to incur expenses to insure, store, and register the Helicopters.

36. Airbus's breach of the Purchase Agreement has caused Buyer damages.

B. BREACH OF WARRANTY

37. The foregoing paragraphs are hereby adopted and incorporated by reference.

38. In the alternative, Airbus is liable to Buyer for breach of warranty.

39. Buyer acquired the Helicopters by purchase from Airbus under a valid, enforceable Agreement wherein Buyer agreed to pay Airbus the agreed purchase price for each helicopter.

40. In the Purchase Agreement, Airbus expressly represented and warranted that each new helicopter would be free from defects in material and workmanship under normal use and service in offshore operations transporting crew and cargo to oil & gas exploration and production platforms, facilities and vessels.

41. This representation was an express warranty and an important basis of the bargain. Buyer relied on Airbus's promise that the Helicopters would be free from defects in material and workmanship under the stated conditions.

42. Airbus failed to comply with its warranty. The Helicopters are currently the subject of Emergency Airworthiness Directive No. 2016-12-51 by the FAA. The

Helicopters are also the subject of Emergency Airworthiness Directive No. 2016-0104-E by EASA. The directives prohibit flight and operation of the Helicopters due to an in-flight detachment of the main rotor hub from the main gearbox that resulted in a fatal accident. There are currently no known fixes for the defect that resulted in the grounding of the Helicopters.

43. Within a reasonable time after learning of the warranty breach, Buyer notified Airbus of the nonconforming goods. Airbus has not offered to replace or repair any parts or tools for the Helicopters.

44. Buyer performed all its obligations under the Purchase Agreement. All conditions precedent to Buyer's right to recover under the Purchase Agreement have occurred or been performed.

45. Airbus's breach of the express warranty proximately caused Buyer's damages.

DAMAGES AND OTHER RELIEF REQUESTED

46. Buyer seeks rescission of the Agreement. Buyer paid the full purchase price for the Helicopters, and has not otherwise breached the Agreement. Buyer notified Airbus of the nonconforming goods, and asked that Airbus take the Helicopters back in exchange for a full refund of the amount paid by Buyer. Airworthy helicopters were the main benefit of the bargain for Buyer, and as such, airworthiness goes to the essence of the Purchase Agreement.

47. In addition, or in the alternative, Airbus's breach of contract and breach of express warranty caused Buyer's damages. Consistent with reports of other buyers putting EC225 purchases on hold, Buyer would not have accepted and paid for the

Helicopters had it known of the non-conformity. Airbus has been unable to repair or replace the Helicopters with other conforming helicopters. Buyer has had to incur maintenance, insurance, registration, and storage fees in relation to the nonconforming Helicopters, which Buyer would not have accepted had it known of the non-conformity at the time of delivery. Buyer will continue to incur such expenses although the Helicopters are grounded pursuant to the Emergency Airworthiness Directives.

48. The purchase price paid in conjunction with costs and expenses incurred by Buyer far exceeds the fair market value of the Helicopters, as at least one of the leading helicopter appraisal companies is unwilling to issue valuations of the EC225s that reflect the impact of the airworthiness issues. The nonconformity of the goods prevents Buyer from flying, leasing, or even selling the helicopters for any price that would not result in substantial losses to Buyer.

49. Pursuant to Chapter 38.001(8) of the Texas Civil Practice & Remedies Code, Buyer seeks and is entitled to all reasonable attorneys' fees incurred in pursuit of its claims.

50. Buyer seeks monetary relief over $1,000,000 in this action.

PRAYER

51. Buyer respectfully requests that Airbus be cited to answer and appear and that after consideration of these claims, this Court award a judgment to Buyer against Airbus for all damages to Buyer from Airbus's breaches, reasonable and necessary attorneys' fees, pre- and post-judgment interest to the maximum extent allowed by law, costs, and all other relief to which Buyer is entitled.

REQUEST FOR DISCLOSURE

52. Pursuant to Rule 194 of the Texas Rules of Civil Procedure, Defendant is requested to disclose, within 30 days of service of this request, the information or material described in Rule 194.2(a)-(i), (l).

Respectfully submitted,

/s/ Van Beckwith

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Attorneys for
WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited

Exhibit M

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Christi Underwood

CAUSE NO. DC-16-15017

ERA GROUP INC.,	§	IN THE DISTRICT COURT
	§	
Plaintiff,	§	
	§	
v.	§	OF DALLAS COUNTY, TEXAS
	§	
AIRBUS HELICOPTERS, INC., and	§	
AIRBUS HELICOPTERS S.A.S.,	§	
	§	_____ JUDICIAL DISTRICT
Defendants.	§	

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE:

Plaintiff Era Group Inc. ("Era"), by and through its undersigned counsel Quinn Emanuel Urquhart & Sullivan, LLP, files this Original Petition against Defendants Airbus Helicopters, Inc., and Airbus Helicopters S.A.S. (collectively, "Airbus Helicopters"), hereby alleging as follows:

DISCOVERY CONTROL PLAN

1. Era intends to conduct discovery under Level 3 of Rule 190 of the Texas Rules of Civil Procedure. This suit is not governed by the expedited-actions process in Texas Rule of Civil Procedure 169 because Era seeks monetary relief over $100,000.

CLAIM FOR RELIEF

2. Era seeks monetary relief over $1,000,000, excluding court costs, pre- and post-judgment interest, and attorney fees. The damages sought satisfy the jurisdictional requirements of this Court.

NATURE OF THE CASE

3. Between 2006 and 2011, Era entered into three separate contracts with American Eurocopter, Inc. (n/k/a, and referred to hereinafter as, Airbus Helicopters, Inc.) for the purchase

of ten "EC225" helicopters (hereinafter the "225"), the latest model of the Super Puma line of helicopters.[1] Era paid hundreds of millions to Airbus Helicopters for these helicopters in reliance on Airbus Helicopters' representations that the 225 was safe, reliable, and state-of-the-art in design and build. These representations were false and calculated to induce Era into purchasing helicopters that are in fact defective, unsafe, and unfit for flight. Airbus Helicopters fraudulently concealed the unsafe defects in the 225 until a recent, fatal crash led regulatory agencies to—yet again—ground 225s and ban them from flight. This grounding has forced Airbus Helicopters to at last concede that its helicopters are defective. As a result of Airbus Helicopters' fraud and its breach of its contractual obligations, Era has suffered significant loss, as it now owns a fleet of 225s that cannot be flown.

4. Era began purchasing its fleet of 225s in 2006 based on Airbus Helicopters' representations that the 225 was, among other things, "[t]he safest and most advanced ever designed flight control system"; had "the most advanced rotor design and technology (blades and spheriflex)"; had "[t]he only MGB [Main Gear Box] 'totally oil-less' cooling device"; had "[t]he fastest and smoothest cruise speed"; and had "[t]he most credible maintenance program." *Presentation of the Eurocopter EC225 in Utility/Offshore Oil and Gas Missions* (2006). Airbus Helicopters singled out the design of the 225's Main Gear Box, in particular, advertising this critical component as "reinforced," and facilitating "increased power," *see id.* at 10, as well as

[1] In March of 2015, in a move "symbolic of the company's full integration in the Airbus Group," Airbus Helicopters altered the designations of its helicopters. *See* Airbus Group, Press Release, *Important to You. Essential to Us. Airbus Helicopters Introduces the H Generation and Reinforces Customer Satisfaction* (March 5, 2015). Dispensing with the prefix "EC," a remnant of the abandoned Eurocopter brand, Airbus Helicopters adopted the prefix "H"—"consistent with the numbering used by the Airbus commercial jetliner manufacturer." *Id.* The "EC225" helicopter accordingly became the "H225" helicopter. It is in name only that the "EC225" helicopter differs from the "H225" helicopter—a difference that is immaterial to any allegation set forth herein. This Complaint will refer to the "H225" as the "225." Similarly, this Complaint will refer to the "AS332" (now also called the H215) as the "215."

capable of supporting a new "5-bladed spheriflex rotor head," the five-blade design being a "proven concept with easy maintenance." *Id*.

5. Those representations were key and induced Era to invest substantially in the 225. The 225 was a new, larger, more powerful helicopter and the Main Gear Box is one, if not *the*, primary piece of machinery that must be designed, machined, constructed, and assembled in order for any helicopter, including the new 225, to operate in a safe and reliable manner.

6. At all times prior to the execution of the Purchase Agreements, and even through much of 2016, Airbus Helicopters continued to tout the 225 as "state of the art" and "integrat[ing] all the latest technological innovations to comply with the most stringent technical and operational requirements for all types of missions," specifically publicizing its "Main Gear Box" as having "[i]ncreased power," being "compliant with CS 29," and "capable of flight in severe [] conditions." Airbus Helicopters, *H225* at 18-19 (2015) [hereinafter H225 2015 Brochure], https://web.archive.org/web/20160505171344/http://www.airbushelicopters.com/website/docs_wsw/RUB_40/tile_2688/Broch_H225-2015.pdf.

7. However, the above representations by Airbus Helicopters regarding the safety, reliability, and design of the 225 and, in particular, the design and reliability of the Main Gear Box were (and remain) demonstrably false in light of recent revelations by Airbus Helicopters that at least the second stage planet gears inside of the Main Gear Box are irreparably defective, rendering the 225 unfit for flight.

8. On information and belief, Airbus Helicopters has long known about these defective gears and the catastrophic harm they may cause; yet, it remained silent. On information and belief, Airbus Helicopters did not disclose the defects and failures to Era or to the regulators that certified the 225 as airworthy. In designing and manufacturing the 225,

Airbus Helicopters used an outdated and defective Main Gear Box that it knew had experienced operational problems and failures in prior generations of Super Puma helicopters. Even so, Airbus Helicopters exploited a regulatory loophole to avoid disclosing to regulators the defect in the Main Gear Box of the 225 at the time of regulatory certification. And after certification, Airbus Helicopters did not communicate, investigate, remediate, or even squarely acknowledge the mounting evidence that the defect in the Main Gear Box, the magnitude of which was known only to Airbus Helicopters, could lead to catastrophic failures of the 225 and render them unfit for flight.

9. Despite its awareness of the defect in the Main Gear Box of its older Super Puma helicopters, Airbus Helicopters imported the outdated and problematic assembly, virtually without change, into the 225—a helicopter that, *e.g.*, was almost twice as heavy, far more powerful, and added a redesigned rotor that introduced a fifth blade. By recycling the Main Gear Box from the older Super Puma model 215 helicopter (also known as the AS332 L2 helicopter), Airbus Helicopters was able to escape compliance with a more rigorous design certification standard when Airbus Helicopters obtained certification of the 225. Thus, at the time that Airbus Helicopters sold the 225s to Era, Airbus Helicopters knew that the Main Gear Box of the 225 had not satisfied the more rigorous safety standards in place at the time of certification. Airbus Helicopters instead exploited a grandfather clause to evade scrutiny of its ***old*** technology, as applied to a ***new*** helicopter, and then proceeded to induce Era to purchase 225s through false assurances that the helicopters were safe and state-of-the-art in design.

10. Moreover, between December 17, 2012 and March 7, 2016, Airbus Helicopters itself, or through its authorized service provider Heli-One acting in accordance with directions from Airbus Helicopters, performed maintenance on Era's 225s and, when doing so, replaced the

Main Gear Box and/or the component gears therein. Although Airbus Helicopters replaced these gears, it did so under the guise of routine maintenance; Airbus Helicopters never disclosed that these parts were defective and, more importantly, that they were likely the root cause behind a number of fatal crashes. Nor did Airbus Helicopters disclose that, while performing "routine" maintenance, old gears were replaced out with new gears that were fundamentally different in their design and assembly. Rather, Airbus Helicopters waited until earlier this year, when it had no choice, to make this disclosure. A recent and fatal 225 crash off the coast of Norway led various investigative entities to conclude—and publish—that at least some of the gears within the 225's Main Gear Box are defective. Airbus Helicopters was thus forced to finally come clean: it had designed, manufactured, and sold a defective helicopter—a concession that Airbus Helicopters had long attempted to cover up.

11. The crash that forced Airbus Helicopters' hand occurred on April 29, 2016, when an Airbus Helicopters 225 helicopter, transporting oil workers back home from an oil platform in the North Sea, crashed near Turøy, Norway. Several individuals witnessed the crash; they reported that the 225 was flying, steadily and without any perceived issue, when suddenly the sound of the helicopter changed and it started to sway. Within moments, the 225's main rotor assembly separated from the aircraft and the fuselage plummeted to the ground, exploding into flames. All thirteen onboard died. News stories about this crash were circulated widely and an unnerving cell phone video emerged showing "the rotor of [the 225] helicopter, which crashed killing 13 people, flying off while it was in mid-air." *See* John Shammas and Ruth Halkon, *Norway Helicopter Crash: Shocking Video Shows Rotor Blades Becoming Detached From Chopper while Still in Mid Air*, DAILY MIRROR (Apr. 29, 2016), http://www.mirror.co.uk/news/world-news/norway-helicopter-crash-fatalities-feared-7865478.

12. This was not the first disastrous, and fatal, 225 crash. In fact, since Era purchased its fleet of 225s from Airbus Helicopters, a string of catastrophic failures has revealed that the 225 is beset with defects and flaws, having deadly consequences. The defects of the Main Gear Box were, on information and belief, known to Airbus Helicopters at the time that Airbus Helicopters sold the 225s to Era. These defects were also known to Airbus Helicopters over the intervening years when Airbus Helicopters serviced Era's 225s in order to replace the Main Gear Box and/or its defective parts. Yet, it was not until investigators published a preliminary report identifying the cause of the Turøy tragedy that Airbus Helicopters finally conceded the existence of at least one defect in the Main Gear Box of the 225. Linking that defect to a history of failures that predates Era's first purchase of a 225, the Turøy tragedy revealed Airbus Helicopters' fraudulent misrepresentations concerning the safety and reliability of the Main Gear Box of the 225 and the ongoing attempts by Airbus Helicopters to conceal the truth.

13. Immediately after the April 29th crash, Statoil, the company that operated the oil platform, suspended the use of 225s. Statoil, *Investigation into Helicopter Safety in Statoil Following the Turøy Helicopter Accident on 29 April 2016* at 37 (Sept. 23, 2016) [hereinafter "Statoil Report"]. Within hours, Norway's Civil Aviation Authority (the "Norway CAA") issued a Safety Directive prohibiting all 225 passenger flights, only excepting those for emergency search and rescue operations. Norway Civil Aviation Authority, *Safety Directive No. 16/05616-1* (Apr. 29, 2016). Quickly thereafter, the United Kingdom Civil Aviation Authority (the "UK CAA") broadened the geographical scope of the ban by issuing a directive mirroring Norway's. United Kingdom Civil Aviation Authority, *SD-2016/001: Limitations of Operations Due to a Fatal Accident in Norway on 29 April 2016* (Apr. 29, 2016).

14. As clues concerning the cause of the crash were pieced together by investigators,

and preliminary results were published, doubts about the airworthiness of the 225 multiplied. UK and Norway took action. They expanded the prohibition on all 225s—they could not be flown, at all—not even for emergency search and rescue operations. *See* Norway CAA, *Safety and Operational Directive 16/05616-9* (June 1, 2016); UK CAA, *SD–2016/003* (June 2, 2016). By the first week of June, aviation regulators around the world, including the European Aviation Safety Authority ("EASA"), the United States Federal Aviation Administration ("FAA"), and the Australia Civil Aviation Safety Authority, had followed suit. They implemented directives declaring the 225 (and the related 215 f/k/a AS332 L2 helicopter) unworthy of any and all flight.

15. Intensifying concerns about the danger of the 225, the investigation of the fatal Turøy crash has revealed that the manifestation of the defect in the Main Gear Box of the 225 is virtually undetectable by current technology. For example, investigators have stated that "[t]he nature of the catastrophic failure of the [225's] main rotor system indicates that the current means to detect a failure in advance are not effective," Air Accident Investigation Board Norway, *Preliminary Report 1 June 2016* at 2 (June 1, 2016) [hereinafter "AIBN June 1 Report"], https://www.aibn.no/Aviation/Investigations/16-286?iid=19961&pid=SHT-Report-Attachments.Native-InnerFile-File&attach=1, and "[t]he fracture of the failed second stage planet gear [of the 225 that crashed] . . . propagated in a manner which is unlikely to become detected by existing . . . systems for warning of an imminent failure." Air Accident Investigation Board Norway, *Preliminary Report 28 June 2016* at 5 (June 28, 2016) [hereinafter "AIBN June 28 Report"], https://www.aibn.no/Aviation/Investigations/16-286?iid=20112&pid=SHT-Report-Attachments.Native-InnerFile-File&attach=1. The inability to detect the degradation combined with past accident experience suggests that the window to catch dangerous degradation before it results in catastrophic failure is, at best, exceedingly narrow, and further indicates that the

integrity and quality of the parts in question are significantly impaired.

16. To this day, these bans remain in place, with the sole exception of a recent publication from EASA. On October 7, 2016, EASA lifted restrictions on flights of the 225 in response to—and conditional upon the adoption of—Airbus Helicopters' plan to replace critical components inside of the Main Gear Box that Airbus Helicopters has finally conceded are irreparably defective. European Aviation Safety Agency, *Airworthiness Directive 2016-0199* (Oct. 7, 2016) [hereinafter "EASA AD 2016-0199"], http://ad.easa.europa.eu/blob/EASA_AD_2016_0199.pdf/AD_2016-0199_1.

17. Airbus Helicopters has specifically stated that gears with Part Numbers 332A32-335-00, 332A32-335-02, 332A2A32-3335-05 and 332A32-3335-07 are defective and ***must*** be replaced with "serviceable" Part Numbers 332A32-3335-04 and 332A32-3335-06. *Id*. at 2-3. Importantly, however, EASA's most recent directive "is considered to be an interim action and further . . . action may follow." *Id*. at 2. And more importantly, the Norway CAA, the UK CAA, and the FAA have not followed suit; their bans remain, and 225s still cannot be flown, notwithstanding Airbus Helicopters' proposed replacement of irreparably defective parts of the 225's Main Gear Box. Beyond that, Airbus Helicopters' proposed fix is no fix at all. Era has analyzed the planet gears inside the Main Gear Box of one of its 225s and has discovered that even the supposedly non-defective, "serviceable" gears (*e.g.*, Part No. 332A32-3335-06) show signs of cracking and spalling. Further still, Airbus Helicopters has acknowledged that replacing the defective planet gears is still not enough, signaling to Era, and the industry, that Airbus Helicopters still does not yet grasp the full scope of its defective helicopter. Atop replacing the defective gears, Airbus Helicopters has further instituted a host of additional maintenance and monitoring requirements should any 225 be flown in the future.

18. Airbus Helicopters' assurances that it has found a solution to the defective design of the 225 is therefore contradicted by (i) the refusal of many international regulators to lift their ban, (ii) Era's own internal analysis, and (iii) the history of failures of the Main Gear Box of the 225. Indeed, just four years prior to the Turøy crash, regulators imposed significant restrictions on operations of the 225 that resulted in an extended grounding after two 225s, within a span of six months, malfunctioned on routine missions and were ditched in the North Sea. In 2009, off the coast of Peterhead, Scotland, a Super Puma helicopter of the generation preceding the 225 (*i.e.*, a 215) with a Main Gear Box of the same design crashed into the North Sea after its rotor separated from the fuselage. *See* Air Accidents Investigation Branch, *Report on the Accident to Aerospatiale (Eurocopter) AS332 L2 Super Puma, Registration G-REDL 11 nm NE of Peterhead, Scotland on 1 April 2009* (Nov. 24, 2011) [hereinafter the "Peterhead Report"], https://assets.digital.cabinet-office.gov.uk/media/5422f86aed915d13710006cb/2-2011_G-REDL.pdf.

19. As a result of the defect in the Main Gear Box of the 225, which Airbus Helicopters misrepresented to and concealed from Era, Era's 225s cannot be flown and have lost significant value. Airbus Helicopters' misconduct constitutes, among other things, common law fraud, fraud in the inducement, breach of express warranty, breach of the implied warranty of merchantability, and breach of the implied warranty of fitness for a particular purpose. Moreover, Airbus Helicopters has been unjustly enriched at the expense of Era. As a result of Airbus Helicopters' misconduct, Era is entitled to damages and other relief.

PARTIES

20. Plaintiff Era Group Inc. is a corporation organized under the laws of Delaware, with its principal place of business located at 818 Town & Country Blvd., Suite 200 Houston, TX 77024.

21. Upon information and belief, Defendant Airbus Helicopters, Inc. (formerly American Eurocopter, Inc.), is a corporation organized under the laws of Delaware, with its principal place of business at 2701 N. Forum Dr., Grand Prairie, TX 75052.

22. Upon information and belief, Defendant Airbus Helicopters S.A.S. (formerly Eurocopter) is a French corporation with its principal place of business and/or headquarters in Marignane, France.

JURISDICTION AND VENUE

23. This Court has personal jurisdiction over Airbus Helicopters, Inc. because the agreements entered into between Era and American Eurocopter, Inc. specify that courts located in Dallas County, Texas have jurisdiction over "any legal proceeding arising out of or in connection with" their agreements. Independently, this Court has jurisdiction over Airbus Helicopters, Inc. because, on information and belief, Airbus Helicopters, Inc. is headquartered in Texas, regularly and systematically transacts business within Texas, and enters into contracts for the sale of goods to be delivered in Texas.

24. This Court has personal jurisdiction over Airbus Helicopters S.A.S. because it regularly and systematically transacts business within Texas and enters into contracts for the sale of goods to be delivered in Texas through co-Defendant Airbus Helicopters, Inc. In addition, Airbus Helicopters S.A.S.'s actions and conduct gave rise to injury to Era in Texas.

25. Airbus Helicopters, Inc.'s and Era's purchase agreements provide that venue is proper in this Court. Venue is also proper under the venue statute, Tex. Civ. Prac. & Rem. Code s. 15.002(a) and 15.005 because Airbus Helicopters, Inc.'s headquarters are located in Dallas County, Texas.

STATEMENT OF FACTS

26. Era is one of the largest helicopter operators in the world and the longest-serving

helicopter transport operator in the United States. Era also provides helicopter and related services to third-party helicopter operators in other countries. In addition to U.S. customers, Era has customers operating in Argentina, Brazil, Colombia, the Dominican Republic, India, Suriname, and the United Kingdom. Era's helicopters are primarily used to transport personnel to, from, and between offshore installations, drilling rigs, and platforms.

27. Era owns and operates four classes of helicopters: heavy, medium, light twin-engine, and single-engine helicopters. Heavy helicopters are twin-engine helicopters having a passenger capacity of 16-19 and are primarily used in support of the offshore oil and gas industry, frequently in harsh environments and in areas with long distances from shore, such as those in the U.S. Gulf of Mexico, Brazil, Australia, and the North Sea. These helicopters are also used to support search and rescue missions. 225s are heavy helicopters.

28. Between 2006 and 2011, Era entered into three separate contracts with American Eurocopter, Inc. to purchase ten "EC225" helicopters. In September 2014, American Eurocopter was renamed and rebranded as Airbus Helicopters. The rebranding "ha[d] no impact on the organisation or operation of [Airbus] Group," or, by extension, Airbus Helicopters or Airbus Helicopters, Inc. Airbus Group, *Letter to Shareholders*, AERO-NOTES (Jan. 2014). It is therefore in name only that Airbus Helicopters differs from Eurocopter and Airbus Helicopters, Inc. differs from American Eurocopter, Inc.

I. AIRBUS HELICOPTERS FRAUDULENTLY INDUCED ERA'S PURCHASE OF 225S

A. The 225

29. The 225 is part of the Super Puma line of heavy helicopters. Airbus Helicopters currently advertises the 225 as the "latest member of . . . [the] Super Puma family [that] is used for offshore, VIP and other airlift applications, and is also ideally suited for public service

missions such as search and rescue." Airbus Helicopters, Inc., *H225 (Formerly Known as EC225)*, http://airbushelicoptersinc.com/products/H225-product.asp (last visited Nov. 18, 2016). The "maiden flight" of the 225 occurred on November 27, 2000. Airbus Helicopters obtained certification from EASA for the 225 in July of 2004. American Eurocopter, *American Eurocopter Presentation to Era Helicopters* at 12 (Dec. 2011). The first delivery of a 225 in Europe was tendered in December of 2004 to Bristow Group, which acquired the helicopters for transportation to and from offshore oil fields. The first delivery of a 225 in the United States occurred in 2008. Era was the recipient.

B. The Main Gear Box of the 225

30. The purpose of the Main Gear Box is to "transmit[] the power from the engines to the rotors while reducing the rotation speed." Peterhead Report at 11. The shafts that deliver drive to Main Gear Box spin at a rate of 23,000 rotations per minute—just over 383 rotations per second—and the rotor overhead turns at a rate of 265 rotations per minute—around four and one-half rotations per second. By harnessing and transferring the power of the engine to the rotors while at the same time reducing rotation speed to a level that supports flight, the Main Gear Box is a critical and indispensable component: it makes the 225 fly.

31. The Main Gear Box is composed of several modules. Power from the engines enters the main module of the Main Gear Box via horizontal shafts. The main module then directs the power via a bevel gear that functions to reroute the drive along the vertical path to the rotor atop the fuselage. But before it reaches the rotor, the engine power passes through the epicyclic module. The epicyclic module, which contains two cylindrical "stages"—like a double stack of disks—is an elaborate and complex piece of machinery. Each stage contains a "sun" gear at its center. Eight "planet gears" are arranged around the sun gear and inside the "ring" gear, which forms the outermost circumference of the epicyclic module. When the drive from

the engine is rerouted by the bevel gear of the Main Gear Box, the first stage sun gear, and, in turn, the second stage sun gear, spin. The rotation of the sun gears engages the rotation of the corresponding planet gears. The ultimate effect is to drive rotation of the main rotor, slow the rotation speed that feeds the first sun gear, and enable the controlled flight of the helicopter.

32. The epicyclic module in the 225 contains sixteen planet gears in total: eight first stage planet gears and eight second stage planet gears. A planet gear has the outlines of hockey puck (with gear teeth) but has a diameter of approximately twice the size. It is typically made of steel. A planet gear contains two rings arranged concentrically called "races." The outer race has gear teeth on the outside and the rolling surface of a bearing on the inside. The inner race, at the center of the planet gear, forms the other rolling surface of a bearing. The inner and outer races are separated by bearing rollers.

33. The outer race of a planet gear may appear to be a small and insignificant component, but, as Airbus Helicopters has learned repeatedly over many decades, the design, manufacture, and assembly of a planet gear can be the difference between life and death for passengers. The same is true for the entire planet gear assembly, pictured below.

Second Stage Planet Gear Carrier, Ring Gear, Planet Gears, and Sun Gear (AIBN June 28 Report at 3)

34. Each part matters, and a bad design for any component individually, or the gear as a whole, can have catastrophic consequences.

35. Understanding the critical importance of the Main Gear Box and all its component parts, Airbus Helicopters has represented to civil aviation authorities that in designing the Main Gear Box Airbus Helicopters "took a ***conservative approach*** when determining the safety factors for the gear." Peterhead Report at 14 (emphasis added).

36. That representation, however, is belied by the genesis of Airbus Helicopters' certification for the 225. Airbus Helicopters appears to have taken the *easy* approach, importing into the 225 an *old* Main Gear Box design, designed for an outdated and smaller helicopter. That decision, obviously known to Airbus Helicopters at the time it was made and likely debated internally, has had catastrophic consequences.

C. Airbus Helicopters' Certification of the 225

37. The legal operation of a helicopter in the world's most critical airspaces is preconditioned upon compliance with design certification standards developed and applied by regulatory authorities across the globe. Over time, as concern over aviation safety has grown, some of the certification standards have become more stringent. In introducing more stringent standards with which helicopters that have already been certified are not in compliance, regulators may elect to apply the standard prospectively and on a component-by-component basis. This allows helicopter manufacturers to avoid compliance with a more stringent standard by incorporating the components of helicopters certified prior to the adoption of the more stringent standard.

38. In obtaining certification of the 225, Airbus Helicopters exploited this loophole in

the certification process by incorporating the Main Gear Box of the 215 in the design of the 225. The 215 was certified in 1989. After the 215 was certified, and also in 1989, the certification standard applicable to second stage planet gears "was significantly amended to introduce flaw tolerance requirements." Peterhead Report at 78-79. The purpose of the amendment was to "reduce catastrophic fatigue failures." *Id*. Under the old standard, Airbus Helicopters needed to demonstrate only that the probability of a catastrophic failure was "extremely improbable." *Id*. Because of the exception, Airbus Helicopters was not required to prove, and did not demonstrate, that the components of the epicyclic module, including first and second stage planet gears, satisfied the more rigorous flaw tolerant and fail-safe design standards. Airbus Helicopters assured the aviation community, including Era, that its second stage planet gears, although designed for an older and smaller helicopter, would operate effectively, reliably, and safely. Airbus Helicopters was, after all, the purported "expert." Airbus Helicopters offered these assurances even though the 225, among other things, introduced a redesigned rotor to incorporate a fifth blade that increased the strain on the Main Gear Box; yet, Airbus Helicopters withheld these critical details.

39. On information and belief and as informed by Airbus Helicopters' most recent concession that certain second stage planet gears are irreparably defective, Airbus Helicopters almost surely had internal concerns and dissenting views on whether the gears for the 215, certified in 1989, could do the job for the 225, certified over a decade later.

D. Airbus Helicopters Induced Sales of 225s Through False Representations Concerning Safety, Reliability, Dependability, and Performance

40. In the early to mid-2000s, Airbus Helicopters trumpeted the reliability and safety of the 225, specifically touting the Main Gear Box as state of the art, in order to convince prospective customers, like Era, to purchase 225s.

41. In a sales brochure promoting the 225 for sale to operators of search and rescue missions created in 2003 and last modified in 2007, Airbus Helicopters alluded to the performance of earlier models of the Super Puma family of helicopters, and then declared that the 225 is of "proven . . . safety, reliability and efficiency." Eurocopter, *EC225/725 SAR Efficiency and Safety for Search and Rescue* at 2. Airbus Helicopters thereafter announced that the 225 is "superior[]," *id*. at 3, and further stated that the 225 comprised a "full mission system designed ***with safety first***," *id*. at 2 (emphasis added). Airbus Helicopters went on to advertise that the technology incorporated in the 225 secured a "[f]ail safe . . . design" and that the 225's "fully integrated and open architecture" would "improve mission effectiveness," "increase safety," and "decrease maintenance cost." *Id*. Airbus Helicopters emphasized that the design of the 225 secured increases in maximum speeds, range, and loads. *Id*. at 8.

42. In 2006 marketing materials, Airbus Helicopters likewise advertised the 225 as an ***improvement*** upon the earlier models of the Super Puma family of helicopters and stated that the 225 is "particularly devoted to offshore operation" and was accordingly "***designed*** . . . for the most demanding mission[s] in the helicopter world." Eurocopter, *Presentation of the Eurocopter EC225 in Utility/Offshore Oil and Gas Missions* at 2 (2006) (emphasis added). Airbus Helicopters stated that the "EC225 incorporates the most advanced features aimed at increasing safety." *Id*. at 14. Airbus Helicopters then represented the 225 as offering "more safety," "more performance," and "more reliability." *See id.* at 14, 33, 38. Knowing that potential customers care about safety first, Airbus Helicopters alleged that the engineering of the 225 manifests a "general fail safe design based on flaw damage tolerant concept[s]." *Id*. at 14. Airbus Helicopters explained that as a result of "***new*** technology," the 225 "challenges and in many aspects outperforms its nearest competitor." *Id*. at 2. As compared to its "main competitor,"

Airbus Helicopters stated that the 225, among other advantages, has "[t]he safest and most advanced ever designed flight control system"; "the most advanced rotor design and technology (blades and spheriflex)"; "[t]he only MGB [Main Gear Box] 'totally oil-less' cooling device"; "[t]he fastest and smoothest cruise speed"; and "[t]he most credible maintenance program." *Id.* at 47. Airbus Helicopters boasted of "added performance," including "more payload over a longer range" and "faster speed," and represented that such gains were achieved through "new low risk technologies [that] were applied to proven technologies." *Id.* at 6.

43. Further still, Airbus Helicopters singled out the design of the Main Gear Box, advertising it as "reinforced" and facilitating "increased power." *Id.* at 10. Airbus Helicopters also elevated the new "5-bladed spheriflex rotor head," which Airbus Helicopters affirmed would enable "high lift and faster cruise speed," as well as "excellent manoeverability and stability," and "by far the lowest vibration level in its class." *Id.* at 7. Airbus Helicopters advertised the five-blade design as a "proven concept with easy maintenance." *Id.*

44. Nowhere in any of these presentations did Airbus Helicopters disclose that it had incorporated into the 225 an old design of the Main Gear Box for an old helicopter. Nor did Airbus Helicopters explain how that design would safely, reliably, and efficiently perform in a heavier, more complex, 5-bladed helicopter. It simply provided those assurances on paper (backed behind regulatory approval that Airbus Helicopters stands behind even today) and in person to customers, including Era, knowing that customers would not second-guess Airbus Helicopters.

45. In a 2011 sales presentation to Era, Airbus Helicopters proclaimed the 225 as representing "The No-Risk State-of-the-Art Technology!" American Eurocopter, *American Eurocopter Presentation to Era Helicopters* at 26 (Dec. 2011). Airbus Helicopters further

represented that "all EC225/EC725 delivered are still in operation *except* for . . . an Era aircraft lost in the North Sea in a non-fatal 2009 ditching," brushing that event aside. *Id*. at 9 (emphasis in original). Moreover, in explaining the advantages of the 225 over the competing Sikorsky S-92 helicopter, Airbus Helicopters stressed the "reinforced" Main Gear Box of the 225, the advanced five-blade rotor design, the better "payload range," and technological sophistication, *id*. at 24-36, proclaiming that "[u]nlike the S-92—which does not introduce any significant advances in technology, the EC225 offers superior technology and performance in many areas, providing better comfort, safety and productivity," *id*. at 37. Airbus Helicopters affirmed that "[t]he EC225 offers the highest cruise speeds, the smoothest ride, the longest range, the most comprehensive avionics/AFCS and the most comprehensive safety systems of any aircraft in its class." *Id*. Airbus Helicopters concluded by stressing the safety, reliability, and dependability of the 225, stating that "[w]ith the EC225 the operator knows exactly what he/she is procuring: a modern, ***proven*** low-risk multi-purpose helicopter!" *Id*. (emphasis in original).

46. Airbus Helicopters went to great lengths to induce Era to purchase the 225s and it touted the 225s' superior design and the construction of the Main Gear Box in doing so.

E. Purchase Agreements Between Airbus Helicopters and Era

47. Between 2006 and 2010, Era entered into three separate contracts with Airbus Helicopters to purchase ten "EC225" helicopters.

48. On April 26, 2006, Era entered into Purchase Agreement V-4123 with Airbus Helicopters, Inc. (f/k/a American Eurocopter, Inc.), which governed the terms and conditions for Era's purchase of four 225s with manufacturer's Serial Nos. 2685, 2690, 2680 and 2691. (*See* Ex. A., *supra*, at 56–66) Era took delivery of these four helicopters in April, May, July, and December of 2008.

49. On July 6, 2007, Era entered into Purchase Agreement V-6176 with Airbus

Helicopters, Inc. (f/k/a American Eurocopter, Inc.), which governed the terms and conditions for Era's purchase of four additional 225s with manufacturer's Serial Nos. 2732, 2734, 2760, and 2777. (*See* Ex. B., *supra*, at 67–74) Era took delivery of these four helicopters in June and August of 2009 and February and October of 2010.

50. On April 7, 2010, Era entered into Purchase Agreement V-6397 with Airbus Helicopters, Inc. (f/k/a American Eurocopter, Inc.), which governed the terms and conditions for Era's purchase of two additional 225s with manufacturer's Serial Nos. 2825 and 2809. (*See* Ex. C., *supra*, at 75–95) Era took delivery of these helicopters in December 2011 and April 2012.

51. Collectively, Purchase Agreement V-4123, Purchase Agreement V-6176, and Purchase Agreement V-6379 are referred to herein as the "Purchase Agreements."

52. These Purchase Agreements, involving the sale of goods, are governed by the Texas Uniform Commercial Code ("UCC").

F. Airbus Helicopters' Express and Implied Warranties

53. Each Purchase Agreement provides the following warranty:

> 4(a). Seller [Eurocopter] warrants each new helicopter parts manufactured by Eurocopter S.A.S. (herein referred to as the "Helicopter Manufacturer") purchased under this agreement ***to be free from defects in material and workmanship*** under normal use and service. Seller's obligation under this warranty is limited to replacing or repairing parts or tools that have been returned to Seller's facility and, at the time of any repair or replacement, shall have been recognized by Seller, in its sole discretion, as subject to this warranty. To be eligible for repair, or replacement under this warranty, the alleged failure must have occurred, as determined by Seller, within the following limits:
>
> > (1) With respect to helicopters and optional equipment manufactured by the Helicopter Manufacturer, the earlier of: (1) 1000 flying hours or (ii) – 24 – months after they are delivered to Buyer [Era].
> >
> > (2) With respect to spares, the earlier of: (i) 1000 flying hours; (ii) 12 months after installation; or (iii) 24 months after delivery to Buyer [Era]; and
> >
> > (3) With respect to tools manufactured by the Helicopter Manufacturer, 24 months after the tool is delivered to Buyer [Era].

See Ex. A, *supra*, at 60 (emphasis added).

54. This warranty, by its express terms, pertains only to "defects in material and workmanship" in the 225s purchased by Era. It does not pertain to any "defects in design" in those helicopters. Yet, as Era and the industry have come to learn after the fatal 2016 crash in Norway, 225s are fundamentally flawed in their design, as now acknowledged by Airbus Helicopters. *See, e.g.*, EASA AD 2016-0199 (mandating Airbus Helicopters' plan to remove and replace defective planet gears, as well as require more frequent maintenance inspections).

55. In each Purchase Agreement, Airbus Helicopters further attempted to disclaim any implied warranties, namely the implied warranty of merchantability and fitness for particular purpose, that otherwise attach automatically as a matter of law in connection with the sale of goods governed by the UCC. (*See e.g.*, Ex. A, *supra*, at 61.) Just like the express warranty, however, Airbus Helicopters' disclaimer of implied warranties pertains only to "defects in material and workmanship" in the 225s purchased by Era. The implied warranty disclaimer does not pertain to any "defects in design" in those helicopters.

56. In the alternative, Airbus Helicopters has breached the express warranties provided by the governing Purchase Agreements. Airbus Helicopters has admitted that at least certain aspects of the Main Gear Box in the 225s, namely the second stage planet gears, are defective. This defect, on information and belief, was present at the time Era took delivery of the 225s purchased from Airbus. Although present, this defect was not discovered by Era, or otherwise known to Era, until Airbus Helicopters disclosed its existence after the fatal crash of the 225 in 2016. *See*, *infra*, Section II(C). Indeed, as explained, *infra*, in Section III, Airbus Helicopters has long concealed the existence of any defect in the Main Gear Box of the 225 and that concealment deprived Era of the knowledge necessary to pursue a remedy based on the

warranties for which Era bargained. Although Era alleges, at present, that this defect is a design defect, Airbus Helicopters has also stated, even through today, that it does "not fully underst[and]" the extent of the defect or defects of the Main Gear Box of the 225. Accordingly, the full scope of these defects may turn out to be, in the alternative, defects in material and/or workmanship, separate and apart from, or in addition to, design defects. Airbus Helicopters has likewise fraudulently concealed these defects, which would fall squarely within the scope of the express warranties provided by the Purchase Agreements.

II. AIRBUS HELICOPTERS CONCEALS, AT LEAST UNTIL 2016, THE DESIGN FLAWS IN ITS 225 HELICOPTERS

57. 225s have long had serious issues. And on information and belief, Airbus Helicopters knew that its faulty design was to blame. Even so, Airbus Helicopters said nothing.

A. Fourteen People Die in Early 2009 When the Rotor of a Super Puma Helicopter Detaches During Flight and the Fuselage Falls into the North Sea

58. Shortly after Airbus Helicopters closed on the second of its transactions with Era, and months before Era would receive delivery of its fourth 225, a Super Puma helicopter crashed in the North Sea. On April 1, 2009, an AS332 L2 helicopter (now known as the 215) operated by Bond Offshore Helicopters (since renamed Babcock Mission Critical Offshore) was returning from the now decommissioned Miller oilfield platform, approximately 100 miles east of the Scottish coastline in the North Sea, to the airport in Aberdeen, Scotland, *when the aircraft's main rotor detached from the fuselage*. Such a sudden, catastrophic detachment is anything but expected. The official report found that "the forces involved were such that the accident was not survivable." *See* Peterhead Report at 59.

59. An investigation was immediately undertaken to determine the cause of and appropriate response to the tragic accident. On information and belief, Airbus Helicopters likewise commissioned its own internal investigation into the cause of the crash. Because the

accident occurred in UK airspace, the UK Air Accidents Investigation Board ("AAIB") was responsible for conducting the inquiry. In 2011, the AAIB published its 115-page final report. The report identifies the sole "causal factor" of "[t]he catastrophic failure of the Main Rotor Gearbox" as "a fatigue fracture of a second stage planet gear in the epicyclic module," *see* Peterhead Report at 2, the very part that Airbus Helicopters now concedes, in 2016, is irreparably defective. What Airbus Helicopters determined internally in 2011 and 2012 remains unknown—to some degree. It was shortly after this time, as detailed *infra*, that Airbus Helicopters began to replace certain second stage planet gears inside the Main Gear Box under the guise of routine maintenance. Airbus Helicopters did not, however, alert Era to any known or potential design flaws.

60. The final report of the investigation into the cause of the 2009 fatal accident addresses both the 215, the model of helicopter that went down in the North Sea off the coast of Peterhead, Scotland, and the 225. This is because the cause of the crash involved the Main Gear Box and "[t]he MGB of the EC225 makes use of the same main module and epicyclic module reduction gears as the" helicopter that actually went down over the North Sea in 2009. *Id*. at 8. The substantive import of the failure analysis and the resulting safety recommendations were thus equally applicable to both the 225 and the 215. Among the safety recommendations included in that report, Airbus Helicopters was directed to "urgently review the design, operational life and inspection processes of the planet gears used in the epicyclic module of the Main Rotor Gearbox installed in AS332 L2 and EC225LP helicopters, with the intention of minimising the potential of any cracks progressing to failure during the service life of the gears." *Id*. at 114. Airbus Helicopters disclosed to regulators in 2011 that the company had "undert[a]k[en] a comprehensive review of the planet gear design." Peterhead Report at 83.

Whether, and to what extent, Airbus Helicopters reached any conclusions concerning "the planet gears used in the epicycle module" remains unknown to Era. On information and belief, however, Era expects that Airbus Helicopters did in fact reach conclusions regarding the design and construction of the planet gears and withheld those conclusions until this year when it was forced to admit that they are irreparably defective.

B. The 225 Flaws and Defects Continue to Manifest as Two Ditchings in 2012 Lead to the Global Grounding of the 225

61. On May 10, 2012, only one year after the publication of the final report of the investigation into the fatal 2009 Peterhead crash, a 225, *this one owned by Era*, suffered multiple, unexpected technical failures while carrying 14 people to an oil rig located in the North Sea. The failures resulted in its ditching in the North Sea. Thankfully, no one died in this ditching. Shortly thereafter, on October 22, 2012, a second 225, operated by CHC Scotia Ltd., suffered multiple and unexpected technical failures that resulted in its ditching, and permanent loss, in the North Sea.

62. Immediately after both incidents, various governmental authorities stepped in. The AAIB immediately dispatched a team of investigators and support staff to investigate both the first and second accidents. Issuing a Special Bulletin days after the second accident, the AAIB explained that the 225 had been ditched "following ***indications of a failure of the main gearbox (MGB)*** lubrication system and, subsequently, a warning indicating failure of the emergency lubrication system." Air Accidents Investigations Branch, *Special Bulletin S2/2012* at 2 (May 10, 2012) (emphasis added). In that same Bulletin, the AAIB referenced its previous investigation into the May 10, 2012 accident involving the first 225, explaining that the first accident appeared to be caused due to "the bevel gear vertical shaft failing." The AAIB further announced a "detailed engineering investigation of the [225] helicopter is continuing with the

full assistance of the helicopter manufacturer and operator." Martin Williams, *New Super Puma Gear Failure Fears*, PRESS READER (Oct. 25, 2012), https://www.pressreader.com/uk/the-herald/20121025/281887295556754.

63. In addition to the AAIB, EASA also stepped in to investigate both incidents in their immediate aftermath and published reports on its findings. In particular, EASA published an Emergency Airworthiness Directive on October 25, 2012, placing restrictions on the operations of *any and all* 225s operating within its jurisdiction. In that Directive, EASA explained that cracks in a vertical shaft inside of the Main Gear Box had led to the ditchings. European Aviation Safety Agency, *Emergency Airworthiness Directive 2012-0225-E* at 1-2 (Oct. 25, 2012). The EASA's directive concluded by placing restrictions on operators flying 225s, restricting certain 225s from flight over water. *Id*. at 2-3.

64. Just days later, on October 25, 2012, the UK CAA issued its own, additional directive concerning any and all 225s. After concurring with the EASA in the technical defects in the two particular 225s that were ditched and lost, the UK CAA banned all flights of 225s within its jurisdiction over water, with the sole exception of those 225s involved in life-saving operations. *Britain's Civil Aviation Authority Bans EC225, AS332 Flights Over Water*, AERO NEWS NETWORK (Oct. 27, 2012), http://www.aero-news.net/subscribe.cfm?do=main.textpost&id=3cfae2df-4a1f-4a7b-ad73-78257f0e4e2f. The Norway CAA followed suit, issuing a similar ban. Air Accidents Investigation Branch, *Aircraft Accident Report 2-2012* at 183 (June 11, 2014).

65. By October 2012, therefore, 225s, including Era's, were effectively grounded (other than for search and rescue missions). Due to catastrophic technical defects, they could not operate as intended, nor as Airbus Helicopters had warranted to Era.

66. Airbus Helicopters itself issued a Safety Information Notice on November 11, 2012 that explained that "initial investigations of the aircraft and more precisely of the MGB [Main Gear Box] have shown a rupture of the bevel wheel vertical shaft which drives the two MGB lubrication pumps as mentioned in AAIB Special Bulletin S6/2012. This is the same part as that which was found ruptured on the 225 that performed a controlled ditching in May 2012." Airbus Helicopters' Safety Information Notice further confirmed that although "parts of the emergency lubrication system operated within their specifications," "a false alarm of malfunction occurred" in that system.

67. This was not the only way in which Airbus Helicopters downplayed the 2012 ditchings. Executives at Airbus Helicopters also took to the public to assuage concern over the airworthiness of the 225. Although Executive Vice President Derek Sharples explained that "two ditchings are two too many" and that Airbus Helicopters would need "to rebuild confidence in our company," *see Restriction Imposed on Super Puma Helicopter*, BBC NEWS (Oct. 25, 2012), http://www.bbc.com/news/uk-scotland-north-east-orkney-shetland-20081728, Airbus Helicopters' Chief Executive was outspoken about a prompt return to service, promising "a return to flight of the EC225 in full capacity and overwater" would occur in February 2013, with the goal of "reduc[ing] this timeframe." That timeframe, however, did not hold.

68. Over the following months and into Summer 2013, Airbus Helicopters continued working towards identifying and fixing the root cause of the 225 failures in 2012 and implementing engineering solutions and prevention and detection measures to remedy those failures to the proper satisfaction of the governmental authorities.

69. Finally on April 22, 2014, Airbus Helicopters announced the certification of a redesigned ***vertical bevel gear shaft***, confirming that "[t]he new design eliminate[d] all three

factors" underlying the 2012 failures and eradicated all "stress hot spots" in the Main Gear Box. Airbus Helicopters did not, however, alert Era or the industry to widespread design defects in the Main Gear Box, including defective planet gears, which Airbus Helicopters was concurrently repairing under the guise of routine maintenance (*see*, *infra*, Section III(C)); Airbus Helicopters remained silent as to the catastrophic consequence of these "hot spots." Instead, Airbus Helicopters announced that it had achieved "a major milestone towards getting our customers flying with the final solution." Airbus Helicopters, Inc., Press Release, *EASA Certifies Airbus Helicopters' EC225 Gear Shaft Redesign* (Apr. 22, 2014). Continuing to emphasize the safety and reliability of the helicopter, Airbus Helicopters falsely declared that the "workhorse" 225 was "[t]ailored for the most demanding operators" and "integrat[ed] all of the latest technological innovations." *Id*. At this time, Airbus Helicopters was still concealing the full scope of the defect in the Main Gear Box of the 225, which would yet again cause the tragic loss of life.

C. The Turøy Tragedy of 2016

70. Just two and one-half years after the ban on flights of 225s resulting from the 2012 ditchings was lifted upon Airbus Helicopters' assurances of milestone achievement, the defective design of the 225 precipitated further tragedy, this time leading to the large-scale loss of life. On April 29, 2016, a 225 en route from the Gullfaks oil rig to a nearby airport on the coast of Norway suffered a catastrophic failure when the rotor detached from the Main Gear Box and the fuselage, in a matter of seconds, plummeted to the rocky cliffs of the island of Turøy and exploded.

71. Airbus Helicopters published a statement on April 29 in which they expressed sorrow over the "tragic circumstances" and sympathy for the victims' friends and family, and "allied [the company] with the decision . . . to put all commercial EC225LP passenger flights on

hold." Airbus Helicopters, *Accident in Norway*, http://www.airbushelicopters.com/website/en/ref/Norway-Statement_347.html.

72. At the same time, however, Airbus Helicopters incongruously sought to admonish those affected against forming any conclusions about the underlying cause of the tragedy, affirming that "we do not have any information that allows us to understand the causes of the accident that involved the aircraft's rotor being detached, nor to make any links to events that have occurred previously." *Id.* Here, Airbus Helicopters was alluding to the helicopter's history of failure, attempting—within hours of the accident and even before the bodies of all thirteen victims had been accounted for—to prevent the public and customers from connecting the catastrophic failure of April 29 to prior failures and/or drawing any larger conclusions about a fundamental defect with the 225s.

73. On May 1, approximately forty-eight hours after the crash, Airbus Helicopters released a second statement, this time with the benefit of "the additional information gathered." *See* Airbus Helicopters, *Accident in Norway*. Airbus Helicopters doubled down on its public stance that nothing was fundamentally wrong with its 225s. Airbus Helicopters announced its "decision, at this stage, [] to ***not*** suspend flights ***of any nature*** for the EC225LP." *Id.* (emphasis added). It was only "out of respect for all those affected by the accident," that Airbus Helicopters "st[oo]d by the decision taken by the Norwegian and UK authorities to put commercial EC225LP passenger flights on hold in Norway and in the UK." *Id.*

74. Pursuant to international standards, the "Accident Investigation Board Norway" (AIBN) was entrusted with conducting, coordinating, and overseeing the official investigation into the causes of the crash. In initiating the investigation, AIBN enlisted the advice and assistance of a host of private and governmental entities, including French and UK aviation

authorities, EASA, Airbus Helicopters, and CHC, the operator of the disastrous 225 flight under investigation.

75. To date, AIBN has published four preliminary reports. These preliminary reports communicate information concerning the findings and discoveries of the investigation, which remains ongoing. With each successive preliminary report, the focus and scope of the investigation were narrowed and the cause of the catastrophic failure was brought into sharper focus. The fourth and most recent report, issued on June 28, 2016, reveals to virtual certainty that the failure resulted from fatigue-induced cracking and fractures *in a defective second stage planet gear within the epicyclic module of the Main Gear Box.*

76. On May 3, 2016, AIBN convened a press conference in Bergen, Norway to update the public on the progress of the investigation. It announced that the April 29 crash involved a "technical fault" and not "human error." *See, e.g.*, *Helicopter Crash Was Technical Fault and Not Human Error Black Box Reveals*, OIL INDUS. NEWS (May 3, 2016), http://www.oilandgaspeople.com/news/8376/helicopter-crash-was-technical-fault-and-not-human-error-black-box-reveals/. Airbus Helicopters responded with a press release "welcom[ing]" AIBN's announcement that the crash resulted from the technical failure of the 225 they designed, manufactured, and sold, and further reiterated that "preliminary inspection of the main gearbox vertical shaft shows no link with the 2012 ditching events," once again laboring to present the April 29 failure as an isolated incident. Airbus Helicopters, *Accident in Norway*. At the same time, Airbus Helicopters announced the publication of Emergency Air Alert Services Bulletin ("EASB") 53A058, which outlines "precautionary measures" and "one-off maintenance checks," primarily directed at "verif[ying] . . . the correct installation of all MGB suspension bar attachments." In EASB 53A058, Airbus Helicopters neglected to address

the epicyclic module and estimated "[h]elicopter downtime" to be less than two days.

77. Despite the newfound certainty that a technical fault underlay the catastrophe, Airbus Helicopters remained insistent that the 225 was safe for flight.

78. To prospective 225 passengers, whose latent suspicions of the 225 were confirmed by the April 29 crash, such warranties, peddled by Airbus Helicopters for years, now rang hollow. Speaking on behalf of oil workers, the Offshore Coordinating Group, a trade union, called for 225s to be grounded immediately and indefinitely pending the resolution of the official inquiry into the cause of the April 29 crash, expressly affirming that the assurances of Airbus Helicopters would "not suffice." Offshore Coordinating Group, Press Release, *Offshore Coordinating Group on Puma 225 Helicopter Tragedy* (May 3, 2016), http://www.stuc.org.uk/news/1247/offshore-coordinating-group-on-puma-225-helicopter-tragedy. The North Sea Offshore Oil Workers launched a petition on Change.org "to finally say enough is enough with the Super Puma." The petitioners resolved that "the Airbus 225 Super Puma . . . be permanently removed from service," and observed that it had "been involved in one incident too many, where yet again fatalities have occurred." *See* David Winder, *Remove the Airbus 225 Super Puma from Service*, CHANGE.ORG (2016), https://www.change.org/p/civil-aviation-authority-remove-the-airbus-225-super-puma-from-service.

79. Addressing the UK Civil Aviation Authority, the petitioners demanded that "the lives of Offshore Oil Workers and the pilots [be put] before vested interests" and expressed the fear that "[f]ailure to do this . . . will result in more needless deaths." *Id.* The petition garnered more than 25,000 signatories in less than one week. The legitimacy of such concerns was acknowledged industry-wide. Step Change in Safety—a "member-led organisation, formed by the oil and gas industry, for the oil and gas industry"—issued a statement in response to the April

29 crash declaring that "[t]he industry is committed to improving workforce confidence in helicopter travel," and that "[a]nyone with genuine concerns about flying will be treated sympathetically on an individual level and case by case basis." Step Change in Safety, *Norwegian Helicopter Crash (Facts and Info)*, https://www.stepchangeinsafety.net/about-step-change-safety/steering-groups/helicopter-safety/norwegian-helicopter-crash-facts-and-info (last visited Nov. 9, 2016).

80. AIBN published its first preliminary report on May 13, 2016, approximately two weeks after the crash occurred, providing "information obtained during the earliest stages of the investigation." Air Accident Investigation Board Norway, *Preliminary Report on Accident at Turøy, Near Bergen, Norway on 29 April 2016* at 1 (May 13, 2016) [hereinafter "AIBN May 13 Report"], https://www.aibn.no/Aviation/Investigations/16-286?iid=19938&pid=SHT-Report-Attachments.Native-InnerFile-File&attach=1. Contrary to Airbus Helicopters' position, AIBN reported that a review of the Combined Cockpit Voice and Flight Recorder ("CVFDR") indicated that "everything appeared to be normal until a sudden catastrophic failure developed in 1-2 seconds" and the "recordings ended abruptly." *Id.* at 2. Ruling out the possibility that any crew member or passenger brought down the helicopter, AIBN announced that investigators were probing three parts: "the MRH suspension bar assembly, ***the main gearbox*** and the main rotor head." *Id.* at 3 (emphasis added). In its first preliminary report, AIBN published photographs of the parts that had provoked their suspicion, including a photograph of the rusted and riven remains second stage planet gear. The photograph revealed that the ring-shaped planet gear had been fractured into several pieces, only two of which, together accounting for approximately one-half of the circumference of the planet gear, had been recovered. (*See* Picture 1).

Picture 1. Fractured Planet Gear (Top Center)
(AIBN June 28 Report at 3)

81. Two weeks later, on May 27, 2016, AIBN published its second preliminary report. The second preliminary report was published the day after a three-day meeting of the AIBN investigation team in Marignane, France, at the corporate headquarters of Airbus Helicopters. AIBN reported that investigators had reduced to three the potential "scenarios . . . considered as possible initiating events" of the April 29 crash. Air Accident Investigation Board Norway, *Update to Preliminary Report on Accident at Turøy, Near Bergen, Norway on 29 April 2016* at 2 (May 27, 2016) [hereinafter "AIBN May 27 Report"], https://www.aibn.no/Aviation/Investigations/16-286?iid=20000&pid=SHT-Report-Attachments.Native-InnerFile-File&attach=1. These "failure scenarios" included: (1) "failure of the epicyclic module"; (2) failure of the "suspension bar (lift strut) attachment"; and (3) failure of the "[Main Gear Box] conical housing." *Id.* at 7. AIBN updated the public that investigators had initiated metallurgical analysis of the components implicated by the failure scenarios but that

"these examinations ha[d] not identified a conclusive primary cause of the accident." *Id.*

82. Airbus Helicopters issued a statement the same day. In the statement, Airbus Helicopters summarized the preliminary findings of a parallel (and apparently competing) investigation of the Turøy crash that Airbus Helicopters was pursuing with some degree of independence of the official investigation in which Airbus Helicopters was also involved. Airbus Helicopters, *Accident in Norway*. Whereas AIBN identified three potential failure scenarios, Airbus Helicopters asserted that "only one—the failure of the attachment of a suspension bar—can be assessed as probable . . . based on the information to date." *Id.* Moreover, while conceding that "[m]ore analysis is needed to reach a conclusion" with respect to the possibility that "internal epicyclic module damage" precipitated the Turøy crash, Airbus Helicopters publicly stated that a ***maintenance issue*** concerning the MGB suspension bar attachments ***was the only*** scenario that it considered "probable."

83. In making that statement, Airbus Helicopters appeared determined to divert any attention from a possible systemic design flaw in the 225s. Upon mounting evidence, however, Airbus Helicopters was, finally, forced to back off its position. On May 31, 2016, Airbus Helicopters stated that it "fe[lt] the need to clarify its position to avoid any possible misunderstanding" and declared that it would "not rul[e] out any of the scenarios described by the AIBN." Airbus Helicopters, *Accident in Norway*.

84. Between April 21, 2016, and June 6, 2016, within the span of time in which the accident occurred and the technical failure of the 225 involved in the accident was publicized, *Airbus Helicopters removed the 2015 225 helicopter brochure from its website for the helicopter and replaced it with an updated brochure*. Noticeably missing from the substitute brochure is mention of the "increased power" and "[g]reater [s]afety" of the Main Gear Box, features that

were prominently advertised in the brochure available on the website of Airbus Helicopters prior to the tragic Turøy crash.

85. On June 1, 2016, AIBN issued the third preliminary report. AIBN disclosed the "significant finding[]" that the metallurgical analysis of the fractured planet gear had "revealed features strongly consistent with fatigue." AIBN June 1 Report at 1-2. AIBN stated that the analysis suggested that the fatigue originated on the internal surface of the ring and "propagat[ed] towards the web of the gear teeth" forming the outside of the ring. *Id*. at 2. The metallurgical analysis also detected "sign[s] of spalling in front of the fracture surface." *Id*. The preliminary evidence that the fracture in the planet gear resulted from fatigue "signifie[d] a possible safety issue . . . affect[ing] the MGBs [Main Gear Boxes] of the same type." *Id*. at 3.

86. In the June 1 report, beyond revealing the "significant" discovery that had become the investigators' bullseye, AIBN announced that the technology that Airbus Helicopters incorporated in the 225 to facilitate the detection of degradation and fatigue in the Main Gear Box could not function to prevent the type of catastrophic failure that resulted in the Turøy tragedy. Specifically AIBN warned that the "[t]he nature of the catastrophic failure of the . . . main rotor system indicates that the current means to detect failure in advance are not effective." AIBN June 1 Report at 2. Sounding the alarm, AIBN advised EASA to "take ***immediate*** action to ensure the safety of the Airbus Helicopters 225 Main Gear Box." *Id* (emphasis added).

87. The alarm raised in the third preliminary report triggered a chain of civil orders grounding 225s. In practical effect, the revelation of fatigue-induced spalling and cracking in the planet gears of the epicyclic module led to a worldwide ban on the use of 225s for any purpose. On June 1, the day the report was released, the Norway CAA broadened the scope of its extant ban on 225 flights to encompass: (1) even those flights conducted for emergency search and

rescue purposes and (2) flights of the 215. The UK CAA did the same on June 2. Also on June 2, EASA issued an Emergency Airworthiness Directive to prohibit all flights of 225s pending a determination of the "root cause" of the "fatigue and surface degradation in the . . . planet gear." European Aviation Safety Agency, *Emergency Airworthiness Directive No. 2016-0104-E* (June 2, 2016), http://ad.easa.europa.eu/blob/EASA_AD_2016_0104_superseded.pdf/EAD_2016-0104-E_1. Consistent with the UK and Norway CAAs, the flight prohibition applied not just to 225s but also to 215s. Under the EASA prohibition, owners of 225s were allowed only to make a "single ferry flight without passengers . . . to a maintenance location where the helicopter grounding . . . c[ould] be accomplished in adequate storage conditions." *Id*. at 2. The Australian Civil Aviation Authority issued an identical directive on June 3, the next day. The United States FAA adopted the EASA flight prohibition on June 3, immediately grounding all 215s and 225s to "prevent failure of the main rotor system and subsequent loss of control of the helicopter. In explaining the application of the ban to the 215, the FAA observed that the 215 reflects "similarities in design that make it subject to the same unsafe condition" present in the 225s.

88. With all 225s across the globe effectively grounded, on June 28, 2016, AIBN issued the fourth and, to date, most recent preliminary report.

89. In the fourth preliminary report, AIBN confirmed that the investigation of the three failure scenarios had produced the conclusion "that the accident most likely was the result of a fatigue fracture in one of the second stage planet gears." AIBN June 28 Report at 1. AIBN determined that the defective planet gears were the cause (and not the consequence) of the Turøy crash and identified the fractures therein as the most likely explanation for the crash, largely dismissing the alternative theories. AIBN reported that "[e]xamination of these parts show that one of the fracture surfaces can be described as being close to 100% fatigue." *Id*. at 4. While

observing that there were "some differences" between the fatal Peterhead and the Turøy crashes, AIBN emphasized that "the fatigue fractured planet gears . . . show clear similarities." *Id*. at 5-6.

Fractured Planet Gear
(AIBN June 1 Report at 3)

90. The fourth preliminary report also drew attention to the failure of an "essential design philosophy" of the epicyclic module housing the defective planet gears which holds that "propagation of a crack" should be "suppressed by . . . compressive surface stress" such that "a crack in the surface area should grow outboard and create spalling that would produce magnetic debris" that would be in turn "detected" by magnetic "chip detectors." *Id*. at 5. However, the spalling and subsurface crack propagation exhibited by the planet gear of the 225 under investigation was inconsistent with this "essential design philosophy." *Id*. In short, "[t]he observed failure mode . . . seems to differ from what was expected or foreseen" and the device intended to register the spalling and fracturing of the planet gear "appears unable to identify symptoms of such degradation." *Id*.

91. On June 29, 2016, the day after AIBN released the fourth preliminary report, Airbus Helicopters issued an emergency safety bulletin concerning ***all*** civil and military models of the 225 and the L2 model of the 215 Super Puma helicopters delivered prior to June 27, 2016. *See* Airbus Helicopters, *EASB AS332 63.00.83 and EC225 63A030* (June 27, 2016), http://helioffshore.org/wp-content/uploads/2016/06/EASBAS332630083ENR0.pdf.

92. The game was up. Airbus Helicopters specifically addressed the EASB to the defective component—the planet gear assembly of the epicyclic module—responsible for the Turøy crash (and possibly prior accidents involving similarly designed Airbus helicopters, including the 2009 Scotland crash). Airbus Helicopters provided that "it was decided to maintain only one of the two types of epicyclic module second stage planet gears in service." *Id.* at 2. Airbus Helicopters explained that it would remove from service the faulty and defective parts, which it had been promoting up to and until June 29, 2016, because it knew that (1) "[t]he detailed design of the planet gear bearing has an *increased damage tolerance*" and (2) "[m]odeling and calculation reveal a *lower load level* on the external race of the planet gear bearing"; and (3) "[i]n service experience shows *enhanced reliability*." *Id.* (emphasis added). Airbus Helicopters thus admitted that it had been manufacturing and installing bad and defective parts in the epicyclic modules of Super Puma helicopters, including 225s. Notwithstanding the danger, unreliability, and vulnerability of the inferior parts, which Airbus Helicopters has now admitted and which are associated with the deaths of dozens of people, Airbus Helicopters continued to warrant their fitness and tout their safety to potential customers and passengers.

93. Faced with the indefinite suspension of flights of 225s and 215s, Airbus Helicopters finally proposed to dispose of the deadly and defective planet gear assemblies. Airbus Helicopters ordered customers to check the part numbers associated with the epicyclic

modules of covered helicopters to determine whether any of the parts were of the deadly and defective variety. Customers who discovered the presence of the deadly and dangerous parts were directed to remove and return them to Airbus Helicopters, which alone can perform the retrofitting necessary to eliminate the danger.

94. On September 29, 2016, Statoil A.S.A., the oil and gas company that operates the Gullfaks oil rig in the North Sea, published the analysis and conclusions of its internal investigation into the circumstances and events surrounding the Turøy crash. Statoil's investigative report indicates its distrust concerning the reliability and safety of the 225. Specifically, Statoil reports that "[a]s a result of the decision to suspend all use of H225 (EC225LP) helicopters for use in SAR operations in Norway, Statoil decided to start using the Super Puma L/L1 as a SAR/Medevac aircraft, in addition to Sikorsky S-92 helicopters equipped for SAR/Medevac, until further notice" because "[t]he Super Puma L/L1 has *a different, and more traditional, design in the gearbox* and was not covered by the directive on the flight ban for helicopter types H225 (EC225LP) and AS332L2." Statoil Report at 40 (emphasis added). Concerned about "design-related weaknesses," Statoil declared that it would indefinitely cease to use 225s, even for search and rescue missions, because of the non-traditional design that tragedy had again demonstrated was unreliable.

95. The 225 remains grounded by most regulatory authorities, operators, and oil and gas companies to this day. There is considerable doubt that the 225 will ever again be deemed safe for flight because they are defective. Additionally, the 225's checkered history, and Airbus Helicopters' fraudulent representations and concealment, have significantly damaged passenger confidence, likely eliminating any market receptivity for the 225s.

96. As the AIBN and other entities investigate the undeniable patterns in the 225's

history of failure, aviation industry experts have been similarly engaged. On November 1, 2016, news surfaced of the existence of a report concluding that the Main Gear Box of the 225 suffers from an irreparable and "potentially catastrophic" design defect. *See* Harrison, *Super Puma Has 'Potentially Catastrophic' Design Failure*, HERALD SCOTLAND (Oct. 31, 2016), http://www.heraldscotland.com/news/14832969.Report_claims_oil_and_gas_industry_workhorse_the_Super_Puma_helicopter_has___39_catastrophic_flaw__39_/. The report indicates that the defect in the Main Gear Box design necessitates a complete overhaul and reinvention, a process that could take five or more years. Considering the details of the above described failures dating back to at least 1980, the report finds that "[a]lthough the [EASA directive] could reduce the frequency of spalling, ***spalling with the potential for catastrophic failure remains an inherent characteristic of the Puma family for which no long term solution has yet been identified.***" (emphasis added). Moreover, the report states, the 225 likely will never be able to meet current safety standards, observing that "[a]pplication of latest certification rules to the . . . H225 gearbox originally designed in the 1960s . . . carries a high risk of being unachievable within the space and weight constraints of the current design without significant change." *Id*. It is perhaps for this reason that competing helicopter manufactures are already positioning their products as "replacements" for the Super Puma helicopters.

97. In a statement issued to the press, Airbus Helicopters both referred to the contents of the report as "anonymous and unverified information" and also stated that it "[wa]s not aware of" the report. *Id*. Airbus Helicopters refused comment, instead reiterating that "[i]t is still too early to draw conclusions" and that "several potential scenarios/initiating events have been established." *Id*. Airbus Helicopters stressed that "the aircraft is safe to fly" and highlighted the "protective measures" it developed after the accident, "including the design change involving the

use of a single 2nd stage planet gear in all main gear boxes across the H225 and AS332 L2 fleet." *Id*.

98. Airbus Helicopters is wrong, and, on information and belief, it has long known and concealed that the Main Gear Box is defective.

III. AIRBUS HELICOPTERS KNEW ABOUT THE DEFECTIVE PARTS BUT REMAINED SILENT UNTIL 2016

A. Airbus Helicopters Knew of the Falsity of its Representations

99. Despite having affirmed to regulatory bodies that the Main Gear Box of the 225 and its component were identical to the Main Gear Box design and component parts of the 215, thus enabling Airbus Helicopters to evade compliance with the more stringent design standards then in place, Airbus Helicopters advertised to the public and to customers, including Era, that the Main Gear Box of the 225 had been changed to improve safety and power. In particular, Airbus Helicopters affirmed that the Main Gear Box of the 225 had "[i]ncreased power" and was "reinforced." Airbus Helicopters further touted the compliance of the design of the Main Gear Box with certain provisions of JAR 29 Change 1, the design certification standard in effect at the time the 225 was certified, while omitting any admission that the epicyclic module had been certified against a much weaker standard pursuant to an exemption under JAR 29 Change 1 exploited by Airbus Helicopters.

100. Airbus Helicopters also stated, despite non-compliance with flaw tolerant design standards, that the 225 design was based on the "flaw damage tolerant concept." More generally, Airbus Helicopters misleadingly affirmed that the 225 represented a new and higher peak in the evolution of the Super Puma helicopter family offering more safety, reliability, and performance than preceding generations of Super Puma helicopters, including the 215, by introducing new and low risk technologies. In reality, with respect to one of the most critical components of the

helicopter and one of the most important technologies to overall safety, Airbus Helicopters recycled old parts that were anything but "fail safe" and "low risk."

101. Era believes, and alleges, that Airbus Helicopters knew of potential issues with the Main Gear Box when it obtained certification for the 225 in 2000.

102. Moreover, despite knowledge of the chronic and widespread degradation of planet gears in the Main Gear Box incorporated in the 225, and the disaster in Peterhead in 2009, Airbus Helicopters continued to affirm to the public and to customers, including to Era, that the design of the 225 was not only fundamentally sound but technologically advanced, fail-safe, low-risk, and altogether superior. Airbus Helicopters had knowledge of the catastrophic defect of the Main Gear Box of the 225 but affirmed otherwise repeatedly and over many years. Airbus Helicopters did this to induce the sale of the 225, including in presentations to Era.

103. Despite knowledge that the systems installed in the 225 were not effective in monitoring and alerting to degradation and spalling of the planet gears of the epicyclic module, a phenomenon that Airbus Helicopters knew or should have known was a problem to which the 225 was susceptible and that could eventuate in catastrophic failure, Airbus Helicopters represented the 225 as "fail safe." With respect to the helicopter that crashed in 2009, "only one particle was captured by the . . . magnetic detectors prior to the accident flight." The final report of the 2009 investigation specifically highlights "the inability of the HUMS system to identify epicyclic bearing degradation" and the "limitations in detecting degradation of planet gear bearings." Peterhead Report at 92. Airbus Helicopters therefore misled customers, including Era, by presenting the 225 as incorporating a "[f]ail safe assemblies design" (and citing HUMS). Airbus Helicopters represented the 225 as fail safe even though Airbus Helicopters knew that the failure detection system would not detect the variety of failure that had already resulted in at

least two fatal crashes and thirty deaths. Likewise, in 2016, the crack in the planet gear "propagated without creating a significant amount of magnetic debris from spalling," and "the HUMS appear[ed] unable to identify symptoms of such degradation in the epicyclic module." AIBN June 28 Report at 5. As the AIBN has reported, "[t]he nature of the catastrophic failure of the . . . main rotor system indicates that the current means to detect a failure in advance are not effective." AIBN June 1 Report at 2.

104. Despite having knowledge of the weakness and defects of the Main Gear Box in earlier generations of Super Puma helicopters, Airbus Helicopters, on information and belief, imported, without significant change, the old and defective Main Gear Box design into a the 225, a more powerful helicopter. Airbus Helicopters stressed the benefits of the "high power" Tubomeca Makila 2A twin engines and the five-blade design of the main rotor, advertising the increased speed and power that would result. At the same time, Airbus Helicopters assured customers that the 225 had been "designed with safety first" and that the new technology would "increase safety." Airbus Helicopters promised more safety and more power, but the design of the 225 introduced more power at the expense of safety. With the 225, Airbus Helicopters connected a more powerful set of twin engines to a five-blade rotor, but it routed the high power drive system through a Main Gear Box design that Airbus Helicopters, on information and belief, knew was fragile and prone to defects. In doing so, Airbus Helicopters increased the risk that the known defect of the Main Gear Box would result in catastrophic failure. *See, e.g.*, Harrison, *Super Puma Has 'Potentially Catastrophic' Design Failure,* HERALD SCOTLAND (Oct. 31, 2016) ("Application of latest certification rules to the 11 tonne H225 gearbox originally designed in the 1960s for the 6.7 tonne SA330 Puma carries a high risk of being unachievable within the space and weight constraints of the current design without significant change.").

B. Era Has Examined the Second Stage Planet Gears of One Of Its 225s; Many Show Signs of Fatigue

105. After AIBN issued the fourth preliminary report identifying the likely cause of the Turøy crash as the failure of a second stage planet gear in the epicyclic module of the Main Gear Box, Era undertook an internal investigation to determine whether, and to what extent, its own 225s may or may not suffer from the same defects identified by EASA, and acknowledged by Airbus Helicopters. They do. The results of Era's analysis suggest that multiple second stage planet gears in at least one of Era's 225s exhibit characteristics of degradation and spalling associated with the design defect that has been identified as a causal factor in the catastrophic failures involving Super Puma helicopters.

106. Era's analysis further revealed that there are fundamental differences in the design, manufacture, and/or configuration of the second stage planet gears within Era's 225s. The substantial differences in the construction and assembly of the planet gears of the 225's Main Gear Box further reinforce the conclusion that Airbus Helicopters knew or should have known of the defective nature of the planet gear assemblies. Yet, up to and until forced by yet another global ban on flights of its helicopters to reexamine and confront the defective planet gears, Airbus Helicopters continued to misrepresent the safety, power, and reliability of the Main Gear Box.

107. In its most recent directive on the subject, EASA became the only regulator to have lifted the ban on flights of 225s, but only on the condition that operators implement the nine-part maintenance, use, and assembly overhaul that EASA regards as necessary to restore the helicopters to a minimum level of safety. Before resuming flights of 225s, operators must ensure the removal of certain planet gear assemblies that Airbus Helicopters has finally conceded are irreparably defective. Such defective planet gear assemblies must be replaced with alternately

designed parts that Airbus Helicopters has identified as "serviceable." Airbus Helicopters asserts that the replacement of the "bad" parts (*i.e.*, Part Numbers 332A32-335-00, 332A32-335-02, 332A2A32-3335-05 and 332A32-3335-07) with "serviceable" parts (*i.e.*, Part numbers 332A32-3335-04 and 332A32-3335-06) will (along with incremental maintenance requirements) remediate the problems underlying the helicopter's history of catastrophic failures.

108. On information and belief, Airbus Helicopters is incorrect. While there are indeed fundamental differences between the two planet gear configurations, the characteristics of degradation are evident on both the parts identified for replacement (*i.e.*, the "bad" parts) and the parts identified for retention (*i.e.*, the "serviceable" parts). Era has determined that even those parts identified by Airbus Helicopters as "serviceable" exhibit the same symptoms of failure that have necessitated the immediate removal and disposal of the parts that Airbus Helicopters has now admitted are defective and unsafe. Therefore, the supposed solution that Airbus Helicopters has identified is in truth no solution at all.

109. Additionally, Airbus Helicopters has signaled that replacing defective planet gears is still not enough to ameliorate the dangers associated with the Main Gear Box design of the 225. As EASA observes, according to Airbus Helicopters, "the root cause of th[e 2016 Turøy] failure is still not fully understood." *Id*. at 2. EASA has further alerted Era and the aviation community that its latest directive is an "interim action" and "further . . . action may follow." *Id*. at 2. Indeed, Airbus Helicopters' has itself conceded the necessity of extreme maintenance and monitoring of the Main Gear Box of the 225 should any company dare fly 225s in the future.

110. As mandated by EASA, any attempt to "restore[]" the 225 to "an acceptable level of safety" further requires that the 225 must "necessar[ily]" comply with new maintenance and monitoring requirements. EASA AD 2016-0199 at 2. Now and going forward, operators of

225s must perform frequent and "[r]epetitive [i]nspections" of an array of Main Gear Box components. Specifically, operators must: (1) repetitively "inspect the [Main Gear Box] particle detectors (epicylic module, MGB sump, flared casing and MGB oil cooler)" as a part of the "'after last flight' of the day . . . inspection, or at intervals not to exceed 10 [flying hours], whichever occurs first"; and (2) repetitively "inspect the MGB oil filter" at least once every ten flying hours. *Id*. at 3. Airbus Helicopters also shortened the "applicable . . . life limit" of second stage planet gear assemblies, requiring operators of 225s, now and in the future, to replace any second stage planet gear assemblies that exceed the reduced limit. *Id*. at 3. In addition, Airbus Helicopters required operators of the 225 to inspect and, if certain conditions are met, replace the epicyclic module of the Main Gear Box. *Id*. These additional requirements are plainly impractical, particularly a maintenance requirement that requires enhanced, daily inspections of each and every 225 after the last flight of the day. If anything, these extreme maintenance requirements signal that Airbus Helicopters has yet to fully grasp the full extent of the defects that plague the Main Gear Box.

C. Airbus Helicopters Performed Maintenance on Era's 225s Without Flagging Potential Design Defects

111. In the time since purchase, when not prevented by an international ban on flights, Era has operated its 225s in the Gulf of Mexico and Brazil, and leased one 225 to an operator based in Norway. In connection with the operation of the 225s, Era obtains maintenance services from Airbus Helicopters and/or through its authorized service providers, Heli-One. As the certified provider of required maintenance on 225s, Airbus Helicopters pledges to support "helicopter operations with the highest level of excellence" and provides that it is "dedicated to meeting [its] customers' needs, whether it be maximizing flight revenues, ensuring public safety or saving lives." *See* H225 2015 Brochure at 18-19.

112. Over the years, Era obtained maintenance service on its fleet of 225s. Such maintenance service included the removal and replacement of the planet gear assemblies of the Main Gear Box. Between December 17, 2012 and March 7, 2016, Airbus Helicopters and/or its authorized service provider Heli-One replaced the Main Gear Box, epicyclic module, and certain second stage planet gears in nine of Era's 225s. And it did so under the guise of routine maintenance. Airbus Helicopters never alerted Era that the design of the Main Gear Box, and its component parts, were defective. Nor did Airbus Helicopters ever alert or disclose to Era that the parts it was replacing had not been certified against the amended and more rigorous safety standards applied by aviation regulators when the 225 was certified in 2000. Even then, Airbus Helicopters kept Era in the dark about the evidence that Airbus Helicopters had acquired in its investigation of the failures of the 225 and about the regulatory exemption that qualified Airbus Helicopters to avoid compliance with the heightened certification requirements that may have necessitated a redesign of the Main Gear Box of the 225 before the helicopter was ever brought to market.

113. On five of the nine occasions—including on December 17, 2012, November 21, 2014, June 15, 2015, October 12, 2015, and March 7, 2016—planet gears that Airbus Helicopters now contends are "serviceable" were installed; yet, Airbus Helicopters did not explain why it was making or recommending these installments, nor what the changes were in the design of the new parts. Airbus Helicopters kept those details to itself. On three of the nine occasions—including on March 28, 2013, May 28, 2013, and December 18, 2014—planet gears, that Airbus Helicopters now concedes are irreparably defective, were installed. On the other occasion—September 29, 2015—one "serviceable" planet gear, and seven "bad" planet gears, were installed. Installing both "bad" and "serviceable" planet gears, on information and belief, Airbus

Helicopters perceived but ignored the fundamental differences between the "serviceable" and defective configurations; nonetheless, Airbus Helicopters persisted in relying indiscriminately on defective planet gears, potentially to save cost at the expense of safety.

114. Despite knowledge of the differences in planet gear configurations, Airbus Helicopters performed the removal and replacement of planet gear assemblies without providing any indication that it was replacing planet gears of one configuration with planet gears of another configuration. Nor did Airbus Helicopters provide any indication of the fundamental differences in the construction and assembly of the planet gear configurations. Airbus Helicopters instead concealed the fundamental differences between the planet gears, thus preventing Era from providing its own input on the maintenance.

D. Airbus Helicopters Continues to Tout the Safety and Reliability of the Main Gear Box

115. Even today, Airbus Helicopters markets the 225 as "a powerful and fast 11-ton-class helicopter that combines long-range performance with a very large cabin—accommodating up to 19 passengers in crashworthy seats." Airbus Helicopters, Inc., *H225 (Formerly Known as EC225)*, http://airbushelicoptersinc.com/products/H225-product.asp (last visited Nov. 18, 2016).

116. Up to and until the Turøy crash, Airbus Helicopters further touted the 225 as "state of the art" and "integrat[ing] all the latest technological innovations to comply with the most stringent technical and operational requirements for all types of missions," specifically publicizing its "Main Gear Box" as having "[i]ncreased power," being "compliant with CS 29," and "capable of flight in severe [] conditions." H225 2015 Brochure at 18-19.

117. In one respect, however, Airbus Helicopters has issued what is tantamount to a concession that its prior warranties and assurances to Era were false. Between April 21, 2016, and June 6, 2016, Airbus Helicopters ***replaced*** the 2015 version of the 225 brochure on its

website with an updated brochure. The updated brochure omits affirmations of the "increased power" and "[g]reater [s]afety" of the Main Gear Box.

IV. ERA HAS SUFFERED SIGNIFICANT HARM AS A RESULT OF THE DEFECTS IN THE 225 DESIGN

118. Between 2006 and 2011, Era purchased ten 225s directly from Airbus Helicopters. Era purchased these 225s in reliance on Airbus Helicopters' warranties and assurances that, *e.g.*, the Main Gear Box and fundamental design of the 225 were safe and reliable. In exchange, Era paid Airbus Helicopters over $200 million. Beyond the enormous sums of money that Era paid Airbus Helicopters, Era staked the goodwill of its customers on trust in Airbus Helicopters' affirmations concerning the safety and reliability of the 225. It also staked the lives of countless individuals on Airbus Helicopters' representations.

119. In 2016, after a fatal crash that exposed the links between the helicopter model's past catastrophic failures, revealing the irreparable defect Airbus Helicopters withheld from Era, Airbus Helicopters has conceded the existence of at least one defect in the planet gears of the Main Gear Box of the 225. Era suspects, however, that that this only the tip of the iceberg. As a result of the defect that Airbus Helicopters admits, does not yet fully understand, but nonetheless purports to have fixed, the 225s that Era acquired from Airbus Helicopters have lost significant value.

120. Since results of the investigation into the cause of the Turøy crash were first released, Era's 225s have lost significant value as aviation experts and industry stakeholders have raised doubts about the viability of the design of the Main Gear Box and refused to use the 225: Statoil, one of the world's largest oil and gas companies, has transitioned away from the use of the 225 for offshore operations because of its unconventional (and empirically dangerous) Main Gear Box design; an expert report now circulating in the oil and gas industry has

determined based on the new information from the investigation of the 2016 Turøy crash that the Main Gear Box of the 225 must be completely redesigned before the helicopters can safely return to the skies; and CHC, the operator of the 225 that crashed in Norway, moved to purge its entire fleet of 225s through a recent bankruptcy action.

121. Not only has Era suffered from the collapse in value of the 225s, it has further incurred costs necessitated by the ban on operations of the 225. Specifically, in response to the ban, Era has been forced to: (1) ferry flight its fleet of 225s to hangars for storage; (2) prepare 225s for long-term storage through an process that involves sheathing the helicopters in shrink-wrap, and carefully ventilating them; (3) pay for long-term storage of the 225s in hangar space that it has leased in various countries; (4) pay for regular inspection and monitoring of the 225s to ensure that the helicopters do not suffer further damage; and (5) negotiate the exit of support agreements for its 225 airframes and engines.

CAUSES OF ACTION

122. Based on the above facts, Era hereby asserts the following counts against both Airbus Helicopters, Inc. and Airbus Helicopters S.A.S.:

COUNT I—FRAUDULENT INDUCEMENT

123. Era incorporates the allegations contained in Paragraphs 1 through 122 as if fully set forth herein.

124. During its marketing and sale of 225s to Era, Airbus Helicopters knowingly, and with the intent to defraud, (i) falsely misrepresented the safety, reliability, and performance of the 225; (ii) falsely misrepresented the 225 as incorporating the most advanced safety technology; (iii) falsely misrepresented the 225's Main Gear Box as "more safe" and having "increased power"; (iv) concealed any and all internal doubts and conclusions over the design of the 225's Main Gear Box when it was certified; (v) concealed the true reasons behind performing

maintenance on Era's 225s, including the Main Gear Box; and (vi) thereafter continued to misleadingly withhold and obscure contradictory data and information.

125. Era purchased ten 225s from Airbus Helicopters between 2006 and 2012, in exchange for which Era paid Airbus Helicopters in excess of $200 million. To induce these purchases, Airbus Helicopters affirmed repeatedly and over the course of many years that, *e.g.*:

- The 225 "incorporates the most advanced features aimed at increasing safety," *see EC225 Sales Manual* (2006);
- The 225 is "[t]he safest and most advanced ever designed flight control system"; had "the most advanced rotor design and technology (blades and spheriflex)"; had "[t]he only MGB [Main Gear Box] 'totally oil-less' cooling device"; had "[t]he fastest and smoothest cruise speed"; and had "[t]he most credible maintenance program," *see Presentation of the Eurocopter EC225 in Utility/Offshore Oil and Gas Missions* (2006);
- The 225's Main Gear Box was "reinforced" and had "increased power," *id.*;
- The innovations of the 225 implemented a "[g]eneral fail safe design based on flaw damage tolerant concept," *see EC225 Sales Manual* (2006); and
- The 225 "integrated all the latest technological innovations to comply with the most stringent technical and operational requirements for all types of missions," *see* H225 2015 Brochure at 2.

126. Era relied on these representations. On information and belief, however, Airbus Helicopters had knowledge that these affirmations were false or misleading. Airbus Helicopters further concealed the fraudulent nature of these representations as the design defect in the 225 began to manifest itself. The 225 suffered numerous catastrophic failures that implicated and confirmed the defect and vulnerabilities of Airbus Helicopters' design of the Main Gear Box.

127. Despite Airbus Helicopters' knowledge of the defect and vulnerabilities of the Main Gear Box, Airbus Helicopters continued falsely to assure customers, including Era, that the design of the Main Gear Box of the 225 was fundamentally sound. In response to catastrophic failures, and evidence of defects, Airbus Helicopters publicly deflected attention from the design

of the Main Gear Box. In parallel, Airbus Helicopters, under the guise of routine maintenance, designed and installed replacement parts to remedy what Airbus Helicopters, on information and belief, knew to be a fatal defect in the design of the 225. At no time did Airbus Helicopters disclose to Era that it had designed, manufactured, and sold a defective helicopter.

128. Airbus Helicopters' misrepresentations and withholding of information, before and after sales to Era, were false or misleading at the time they were made and were intended to deceive Era. The misrepresentations and withheld information were important to the potential commercial value of the 225, and therefore, material to Era's decision to invest in the 225. Indeed, since the misrepresentations concerning the Main Gear Box have come to light, Era's fleet of 225s has lost significant, if not all of their, value.

129. As a direct and proximate result of Airbus Helicopters' fraud, Era suffered damages, including lost profits and other economic harm, and is entitled to an award of damages, including exemplary damages, in an amount to be determined at trial, together with interest thereon.

COUNT II—BREACH OF WARRANTY

130. Era incorporates the allegations contained in Paragraphs 1 through 129 as if fully set forth herein.

131. As set forth above, Era entered into three Purchase Agreements with Airbus Helicopters for the purchase of ten 225s.

132. Era has performed all of its obligations under each Purchase Agreement.

133. Pursuant to 4(a) of each Purchase Agreement, Airbus Helicopters provided Era with an express warranty that stated in pertinent part: "Seller warrants each new helicopter parts manufactured by [Airbus Helicopters] S.A.S. (herein referred to as the "Helicopter Manufacturer") purchased under this agreement to be free from defects in material and

workmanship under normal use and service."

134. In violation of this express warranty, Airbus Helicopters sold 225s to Era that were defective at the time of delivery in their "material and workmanship under normal use and service." Airbus Helicopters knew of the breach of express warranty at the time of delivery. However, on information and belief, Airbus Helicopters concealed and misrepresented the facts necessary for Era to recognize and to seek an appropriate remedy.

135. By breaching this express warranty, Airbus Helicopters has caused, is causing, and will continue to cause Airbus to suffer monetary damages, including lost profits and other economic harm, in an amount to be determined at trial, together with interest thereon.

COUNT III—BREACH OF THE IMPLIED WARRANTY OF MERCHANTABILITY

136. Era incorporates the allegations contained in Paragraphs 1 through 135 as if fully set forth herein.

137. As set forth above, Era entered into three Purchase Agreements with Airbus Helicopters for the purchase of ten 225s.

138. Era has performed all of its obligations under each Purchase Agreements.

139. The implied warranty of merchantability automatically attached as a matter of law to Era's purchase of the 225s because the Purchase Agreements were contracts for the sale of goods governed by the UCC.

140. Airbus Helicopters' disclaimer of the implied warranty of merchantability was not effective because it pertained only to "defects in material and workmanship," not design defects like those present in the 225s.

141. Airbus Helicopters, therefore, provided Era with an implied warranty of merchantability as it relates to the design of the 225s it sold to Era.

142. Airbus Helicopters, in violation of this implied warranty, sold 225s to Era that

were not merchantable because they had latent design defects that caused them to malfunction upon normal operation and use.

143. By breaching this implied warranty, Airbus Helicopters has caused, is causing, and will continue to cause Era to suffer monetary damages, including lost profits and other economic harm, in an amount to be determined at trial, together with interest thereon.

COUNT IV—BREACH OF THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE

144. Era incorporates the allegations contained in Paragraphs 1 through 143 as if fully set forth herein.

145. As set forth above, Era entered into three Purchase Agreements with Airbus Helicopters for the purchase of ten 225s.

146. Era has performed all of its obligations under each Purchase Agreements.

147. Airbus Helicopters was aware of and understood that Era intended to use the 225s for a particular purpose, namely support of the offshore oil and gas industry, frequently in harsh environments or in areas with long distances from shore, such as those in the U.S. Gulf of Mexico, Brazil, Australia, and the North Sea, and for search and rescue missions in the same environments.

148. Because of this knowledge and understanding, the implied warranty of fitness automatically attached as a matter of law to Era's purchase of the 225s because the Purchase Agreements were contracts for the sale of goods governed by the UCC.

149. Airbus Helicopters' disclaimer of the implied warranty of fitness for a particular purpose was not effective because it pertained only to "defects in material and workmanship," not to design defects like those present in the 225s.

150. Airbus Helicopters, therefore, provided Era with an implied warranty of fitness

for a particular purpose as it relates to the design of the 225s it sold to Era.

151. Airbus Helicopters, in violation of this implied warranty, sold 225s to Era that were not fit for their particular purpose because they had latent design defects that caused them to malfunction upon normal operation and use.

152. By breaching this implied warranty, Airbus Helicopters has caused, is causing, and will continue to cause Era to suffer monetary damages, including lost profits and other economic harm, in an amount to be determined at trial, together with interest thereon.

COUNT V—UNJUST ENRICHMENT

153. Era incorporates the allegations contained in Paragraphs 1 through 152 as if fully set forth herein.

154. By their wrongful acts and omissions, Airbus Helicopters was unjustly enriched at the expense of and to the detriment of Era.

155. As described above, Airbus Helicopters knowingly acted in an unfair and unconscionable manner by taking undue advantage of Era insofar as it consistently induced Era to refrain from taking any action while making repeated assurances that, *e.g.*, (i) the "unparalleled" 225 "offers superior speed, range, payload and reliability" and the "latest-technology . . . capabilities," *see* Airbus Helicopters, Inc., Press Release, *American Eurocopter Delivers the First EC225 in the United States to Era Helicopters LLC* (Feb. 24, 2008), and (ii) that Airbus Helicopters would repair, had repaired, but in fact never did repair the defective 225s. Through its unlawful conduct, Airbus Helicopters knowingly received and retained wrongful financial and other benefits at Era's expense.

156. As a result of their unlawful conduct, Airbus Helicopters has realized substantial ill-gotten gains by misrepresenting its ability to repair its 225s in a timely manner.

157. As a direct and proximate result of Airbus Helicopters' unlawful and improper

conduct, as set forth above, Airbus Helicopters has been unjustly enriched and Era have suffered damage. Airbus Helicopters' retention of funds under these circumstances constitutes unjust enrichment.

158. Era may have no adequate remedy at law for Airbus Helicopters' breaches of express and implied warranties. The Court should therefore compel Airbus Helicopters to disgorge to Era all unlawful or inequitable proceeds that Airbus Helicopters received.

JURY DEMAND

159. Era demands a jury trial and tenders the appropriate fee with this petition.

CONDITIONS PRECEDENT

160. All conditions precedent to Era's claim for relief have been performed or have occurred.

REQUESTS FOR DISCLOSURE

161. Pursuant to Rule 194 of the Texas Rules of Civil Procedure, Era requests that Defendants disclose, within 50 days of service of this request, the information or material described in Rule 194.2 of the Texas Rules of Civil Procedure.

PRAYER

WHEREFORE, Era respectfully requests that:

(a) Judgement be entered declaring that Airbus Helicopters has breached the express warranty in each of its Purchase Agreements with Era;

(b) Judgment be entered declaring that Airbus Helicopters has breached its implied warranties, as they relate to the design of the 225s, that attached to the sale of the 225s to Era pursuant to the UCC;

(c) Judgment be entered that Airbus Helicopters fraudulently induced Era to enter into the Purchase Agreements;

(d) Judgment be entered awarding Era damages, in an amount to be determined at trial, for its monetary loss due to Airbus Helicopters' breach and fraud;

(e) Judgement be entered awarding Era exemplary damages as a result of Airbus Helicopters' fraud and willful acts and omissions;

(f) Judgment be entered awarding Era its attorneys' fees and costs, disbursements, and pre- and post-judgment interest; and

(g) Judgment be entered awarding Era such other and further relief as this Court may deem just and proper.

Dated: November 21, 2016

QUINN EMANUEL URQUHART & SULLIVAN, LLP

By: /s/ Karl Stern

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Attorneys for Plaintiff Era Group Inc. seeking admission pro hac vice

EXHIBIT A

american eurocopter
an EADS North America Company
2701 forum drive, grand prairie, texas 75052-7009

PURCHASE AGREEMENT

Customer:	Fax Number: 337.474.3918	Date Prepared: April 25, 2006
ERA Helicopters, LLC		*Revision IV*
Lake Charles Regional Airport		*Page One of Two*
600 Airport Service Rd.	Phone: 337.478.6131	
Lake Charles, LA 70606	Contact: Ed Washecka	Contract N° V-4123A-D

Item N°	Quantity	Description	Unit Price	Total
1	4	*New, EC225, in Standard Aircraft Configuration (00-10029-00-CI)* • *Multipurpose Sponsons with Cabin Plug-in Doors or VIP Doors* • *Energy Absorbing Fuel Tanks (transverse and rear)* • *Energy Absorbing Longitudinal Fuel Tanks* • *Energy Absorbing Self Sealing Sponson Fuel Tanks 2 X 295 l (2 X78 US gal)*	€ 15,700,000	EUROS € 62,800,000
2	4	***GENERAL ITEMS OF EQUIPMENT:***	INCL	INCL
	05-01011-00-CI	North Sea Offshore Kit		
	05-26007-00-CI	Dinol AV30 Re-inforced Anti-corrosive Treatment		
	05-31012-00-CI	Cockpit Green Tinted Upper Panes		
	05-31035-00-CI	Enlarged Cabin Windows		
	05-44006-00-CI	Increased Cabin Air Circulation System		
	05-65000-00-CI	Hydro Electric Group		
3	4	***SPECIFIC MISSION EQUIPMENT:***	INCL	INCL
	06-41003-00-CI	Hella Anti Collision Strobe Light System (in lieu of standard)		
	06-41004-00-CI	Soderberg Anti Collision Light (belly mounted)		
	06-61010-00-FP	Emergency Floatation Gear - Fixed Parts		
	06-61010-00-RP	Emergency Floatation Gear - Removable Parts		
	06-62005-00-CI	2 Life Rafts - 18 to 27 Pax - in the Multipurpose Sponsons with Jettison Control in Cockpit		
	06-66004-00-CI	Helicopter Emergency Egress Lighting (HEEL)		
	06-67023-00-CI	HR Smith Series 503 ADELT		
	06-69002-00-CI	Automatic Voice Alarm Device (AVAD)		
4	4	***INTERIOR LAYOUT:***	INCL	INCL
	07-10008-00-CI	Pilot and Copilot Airline Seats Comfort Type		
	07-27002-01-CI	19 Comfort Crashworthy Seat Installation, Including Reinforced C (a/c 1 & 2 only)		
	07-30010-00-CI	Comfort Upholstery with Improved Sound Proofing		
	07-60007-00-CI	Luggage Compartment in the Intermediate Structure for 19 Crashworthy Seats Installation		
5	4	***AVIONICS:***	INCL	INCL
		Civil Use Minimum Equipment (IFR Dual Pilot) Including:		
		VHF/AM No 1 — VHF422A — Collins		
		VHF/AM No 2 — VHF422A — Collins		
		ICS w/3 CP 2618 Control Panels — TB45 — Team		
		ADF — ADF462 — Collins		
		DME — DME442 — Collins		
		VOR/ILS/MKR N° 1 — VIR432 — Collins		
		VOR/ILS/MKR N° 2 — VIR432 — Collins		
		VHF/FM-H Radio — NPX138N — NAT		
		ICS w/4th Control Panel CP 1976 — TB45 — Team		
		Passenger Address — M1060 — Baker		
		VHF/AM Dual Freq. Homer — 7 - (121, 5) — Chelton		
		Radar — RDR 1400 C — Canadian Marconi		
		GPS Receiver — CMA 3012 — Canadian Marconi		
		Flight Management System — CMA 3000 — Canadian Marconi		
		M'ARMS Usage Monitoring System (UMS) w/Allied Combi-Lite CVFDR		
6	4	***LOOSE EQUIPMENT:***	INCL	INCL
		Kit JAR OPS 3		
		First Aid Kit AIR SUC 10		
		3rd Hand Held Fire Extinguisher		
		Lighted Map Holder on Instrument Panel		
		2 Flashlights		
		See page two for totals		

Prepared by: *Christie White*

Date: *25APR06*

american eurocopter
an EADS North America Company

PURCHASE AGREEMENT

2701 forum drive, grand prairie, texas 75052-7009

Customer:	Fax Number: 337.474.3918	Date Prepared: April 25, 2006
ERA Helicopters, LLC		*Revision IV*
Lake Charles Regional Airport		*Page Two of Two*
600 Airport Service Rd.	Phone: 337.478.6131	
Lake Charles, LA 70606	Contact: Ed Washecka	Contract N° V-4123A-D

Item N°	Quantity	Description	Unit Price	Total
7	4	*ADDITIONAL PROVISIONS:*		
		Deposit Structure: An initial 15% nonrefundable deposit to hold four EC225 positions in the production line is due before May 1, 2006. Seller will credit Buyer for previous 5% deposit totalling 1,570,000 Euros.		
		Any aircraft delivery or extension requests by Buyer past June 30, 2008 are subject to price escalation.		
		AE and Customer agree to negotiate in good faith separate collateral support agreements relative to these aircraft and this Purchase Agreement. The additional support agreements include the OGAP program terms and the M'ARMS Support Agreement. Notwithstanding the above, this Purchase Agreement is a firm obligation (except as may be otherwise provided in the accompanying Terms & Conditions) and is not contingent on final agreement of such collateral agreements.		
		Provided, however, in the event Customer and AE are unable to mutually reach agreements relative to the language of those support agreements, Customer will be entitled to request in writing, and will be provided, AE and Eurocopter's support to remarket and locate replacement purchasers for the aircraft on a best efforts basis. Failure to locate replacement purchaser(s) for the aircraft on substantially the same terms, conditions and schedules prior to the scheduled delivery dates will entitle AE to retain the nonrefundable deposits applied with AE, and Customer will proceed to accept delivery of the aircraft. After, and in event of, such delivery to Customer, AE will continue to use best efforts to assist Customer to locate other purchasers. In the alternative, Customer may at its discretion and prior to delivery of any aircraft, upon AE's prior approval of third party credit worthiness which cannot be unreasonably withheld and receipt of deposits from third party pertaining to acquisition of aircraft, assign this Purchase Agreement to any third party person or entity, with regard to one or more of the ordered aircraft, either together or via separate assignments, after which Customer will be released from any further liability to AE of any kind. I n the event AE does not receive the third party deposit as provided above, then Customer's deposit will remain primary and AE will be entitled to retain the nonrefundable deposit in the event the third party assignee should breach the agreement and fail to take timely delivery.		
		In the event that AE and/or Eurocopter are able to locate replacement purchaser(s) on a best efforts basis on substantially the same terms prior to the scheduled delivery date(s), then AE agrees to refund Customer deposits from the deposit or final purchase monies paid to AE (if the deposits from the replacement purchasers are not equal to the deposits paid by Customer). Any deposits or monies received by AE from other replacement purchasers of the aircraft will first be applied to the deposit balances owed to Customer pursuant to this Agreement.		
		Technical Publications (choose one): ____ Paper ____ CD Rom		

NOTE: WARRANTY APPLICABLE IS SET FORTH IN PARAGRAPH 4 OF TERMS AND CONDITIONS HEREOF.

Delivery Date: A/C N° 1: February 2008 A/C N° 2: March 2008 A/C N° 3: April 2008 A/C N° 4: June 2008	Method of Delivery: FAF, Grand Prairie, TX	Total Price/ea € 15,700,000	Ext'd Price € 62,800,000
Type of Payment: COD	Delivery date and prices and contract terms and conditions are subject to final negotiations and signature by May 1, 2006	Deposit/ea 15% NonRefundable (€ 2,355,000)	(€ 9,420,000)
		Deposit Rcv'd	(€ 1,570,000)
		Due by 5/01/06	(€ 7,850,000)
This order is subject to the terms and conditions set forth on the attached hereof except as modified hereon.		Balance Due/ea € 13,345,000	€ 53,380,000

Accepted and Confirmed: on this 26 day of April 2006 American Eurocopter LLC By Authorized Representative	Date Accepted: 4/26/06	Buyer: ERA Helicopters, LLC
	Ordered By:	
	Title: Vice President	

Distribution: White/Contracts, Green/Customer Copy

Prepared by: *Christie White*

Date: *25APR06*

TERMS AND CONDITIONS

1. **PRICES AND TERMS OF PAYMENT.**
   (a) Prices shown on this Purchase Agreement (this "Purchase Agreement") are in Euro dollars for Products F.A.F. (fly away from factory) Seller's facility or F.O.B. to a common carrier at Seller's facility and do not include packing and crating charges, federal, state or local taxes, excise tariffs or charges, customs duties or other levies, applicable to the manufacture or sale of the Products (as hereinafter defined), which charges, taxes, tariffs or other levies will be added by Seller to the purchase price and will be paid by Buyer.
   (b) Unless otherwise specified in this Purchase Agreement, Buyer shall pay the total unpaid purchase price, plus all applicable packing and crating charges, taxes, tariffs, customs duties and charges, at the time of final delivery of the Products in Grand Prairie. In the event Buyer claims sales tax exemption for purposes of this delivery which is subsequently found non-exempt by the applicable taxing authority, then Buyer agrees to reimburse Seller for any unpaid taxes, interest and penalties assessed against the aircraft purchase by the taxing authority. The term "Products" as used herein shall include helicopters, parts, spare parts, tools, and other miscellaneous equipment and services that may be deliverable hereunder. All other defined terms used herein and not otherwise defined shall have the meanings assigned to those terms as set forth in the Maintenance Manual and Flight Manual (as such manuals are revised and amended from time to time) provided by Seller with each new helicopter sold by Seller, copies of which have been supplied to Buyer.
   (c) All payments shall be made at Seller's offices in Grand Prairie, Texas, without setoff.

2. **DELIVERY AND ACCEPTANCE**
   (a) Technical acceptance of the aircraft by the Buyer will occur at Eurocopter's facility in Marignane, France. Technical acceptance is required in order to ensure that the aircraft will meet all contractual requirements and in order to allow adjustments to discrepancies if required. Upon satisfactory technical acceptance, the Buyer will submit an additional 10% of the purchase price of the aircraft as a progress payment toward final delivery. The Products shall then be shipped to Seller's facility in Grand Prairie, Texas for final delivery F.A.F. Seller's facility or F.O.B., to a common carrier at Seller's facility for shipment at Seller's expense to Grand Prairie. Upon arrival in Grand Prairie, Seller will reassemble the aircraft at its expense, and Buyer shall be entitled to re-inspect the aircraft, after which Seller will correct, at its expense, any discrepancies. Risk of loss for Products shall pass to Buyer upon final delivery thereof to Buyer at Seller's facility in Grand Prairie. Title shall be transferred to Buyer at final acceptance, via a standard form FAA Bill of Sale as well as a Warranty Bill of Sale which shall, at a minimum, provide that title will be given to Buyer free of all liens, claims, or encumbrances of any kind. All risk of loss or damage from any cause shall be with Seller until final delivery and acceptance.
   (b) The Products shall be accepted by Buyer by an authorized and qualified representative of Buyer after inspection and, in the case of helicopters, flight test at Seller's facility in Grand Prairie, Texas. Seller shall remedy, at its cost, all deficiencies found during inspection prior to Buyer's acceptance and final delivery. Seller agrees that each new helicopter will substantially conform to the weight and performance specifications attached hereto as Exhibit A, subject to Buyer's final configuration specifications. "Substantially conform" shall mean adherence to the referenced specifications within plus or minus two percent variance with the exception of empty weight with two pilots, which shall be within 130 pounds +/-.
   (c) Buyer agrees to accept delivery of the Products in accordance with paragraph 2(b) hereof within ten (10) days after the delivery date set forth on the purchase agreement or, in the event delivery of the Products has been delayed by Seller, within ten (10) days after Seller shall have notified Buyer that the Products are ready for final delivery at Grand Prairie.
   (d) In the event Buyer fails to accept final delivery of the Products as provided herein, or fails to make any payments that may be due to Seller prior to or at final delivery of any Products, Seller may cancel this Purchase Agreement and retain all payments, including all deposits and/or down payments, theretofore made by Buyer to Seller, whether pursuant to this Purchase Agreement or otherwise, in satisfaction of any indebtedness of Buyer hereunder, and the retention by Seller of any such payments shall not preclude Seller from seeking additional or further damages from and against Buyer as Seller may elect.
   (e) Upon final delivery of the Products to Buyer, Buyer shall immediately inspect the Products at its own cost and, if the Products are found not to conform to the applicable specifications for such Products, shall give written notice to Seller of any claim to that effect within ten (10) days after arrival, setting forth in reasonable detail the manner in which the Products do not conform. If Buyer retains the Products after their delivery without giving Seller such notice as required, such failure shall constitute an irrevocable acceptance of the Products by Buyer except with respect to defects not reasonably discoverable by such inspection.
   (f) After final delivery of the helicopter, should Buyer delay flyaway from Seller's facility, Seller shall provide hangar keepers care and charge Buyer according to prevailing rates. In the event Seller provides Buyer a Ferry Pak at delivery, Buyer agrees to return the Ferry Pak within 30 days from delivery date.
   (g) Seller will comply with all mandatory service bulletins and airworthiness directives prior to delivery. **In the event an aircraft is delivered without final paint, it shall be delivered with a special flight permit and shall be fully capable of receiving an FAA Certificate of Airworthiness in the Standard category, with the exception of outstanding items to be completed by Buyer. In such case it will be Buyer's, or its designated completion centers, responsibility to satisfy outstanding exceptions and obtain the Certificate of Airworthiness.** In all other cases, the aircraft will be delivered with current and validly issued FAA Certificates of Airworthiness, with all components and subassemblies in a new and serviceable condition, except for time expired on a component/subassembly as part of the completion process. Hours accrued during completion/manufacturing will not be counted against limited warranty time limits or any maintenance program buy-in amount(s).

3. **DELAYS**

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2832205-000002

AG 4/26/04

(a) Seller shall not be responsible for, or liable to Buyer for any damages or expenses incurred by Buyer from any failure to perform or delay in performance by Seller due, in whole or in part, to "excusable delays." An "excusable delay" is any failure to perform or delay in performance that is due to causes beyond Seller's control including, but not limited to, acts of God, fire, explosion, acts of the public enemy, war, insurrection, sabotage, acts, orders or priorities (whether compliance therewith is mandatory or voluntary) of any government, state, or political subdivision or agency thereof or judicial action. It is agreed, however, that labor disputes, labor shortages, shortages of fuel, power, or materials, failures or delays in transportation, equipment, or machinery breakdown, or failure or delay of Seller's suppliers shall not be acceptable delay events.

If the Seller fails to meet an aircraft Delivery Date (or Extended Delivery Date as defined below) specified for that aircraft in the delivery schedule, then Buyer shall be entitled as liquidated damages to receive an interest credit calculated against the deposit money on account with Seller. The liquidated damages credit shall accumulate at the rate of .00033 (0.033%) per day against the deposit allocated for the affected aircraft, commencing on the thirty first (31st) day after the scheduled Delivery Date (or Extended Delivery Date) and continuing to accumulate for the following ninety (90) days thereafter until actual delivery; provided however, the maximum amount of liquidated damages for any schedule delay due to Seller shall not exceed three percent (3%) of the deposit amount on account with Seller against the affected aircraft at acceptance of the aircraft.

Extended Delivery Date is defined as any schedule delay due to a) permitted delay as provided in Section 3, b) delays due to Buyer's failure to act within a timely manner as required herein, or c) any mutually agreed changes by the parties. Any delay to the delivery date due to Extended Delivery Date circumstances will entitle Seller to move the delivery date on a "day by day" basis. The liquidated damages provided above will be extended accordingly.

Any delays past 180 days from the Delivery Date as modified or extended shall entitle Buyer to terminate this Agreement and receive a full refund of any deposits or monies paid with regard to that particular aircraft.

Irrespective of the above, the parties agree that any FAA certification period for the initial aircraft will not be counted against the liquidated damage calculation or apply against the 180 day delay period. Seller agrees to compensate Buyer for any flight hours associated with FAA certification requirement at the rate published by Eurocopter of $1,800 per flight hour, and any flight hours so accrued will not be charged to Buyer for any warranty period or maintenance program buy-ins.

(b) Buyer's failure to provide timely and complete materials, equipment, instructions and authorizations to Seller for installation of Buyer furnished equipment during the assembly process, which failure causes the Product to be nonconforming at the delivery date, shall not be cause for delay in delivery acceptance pursuant to paragraphs 2(c) and 2(e) above or in payment. The parties will establish within three (3) months following execution of the Purchase Agreement a list of Buyer furnished equipment or necessary information with corresponding due dates in order to ensure delivery of the helicopters in a timely manner. Any additional costs incurred by Seller as a result of having to work around or reschedule the installation of Buyer furnished equipment due to Buyer's failure to deliver Buyer furnished equipment in a timely manner as provided above shall be invoiced to Buyer and paid by Buyer over and above the price on the Purchase Agreement at delivery.

(c) Furthermore, any change request(s) by the Buyer may extend the delivery date or require an adjustment to the purchase price. Seller is authorized to send the Buyer an electronic sequential Confirmation Notice of Change Order by Buyer setting out the configuration change or contract revision, the adjusted purchase price, if any, and the revised delivery date. Buyer may reject, in writing or electronically, any Confirmation Notice that is unacceptable within five days of receipt of a Confirmation Notice from Seller. If timely rejected by Buyer, the Purchase Agreement, as amended, will remain in effect and the change order will lapse and not become a part of this agreement. Buyer's failure to respond timely to any Confirmation Notice will be deemed acceptance of the change order by Buyer, which will become part of the contract, as amended.

4. **LIMITED WARRANTY**

(a) Seller warrants each new helicopter and parts manufactured by Eurocopter S.A.S. (herein referred to as the "Helicopter Manufacturer") purchased under this agreement to be free from defects in material and workmanship under normal use and service. Seller's obligation under this warranty is limited to replacing or repairing parts or tools that have been returned to Seller's facility and, at the time of any repair or replacement, shall have been recognized by Seller, in its sole discretion, as subject to this warranty. To be eligible for repair, or replacement under this warranty, the alleged failure must have occurred, as determined by Seller, within the following time limits:

(1) With respect to helicopters and optional equipment manufactured by the Helicopter Manufacturer, the earlier of: (i) 1000 flying hours or (ii) - 24 - months after they are delivered to Buyer;

(2) With respect to spares, the earlier of: (i) 1000 flying hours; (ii) 12 months after installation; or (iii) 24 months after delivery to Buyer; and

(3) With respect to tools manufactured by the Helicopter Manufacturer, 24 months after the tool is delivered to Buyer.

(b) The warranty period on the repaired or replacement part is the warranty period that was remaining on the defective part.

(c) As soon as possible, but within thirty (30) days after the date Buyer discovers or should have discovered a part failure, Buyer shall return the allegedly failed part or parts to Seller's factory, freight prepaid. Prior to or concurrently with shipment of any allegedly failed part or parts, Buyer shall furnish to Seller in writing full details of Buyer's claim and the basis thereof. Risk of loss for transportation of parts to Seller and, upon return, to Buyer shall be borne entirely by Buyer. All transportation costs, insurance, customs expenses and other charges, as well as the expenses incurred by Buyer for the removal, return, re-installation and related costs and expenses with respect to such part or parts, shall by borne by Buyer. With AEC approval by Warranty Administrator, selected parts may be retained at Buyer's site to be scrapped locally. Claims will not be processed until a completed claim by Buyer has been approved in writing by a Technical Representative of AEC and forwarded to and received by the AEC Warranty office, Grand Prairie, Texas.

Note: Parts/Components ordered as replacement parts must be acknowledged as "warranty replacements" at the time of order.

(d) This warranty shall apply only to the extent the helicopter and the parts installed therein are operated and maintained in accordance with the instructions contained in the Flight Manual, the airframe or component Maintenance Manual (whichever

is applicable), the Helicopter Manufacturer's and/or Seller's service bulletins, service letters or telexes, alert telexes, and maintenance notices, any other technical documentation or service information supplied by Seller to Buyer, and any revisions to any of the foregoing. This warranty shall apply to spares only to the extent they are properly stored and installed, operated, and maintained in accordance with the instructions contained in the Flight Manual, the airframe or component Maintenance Manual (whichever is applicable), the Helicopter Manufacturer's and/or Seller's service bulletins, service letters or telexes, alert telexes, and maintenance notices, any other technical documentation or service information supplied by Seller to Buyer, and any revisions to any of the foregoing.

(e) If Buyer modifies any helicopter or part sold hereunder in any manner for which Buyer has not received the prior written approval of Seller, such modification shall cause this warranty to terminate and be of no further force and effect.

(f) This warranty shall not apply to any helicopter or part which has been repaired or altered outside Seller's factory in any way so as, in Seller's sole discretion, to affect its stability, safety or reliability, or which has been subject to misuse, common neglect, abuse, negligence or accident.

(g) The word "part" as used in this Agreement means "a detail part with reference to a part number shown on a drawing parts list provided" by the Helicopter Manufacturer.

(h) This warranty may not be extended, altered or varied unless a prior written agreement is signed between Buyer and Seller. This warranty is granted to Buyer personally and shall not be assigned by Buyer without Seller's prior written consent.

(i) **SELLER AND THE HELICOPTER MANUFACTURER DISCLAIM AND EXCLUDE FROM THIS AGREEMENT ALL OTHER WARRANTIES, INCLUDING, BUT NOT LIMITED TO, STATUTORY WARRANTIES, OTHER EXPRESS WARRANTIES, AND ANY IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE EXPRESS WARRANTY SET FORTH ABOVE IS GIVEN IN LIEU OF: (i) ALL OTHER WARRANTIES AND (ii) ANY OBLIGATION OR LIABILITY OF, RIGHT OR CLAIM AGAINST, OR REMEDY FROM SELLER OR THE HELICOPTER MANUFACTURER, IN CONTRACT OR IN TORT, INCLUDING PRODUCTS LIABILITY BASED ON SELLER'S OR THE HELICOPTER MANUFACTURER'S STRICT LIABILITY OR SELLER'S OR THE HELICOPTER MANUFACTURER'S NEGLIGENCE. THE RIGHTS AND REMEDIES PROVIDED IN THIS AGREEMENT ARE EXCLUSIVE IN CONNECTION WITH THE SALE OF THE HELICOPTER MANUFACTURER'S AND SELLER'S PRODUCT(S). THE STATED EXPRESS WARRANTY PROVIDED HEREIN IS IN LIEU OF ANY AND ALL LIABILITIES OR OBLIGATIONS OF THE HELICOPTER MANUFACTURER OR OF SELLER FOR ANY INJURIES, BODILY HARM, OR DAMAGES OF ANY TYPE, INCLUDING, BUT NOT LIMITED TO, ALL INCIDENTAL OR CONSEQUENTIAL DAMAGES, ALL LOSS, DAMAGE OR EXPENSE ARISING OUT OF OR IN CONNECTION WITH THE USE, LOSS OF USE, PERFORMANCE, OR NON-PERFORMANCE OF THE HELICOPTER MANUFACTURER'S AND/OR SELLER'S PRODUCTS, AND DAMAGES FROM ANY OTHER CAUSE.**

THE HELICOPTER MANUFACTURER AND SELLER MAKE NO WARRANTY WITH RESPECT TO TURBINE ENGINES OR AVIONICS EQUIPMENT. FOR WARRANTY ON THESE EXCLUDED PARTS, BUYER MUST LOOK TO THE ORIGINAL MANUFACTURER. AT BUYER'S WRITTEN REQUEST, SELLER WILL ASSIGN TO BUYER ANY WARRANTY RIGHTS IT MAY HAVE RECEIVED WITH RESPECT TO SUCH ITEMS OR PARTS TO THE EXTENT SUCH RIGHTS ARE ASSIGNABLE. NORMAL WEAR AND TEAR OF PARTS SUCH AS SEALS, TIRES, INNER TUBES, BULBS, PACKINGS, AND SIMILAR CONSUMABLE PARTS, AS WELL AS THOSE PARTS WHOSE LIST PRICE IS $50.00 OR LESS, ARE EXCLUDED FROM COVERAGE UNDER THIS WARRANTY.

(j) Seller's warranty shall not be enlarged, diminished, or affected by, and no obligation or liability shall arise out of, Seller's rendition of technical advice, assistance or service in connection with any of Products purchased hereunder.

5. TRAINING

(a) **Pilot Training**

(1) Seller shall provide at its facilities in Marignane, France, initial training for -2- of Buyer's pilots who are proficient in helicopter flying for each new helicopter purchased hereunder. Seller shall provide at its facilities in Grand Prairie, Texas, transition training for three (3) pilots who are proficient in helicopter flying for each of the helicopters purchased hereunder (for a total of 20 pilots) provided such training is commenced within one (1) year of the delivery date for each aircraft hereunder. Such flight training for each pilot shall be performed in the helicopter(s) purchased by Buyer hereunder after transfer of title to the helicopter(s) to Buyer. Initial and transition training shall consist of up to a combination of twelve (12) flight/simulator hours per pilot (depending on proficiency of the pilot) with formal ground school. Seller reserves the right to set minimum competency requirements for any pilot to be trained hereunder and to refuse to train any pilot not meeting those requirements. Seller shall, at its cost, procure and carry full hull and liability insurance coverage for all training conducted at Marignane, shall add Buyer as an additional primary insured, and shall provide Buyer with a copy of all policies upon request. All policies shall waive subrogation against Buyer or its pilots, warranted no operational interest, with breach of warranty on the hull and liability coverages.

(2) Buyer may elect to have more than the above numbers of his qualified pilots trained hereunder. Buyer shall be charged at the prevailing rate established by Seller for each additional pilot to be trained.

(3) Buyer acknowledges that the training procedures include, in addition to standard flight operations, the actual performance of emergency flight procedures simulating non-standard flight conditions. Buyer hereby accepts the risk of injury, loss, and damage associated with instruction in emergency flight procedures, except as may be otherwise provided herein.

(4) Buyer hereby assumes all risk of loss, injury and damage to Buyer's helicopter(s), employees, representatives or agents during transition training in Grand Prairie including without limitation, consequential or incidental damages,

loss of use or injury, regardless of cause or fault, and Buyer waives all right of recovery and subrogation (except for products liability) against Seller, its employees and agents for any such damage, injury or loss so sustained; provided, however, that this waiver and assumption of risk shall only apply to losses other than Product failures for which Seller may be responsible under the warranty provisions of this purchase agreement, in which case Seller's liability to Buyer, if any, shall be limited in accordance with the terms of that warranty. Buyer hereby warrants that Buyer's hull insurer has acknowledged this waiver of subrogation with respect to Buyer's operation of the aircraft.

(5) Seller, in coordination with Eurocopter, agrees at its option to offer the following flight training alternatives:
- (i) Seller shall develop an EC225 certified Full Flight Simulator (FFS) independently or though a cooperative commercial effort with Era Helicopters, or,
- (ii) in lieu of the FFS development, Eurocopter may develop an EC225 Flight Training Device (FTD) qualified by Eurocopter and built to high industry standards using a certified manufacturer data package. In the event of either subsection (i) or (ii), then Eurocopter shall have either the EC225 FFS or FTP available for pilot training to Era in 2008.
- (iii) In the event that Eurocopter elects not to have either FFS or FTP available for Era pilot training by the end of 2008, then Eurocopter will design and make available to Era before the end of 2008 a qualified flight training program that would encompass the use of the MK II FFS to accomplish a similar pilot training profile as would be obtained with an EC225 FFS.

(b) **Maintenance Training**

(1) For each new helicopter purchased hereunder, Seller will provide, in their facility in Marignane, France, a ground course covering field maintenance on the engine and airframe. Buyer may elect to send up to -2- of its qualified mechanics for each aircraft to any scheduled training courses during the 6 months prior to delivery or up to 6 months after delivery of each aircraft. Seller reserves the right to set minimum competency requirements for any mechanic to be trained hereunder and to refuse to train any mechanic not meeting those requirements. Seller will also provide at their facility in Marignane, France, a ground course in avionics. Buyer may elect to send up to one (1) of its qualified mechanics for each helicopter purchased hereunder.

(2) Buyer may elect to have more than the above numbers of his qualified mechanics trained hereunder. Buyer shall be charged at the prevailing rate established by Seller for each additional mechanic to be trained.

(c) **General**
- (i) Buyer shall be responsible for loss or injury to Buyer's property, employees, representatives or agents at all times while at Seller's facilities when conversion or maintenance training is a reason for such time spent at Seller's facilities.
- (ii) All expenses and liabilities of Buyer or Buyer's personnel for travel to and from, and stay in, the Dallas/Fort Worth, Texas area shall be borne by Buyer.
- (iii) The training and technical assistance provided for herein applies only to the original purchase of a new helicopter and is not transferable.
- (iv) Buyer may exchange a pilot training slot(s) for mechanic training slot(s), or vice versa, at its option upon 90 day advance written notice to Seller.

6. TECHNICAL ASSISTANCE, PUBLICATIONS/UPDATES

To complement its training and assist the Buyer during the initial period of operation of the helicopters, Seller agrees to send to the Buyer's location, at no charge and at a date to be agreed upon, one factory trained service technician for a period of one (1) year.

The technicians will remain under Seller's control, and will only be available during five (5) working days per week and for a maximum of eight (8) hours a day. This on site support shall be provided at the Buyer's choice:
- (i) Either at the time of the first basic inspection
- (ii) Or at any time chosen by the Buyer, but no later than fifteen (15) months after acceptance of the last helicopter delivered under the Contract.

If the Buyer fails to avail itself of this service within the time limits outlined above, it will lose the benefit of this service.

The following expenses for the on-site support technicians shall be borne by the Buyer:
- (i) Traveling expenses to the Buyer's location and back
- (ii) Transport expenses within the Buyer's country when on duty, including travel expenses from their place of residence to their place of work and back.

Additional on-site technical assistance (performed by Seller aircrew or technicians) can be offered if necessary, on a case by case basis, at the Buyer's request. In that case Buyer shall be charged at the prevailing rates published annually by Seller. Seller shall not be held responsible by Buyer for any damage sustained by the property of the Buyer or by any third party during the performance of this technical assistance. Seller shall supply free of charge for each helicopter delivered:
- (i) One interactive electronic support (CD Rom) with the documentation necessary for the maintenance of the helicopter and for the identification of parts for operation and routine servicing,
- (ii) One hard copy of
  - (a) The flight manual
  - (b) A set of service bulletins
  - (c) the master servicing recommendation manual

The documentation is initially provided at the latest available revision level and will be in the English language. Customization of the documentation due to new equipment or installations specific to the Buyer will be provided:

(i) For maintenance documentation within four (4) months after delivery of the first helicopter
(ii) For identification documentation within an estimated eight (8) to nine (9) months, but not later than twelve (12) months, after delivery of the first helicopter.

Upon request additional CD Rom or extra hard copies are available and Buyer will be charged at the prevailing rates annually published by Seller.

7. PRICE ADJUSTMENT AND PRODUCT SPECIFICATION CHANGE

All prices are subject to adjustment, provided that written notice of any adjustment shall be given at least thirty (30) days prior to the delivery date, and provided, further, that Buyer may cancel its order to purchase any product, the price of which is increased (except for agreed change orders), by giving written notice thereof to Seller within ten (10) days after receipt of notice of such increase. The specifications concerning the Product(s) covered hereunder are subject to change by Seller in order to permit incorporation of changes and improvements in the continued development of Seller's products, subject to Buyer's consent. Any adjustment in prices resulting from specification changes shall be subject to the first sentence of this paragraph 6.

CD Rom updates of said documents shall be supplied by Seller free of charge as long as the helicopter is in operation. This concerns the CD Rom documentation, the flight manual, the master servicing manual and the service bulletins. Hard copy revision updates will discontinue after five (5) years.

In order for Seller to be in a position to fulfill its obligations, the Buyer undertakes to notify Seller of any change either in the Buyer's address or in the owner's name if the helicopter has been sold in the meantime.

8. GENERAL.

(a) This Purchase Agreement and the rights of the parties hereto shall in every respect be governed by and construed in accordance with the substantive laws of the State of Texas without reference to the laws of any other state or jurisdiction. Buyer hereby irrevocably consents and agrees that any legal proceeding arising out of or in connection with this Agreement or the rights of the parties hereto may be commenced and prosecuted to conclusion in Dallas, Dallas County, Texas.

(b) Neither Buyer nor Seller shall assign any rights nor delegate any duty under this Purchase Agreement to any parties other than to its affiliates without the prior written consent of the other party.

(c) The undersigned signatory for Buyer hereby represents that he/she is Buyer's authorized representative and that Buyer is fully authorized and empowered to enter into this Purchase Agreement and has full authority to perform the terms and conditions hereof. This Purchase Agreement may be executed in multiple counterparts which together shall constitute the original hereof. The signature of either party exchanged by facsimile transmission shall be binding to the same extent, and have the same force and effect, as the exchange of an original written signature.

(d) The language of each provision of this Purchase Agreement shall be construed as it relates to the entire agreement and accorded its fair meaning without regard to the person who drafted all or any part of this Purchase Agreement.

(e) If any part of this Purchase Agreement shall be held by any court of competent jurisdiction to be illegal or unenforceable, the rest of this Purchase Agreement shall not be affected and shall remain in full force and effect.

(f) Nothing in this Purchase Agreement shall constitute or create a joint venture, partnership, agency, or any similar relationship between Buyer and Seller. Buyer agrees to take such other action and to execute and deliver such agreements or other documents as may be reasonably necessary or desirable to carry out the purposes of the provisions of this Purchase Agreement.

9. NOTICES.

All notices, requests, and other communications hereunder shall be in writing and shall be deemed to be given and received (a) when personally delivered by hand to the recipient or (b) three (3) days after deposit in registered or certified first class U.S. mail (or comparable national postal system, if appropriate), postage prepaid, or (c) transmitted by facsimile to the recipient at the address set forth under such recipient's name on the first page of this Purchase Agreement.

10. MODIFICATIONS.

This Purchase Agreement constitutes the final written expression of all the terms of this Purchase Agreement and is the complete and exclusive statement of those terms. No modification or amendment, except for approved change order, made to the printed terms and conditions of this Purchase Agreement shall be effective until both parties shall have signified their acceptance thereto by separately initialing each modification or amendment. Any subsequent modification, amendment, or waiver to this Purchase Agreement must be in writing and signified by both Buyer and Seller.

JDL
AG
4/26/06

EX A-1

A/C EC 225
COUNTRY US
CUSTOMER ERA
QUANTITY
ISSUE 1

Code	Title	Configuration 1: Crew Change + SAR + De-ice	Configuration 2: SAR + Air Conditioning	Configuration 3: Crew Change + De-ice + Air Conditioning	Configuration 4: Crew Change + SAR	Configuration 5: Crew Change	Configuration 6: Crew Change + Air Conditioning
	00-Standard Aircraft 2005(with unusabe fuel)						
00-10029-00-CI	EC 225 Standard Aircraft	X	X	X	X	X	X
	05-GENERAL ITEMS OF EQUIPEMENT						
05-22001-00-CI	Multi-purpose engine air intakes	X		X			
05-01011-00-CI	North sea Offshore kit	X	X	X	X	X	X
05-26007-00-CI	Dinol AV30 re-inforced anti-corrosive treatment	X	X	X	X	X	X
05-31012-00-CI	Cockpit green tinted upper panes	X	X	X	X	X	X
05-31035-00-CI	Enlarged cabin windows	X	X	X	X	X	X
05-42021-00-CI	Cockpit and cabin air conditionning system		X	X			X
05-44006-00-CI	Increased cabin air circulation system	X			X	X	
05-50001-00-CI	Installation for flight in icing conditions	X		X			
06-51075-00-CI	Nose Mounted FLIR STARSAFIRE III	X	X		X		
05-62001-00-CI	Two 30/40 Kva alternators	X	X	X			X
05-65000-00-CI	Hydro electric group	X	X	X	X	X	X
05-81007-00-CI	Energy Absorbing central auxiliary fuel tank 318 l	X	X	X	X	X	X
	06-SPECIFIC MISSION EQUIPEMENT						
06-21015-00-FP	Goodrich 28V Electrical Hoist (290ft, 600lbs) - fixed parts	X	X	X	X	X	X
06-21015-00-RP	Goodrich 28V Electrical Hoist (290ft, 600lbs) - removable parts	X	X		X		
06-22002-00-CI	Hydraulic back-up hoist	X	X		X		
06-41003-00-CI	Hella anti collision strobe light system (instead of standard one)	X	X	X	X	X	X
06-41004-00-CI	Soderberg anti collision light (belly mounted)	X	X	X	X	X	X
06-45017-00-CI	Search Light SPECTROLAB SX16	X	X		X		
06-61010-00-FP	Emergency floatation gear - Fixed parts	X	X	X	X	X	X
06-61010-00-RP	Emergency floatation gear - Removable parts	X	X	X	X	X	X
06-62005-00-CI	2 Life rafts - 18 to 27 pax - in the multipurpose sponsons with jettison control in cockpit	X	X	X	X	X	X
06-66004-00-CI	Helicopter Emergency Egress Lighting (HEEL)	X	X	X	X	X	X
06-67023-00-CI	HR Smith series 503 ADELT	X	X	X	X	X	X
06-69002-00-CI	Automatic Voice Alarm Device (AVAD)	X	X	X	X	X	X
	07-INTERIOR LAYOUT						
07-10007-00-CI	Pilot and copilot Airline seats comfort type	X	X	X	X	X	X
07-27002-01-CI	19 staggered crashworthy seat installation including reinforced cabin floor	X	X	X	X	X	X
07-30010-00-CI	Comfort upholstery with improved sound proofing	X	X	X	X	X	X
07-60018-00-CI	Luggage compartment in the intermediate structure for 19 crashworthy seats installation	X	X	X	X	X	X
	08-AVIONICS						
08-00016-00-CI	Civil Use minimum equipment (IFR dual pilot)	X	X	X	X	X	X
08-12025-00-CI	NAT - NPX138 VHF/FM-H	X	X	X	X	X	X
08-16024-00-CI	Team TB45 ICS - Complementary set : 4th control panel CP 1976	X	X	X	X	X	X
08-17003-00-CI	Baker - M1060 - Passenger Address	X	X	X	X	X	X
08-27008-00-CI	Chelton System 7 - (121,5) VHF/AM dual freqency homer	X	X	X	X	X	X
08-31037-00-CI	Telephonics RDR 1600, displayed on AHCAS	X	X	X	X	X	X
08-41012-00-CI	Canadian Marconi - CMA3024 - GPS receiver	X	X	X	X	X	X
08-43007-00-CI	FreeFlight - "TNL 2101 APPROACH +" GPS Navigation Computer with antenna	X	X	X	X	X	X
08-44010-00-CI	Canadian Marconi - CMA9000 - Flight Management System			X		X	X
08-44027-00-CI	Canadian Marconi - CMA9000 - Flight Management System with SAR modes	X	X		X		
08-74007-00-CI	Automatic transition and hover modes	X	X		X		
08-83004-00-CI	M'ARMS Usage Monitoring System (UMS) with Allied Combi-lite CVFDR	X	X	X	X	X	X
	99-Loose Equipment						
	First aid kit AIR SUC 10	X	X	X	X	X	X
	3rd hand held fire extinguisher	X	X	X	X	X	X
	Lighted map holder on instrument panel	X	X	X	X	X	X
	2 flashlights	X	X	X	X	X	X

JOL

AG 4/26/00

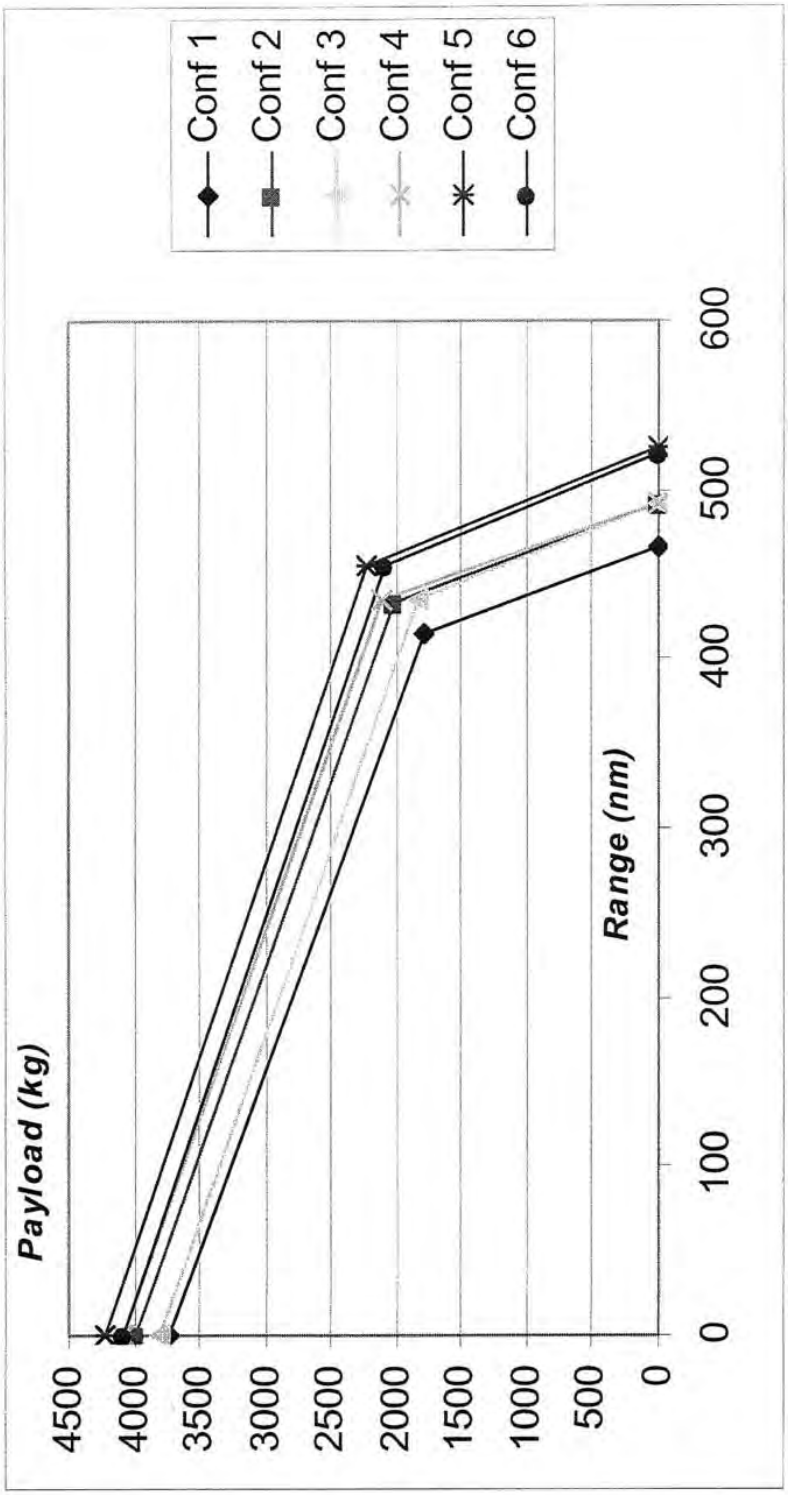
EX A-2

ERA EC225 Performance Hypothesis

- Aircraft configurations in the attached pdf file
- Take off from clear heliport
- No allowance for climb (supposedly compensated by descent)
- No allowance for take-off and landing
- 2 pilots @ 80 kg each
- ISA+15°C ->De-ice off and air cond on (when appropriate)
- 45 minutes reserves @ VBE (best endurance) in addition to the range read from the diagram
- Flight at 5000 ft
- Flight at VBR (best range)
- New engines

EX A-2

ERA EC225 Performance Charts



cruise 5000' ISA+15, reserves: 45min

AG 4/20/00 JDR

EXHIBIT B

american eurocopter
an EADS North America Company
2701 forum drive, grand prairie, texas 75052-7009

PURCHASE AGREEMENT

Customer: ERA Group Inc. Lake Charles Regional Airport 600 Airport Service Rd. Lake Charles, LA 70606	Fax Number: 337.474.3918 Phone: 337.475.6131 Contact: Ed Washecka	Date Prepared: July 5, 2007 *Revision I* Contract N° V-6176-1 thru 2

Item N°	Quantity	Description			Unit Price	Total
						EUROS
1	2	*New, EC225, in Standard Aircraft Configuration (00-10029-00-CI)*			€ 17,868,000	€ 35,736,000
		00-50013-00-CI EC225 Offshore Package including:				
2	2	*GENERAL ITEMS OF EQUIPMENT:*			INCL	INCL
	05-01009-00-CI	CAA Kit				
	05-03006-00-CI	First Aid Kit - JAR OPS 3 Compatible				
	05-26007-00-CI	Dinol AV30 Re-inforced Anti-corrosive Treatment				
	05-310XX-00-CI	Cockpit Gray Tinted Panes with Standard Colorless Panes in Front of the Pilot and Copilot				
	05-31052-00-CI	Enlarged Cabin Grey Tinted Windows				
	05-35002-00-CI	Cabin Floor for Crashworthy Seats				
	05-39002-00-CI	Illuminated Map Holder - JAR OPS 3 Compatible				
	05-50003-00-CI	Kit for Flight in Limited Icing Conditions				
	05-51001-00-CI	De-Iced Cockpit Center Pane with Wiper				
	05-52006-00-CI	Goodrich Icing Severity Indicator (ex-Rosemount)				
	05-52007-00-CI	Two 30/40 KVA Alternators				
	05-65000-00-CI	Hydro Electric Group				
	05-81031-00-CI	Energy Absorbing Central Auxiliary Fuel Tank 318 (84 US gal)				
3	2	*SPECIFIC MISSION EQUIPMENT:*			INCL	INCL
	06-21015-00-FP	Goodrich 28V Electrical Hoist (290ft, 600 lb) - Fixed Parts				
	06-26006-00-FP	External Mirrors (recommended for sling) - Fixed Parts				
	06-27013-00-FP	Cargo Sling with Dynamometer 3,8 Tons - Fixed Parts				
	06-41003-00-CI	Hella Anti Collision Strobe Light System (in lieu of standard)				
	06-41004-00-CI	Soderberg Anti Collision Light (belly mounted)				
	06-42011-00-CI	Second Landing Light				
	06-60004-00-CI	2 Life Rafts - 18 to 27 Pax - in the Multipurpose Sponsons with Jettison Control in Cockpit				
	06-61011-00-FP	Emergency Floatation Gear with Automatic Firing - Fixed Parts				
	06-61011-00-RP	Emergency Floatation Gear with Automatic Firing - Removable Parts				
	06-65008-00-CI	3rd Hand Held Fire Extinguisher - JAR OPS 3 Compatible				
	06-65010-00-CI	2 Flashlights - JAE OPS 3 Compatible				
	06-66004-00-CI	Helicopter Emergency Egress Lighting (HEEL)				
	06-67014-00-CI	Serpe - IESM Kannad 406 AP - Emergency Locator Transmitter				
	06-67023-00-CI	HR Smith Series 503 ADELT				
	05-50001-00-CI	Kit for Flight in Limited Icing Conditions				
	05-85005-00-CI	Pressure Refueling on the Ground with Energy Absorbing Self-Sealing Sponson Fuel Tanks				
4	2	*INTERIOR LAYOUT:*			INCL	INCL
	07-10009-00-FP	3rd Crew Man Seat - Fixed Parts				
	07-15009-00-CI	Pilot and Copilot Crashworthy Seats				
	07-27002-00-CI	19 Crashworthy Seat Installation				
	07-60016-00-CI	Luggage Compartment in the Intermediate Structure				
5	2	*AVIONICS:*			INCL	INCL
	08-00016-00-CI	Civil Use Minimum Equipment (IFR Dual Pilot) Including:				
		VHF/AM No 1	VHF422A	Collins		
		VHF/AM No 2	VHF422A	Collins		
		ICS w/3 CP 2616 Control Panels	TB45	Team		
		Transponder Elementary Surveillance	TDR94D	Collins		
		DME	DME442	Collins		
		VOR/ILS/MKR N° 1	VIR432	Collins		
		VOR/ILS/MKR N° 2	VIR432	Collins		
	08-12025-00-CI	VHF/FM-H Radio	NPX138N	NAT		
	08-16024-00-CI	ICS w/4th Control Panel CP 1976	TB45	Team		
	08-17003-00-CI	Passenger Address	M1060	Baker		
	08-27008-00-CI	VHF/AM Dual Freq. Homer	7 - (121, 5)	Chelton		
	08-31039-00-CI	Weather Radar	RDR 1600	Telephonics		
	08-41012-00-CI	GPS Receiver	CMA 3024	Canadian Marconi		
	08-43010-00-CI	GPS Navigation System Stand Alone	TNL2101 Approach +	Freeflight		
	08-44040-00-CI	Flight Management System	CMA 9000	Canadian Marconi		
	08-83004-01-CI	M'ARMS Health & Usage Monitoring System (HUMS) whom & Allied Combi-lite CVFDR				
	08-35008-01-FP	TCAS (Integrated to AHCAS)	HP 8999	Goodrich		
	08-35015-00-FP	EGPWS	MKXXII	Honeywell		
		Technical Publications (choose one): Paper CD Rom				

NOTE: WARRANTY APPLICABLE IS SET FORTH IN PARAGRAPH 4 OF TERMS AND CONDITIONS HEREOF.

Delivery Date: A/C N° 1 Ex Works Marignane June 2009 A/C N° 2 Ex Works Marignane July 2009	Method of Delivery: FAF, Grand Prairie, TX	Total Price/ea € 17,868,000	Ext'd Price € 35,736,000
Type of Payment: CDD	Delivery date and prices and contract terms and conditions are subject to final negotiations and signature by *July 5, 2007*	Deposit/ea - 30% 10% at Signing (€ 1,786,800)	(€ 3,573,600)
		10% by 12/31/07 (€ 1,786,800)	(€ 3,573,600)
		10% 9 Months PT Technical Delivery (€ 1,786,800)	(€ 3,573,600)
		Balance Due/ea € 12,507,600	€ 25,015,200

This order is subject to the terms and conditions set forth on the attached hereof except as modified hereon.

Accepted and Confirmed: on this 6 day of July 2007

American Eurocopter LLC

Authorized Representative

Date Accepted:

Buyer: *ERA Group Inc.*

Ordered By:

Title: Vice President

Distribution: White/Contracts, Green/Customer Copy

CONTROLLED COPY

Prepared by: *Christie White*

Date: *05JULY07*

American Eurocopter
an EADS North America Company
2701 forum drive, grand prairie, texas 75052-7009

PURCHASE AGREEMENT

Customer: ERA Group Inc. Lake Charles Regional Airport 600 Airport Service Rd. Lake Charles, LA 70605	Fax Number: 337.474.3918 Phone: 337.478.6131 Contact: Ed Washecka	Date Prepared: July 5, 2007 *Revision I* Contract N° V-6176-3 thru 4

Item N°	Quantity	Description	Unit Price	Total
				EUROS
1	2	*New, EC225, in Standard Aircraft Configuration (00-10029-00-CI)*	€ 18,404,040	€ 36,808,080
		00-60013-00-CI EC225 Offshore Package including:		
2	2	*GENERAL ITEMS OF EQUIPMENT:*	INCL	INCL
	05-01009-00-CI	CAA Kit		
	05-03006-00-CI	First Aid Kit - JAR OPS 3 Compatible		
	05-26007-00-CI	Dinol AV30 Re-inforced Anti-corrosive Treatment		
	05-310XX-00-CI	Cockpit Gray Tinted Panes with Standard Colorless Panes in Front of the Pilot and Copilot		
	05-31052-00-CI	Enlarged Cabin Gray Tinted Windows		
	05-35002-00-CI	Cabin Floor for Crashworthy Seats		
	05-39002-00-CI	Illuminated Map Holder - JAR OPS 3 Compatible		
	05-50003-00-CI	Kit for Flight in Limited Icing Conditions		
	05-51001-00-CI	De-iced Cockpit Center Pane with Wiper		
	05-52006-00-CI	Goodrich Icing Severity Indicator (ex-Rosemount)		
	05-62007-00-CI	Two 30/40 KVA Alternators		
	05-65000-00-CI	Hydro Electric Group		
	05-81031-00-CI	Energy Absorbing Central Auxiliary Fuel Tank 318 (84 US gal)		
3	2	*SPECIFIC MISSION EQUIPMENT:*	INCL	INCL
	06-21015-00-FP	Goodrich 28V Electrical Hoist (290ft, 600 lb) - Fixed Parts		
	06-26006-00-FP	External Mirrors (recommanded for sling) - Fixed Parts		
	06-27013-00-FP	Cargo Sling with Dynamometer 3,6 Tons - Fixed Parts		
	06-41003-00-CI	Helis Anti Collision Strobe Light System (in lieu of standard)		
	06-41004-00-CI	Soderberg Anti Collision Light (belly mounted)		
	06-42011-00-CI	Second Landing Light		
	06-60004-00-CI	2 Life Rafts - 18 to 27 Pax - in the Multipurpose Sponsons with Jettison Control in Cockpit		
	06-61011-00-FP	Emergency Floatation Gear with Automatic Firing - Fixed Parts		
	06-61011-00-RP	Emergency Floatation Gear with Automatic Firing - Removable Parts		
	06-65006-00-CI	3rd Hand Held Fire Extinguisher - JAR OPS 3 Compatible		
	06-65010-00-CI	2 Flashlights - JAE OPS 3 Compatible		
	06-66004-00-CI	Helicopter Emergency Egress Lighting (HEEL)		
	06-67014-00-CI	Serpe - IESM Kannad 406 AP - Emergency Locator Transmitter		
	06-67023-00-CI	HR Smith Series 503 ADELT		
	05-50001-00-CI	Kit for Flight in Limited Icing Conditions		
	05-85005-00-CI	Pressure Refueling on the Ground with Energy Absorbing Self-Sealing Sponson Fuel Tanks		
4	2	*INTERIOR LAYOUT:*	INCL	INCL
	07-10009-00-FP	3rd Crew Man Seat - Fixed Parts		
	07-15009-00-CI	Pilot and Copilot Crashworthy Seats		
	07-27002-00-CI	19 Crashworthy Seat Installation		
	07-60016-00-CI	Luggage Compartment in the Intermediate Structure		
5	2	*AVIONICS:*	INCL	INCL
	08-00016-00-CI	Civil Use Minimum Equipment (IFR Dual Pilot) including:		
		VHF/AM No 1 — VHF422A — Collins		
		VHF/AM No 2 — VHF422A — Collins		
		ICS w/3 CP 2615 Control Panels — TB45 — Team		
		Transponder Elementary Surveillance — TDR94D — Collins		
		DME — DME442 — Collins		
		VOR/ILS/MKR N° 1 — VIR432 — Collins		
		VOR/ILS/MKR N° 2 — VIR432 — Collins		
	08-12025-00-CI	VHF/FM-H Radio — NPX138N — NAT		
	08-16024-00-CI	ICS w/4th Control Panel CP 1976 — TB45 — Team		
	08-17003-00-CI	Passenger Address — M1060 — Baker		
	08-27008-00-CI	VHF/AM Dual Freq. Homer — 7 - (121, 5) — Chelton		
	08-31039-00-CI	Weather Radar — RDR 1600 — Telephonics		
	08-41012-00-CI	GPS Receiver — CMA 3024 — Canadian Marconi		
	08-43010-00-CI	GPS Navigation System Stand Alone — TNL2101 Approach + — Freeflight		
	08-44040-00-CI	Flight Management System — CMA 9000 — Canadian Marconi		
	08-83004-01-CI	MARMS Health & Usage Monitoring System (HUMS) whom & Allied Combi-lite CVFDR		
	08-35009-01-FP	TCAS (integrated to AHCAS) — HP 8999 — Goodrich		
	08-35016-00-FP	EGPWS — MKXXII — Honeywell		
		Technical Publications (choose one): Paper CD Rom		

NOTE: WARRANTY APPLICABLE IS SET FORTH IN PARAGRAPH 4 OF TERMS AND CONDITIONS HEREOF.

Delivery Date: A/C N° 3 Ex Works Mangnane April 2010 A/C N° 4 Ex Works Mangnane October 2010	Method of Delivery: FAF, Grand Prairie, TX	Total Price/ea € 18,404,040	Ext'd Price € 36,808,080
Type of Payment: COD	Delivery date and prices and contract terms and conditions are subject to final negotiations and signature by *July 6, 2007*	Deposit/ea - 30% 10% at Signing (€ 1,840,404)	(€ 3,680,808)
		10% by 12/31/07 (€ 1,840,404)	(€ 3,680,808)
		10% 9 Months PT Technical Delivery (€ 1,840,404)	(€ 3,680,808)
	This order is subject to the terms and conditions set forth on the attached hereof except as modified hereon.	Balance Due/ea € 12,882,828	€ 25,765,656

Accepted and Confirmed: on this 6 day of July 2007 American Eurocopter LLC Authorized Representative	Date Accepted: Ordered By: Title:	Buyer: ERA Group Inc. Vice President

Distribution: White/Contracts, Green/Customer Copy

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Prepared by: *Christie White* Date *05JULY07*

TERMS AND CONDITIONS

1. **PRICES AND TERMS OF PAYMENT.**
   (a) Prices shown on this Purchase Agreement (this "Purchase Agreement") are in U.S. dollars for Products F.A.F. (fly away from factory) Seller's facility or F.O.B. to a common carrier at Seller's facility and do not include packing and crating charges, federal, state or local taxes, excise tariffs or charges, customs duties or other levies, applicable to the manufacture or sale of the Products (as hereinafter defined), which charges, taxes, tariffs or other levies will be added by Seller to the purchase price and will be paid by Buyer.
   (b) Unless otherwise specified in this Purchase Agreement, Buyer shall pay the total unpaid purchase price, plus all applicable packing and crating charges, taxes, tariffs, customs duties and charges, at the time of delivery of the Products. In the event Buyer claims sales tax exemption for purposes of this delivery which is subsequently found non-exempt by the applicable taxing authority, then Buyer agrees to reimburse Seller for any unpaid taxes, interest and penalties assessed against the aircraft purchase by the taxing authority. The term "Products" as used herein shall include helicopters, parts, spare parts, tools, and other miscellaneous equipment and services that may be deliverable hereunder. All other defined terms used herein and not otherwise defined shall have the meanings assigned to those terms as set forth in the Maintenance Manual and Flight Manual (as such manuals are revised and amended from time to time) provided by Seller with each new helicopter sold by Seller, copies of which have been supplied to Buyer.
   (c) All payments shall be made at Seller's offices in Grand Prairie, Texas, without setoff.

2. **DELIVERY AND ACCEPTANCE**
   (a) The Products shall be delivered F.A.F. Seller's facility or F.O.B., to a common carrier at Seller's facility for shipment at Buyer's expense to destinations designated by Buyer. Title to and risk of loss for Products shall pass to Buyer upon delivery thereof to Buyer at Seller's facility or upon delivery thereof to a common carrier for shipment to Buyer unless otherwise specified on the face of this Purchase Agreement. Title shall be transferred to Buyer via a standard form FAA Bill of Sale as well as a Warranty Bill of Sale which shall, at a minimum, provide that title will be given to Buyer free of all liens, claims, or encumbrances of any kind. All risk of loss or damage from any cause shall be with Seller until delivery and acceptance.
   (b) The Products shall be accepted by Buyer by an authorized and qualified representative of Buyer after inspection and, in the case of helicopters, flight test at Seller's facility in Grand Prairie, Texas, or at such other location previously approved by Seller. Seller shall remedy, at its cost, all deficiencies found during inspection prior to Buyer's acceptance and final delivery.
   (c) Buyer agrees to accept delivery of the Products in accordance with paragraph 2(b) hereof within ten (10) days after the delivery date set forth on the purchase agreement or, in the event delivery of the Products has been delayed by Seller, within ten (10) days after Seller shall have notified Buyer that the Products are ready for delivery.
   (d) In the event Buyer fails to accept delivery of the Products as provided herein, or fails to make any payments that may be due to Seller prior to or at delivery of any Products, Seller may cancel this Purchase Agreement and retain all payments, including all deposits and/or down payments, theretofore made by Buyer to Seller, whether pursuant to this Purchase Agreement or otherwise, in satisfaction of any indebtedness of Buyer hereunder, and the retention by Seller of any such payments shall not preclude Seller from seeking additional or further damages from and against Buyer as Seller may elect.
   (e) Upon delivery of the Products to Buyer, Buyer shall immediately inspect the Products at its own cost and, if the Products are found not to conform to the published specifications for such Products, shall give written notice to Seller of any claim to that effect within ten (10) days after arrival, setting forth in reasonable detail the manner in which the Products do not conform. If Buyer retains the Products after their delivery without giving Seller such notice as required, such failure shall constitute an irrevocable acceptance of the Products by Buyer except with respect to defects not reasonably discoverable by such inspection.
   (f) After delivery of the helicopter, should Buyer delay flyaway from Seller's facility, Seller shall provide hangar keepers care and charge Buyer according to prevailing rates. In the event Seller provides Buyer a Ferry Pak at delivery, Buyer agrees to return the Ferry Pak within 30 days from delivery date.
   (g) Seller will comply with all mandatory service bulletins and airworthiness directives prior to delivery. **In the event an aircraft is delivered without final paint, it shall be delivered with a special flight permit and shall be fully capable of receiving an FAA Certificate of Airworthiness in the Standard category, with the exception of outstanding items to be completed by Buyer. In such case it will be Buyer's, or its designated completion centers, responsibility to satisfy outstanding exceptions and obtain the Certificate of Airworthiness.** In all other cases, the aircraft will be delivered with current and validly issued FAA Certificates of Airworthiness, with all components and subassemblies in a new and serviceable condition, except for time expired on a component/subassembly as part of the completion process. Hours accrued during completion/manufacturing will not be counted against limited warranty time limits or any maintenance program buy-in amount(s).

3. **DELAYS**
   (a) Seller shall not be responsible for, or liable to Buyer for any damages or expenses incurred by Buyer from any failure to perform or delay in performance by Seller due, in whole or in part, to "excusable delays." An "excusable delay" is any failure to perform or delay in performance that is due to causes beyond Seller's control including, but not limited to, acts of God, fire, explosion, acts of the public enemy, war, insurrection, sabotage acts, orders or priorities (whether compliance therewith is mandatory or voluntary) of any government, state, or political subdivision or agency thereof or judicial action. It is agreed, however, that labor disputes, labor shortages, shortages of fuel, power, or materials, failures or delays in transportation, equipment, or machinery breakdown, or failure or delay of Seller's suppliers shall not be acceptable delay events.

   If the Seller i fails to meet an aircraft Delivery Date (or Extended Delivery Date as defined below) specified for that aircraft in the delivery schedule, then Buyer shall be entitled, as liquidated damages to receive an interest credit calculated against the

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deposit money on account with Seller. The liquidated damages credit shall accumulate at the rate of .00033 (0.033%) per day against the deposit allocated for the affected aircraft, commencing on the ninety first (91st) day after the scheduled Delivery Date (or Extended Delivery Date) and continuing to accumulate for the following ninety (90) days thereafter until actual delivery; provided however, the maximum amount of liquidated damages for any schedule delay due to Seller shall not exceed three percent (3%) of the deposit amount on account with Seller against the affected aircraft at acceptance of the aircraft.

Extended Delivery Date is defined as any schedule delay due to a) permitted delay as provided in Section 3, b) delays due to Buyer's failure to act within a timely manner as required herein, or c) any mutually agreed changes by the parties. Any delay to the delivery date due to Extended Delivery Date circumstances will entitle Seller to move the delivery date on a "day by day" basis. The liquidated damages provided above will be extended accordingly.

Any delays past 180 days from the Delivery Date as modified or extended shall entitle Buyer to terminate this Agreement and receive a full refund of any deposits or monies paid with regard to that particular aircraft.

(b) Buyer's failure to provide, not less than 90 days prior to the scheduled delivery date, complete materials, equipment, instructions and authorizations to Seller for installation of Buyer furnished equipment during the assembly process, which failure causes the Product to be nonconforming at the delivery date, shall not be cause for delay in delivery acceptance pursuant to paragraphs 2(c) and 2(e) above or in payment. Any additional costs incurred by Seller as a result of having to work around or reschedule the installation of Buyer furnished equipment due to Buyer's failure to deliver Buyer furnished equipment in a timely manner as provided above shall be invoiced to Buyer and paid by Buyer over and above the price on the Purchase Agreement at delivery .

(c) Furthermore, any change request(s) by the Buyer may extend the delivery date or require an adjustment to the purchase price. Seller is authorized to send the Buyer an electronic sequential Confirmation Notice of Change Order by Buyer setting out the configuration change or contract revision, the adjusted purchase price, if any, and the revised delivery date. Buyer may reject, in writing or electronically, any Confirmation Notice that is unacceptable within five days of receipt of a Confirmation Notice from Seller. If timely rejected by Buyer, the Purchase Agreement, as amended, will remain in effect and the change order will lapse and not become a part of this agreement. Buyer's failure to respond timely to any Confirmation Notice will be deemed acceptance of the change order by Buyer, which will become part of the contract, as amended.

4. LIMITED WARRANTY

(a) Seller warrants each new helicopter and parts manufactured by Eurocopter S.A.S. (herein referred to as the "Helicopter Manufacturer") purchased under this agreement to be free from defects in material and workmanship under normal use and service. Seller's obligation under this warranty is limited to replacing or repairing parts or tools that have been returned to Seller's facility and, at the time of any repair or replacement, shall have been recognized by Seller, in its sole discretion, as subject to this warranty. To be eligible for repair, or replacement under this warranty, the alleged failure must have occurred, as determined by Seller, within the following time limits:

(1) With respect to helicopters and optional equipment manufactured by the Helicopter Manufacturer, the earlier of: (i) 1000 flying hours or (ii) - 24 - months after they are delivered to Buyer;

(2) With respect to spares, the earlier of: (i) 1000 flying hours; (ii) 12 months after installation; or (iii) 24 months after delivery to Buyer; and

(3) With respect to tools manufactured by the Helicopter Manufacturer, 24 months after the tool is delivered to Buyer.

(b) The warranty period on the repaired or replacement part is the warranty period that was remaining on the defective part.

(c) As soon as possible, but within thirty (30) days after the date Buyer discovers or should have discovered a part failure, Buyer shall return the allegedly failed part or parts to Seller's factory, freight prepaid. Prior to or concurrently with shipment of any allegedly failed part or parts, Buyer shall furnish to Seller in writing full details of Buyer's claim and the basis thereof. Risk of loss for transportation of parts to Seller and, upon return, to Buyer shall be borne entirely by Buyer. All transportation costs, insurance, customs expenses and other charges, as well as the expenses incurred by Buyer for the removal, return, re-installation and related costs and expenses with respect to such part or parts, shall by borne by Buyer. With AEC approval by Warranty Administrator, selected parts may be retained at Buyer's site to be scrapped locally. Claims will not be processed until a completed claim by Buyer has been approved in writing by a Technical Representative of AEC and forwarded to and received by the AEC Warranty office, Grand Prairie, Texas.

Note: Parts/Components ordered as replacement parts must be acknowledged as "warranty replacements" at the time of order.

(d) This warranty shall apply only to the extent the helicopter and the parts installed therein are operated and maintained in accordance with the instructions contained in the Flight Manual, the airframe or component Maintenance Manual (whichever is applicable), the Helicopter Manufacturer's and/or Seller's service bulletins, service letters or telexes, alert telexes, and maintenance notices, any other technical documentation or service information supplied by Seller to Buyer, and any revisions to any of the foregoing. This warranty shall apply to spares only to the extent they are properly stored and installed, operated, and maintained in accordance with the instructions contained in the Flight Manual, the airframe or component Maintenance Manual (whichever is applicable), the Helicopter Manufacturer's and/or Seller's service bulletins, service letters or telexes, alert telexes, and maintenance notices, any other technical documentation or service information supplied by Seller to Buyer, and any revisions to any of the foregoing.

(e) If Buyer modifies any helicopter or part sold hereunder in any manner for which Buyer has not received the prior written approval of Seller, such modification shall cause this warranty to terminate and be of no further force and effect.

(f) This warranty shall not apply to any helicopter or part which has been repaired or altered outside Seller's factory in any way so as, in Seller's sole discretion, to affect its stability, safety or reliability, or which has been subject to misuse, common neglect, abuse, negligence or accident.

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(g) The word "part" as used in this Agreement means "a detail part with reference to a part number shown on a drawing parts list provided" by the Helicopter Manufacturer.

(h) This warranty may not be extended, altered or varied unless a prior written agreement is signed between Buyer and Seller. This warranty is granted to Buyer personally and shall not be assigned by Buyer without Seller's prior written consent.

(i) **SELLER AND THE HELICOPTER MANUFACTURER DISCLAIM AND EXCLUDE FROM THIS AGREEMENT ALL OTHER WARRANTIES, INCLUDING, BUT NOT LIMITED TO, STATUTORY WARRANTIES, OTHER EXPRESS WARRANTIES, AND ANY IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE EXPRESS WARRANTY SET FORTH ABOVE IS GIVEN IN LIEU OF: (I) ALL OTHER WARRANTIES AND (ii) ANY OBLIGATION OR LIABILITY OF, RIGHT OR CLAIM AGAINST, OR REMEDY FROM SELLER OR THE HELICOPTER MANUFACTURER, IN CONTRACT OR IN TORT, INCLUDING PRODUCTS LIABILITY BASED ON SELLER'S OR THE HELICOPTER MANUFACTURER'S STRICT LIABILITY OR SELLER'S OR THE HELICOPTER MANUFACTURER'S NEGLIGENCE. THE RIGHTS AND REMEDIES PROVIDED IN THIS AGREEMENT ARE EXCLUSIVE IN CONNECTION WITH THE SALE OF THE HELICOPTER MANUFACTURER'S AND SELLER'S PRODUCT(S). THE STATED EXPRESS WARRANTY PROVIDED HEREIN IS IN LIEU OF ANY AND ALL LIABILITIES OR OBLIGATIONS OF THE HELICOPTER MANUFACTURER OR OF SELLER FOR ANY INJURIES, BODILY HARM, OR DAMAGES OF ANY TYPE, INCLUDING, BUT NOT LIMITED TO, ALL INCIDENTAL OR CONSEQUENTIAL DAMAGES, ALL LOSS, DAMAGE OR EXPENSE ARISING OUT OF OR IN CONNECTION WITH THE USE, LOSS OF USE, PERFORMANCE, OR NON-PERFORMANCE OF THE HELICOPTER MANUFACTURER'S AND/OR SELLER'S PRODUCTS, AND DAMAGES FROM ANY OTHER CAUSE.**

THE HELICOPTER MANUFACTURER AND SELLER MAKE NO WARRANTY WITH RESPECT TO TURBINE ENGINES OR AVIONICS EQUIPMENT. FOR WARRANTY ON THESE EXCLUDED PARTS, BUYER MUST LOOK TO THE ORIGINAL MANUFACTURER. AT BUYER'S WRITTEN REQUEST, SELLER WILL ASSIGN TO BUYER ANY WARRANTY RIGHTS IT MAY HAVE RECEIVED WITH RESPECT TO SUCH ITEMS OR PARTS TO THE EXTENT SUCH RIGHTS ARE ASSIGNABLE. NORMAL WEAR AND TEAR OF PARTS SUCH AS SEALS, TIRES, INNER TUBES, BULBS, PACKINGS, AND SIMILAR CONSUMABLE PARTS, AS WELL AS THOSE PARTS WHOSE LIST PRICE IS $50.00 OR LESS, ARE EXCLUDED FROM COVERAGE UNDER THIS WARRANTY.

(j) Seller's warranty shall not be enlarged, diminished, or affected by, and no obligation or liability shall arise out of, Seller's rendition of technical advice, assistance or service in connection with any of Products purchased hereunder.

5. TRAINING

(a) Pilot Training

(1) Seller shall provide at its facilities in Grand Prairie, Texas, initial training for -2- of Buyer's pilots who are proficient in helicopter flying for each new helicopter purchased hereunder provided such training is commenced within one (1) year of the delivery date for each aircraft hereunder. Such flight training for each pilot shall be performed in the helicopter(s) purchased by Buyer hereunder after transfer of title to the helicopter(s) to Buyer. Initial and transition training shall consist of up to a combination of twelve (12) flight/simulator hours per pilot (depending on proficiency of the pilot) with formal ground school. Seller reserves the right to set minimum competency requirements for any pilot to be trained hereunder and to refuse to train any pilot not meeting those requirements.

(2) Buyer may elect to have more than the above numbers of his qualified pilots trained hereunder. Buyer shall be charged at the prevailing rate established by Seller for each additional pilot to be trained.

(3) Buyer acknowledges that the transition procedures include, in addition to standard flight operations, the actual performance of emergency flight procedures simulating non-standard flight conditions. Buyer hereby accepts the risk of injury, loss, and damage associated with instruction in emergency flight procedures.

(4) Buyer hereby assumes all risk of loss, injury and damage to Buyer's helicopter(s), employees, representatives or agents during transition training including without limitation, consequential or incidental damages, loss of use or injury, regardless of cause or fault, and Buyer waives all right of recovery and subrogation (except for products liability) against Seller, its employees and agents for any such damage, injury or loss so sustained; provided, however, that this waiver and assumption of risk shall only apply to losses other than Product failures for which Seller may be responsible under the warranty provisions of this purchase agreement, in which case Seller's liability to Buyer, if any, shall be limited in accordance with the terms of that warranty. Buyer hereby warrants that Buyer's hull insurer has acknowledged this waiver of subrogation with respect to Buyer's operation of the aircraft.

(b) Maintenance Training

(1) For each new helicopter purchased hereunder, Seller will provide, in their facility in Grand Prairie, Texas, a ground course covering field maintenance on the engine and airframe. Buyer may elect to send up to -2- of its qualified mechanics for each aircraft to any scheduled training courses during the 6 months prior to delivery or up to 6 months

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after delivery of each aircraft. Seller reserves the right to set minimum competency requirements for any mechanic to be trained hereunder and to refuse to train any mechanic not meeting those requirements.

(2) Buyer may elect to have more than the above numbers of his qualified mechanics trained hereunder. Buyer shall be charged at the prevailing rate established by Seller for each additional mechanic to be trained.

(c) **Avionics Training**

(1) For each new helicopter purchased hereunder, Seller will also provide at their facility in Grand Prairie, Texas, a ground course in avionics. Buyer may elect to send up to one (1) of its qualified mechanics for each helicopter purchased hereunder to any scheduled training courses during the 6 months prior to delivery or up to 6 months after delivery of each aircraft. Seller reserves the right to set minimum competency requirements for any mechanic to be trained hereunder and to refuse to train any mechanic not meeting those requirements.

(2) Buyer may elect to have more than the above numbers of his qualified mechanics trained hereunder. Buyer shall be charged at the prevailing rate established by Seller for each additional mechanic to be trained.

(d) **HUMS Training**

(1) For each new helicopter purchased hereunder, Seller will also provide at their facility in Grand Prairie, Texas, or such other designated facility, a ground course in HUMS. Buyer may elect to send up to one (1) of its qualified mechanics for each helicopter purchased hereunder to any scheduled training courses during the 6 months prior to delivery or up to 6 months after delivery of each aircraft. Seller reserves the right to set minimum competency requirements for any mechanic to be trained hereunder and to refuse to train any mechanic not meeting those requirements.

(2) Buyer may elect to have more than the above numbers of his qualified mechanics trained hereunder. Buyer shall be charged at the prevailing rate established by Seller for each additional mechanic to be trained.

(e) **On Site Technical Assistance**

(1) To complement its training and to assist the Buyer during the initial period of operation of the helicopters, Seller agrees to send to the Buyers location in Lake Charles, Louisiana, at no additional cost, for a cumulative period of eight (8) months (based on 2 months per helicopter), commencing on delivery of the first helicopter, one (1) on site tech representative. The onsite tech representative will only be available during five (5) working days per week and for a maximum of eight (8) hours a day.

In the event the Buyer fails to utilize this onsite service within the time limits outlined above, it will lose the benefit of this service. No credit will be issued to Buyer for partial utilization of the onsite tech representative.

The following expenses for the on-site technical representative shall be borne by the Buyer:

(i) Travel expenses to and from the Buyers location,

(ii) Auto expenses when on duty, including travel expenses from their place of residence to their place of work and back.

(2) Additional on-site technical assistance can be offered if necessary, on a case by case basis, at the Buyers request. In that case Buyer will be charged at the Seller's prevailing rates. Seller shall not be held responsible by Buyer for any damage sustanined by the property of Buyer or by any third party during the performance of this technical assistance.

(f) **General**

(i) Buyer shall be responsible for loss or injury to Buyer's property, employees, representatives or agents at all times while at Seller's facilities when conversion or maintenance training is a reason for such time spent at Seller's facilities.

(ii) All expenses and liabilities of Buyer or Buyer's personnel for travel to and from, and stay in, the Dallas/Fort Worth, Texas area shall be borne by Buyer.

(iii) The training and technical assistance provided for herein applies only to the original purchase of a new helicopter and is not transferable.

6. PUBLICATIONS/UPDATES

Seller shall supply free of charge for each helicopter delivered:

(i) One interactive electronic support (CD Rom) with the documentation necessary for the maintenance of the helicopter and for the identification of parts for operation and routine servicing,

(ii) One hard copy of

(a) The flight manual

(b) A set of service bulletins

(c) the master servicing recommendation manual

The documentation is initially provided at the latest available revision level and will be in the English language. Customization of the documentation due to new equipment or installations specific to the Buyer will be provided:

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(i) For maintenance documentation within four (4) months after delivery of the first helicopter
(ii) For identification documentation within an estimated eight (8) to nine (9) months, but not later than twelve (12) months, after delivery of the first helicopter.

Upon request additional CD Rom or extra hard copies are available and Buyer will be charged at the prevailing rates annually published by Seller.

7. PRICE ADJUSTMENT AND PRODUCT SPECIFICATION CHANGE

All prices are subject to adjustment, provided that written notice of any adjustment shall be given at least thirty (30) days prior to the delivery date, and provided, further, that Buyer may cancel its order to purchase any product, the price of which is increased (except for agreed change orders), by giving written notice thereof to Seller within ten (10) days after receipt of notice of such increase. The specifications concerning the Product(s) covered hereunder are subject to change by Seller in order to permit incorporation of changes and improvements in the continued development of Seller's products, subject to Buyer's consent. Any adjustment in prices resulting from specification changes shall be subject to the first sentence of this paragraph 6.
CD Rom updates of said documents shall be supplied by Seller free of charge as long as the helicopter is in operation. This concerns the CD Rom documentation, the flight manual, the master servicing manual and the service bulletins. Hard copy revision updates will discontinue after five (5) years.

In order for Seller to be in a position to fulfill its obligations, the Buyer undertakes to notify Seller of any change either in the Buyer 's address or in the owner's name if the helicopter has been sold in the meantime.

8 GENERAL.

(a) This Purchase Agreement and the rights of the parties hereto shall in every respect be governed by and construed in accordance with the substantive laws of the State of Texas without reference to the laws of any other state or jurisdiction. Buyer hereby irrevocably consents and agrees that any legal proceeding arising out of or in connection with this Agreement or the rights of the parties hereto may be commenced and prosecuted to conclusion in Dallas, Dallas County, Texas.

(b) Neither Buyer nor Seller shall assign any rights nor delegate any duty under this Purchase Agreement to any parties other than to its affiliates without the prior written consent of the other party.

(c) The undersigned signatory for Buyer hereby represents that he/she is Buyer's authorized representative and that Buyer is fully authorized and empowered to enter into this Purchase Agreement and has full authority to perform the terms and conditions hereof. This Purchase Agreement may be executed in multiple counterparts which together shall constitute the original hereof. The signature of either party exchanged by facsimile transmission shall be binding to the same extent, and have the same force and effect, as the exchange of an original written signature.

(d) The language of each provision of this Purchase Agreement shall be construed as it relates to the entire agreement and accorded its fair meaning without regard to the person who drafted all or any part of this Purchase Agreement.

(e) If any part of this Purchase Agreement shall be held by any court of competent jurisdiction to be illegal or unenforceable, the rest of this Purchase Agreement shall not be affected and shall remain in full force and effect.

(f) Nothing in this Purchase Agreement shall constitute or create a joint venture, partnership, agency, or any similar relationship between Buyer and Seller. Buyer agrees to take such other action and to execute and deliver such agreements or other documents as may be reasonably necessary or desirable to carry out the purposes of the provisions of this Purchase Agreement.

9. NOTICES.

All notices, requests, and other communications hereunder shall be in writing and shall be deemed to be given and received (a) when personally delivered by hand to the recipient or (b) three (3) days after deposit in registered or certified first class U.S. mail (or comparable national postal system, if appropriate), postage prepaid, or (c) transmitted by facsimile to the recipient at the address set forth under such recipient's name on the first page of this Purchase Agreement.

10. MODIFICATIONS.

This Purchase Agreement constitutes the final written expression of all the terms of this Purchase Agreement and is the complete and exclusive statement of those terms. No modification or amendment, except for approved change order, made to the printed terms and conditions of this Purchase Agreement shall be effective until both parties shall have signified their acceptance thereto by separately initialing each modification or amendment. Any subsequent modification, amendment, or waiver to this Purchase Agreement must be in writing and signified by both Buyer and Seller.

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EC225 June 14, 2007

EXHIBIT C

american eurocopter
an EADS North America Company
2701 forum drive, grand prairie, texas 75052-7009

PURCHASE AGREEMENT
Page 1 of 2

Customer:	Fax Number: 337.474.3918	Date Prepared: April 7, 2010
ERA Helicopters LLC Lake Charles Regional Airport 600 Airport Service Rd. Lake Charles, LA 70606	Phone: 337.478.6131 Contact: Ed Washecka	*with Attached Purchase Agreement, Appendix I and II* Contract N° V-6397-1 thru 4

Item N°	Quantity	Description	Unit Price	Total
1	2	*New, EC225, in Standard Aircraft Configuration (00-10029-00-CI) including:*	€ 19,553,790	€ 39,107,580
		• IFR ST • Storm Lights in Cockpit (ex-CAA/North Seat Kit) • 30/40kVA Alternators • Dinol AV30 Re-inforced Anti-corrosive Treatment • Enlarged Cabin Grey Tinted Windows • Cockpit Grey Tinted Upper Panes • Cabin Floor for Crashworthy Seats • Enlarged Cockpit Footsteps • Second Landing Light • Sea Anchor - Capabilities • Additional Energy Absorbing Pod Fuel Tanks - Capabilities • Increased Cabin Air Circulation System • 2nd Stopwatch, RH Side of Cockpit Panel		
2	2	*05-GENERAL ITEMS OF EQUIPMENT*	Incl	Incl
	05-03006-00-CI	First Aid Kit - JAR OPS 3 Compatible		
		Cockpit Painted Black		
	05-36026-00-CI	Enlarged Footstep Cabin		
	05-39002-00-CI	Illuminated Map Holder - JAR OPS 3 Compatible		
	05-42021-00-CB	Air Conditioning System - Capabilities		
	05-50001-00-CB	Installation for Flight Icing Conditions - Capabilities		
	05-50003-00-CI	Kit for Flight in Limited Icing Conditions		
	05-51001-00-CI	De-Iced Cockpit Center Pane with Wiper		
	05-52006-00-CI	Goodrich Icing Severity Indicator		
	05-85000-00-CI	Hydro Electric Group		
	05-81031-00-CI	Energy Absorbing Central Auxiliary Fuel Tank 318 l (84 US Gal)		
	05-82005-00-CI	Pressure Refueling on the Ground with Energy Absorbing Self-sealing Sponson Fuel Tanks		
3	2	*06-SPECIFIC MISSION EQUIPMENT*	Incl	Incl
	06-21015-00-FP	Goodrich 28V Electrical Hoist (290 ft, 600 lb) - Fixed Parts		
	06-26006-00-FP	External Mirrors (recommended for sling) - Fixed Parts		
	06-27013-00-FP	Cargo Sling with Dynamometer 3.8 tons - Fixed Parts		
	06-41003-00-CI	Hella Anti-collision Strobe Light System (instead of standard one)		
	06-41004-00-CI	Anti-collision Strobe Light System		
	06-42012-00-CI	Fixed Lights in the Sponsons		
	06-60004-00-CI	2 Life Rafts - 18 to 27 pax - in the Multipurpose Sponsons with Jettison Control in cockpit)		
	06-61011-00-FP	Emergency Floatation Gear with Automatic Firing - Fixed Parts		
	06-61011-00-RP	Emergency Floatation Gear with Automatic Firing - Removable Parts		
	06-65008-00-CI	3rd Hand-held Fire Extinguisher - JAR OPS 3 Compatible		
	06-65010-00-CI	2 Flashlights - JAR OPS 3 Compatible		
	06-66004-00-CI	Helicopter Emergency Egress Lighting (HEEL)		
	06-67023-00-CI	HR Smith Series 503 ADELT		
4	2	*07-INTERIOR LAYOUT*	Incl	Incl
	07-10009-00-FP	3rd Crew Man Seat - Fixed Parts		
	07-15009-00-CI	Pilot and Copilot Crashworthy Seats		
	07-27002-00-CI	19 Crashworthy Seat Installation		
	07-30007-00-CI	Comfort Upholstery with Improved Soundproofing		
	07-60016-00-CI	Luggage Compartment in the Intermediate Structure		
5	2	*08-AVIONICS*	Incl	Incl
	08-00016-00-CI	Civil Use Minimum Equipment (IFR Dual Pilot) including:		
	08-12039-00-CI	Collins - Proline21 - VHF/AM #1		
	08-12039-01-CI	Collins - Proline21 - VHF/AM #2		
	08-16025-00-CI	NAT DACS ICS - Basic set: 3 X CP 2618 in Cockpit		
			€ 19,553,790	€ 39,107,580

Prepared by: *Christie White*

Date: *07APR10*

american eurocopter
an EADS North America Company
2701 forum drive, grand prairie, texas 75052-7009

PURCHASE AGREEMENT
Page 2 of 2

Customer:	Fax Number: 337.474.3918	Date Prepared: April 7, 2010
ERA Helicopters LLC Lake Charles Regional Airport 600 Airport Service Rd. Lake Charles, LA 70606	Phone: 337.478.6131 Contact: Ed Washecka	*with Attached Purchase Agreement, Appendix I and II* Contract N° V-6397-1 thru 4

Item N°	Quantity	Description	Unit Price	Total
		08-AVIONICS: cont'd		
	08-25026-00-CI	Collins - Proline21 - DME		
	08-26008-01-CI	Collins - Proline21 VOR/ILS/MKR/ADF #1		
	08-26011-00-CI	Collins - Proline21 VOR/ILS/MKR #2		
	06-67014-00-CI	Serpe - IESM Kannad 406 AP - Emergency Locator Transmitter		
	08-10016-00-CB	Collins - HF9X00 HF/SSB - Capabilities		
	08-12025-00-CI	NAT - NPX138 VHF/FM-H		
	08-16026-00-CI	NAT DACS ICS - Complementary set: 4th Control Panel CP 1976		
	08-17049-00-CI	NAT - Passenger Address		
	08-22007-02-CI	Collins - TDR94D-108 with Extended Squitter Instead of Collins - TDR94D		
	08-27008-00-CI	Chelton System 7 - (121.5) CHF/FM Marine Dual Frequency Homer		
	08-31039-00-CI	Telephonics 1600 Weather Radar, Displayed on AHCAS		
	08-35007-00-FP	TCAS II - Collins - ACAS-900 Integrated to AHCAS - Fixed Parts		
	08-35007-0-RP	TCAS II - Collins - ACAS-900 Integrated to AHCAS - Removable Parts		
	08-35015-00-CI	EGPWS - Honeywell - MKXXII Integrated to AHCAS		
	08-41012-00-CI	Canadian Marconi - CMA3024 - GPS Receiver		
	08-44040-00-CI	Canadian Marconi - CMA9000 - Flight Management System		
	08-44052-00-CI	Dual FMS CMA9000 and Dual GPS CMA5024 Installation - Capabilities 2e Radalt + Provisions Doppler Trim - Capabilities		
	08-83004-01-CI	M'ARMS Health & Usage Monitoring System (HUMS) with HOMP & Allied Combi-lite CVFDR		
6	2	*SPECIFIC EQUIPMENT*	Incl	Incl
	05-42021-A	05-42021-00-FP Air Conditioning System - Fixed Parts (for cockpit and cabin)		
	05-42021-A	05-42021-00-RP1 Air Conditioning System - Removable Parts 1 (cabin power unit)		
	05-42021-A	05-42021-00-RP2 Air Conditioning System - Removable Parts 2 (cockpit power unit)		
		Fuly Equipped EC225 Helicopter N° 1 - 2 ea (prior to discount)	€ 19,553,790	€ 39,107,580
7	2	*Discount - 4%*	(€ 782,152)	(€ 1,564,304)
		Fully Equipped EC225 Helicopter N° 1 - 2 ea (w/discount 4%)	€ 18,771,638	€ 37,543,276

Delivery Date: A/C N° 1: 4th Quarter 2011 A/C N° 2: 1st Quarter 2012	Method of Delivery: Ex-works Marignane Factory, France	Total Price/ea € 18,771,638	€ 37,543,276
Type of Payment: COD	Delivery date and prices will be firm provided Buyer accepts and returns this document by: *April 9, 2010*	Deposits - 30% 10% due @ Signing (€ 1,877,164)	(€ 3,754,328)
		10% due - 12-Mnths Aftr Signing (€ 1,877,164)	(€ 3,754,328)
		10% due - 12-Mnths Prior to Delivery (€ 1,877,164)	(€ 3,754,328)
	This order is subject to the terms and conditions set forth on the attached hereof except as modified hereon.	Balance Due/ea € 13,140,146	€ 26,280,292

Accepted and Confirmed: on this 4 day of April 2010 American Eurocopter Corporation By: Authorized Representative	Date Accepted: 4/9/10 Ordered By: Title: Vice President	Buyer: ERA Helicopters LLC

Prepared by: Christie White

Date: 07APR10

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AMERICAN EUROCOPTER

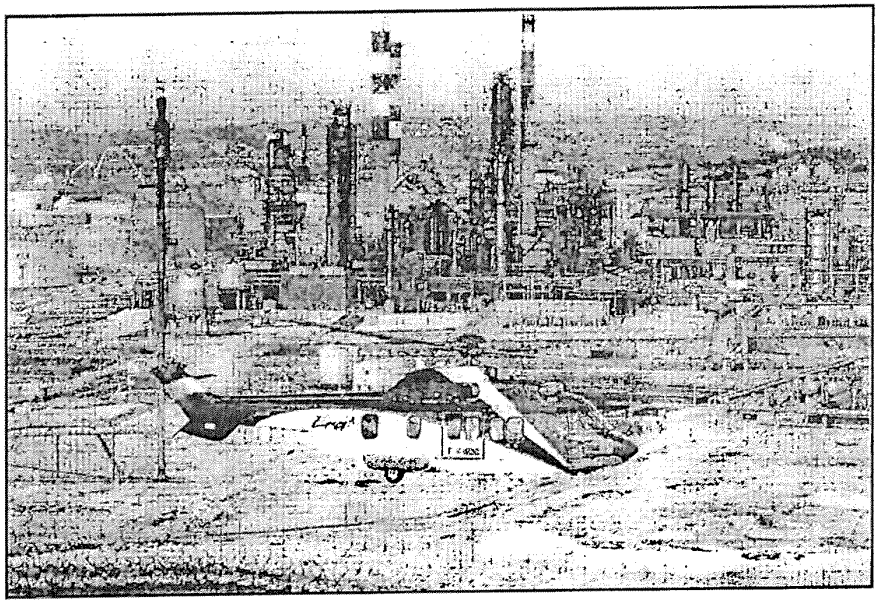
PURCHASE AGREEMENT

FOR THE SUPPLY OF FOUR

EC225 HELICOPTERS

TO

ERA Helicopters LLC
Lake Charles Regional Airport
600 Airport Service Road
Lake Charles, LA 70606



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APPENDIX I -	AMERICAN EUROCOPTER STANDARD CONDITIONS OF SALE
APPENDIX II	EC225 - STANDARD AIRCRAFT DEFINITION

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PURPOSE: This Proposal is for the firm purchase and sale of two (2) EC225 Eurocopter model helicopters, and an Option to Purchase two (2) additional EC225 Eurocopter model helicopters, provided that the Option to Purchase is exercised before June 30, 2010, subject to the terms and conditions of this Proposal.

I. HELICOPTER CONFIGURATION

The helicopter configuration offered in the following pages is based on an EC225 helicopter generally accepted globally and presented by American Eurocopter as "Oil & Gas Standard Configuration. Era can request that additional options and/or equipment be added to the configuration but the removal of equipment noted as part of the "Standard" configuration will be subject to possible delivery delays and additional costs.

TCAS I will be replaced by TCAS II, which is currently under development and expected to be certified before the end of 2011 and will be part of the new Oil & Gas configuration. If Era so elects, all helicopters delivered under the proposal can be delivered with the TCAS II fixed provisions only. The Eurocopter Group TCAS II installation is proposed as an integrated system with the AHCAS and coupled with the aircraft AFCS. In any event, the aircraft covered hereunder will be delivered with a fully-certified TCAS II system.

II. STANDARD AIRCRAFT AND ROLE EQUIPMENT PRICES and ADDITIONAL EQUIPMENT PRICES

All prices are fixed for the helicopters (Firm and Option Aircraft) that are ordered in accordance with the terms of this Proposal and subject to the proposed delivery schedule at section IV hereafter, provided that the order for the initial two (2) aircraft are placed on or before **April 9, 2010. All orders must be evidenced by the execution of American Eurocopter's standard Purchase Agreement and standard conditions of sale (Apprendix I) on or before April 9, 2010.**

The following prices are for products delivered Ex-Works-Marignane factory, France. Price does not include special expenses payable by the Buyer such as transport costs (to include any disassembly & packaging requested by the Buyer to prepare the helicopter for transport), possible import costs connected with the purchasing of the material or costs possibly stemming from regulations peculiar to the Buyer's country of importation. American Eurocopter agrees to assist ERA to receive the "best pricing" available and expedite shipping to final destination selected by ERA.

For an order placed after this period of validity, the prices will then be adjusted according to the delivery dates we can offer and the economic conditions prevailing at that time.

Should a contract result from this proposal, the amount of such contract would depend on the final equipment fit made by Era.

The proposed delivery schedule of the helicopters is presented in section III hereafter.

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Reference	Commercial	Title
00-10029-A / 00-10029-00-CI EC225 baseline 2009		13, 273,820€
Baseline Aircraft Definition		
		including: IFR ST storm lights in cockpit (ex-CAA / North Sea kit) 30/40k VA alternators Dinol AV30 re-enforced anti-corrosive treatment Enlarged Cabin grey tinted windows Cockpit grey tinted upper panes Cabin floor for crashworthy seats Enlarged cockpit footsteps Second landing light Sea anchor – capabilities Additional Energy Absorbing pod fuel tanks – Capabilities Increased cabin air circulation system 2nd stopwatch, RH side of cockpit panel
		05-GENERAL ITEMS OF EQUIPMENT
	05-03006-00-CI	First aid kit - JAR OPS 3 compatible Cockpit painted in black
	05-36026-00-CI	Enlarged footstep cabin
	05-39002-00-CI	Illuminated Map Holder – JAR OPS 3 compatible
	05-42021-00-CB	Air conditioning system – Capabilities
	05-50001-00-CB	Installation for flight icing conditions - capabilities
	05-50003-00-CI	Kit for flight in limited icing conditions
	05-51001-00-CI	De-iced cockpit center pane with wiper
	05-52006-00-CI	Goodrich Icing severity indicator
	05-85000-00-CI	Hydro electric group
	05-81031-00-CI	Energy Absorbing central auxiliary fuel tank 3181 (84 US gal)

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05-82005-00-CI	Pressure refuelling on the ground with Energy Absorbing self-sealing sponson fuel tanks

06-SPECIFIC MISSION EQUIPMENT	
06-21015-00-FP	Goodrich 28V electrical hoist (290ft, 600lb) - Fixed parts
06-26006-00-FP	External mirrors (recommended for sling) - Fixed parts
06-27013-00-FP	Cargo sling with dynamometer 3,8 Tons - Fixed parts
06-41003-00-CI	Hella anti collision strobe light system (instead of standard one)
06-41004-01-CI	anti collision strobe light system (belly mounted)
06-42012-00-CI	Fixed lights in the sponsons
06-60004-00-CI	2 Life rafts – 18 to 27 pax – in the multipurpose sponsons with jettison control in
06-61011-00-FP	Emergency floatation gear with automatic firing – Fixed parts
06-61011-00-RP	Emergency floatation gear with automatic firing – Removable parts
06-65008-00-CI	3rd hand held fire extinguisher – JAR OPS 3 compatible
06-65010-00-CI	2 Flashlights - JAR OPS 3 compatible
06-66004-00-CI	Helicopter Emergency Egress Lighting (HEEL)
06-67023-00-CI	HR Smith series 503 ADELT

07-INTERIOR LAYOUT	
07-10009-00-FP	3rd crew man seat - Fixed parts
07-15009-00-CI	Pilot and copilot crashworthy seats
07-27002-00-CI	19 crashworthy seat installation
07-30007-00-CI	Comfort upholstery with improved soundproofing
07-60016-00-CI	Luggage compartment in the intermediate structure

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	08-AVIONICS
08-00016-00-CI	Civil Use minimum equipment (IFR dual pilot) control box
08-12039-00-CI	Collins – Proline21 – VHF/AM # 1
08-12039-01-CI	Collins – Proline21 – VHF/AM #2
08-16025-00-CI	NAT DACS ICS – Basic set: 3 control panels in cockpit
08-25026-00-CI	Collins – Proline21 – DME
08-26008-01-CI	Collins – Proline21 VOR/ILS/MKR/ADF #1
08-26011-00-CI	Collins – Proline21 VOR/ILS/MKR #2
06-67014-00-CI	Serpe – IESM Kannad 406 AP – Emergency Locator Transmitter
08-10016-00-CB	Collins – HF9X00 HF/SSB - Capabilities
08-12025-00-CI	NAT - NPX138 VHF/FM-H
08-16026-00-CI	NAT DACS ICS – Complementary set: 4th control panel
08-17049-00-CI	NAT - Passenger Address
08-22007-02-CI	Collins – TDR94D-108 with Extended Squitter instead of Collins – TDR94D
08-27008-00-CI	Chelton System 7 - (121,5) VHF/FM Marine dual frequency homer
08-31039-00-CI	Telephonics 1600 Weather Radar, displayed on AHCAS
08-35007-00-FP	TCAS II – COLLINS – ACAS-900 integrated to AHCAS – Fixed parts
08-35007-00-RP	TCAS II – COLLINS – ACAS-900 integrated to AHCAS – Removable parts
08-35015-00-CI	EGPWS - HONEYWELL - MKXXII integrated to AHCAS
08-41012-00-CI	Canadian Marconi – CMA3024 - GPS receiver
08-44040-00-CI	Canadian Marconi - CMA9000 - Flight Management System
08-44052-00-CI	Dual FMS CMA9000 and Dual GPS CMA5024 installation – Capabilities 2e radalt + provisions Doppler trim – Capabilities
08-83004-01-CI	M'ARMS Health & Usage Monitoring System (HUMS) with HOMP & Allied Combi-lite CVFDR

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	Specific equipment
05-42021-A	05-42021-00-FP Air conditioning system – Fixed Parts (for cockpit and cabin)
05-42021-A	05-42021-00-RP1 Air conditioning system – Removable Parts 1 (cabin power unit)
05-42021-A	05-42021-00-RP2 Air conditioning system – Removable Parts 2 (cockpit power unit)

TOTAL CONFIGURATION	**6, 279,970€**
TOTAL EQUIPPED AIRCRAFT	**19, 553, 790€**

AIRCRAFT #1 and #2 PRICING

TOTAL	**FULLY EQUIPPED EC225 HELICOPTER #1 – 2 Before Discount (2011)**	**19,553,790€**
TOTAL	**FULLY EQUIPPED EC225 HELICOPTER #1 – 2 After 4% Discount (2011)**	**18,771,638€**

OPTION AIRCRAFT #3 and #4

TOTAL	**FULLY EQUIPPED EC225 HELICOPTER #3 – 4 Before Discount (2011)**	**19,553,790€**
TOTAL	**FULLY EQUIPPED EC225 HELICOPTER #3 - 4 After 5% Discount (2011)**	**18,576,101€**

- *All Prices shall remain valid for aircraft #3 and #4 subject to Section IV Delivery Schedule. Failure to take timely delivery will be subject to applicable price escalations.*

DISCOUNT POLICY FOR TWO AIRCRAFT: American Eurocopter's 4% discount offered on the Aircraft #1 and #2 purchase price are subject to aircraft delivery and acceptance by ERA. In the event ERA fails to take delivery of both Aircraft, then ERA agrees to reimburse American Eurocopter for the 4% discount on Aircraft #1 within 30 days of the delivery date.

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DISCOUNT POLICY FOR FOUR AIRCRAFT: In the event ERA timely exercises its purchase option for Aircraft #3 and #4, then American Eurocopter agrees to retroactively apply an additional 1% volume discount for Aircraft #1 and #2, totaling a 5% per aircraft discount. The retroactive discount for Aircraft #1 and #2 will be applied to the invoice of Aircraft #1 and 2 upon delivery. It is understood and agreed that American Eurocopter's 5% discount offered on Aircraft #1 thru Aircraft #4 purchase price are subject to aircraft delivery and acceptance by ERA of all four aircraft. In the event ERA fails to take delivery of all four (4) Aircraft as contemplated by this Proposal, then ERA agrees that the discount shall be retroactively reduced from 5% to 4% for each of the Aircraft delivered hereunder, which amount shall be reimbursed by ERA to American Eurocopter within 30 days of written notice by American Eurocopter.

	SHOPPING L IST	
	Stowages in trim for safety cards	6,240€
	ICS socket in luggage compartment	3,930€
05-50001-00-CI	Installation for flight in icing conditions	670,730€
05-81004-00-FP	Additional Energy Absorbing pod fuel tanks – Fixed parts	166,890€
05-93004-00-CI	Naval mooring	11,750€
05-93006-00-CI	Lashing rings for main landing gear	3,160€
07-10009-00-RP	3rd crew man seat – Removable parts	6,500€
08-10016-00-CI	Collins – HF9X00 HF/SSB	110,050€
08-41012-00-CI	Second Canadian Marconi – CMA5024 – GPS receiver – Complete installation	268,860€
08-41016-01-CI	Canadian Marconi – CMA5024 – GPS receiver instead of CMA3024 **(inc)**	
08-44040-00-CI	Second Canadian Marconi – CMA9000 – Flight Management System – **(inc)** Complete	
08-17004-00-CI	In Flight Entertainment system (as per Bristow's Australian EC225)	16,520€

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III. OPTION AIRCRAFT TERMS

American Eurocopter grants ERA the option to purchase an additional two (2) EC225 aircraft (the "Option Aircraft"), expressly subject to the terms and conditions herein, as follows:

- Both Option Aircraft must be exercised in writing on or before June 30, 2010. ERA's option exercise must be for both aircraft, and is not offered on an aircraft by aircraft basis.
- The parties agree to execute American Eurocopter's/ERA's standard Purchase Agreement for both of the Option Aircraft (identical to V-6397-1 thru 2) exercised by ERA within seven (7) days of the option exercise date. ERA's failure to execute said Agreement within seven days for any reason will terminate any obligation by American Eurocopter to sell the Option Aircraft to ERA. American Eurocopter will thereafter be entitled to sell the aircraft to any third party without penalty or restriction.
- All Down Payment terms and Delivery Schedule terms for Option Aircraft will be as set out in this Proposal.
- In the event ERA fails to timely exercise this Aircraft Option, then the Option terms shall become null and void as to aircraft #3 and #4 only. All aircraft pricing will be subject to escalation for subsequent orders.

IV. DELIVERY SCHEDULE

IV.1 Delivery Schedule:

American Eurocopter is pleased to be able to propose the following schedule of deliveries:

Firm Aircraft	EC225 No. 1	4th Quarter 2011
Firm Aircraft	EC225 No. 2	1st Quarter 2012
Option Aircraft	EC225 No. 3	3rd Quarter 2012
Option Aircraft	EC225 No. 4	2nd Quarter 2013

V. PAYMENT TERMS

INITIAL DOWN PAYMENTS DUE FOR AIRCRAFT #1 THRU #4: Buyer agrees to tender to Seller a 10% initial down payment for each of the four (4) Aircraft (Firm and Option) that are the subject of this proposal. The down payments will be based on the fully equipped price quoted herein, and will be due at the date of signature (Time of Order = TO) of the initial Purchase Agreements arising from this proposal.

APPLICATION OF OPTION AIRCRAFT DOWN PAYMENTS: In the event ERA elects not to exercise its purchase option rights for Aircraft #3 and #4 by June 30, 2010, then the parties agree that American Eurocopter will apply the down payments on aircraft #3 and #4, respectively to the existing down payments on aircraft #1 and aircraft #2, totaling a 20% deposit per aircraft.

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SECOND DOWN PAYMENT: Buyer shall pay Seller a second down payment of ten per cent (10%) at TO + 12 months for each aircraft that is subject to Purchase Agreement between the parties. In the event the Buyer does not exercise its Purchase Option, then the Initial Down Payment for Aircraft #3 and #4 will rollover in lieu of Second Down payment

THIRD DOWN PAYMENT: Buyer shall pay Seller a third down payment of ten per cent (10%) on or before 12 months before the respective delivery date for each Aircraft that is subject to Purchase Agreement between the parties.

BALANCE PAYMENT: The remaining balance payment of each helicopter shall be paid on delivery of the helicopter.

Note: The payment terms submitted above supersede any payment terms outlined in the American Eurocopter Terms and Conditions

VI. VALIDITY

Given the delivery schedule set out in section IV, this proposal, governed by our standard conditions of sale (Appendix I), is valid for a contract signature by April 9, 2010.

American Eurocopter Corporation

By: _____

Title: Executive VP + CFO

Date: 4/9/2010

ERA Helicopters LLC

By: _____

Title: Vice President

Date: 4-9-10

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VII. CUSTOMER SUPPORT PACKAGE

To be defined in accordance with the Buyer's needs and based on the extensive experience within Era Helicopters in the operation of the EC225 helicopter, comprising but not limited to:

- Initial provisioning lists of Spares and tools
- Parts by the Hour support (OGAP)
- Need for a consignment stock
- Technical Publications (electronic and/or hard copy)
- HUMS support and analysis.
- On-site technical assistance within the 48 contiguous states, Alaska & Hawaii based on 8 weeks per helicopter (American Eurocopter offers 24/7 technical assistance as part of general support services in the U.S.)
- Training is limited to two pilots, two mechanics and one avionics technician per helicopter. Era may elect to take the training in the form of credits to be applied and consumed within twenty four 24 months of the delivery of each helicopter. Training credits apportioned against each aircraft shall not exceed $300,000 and may be applied towards training at seller's facility in Grand Prairie, Texas, Marignane, France for scheduled classes and training programs offered by both facilities or, in the alternative, a credit for simulator training (wet or dry) at HeliSim. Special requests outside the scope of pre-scheduled training classes at the Seller's facilities in in Grand Prairie, Texas or Marignane France will require a training quote and may result is additional costs to the Buyer beyond the special training "credit" identified above.

American Eurocopter is at the Buyer's disposal to assist in defining the optimum support package for operation of the proposed helicopters whether in the Gulf of Mexico or elsewhere in the world.

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APPENDIX I

AMERICAN EUROCOPTER STANDARD CONDITIONS OF SALE

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APPENDIX II

EC225 - STANDARD AIRCRAFT DEFINITION

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AGW

TERMS AND CONDITIONS

1. **PRICES AND TERMS OF PAYMENT.**
   (a) Prices shown on this Purchase Agreement (this "Purchase Agreement") are in EURO currency for Products F.A.F. (fly away from factory) Eurocopter's facility or F.O.B (Ex Works) to a common carrier at Eurocopter's Marignane, France facility. Prices do not include freight and shipping (including disassembly costs, packing and crating charges, reassembly costs), federal, state or local taxes, excise tariffs or charges, customs duties or other levies, applicable to the manufacture or sale of the Products (as hereinafter defined), which charges, taxes, tariffs or other levies will be added by Seller to the purchase price and will be paid by Buyer.
   (b) Unless otherwise specified in this Purchase Agreement, Buyer shall pay the total unpaid purchase price, plus all applicable shipping (disassembly/assembly), packing and crating charges, taxes, tariffs, customs duties and charges, at the time of delivery of the Products. In the event Buyer claims sales tax exemption for purposes of this delivery which is subsequently found non-exempt by the applicable taxing authority, then Buyer agrees to reimburse Seller for any unpaid taxes, interest and penalties assessed against the aircraft purchase by the taxing authority. The term "Products" as used herein shall include helicopters, parts, spare parts, tools, and other miscellaneous equipment and services that may be deliverable hereunder. All other defined terms used herein and not otherwise defined shall have the meanings assigned to those terms as set forth in the Maintenance Manual and Flight Manual (as such manuals are revised and amended from time to time) provided by Seller with each new helicopter sold by Seller, copies of which have been supplied to Buyer.
   (c) All payments shall be made at Seller's offices in Grand Prairie, Texas, without setoff.

2. **DELIVERY AND ACCEPTANCE**
   (a) The Products shall be delivered F.A.F. Eurocopter's Marignane, France facility or F.O.B (Ex Works), to a common carrier at Eurocopter's Marignane, France facility for shipment at Buyer's expense to destinations designated by Buyer. Title to and risk of loss for Products shall pass to Buyer upon delivery thereof to Buyer at Eurocopter's facility or upon delivery thereof to a common carrier for shipment to Buyer unless otherwise specified on the face of this Purchase Agreement. Title shall be transferred to Buyer via a standard form FAA (or EASA if applicable) Bill of Sale as well as a Warranty Bill of Sale which shall, at a minimum, provide that title will be given to Buyer free of all liens, claims, or encumbrances of any kind. All risk of loss or damage from any cause shall be with Seller until delivery and acceptance.
   (b) The Products shall be accepted by Buyer by an authorized and qualified representative of Buyer after inspection and, in the case of helicopters, flight test at Eurocopter's Marignane, France facility, or at such other location previously approved by Seller. Seller shall remedy, at its cost, all deficiencies found during inspection prior to Buyer's acceptance and final delivery.
   (c) Buyer agrees to accept delivery of the Products in accordance with paragraph 2(b) hereof within ten (10) days after the delivery date set forth on the purchase agreement or, in the event delivery of the Products has been delayed by Seller, within ten (10) days after Seller shall have notified Buyer that the Products are ready for delivery.
   (d) In the event Buyer fails to accept delivery of the Products as provided herein, or fails to make any payments that may be due to Seller prior to or at delivery of any Products, Seller may cancel this Purchase Agreement and retain all payments, including all deposits and/or down payments, theretofore made by Buyer to Seller, whether pursuant to this Purchase Agreement or otherwise, in satisfaction of any indebtedness of Buyer hereunder, and the retention by Seller of any such payments shall not preclude Seller from seeking additional or further damages from and against Buyer as Seller may elect.
   (e) Upon delivery of the Products to Buyer, Buyer shall immediately inspect the Products at its own cost and, if the Products are found not to conform to the published specifications for such Products, shall give written notice to Seller of any claim to that effect within ten (10) days after arrival, setting forth in reasonable detail the manner in which the Products do not conform. If Buyer retains the Products after their delivery without giving Seller such notice as required, such failure shall constitute an irrevocable acceptance of the Products by Buyer except with respect to defects not reasonably discoverable by such inspection.
   (f) After delivery of the helicopter, should Buyer delay flyaway from Eurocopter's facility, Seller shall provide hangar keepers care and charge Buyer according to prevailing rates. In the event Seller provides Buyer a Ferry Pak at delivery, Buyer agrees to return the Ferry Pak within 30 days from delivery date.
   (g) Seller will comply with all mandatory service bulletins and airworthiness directives prior to delivery. **In the event an aircraft is delivered without final paint, it shall be delivered with a special flight permit and shall be fully capable of receiving an FAA Certificate of Airworthiness (if applicable) in the Standard category, with the exception of outstanding items to be completed by Buyer. In such case it will be Buyer's, or its designated completion centers, responsibility to satisfy outstanding exceptions and obtain the Certificate of Airworthiness.** In all other cases, the aircraft will be delivered with current and validly issued FAA (or EASA, ANAC (Brazil), or Malaysian certificate, if applicable) Certificates of Airworthiness, with all components and subassemblies in a new and serviceable condition, except for time expired on a component/subassembly as part of the completion process. Buyer is to notify Seller the country of conformity (certification and registration) six (6) months prior to delivery, otherwise the delivery date might be affected. Hours accrued during completion/manufacturing will not be counted against limited warranty time limits or any maintenance program buy-in amount(s).
   (h) Certification Authority Election: Buyer agrees to make certification authority election, as follows ***(Select One):***
      ☐ (i) Buyer elects EASA Certification, with EASA documentation; or
      ☐ (ii) Buyer elects FAA Certification with FAA documentation.
      Buyer's Signature _____ **Date** 4-9-2010
   In the event Buyer fails to make above election, then Buyer agrees to advise Seller within six (6) months of each aircraft delivery as to its certification authority election.

EC225 December, 2009, Rev 6

3. DELAYS
   (a) Seller shall not be responsible for, or liable to Buyer for any damages or expenses incurred by Buyer from any failure to perform or delay in performance by Seller due, in whole or in part, to "excusable delays." An "excusable delay" is any failure to perform or delay in performance that is due to causes beyond Seller's control including, but not limited to, acts of God, fire, explosion, acts of the public enemy, war, insurrection, sabotage acts, orders or priorities (whether compliance therewith is mandatory or voluntary) of any government, state, or political subdivision or agency thereof or judicial action. It is agreed, however, that labor disputes, labor shortages, shortages of fuel, power, or materials, failures or delays in transportation, equipment, or machinery breakdown, or failure or delay of Seller's suppliers shall not be acceptable delay events.
   (b) Buyer's failure to provide, not less than 90 days prior to the scheduled delivery date, complete materials, equipment, instructions and authorizations to Seller for installation of Buyer furnished equipment during the assembly process, which failure causes the Product to be nonconforming at the delivery date, shall not be cause for delay in delivery acceptance pursuant to paragraphs 2(c) and 2(e) above or in payment. Any additional costs incurred by Seller as a result of having to work around or reschedule the installation of Buyer furnished equipment due to Buyer's failure to deliver Buyer furnished equipment in a timely manner as provided above shall be invoiced to Buyer and paid by Buyer over and above the price on the Purchase Agreement at delivery .
   (c) Furthermore, any change request(s) by the Buyer may extend the delivery date or require an adjustment to the purchase price. Seller is authorized to send the Buyer an electronic sequential Confirmation Notice of Change Order by Buyer setting out the configuration change or contract revision, the adjusted purchase price, if any, and the revised delivery date. Buyer may reject, in writing or electronically, any Confirmation Notice that is unacceptable within five days of receipt of a Confirmation Notice from Seller. If timely rejected by Buyer, the Purchase Agreement, as amended, will remain in effect and the change order will lapse and not become a part of this agreement. Buyer's failure to respond timely to any Confirmation Notice will be deemed acceptance of the change order by Buyer, which will become part of the contract, as amended.

4. LIMITED WARRANTY
   (a) Seller warrants each new helicopter and parts manufactured by Eurocopter S.A.S. (herein referred to as the "Helicopter Manufacturer") purchased under this agreement to be free from defects in material and workmanship under normal use and service. Seller's obligation under this warranty is limited to replacing or repairing parts or tools that have been returned to Seller's facility and, at the time of any repair or replacement, shall have been recognized by Seller, in its sole discretion, as subject to this warranty. To be eligible for repair, or replacement under this warranty, the alleged failure must have occurred, as determined by Seller, within the following time limits:
      (1) With respect to helicopters and optional equipment manufactured by the Helicopter Manufacturer, the earlier of: (i) 1000 flying hours or (ii) - 24 - months after they are delivered to Buyer;
      (2) With respect to spares, the earlier of: (i) 1000 flying hours; (ii) 12 months after installation; or (iii) 24 months after delivery to Buyer; and
      (3) With respect to tools manufactured by the Helicopter Manufacturer, 24 months after the tool is delivered to Buyer.
   (b) The warranty period on the repaired or replacement part is the warranty period that was remaining on the defective part.
   (c) As soon as possible, but within thirty (30) days after the date Buyer discovers or should have discovered a part failure, Buyer shall return the allegedly failed part or parts to Seller's factory, freight prepaid. Prior to or concurrently with shipment of any allegedly failed part or parts, Buyer shall furnish to Seller in writing full details of Buyer's claim and the basis thereof. Risk of loss for transportation of parts to Seller and, upon return, to Buyer shall be borne entirely by Buyer. All transportation costs, insurance, customs expenses and other charges, as well as the expenses incurred by Buyer for the removal, return, re-installation and related costs and expenses with respect to such part or parts, shall by borne by Buyer. With AEC approval by Warranty Administrator, selected parts may be retained at Buyer's site to be scrapped locally. Claims will not be processed until a completed claim by Buyer has been approved in writing by a Technical Representative of AEC and forwarded to and received by the AEC Warranty office, Grand Prairie, Texas.
      Note: Parts/Components ordered as replacement parts must be acknowledged as "warranty replacements" at the time of order.
   (d) This warranty shall apply only to the extent the helicopter and the parts installed therein are operated and maintained in accordance with the instructions contained in the Flight Manual, the airframe or component Maintenance Manual (whichever is applicable), the Helicopter Manufacturer's and/or Seller's service bulletins, service letters or telexes, alert telexes, and maintenance notices, any other technical documentation or service information supplied by Seller to Buyer, and any revisions to any of the foregoing. This warranty shall apply to spares only to the extent they are properly stored and installed, operated, and maintained in accordance with the instructions contained in the Flight Manual, the airframe or component Maintenance Manual (whichever is applicable), the Helicopter Manufacturer's and/or Seller's service bulletins, service letters or telexes, alert telexes, and maintenance notices, any other technical documentation or service information supplied by Seller to Buyer, and any revisions to any of the foregoing.
   (e) If Buyer modifies any helicopter or part sold hereunder in any manner for which Buyer has not received the prior written approval of Seller, such modification shall cause this warranty to terminate and be of no further force and effect.
   (f) This warranty shall not apply to any helicopter or part which has been repaired or altered outside Seller's factory in any way so as, in Seller's sole discretion, to affect its stability, safety or reliability, or which has been subject to misuse, common neglect, abuse, negligence or accident.
   (g) The word "part" as used in this Agreement means "a detail part with reference to a part number shown on a drawing parts list provided" by the Helicopter Manufacturer.
   (h) This warranty may not be extended, altered or varied unless a prior written agreement is signed between Buyer and Seller. This warranty is granted to Buyer personally and shall not be assigned by Buyer without Seller's prior written consent.

(i) SELLER AND THE HELICOPTER MANUFACTURER DISCLAIM AND EXCLUDE FROM THIS AGREEMENT ALL OTHER WARRANTIES, INCLUDING, BUT NOT LIMITED TO, STATUTORY WARRANTIES, OTHER EXPRESS WARRANTIES, AND ANY IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE EXPRESS WARRANTY SET FORTH ABOVE IS GIVEN IN LIEU OF: (i) ALL OTHER WARRANTIES AND (ii) ANY OBLIGATION OR LIABILITY OF, RIGHT OR CLAIM AGAINST, OR REMEDY FROM SELLER OR THE HELICOPTER MANUFACTURER, IN CONTRACT OR IN TORT, INCLUDING PRODUCTS LIABILITY BASED ON SELLER'S OR THE HELICOPTER MANUFACTURER'S STRICT LIABILITY OR SELLER'S OR THE HELICOPTER MANUFACTURER'S NEGLIGENCE. THE RIGHTS AND REMEDIES PROVIDED IN THIS AGREEMENT ARE EXCLUSIVE IN CONNECTION WITH THE SALE OF THE HELICOPTER MANUFACTURER'S AND SELLER'S PRODUCT(S). THE STATED EXPRESS WARRANTY PROVIDED HEREIN IS IN LIEU OF ANY AND ALL LIABILITIES OR OBLIGATIONS OF THE HELICOPTER MANUFACTURER OR OF SELLER FOR ANY INJURIES, BODILY HARM, OR DAMAGES OF ANY TYPE, INCLUDING, BUT NOT LIMITED TO, ALL INCIDENTAL OR CONSEQUENTIAL DAMAGES, ALL LOSS, DAMAGE OR EXPENSE ARISING OUT OF OR IN CONNECTION WITH THE USE, LOSS OF USE, PERFORMANCE, OR NON-PERFORMANCE OF THE HELICOPTER MANUFACTURER'S AND/OR SELLER'S PRODUCTS, AND DAMAGES FROM ANY OTHER CAUSE.

THE HELICOPTER MANUFACTURER AND SELLER MAKE NO WARRANTY WITH RESPECT TO TURBINE ENGINES OR AVIONICS EQUIPMENT. FOR WARRANTY ON THESE EXCLUDED PARTS, BUYER MUST LOOK TO THE ORIGINAL MANUFACTURER. AT BUYER'S WRITTEN REQUEST, SELLER WILL ASSIGN TO BUYER ANY WARRANTY RIGHTS IT MAY HAVE RECEIVED WITH RESPECT TO SUCH ITEMS OR PARTS TO THE EXTENT SUCH RIGHTS ARE ASSIGNABLE. NORMAL WEAR AND TEAR OF PARTS SUCH AS SEALS, TIRES, INNER TUBES, BULBS, PACKINGS, AND SIMILAR CONSUMABLE PARTS, AS WELL AS THOSE PARTS WHOSE LIST PRICE IS $50.00 OR LESS, ARE EXCLUDED FROM COVERAGE UNDER THIS WARRANTY.

(j) Seller's warranty shall not be enlarged, diminished, or affected by, and no obligation or liability shall arise out of, Seller's rendition of technical advice, assistance or service in connection with any of Products purchased hereunder.

5. TRAINING

(a) **Training Credit**

(1) At Buyer's request, Seller shall provide a training credit of $300,000.00 per aircraft which may be applied against training services with Seller in accordance with the terms and conditions set out herein or maybe utilized as a credit against HeliSim training at their facility. The credit offered is in lieu of the standard 2 pilot/2 mechanic and avionics technician normally provided with a new aircraft purchase at a prescheduled Eurocopter class. Any training outside of the standard training scope, or special training requests by Buyer, may be subject to special quote and additional costs. Applicable prescheduled Eurocopter training services will be for i) pilot training, ii) maintenance training, and iii) avionics training, which services are further defined below. All travel and lodging expenses shall be borne by Buyer.

(2) All training services must be used within twenty four (24) months of each aircraft delivery for the above services. Training may not be transferred from aircraft to aircraft without the mutual written agreement of the parties. Any unused training credits at the end of the twenty four (24) month training period will expire and be of no further force and effect. Buyer will not be entitled to receive any compensation for any unused credits.

(b) **Pilot Training**

(1) Seller shall provide pilot training services at Eurcopter's facilities in Marignane, France. Initial and transition training shall consist of up to a combination of twelve (12) flight/simulator hours per pilot (depending on proficiency of the pilot) with formal ground school. Seller reserves the right to set minimum competency requirements for any pilot to be trained hereunder and to refuse to train any pilot not meeting those requirements.

(2) Buyer acknowledges that the transition procedures include, in addition to standard flight operations, the actual performance of emergency flight procedures simulating non-standard flight conditions. Buyer hereby accepts the risk of injury, loss, and damage associated with instruction in emergency flight procedures.

(3) Buyer hereby assumes all risk of loss, injury and damage to Buyer's helicopter(s), employees, representatives or agents during transition training including without limitation, consequential or incidental damages, loss of use or injury, regardless of cause or fault, and Buyer waives all right of recovery and subrogation (except for products liability) against Seller, its employees and agents for any such damage, injury or loss so sustained; provided, however, that this waiver and assumption of risk shall only apply to losses other than Product failures for which Seller may be responsible under the warranty provisions of this purchase agreement, in which case Seller's liability to Buyer, if any, shall be limited in accordance with the terms of that warranty. Buyer hereby warrants that Buyer's hull insurer has acknowledged this waiver of subrogation with respect to Buyer's operation of the aircraft.

(c) **Maintenance Training**

(1) Seller will provide, either in AE's facility in Grand Prairie, Texas or Eurocopter's facility in Marignane, France, a ground course covering field maintenance on the engine and airframe. Seller reserves the right to set minimum competency requirements for any mechanic to be trained hereunder and to refuse to train any mechanic not meeting those requirements.

(2) Buyer shall be charged at the prevailing rate established by Seller for each mechanic to be trained.

(d) **Avionics Training**

(1) Seller will also provide, either in AE's facility in Grand Prairie, Texas or Eurocopter's facility in Marignane, France, a ground course in avionics. Seller reserves the right to set minimum competency requirements for any mechanic to be trained hereunder and to refuse to train any mechanic not meeting those requirements.

(2) Buyer may elect to have more than the above numbers of his qualified mechanics trained hereunder. Buyer shall be charged at the prevailing rate established by Seller for each mechanic to be trained.

(e) **On Site Technical Assistance**

(1) To complement its training and to assist the Buyer during the initial period of operation of the helicopters, Seller agrees to send to the Buyers location within the 48 contiguous states, Alaska or Hawaii at no additional cost, for a period of eight (8) weeks per helicopter, commencing on delivery of the first helicopter, one (1) on site tech representative. The onsite tech representative will only be available during five (5) working days per week and for a maximum of eight (8) hours a day.

In the event the Buyer fails to utilize this onsite service within the time limits outlined above, it will lose the benefit of this service. No credit will be issued to Buyer for partial utilization of the onsite tech representative.

The following expenses for the on-site technical representative shall be borne by the Buyer:

(i) Travel expenses to and from the Buyers location,

(ii) Auto expenses when on duty, including travel expenses from their place of residence to their place of work and back.

(2) Additional on-site technical assistance can be offered if necessary, on a case by case basis, at the Buyers request. In that case Buyer will be charged at the Seller's prevailing rates. Seller shall not be held responsible by Buyer for any damage sustained by the property of Buyer or by any third party during the performance of this tech assistance.

(g) **General**

(i) Buyer shall be responsible for loss or injury to Buyer's property, employees, representatives or agents at all times while at Seller's facilities when conversion or maintenance training is a reason for such time spent at Seller's facilities.

(ii) All expenses and liabilities of Buyer or Buyer's personnel for travel to and from, and stay in, the Dallas/Fort Worth, Texas area for AE's facility or Eurocopter's Marignane facility shall be borne by Buyer.

(iii) The training and technical assistance provided for herein applies only to the original purchase of a new helicopter and is not transferable.

6. PUBLICATIONS/UPDATES

Seller shall supply free of charge for each helicopter delivered:

(i) One interactive electronic support (CD Rom) with the documentation necessary for the maintenance of the helicopter and for the identification of parts for operation and routine servicing,

(ii) One hard copy of

(a) The flight manual

(b) A set of service bulletins

(c) the master servicing recommendation manual

The documentation is initially provided at the latest available revision level and will be in the English language. Customization of the documentation due to new equipment or installations specific to the Buyer will be provided:

(i) For maintenance documentation within four (4) months after delivery of the first helicopter

(ii) For identification documentation within an estimated eight (8) to nine (9) months, but not later than twelve (12) months, after delivery of the first helicopter.

Upon request additional CD Rom or extra hard copies are available and Buyer will be charged at the prevailing rates annually published by Seller.

7. PRICE ADJUSTMENT AND PRODUCT SPECIFICATION CHANGE

All prices are subject to adjustment, provided that written notice of any adjustment shall be given at least thirty (30) days prior to the delivery date, and provided, further, that Buyer may cancel its order to purchase any product, the price of which is increased (except for agreed change orders), by giving written notice thereof to Seller within ten (10) days after receipt of notice of such increase. The specifications concerning the Product(s) covered hereunder are subject to change by Seller in order to permit incorporation of changes and improvements in the continued development of Seller's products, subject to Buyer's consent. Any adjustment in prices resulting from specification changes shall be subject to the first sentence of this paragraph 6.

CD Rom updates of said documents shall be supplied by Seller free of charge as long as the helicopter is in operation. This concerns the CD Rom documentation, the flight manual, the master servicing manual and the service bulletins. Hard copy revision updates will discontinue after five (5) years.

In order for Seller to be in a position to fulfill its obligations, the Buyer undertakes to notify Seller of any change either in the Buyer 's address or in the owner's name if the helicopter has been sold in the meantime.

8 GENERAL.

(a) This Purchase Agreement and the rights of the parties hereto shall in every respect be governed by and construed in accordance with the substantive laws of the State of Texas without reference to the laws of any other state or jurisdiction. Buyer hereby irrevocably consents and agrees that any legal proceeding arising out of or in connection with this Agreement or the rights of the parties hereto may be commenced and prosecuted to conclusion in Dallas, Dallas County, Texas.

(b) Neither Buyer nor Seller shall assign any rights nor delegate any duty under this Purchase Agreement to any parties other than to its affiliates without the prior written consent of the other party.

(c) The undersigned signatory for Buyer hereby represents that he/she is Buyer's authorized representative and that Buyer is fully authorized and empowered to enter into this Purchase Agreement and has full authority to perform the terms and conditions hereof. This Purchase Agreement may be executed in multiple counterparts which together shall constitute the original hereof. The signature of either party exchanged by facsimile transmission shall be binding to the same extent, and have the same force and effect, as the exchange of an original written signature.

(d) The language of each provision of this Purchase Agreement shall be construed as it relates to the entire agreement and accorded its fair meaning without regard to the person who drafted all or any part of this Purchase Agreement.

(e) If any part of this Purchase Agreement shall be held by any court of competent jurisdiction to be illegal or unenforceable, the rest of this Purchase Agreement shall not be affected and shall remain in full force and effect.

(f) Nothing in this Purchase Agreement shall constitute or create a joint venture, partnership, agency, or any similar relationship between Buyer and Seller. Buyer agrees to take such other action and to execute and deliver such agreements or other documents as may be reasonably necessary or desirable to carry out the purposes of the provisions of this Purchase Agreement.

(g) Notwithstanding anything to the contrary, the parties hereby waive any and all consequential, special, indirect or loss of sale damages.

9. NOTICES.

All notices, requests, and other communications hereunder shall be in writing and shall be deemed to be given and received (a) when personally delivered by hand to the recipient or (b) three (3) days after deposit in registered or certified first class U.S. mail (or comparable national postal system, if appropriate), postage prepaid, or (c) transmitted by facsimile to the recipient at the address set forth under such recipient's name on the first page of this Purchase Agreement.

10. MODIFICATIONS.

This Purchase Agreement constitutes the final written expression of all the terms of this Purchase Agreement and is the complete and exclusive statement of those terms. No modification or amendment, except for approved change order, made to the printed terms and conditions of this Purchase Agreement shall be effective until both parties shall have signified their acceptance thereto by separately initialing each modification or amendment. Any subsequent modification, amendment, or waiver to this Purchase Agreement must be in writing and signified by both Buyer and Seller.

11. IMPORT/EXPORT ACKNOWLEDGEMENT.

The Goods, Parts, Tooling, and Data covered by this Agreement may be subject to governmental rules and regulations including but not limited to the provisions of US Customs and Border Protection laws (Title 19 of the US Code) and regulations (Title 19 of the Code of Federal Regulations), the Export Administration Act of 1979 (50 USC 2401 et seq.), the Export Administration Regulations (EAR) promulgated thereunder (15 CFR 768-799), the US Arms Export Control Act (22 USC 2778 et seq.), the International Traffic in Arms Regulations (ITAR) (22 CFR 120-128 and 130), and non-U.S. export laws and regulations.

Buyer acknowledges that (1) these US statutes and regulations impose restrictions on the import from and export to countries outside the US of certain categories of goods, and data, (2) licenses from the US Department of State and/or the US Department of Commerce may be required before such goods, and data can be exported and in some cases, imported, (3) these licenses may impose additional restrictions on use and further disclosure of such goods and data, and (4) the export or disclosure of such goods and data to foreign persons is subject to these statutes, regulations, license requirements and restrictions regardless of whether the export occurs in the US or abroad. Notwithstanding the foregoing, the obligation to comply with such regulation shall survive any novation, assignment, or transfer of obligation between the parties.

American Eurocopter Corporation	ERA Helicopters LLC
By:	By:
Title: Executive VP+CFO	Title: Vice President
Date: 4/9/2010	Date: 4-9-2010

EC225 December, 2009, Rev 6

Exhibit N

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

In re:	**Chapter 11**
CHC GROUP LTD. ***et al.*****,**	**Case No. 16–31854 (BJH)**
	(Jointly Administered)
Debtors.	

SECOND AMENDED JOINT CHAPTER 11 PLAN OF
CHC GROUP LTD. AND ITS AFFILIATED DEBTORS

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THE DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BY THE BANKRUPTCY COURT, BUT SUCH APPROVAL HAS NOT BEEN GRANTED TO DATE.

WEIL, GOTSHAL & MANGES LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777

– and –

767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors and Debtors in Possession

Dated: December 19, 2016
Dallas, Texas

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Each of CHC Group Ltd., 6922767 Holding SARL, Capital Aviation Services B.V., CHC Cayman ABL Borrower Ltd., CHC Cayman ABL Holdings Ltd., CHC Cayman Investments I Ltd., CHC Den Helder B.V., CHC Global Operations (2008) ULC, CHC Global Operations Canada (2008) ULC, CHC Global Operations International ULC, CHC Helicopter (1) S.à r.l., CHC Helicopter (2) S.à r.l., CHC Helicopter (3) S.à r.l., CHC Helicopter (4) S.à r.l., CHC Helicopter (5) S.à r.l., CHC Helicopter Australia Pty Ltd, CHC Helicopter Holding S.à r.l., CHC Helicopter S.A., CHC Helicopters (Barbados) Limited, CHC Helicopters (Barbados) SRL, CHC Holding (UK) Limited, CHC Holding NL B.V., CHC Hoofddorp B.V., CHC Leasing (Ireland) Limited, CHC Netherlands B.V., CHC Norway Acquisition Co AS, Heli-One (Netherlands) B.V., Heli-One (Norway) AS, Heli-One (U.S.) Inc., Heli-One (UK) Limited, Heli-One Canada ULC, Heli-One Holdings (UK) Limited, Heli-One Leasing (Norway) AS, Heli-One Leasing ULC, Heli-One USA Inc., Heliworld Leasing Limited, Integra Leasing AS, Lloyd Bass Strait Helicopters Pty. Ltd., Lloyd Helicopter Services Limited, Lloyd Helicopter Services Pty. Ltd., Lloyd Helicopters International Pty. Ltd., Lloyd Helicopters Pty. Ltd., and Management Aviation Limited (each, a "**Debtor**" and collectively, the "**Debtors**") proposes the following joint chapter 11 plan of reorganization pursuant to section 1121(a) of the Bankruptcy Code. Capitalized terms used herein shall have the meanings set forth in Section 1.1 below.

ARTICLE I. DEFINITIONS AND INTERPRETATION.

1.1 *Definitions.*

The following terms shall have the respective meanings specified below:

ABL Credit Agreement means that certain Credit Agreement, dated as of June, 12, 2015 (as amended, restated, supplemented or otherwise modified from time to time), by and among CHC Cayman ABL Borrower Ltd., as borrower, the lenders party thereto from time to time, the ABL Credit Facility Administrative Agent, and the ABL Credit Facility Collateral Agent, including all agreements, notes, instruments, and any other documents delivered pursuant thereto or in connection therewith (in each case, as amended, restated, modified, or supplemented from time to time prior to the Petition Date).

ABL Credit Agreement Claim means any Claim arising under or related to the ABL Credit Agreement or any other Loan Documents, including all Obligations, including Obligations in respect of Hedging Agreements entered into with Hedging Affiliates and/or Bank Products Agreements entered into with any Bank Products Affiliate (as each such term is defined in the ABL Credit Agreement).

ABL Credit Facility means, collectively, all advances and other extensions of credit made to the Debtors under the ABL Credit Agreement.

ABL Credit Facility Administrative Agent means Morgan Stanley Senior Funding, Inc., solely in its capacity as administrative agent under the ABL Credit Agreement, and together with any of its successors in such capacity.

ABL Credit Facility Collateral Agent means BNP Paribas S.A., solely in its capacity as collateral agent under the ABL Credit Agreement, and together with any of its successors in such capacity.

ABL Allowed Primary General Unsecured Claim means a Seventy-Eight Million Dollar ($78,000,000) Allowed General Unsecured Claim against the Estate of CHC Cayman ABL Borrower LTD., as borrower under the ABL Credit Agreement.

ABL Allowed Secondary General Unsecured Claims mean a Seventy-Eight Million Dollar ($78,000,000) Allowed General Unsecured Claim against each of the Estates of CHC Cayman ABL Holdings LTD., CHC Helicopter Holdings S.À R.L., CHC Helicopter S.A., and 6922767 Holdings SARL, as guarantors under the ABL Credit Agreement.

ABL Lender Parties means Morgan Stanley Senior Funding, Inc., Morgan Stanley Bank, N.A., BNP Paribas S.A., Natixis, New York Branch, and Deutsche Bank AG New York Branch, each as lenders under the ABL Credit Agreement, the ABL Credit Facility Administrative Agent, and the ABL Credit Facility Collateral Agent.

Accredited Investor means an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act of 1933, as amended.

Additional Consenting Parties means each of the other beneficial owners (or investment managers or advisors for the beneficial owners) of the Senior Secured Notes, Unsecured Notes, or Claims against the Debtors, in each case, that becomes a party to the Plan Support Agreement from and after October 11, 2016 in accordance with its terms by executing and delivering a Joinder Agreement (as defined in the Plan Support Agreement), together with any of their respective successors and permitted assigns under the Plan Support Agreement.

Administrative Expense Claim means any Claim for costs and expenses of administration of the Chapter 11 Cases pursuant to sections 327, 328, 330, 365, 503(b), 507(a)(2), or 507(b) of the Bankruptcy Code, including (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) the Professional Fee Claims; (c) the Milestone Administrative Expense Claim; (d) the Put Option Premium, to the extent paid in cash pursuant to the terms and conditions of the Backstop Agreement; and (e) the Restructuring Expenses.

Aircraft Equipment means an aircraft, aircraft engine, propeller, appliance, or spare part (each as defined in section 40102 of title 49 of the United States Code) that is subject to a security interest granted by, leased to, or conditionally sold to any of the Debtors, including all records and documents relating to such equipment.

Aircraft Sublease means any agreement relating to any sublease (including, without limitation, any sub-sublease) of Aircraft Equipment, including, without limitation, any sublease agreement and any security assignment of sublease agreement or of any insurances maintained by the sublessee, or of any insurance or other proceeds of any such sublease agreement or security assignment.

Allowed means, (a) with respect to any Claim, (i) any Claim arising on or before the Effective Date (A) that is not Disputed, or (B) as to which all such challenges have been determined by a Final Order to the extent such challenges are determined in favor of the respective holder, (ii) any Claim that is compromised, settled, or otherwise resolved pursuant to the authority of the Debtors or Reorganized Debtors in a Final Order of the Bankruptcy Court,

(iii) any Claim expressly allowed by Final Order of the Bankruptcy Court, (iv) any Claim expressly allowed under this Plan, (v) any Claim that is listed in the Schedules as liquidated, non-contingent and undisputed, and (vi) any Administrative Expense Claim (A) that was incurred by a Debtor in the ordinary course of business before the Effective Date to the extent due and owing without defense, offset, recoupment or counterclaim of any kind, and (B) that is not otherwise Disputed; and (b) with respect to any Interest, such Interest is reflected as outstanding in the stock transfer ledger or similar register of any of the Debtors on the Distribution Record Date and is not subject to any objection or challenge. If a Claim is Allowed only in part, any provisions hereunder with respect to Allowed Claims are applicable solely to the Allowed portion of such Claim.

Amended and Restated ABL Credit Agreement means the Revolving Credit Agreement, as amended and restated, substantially in the form contained in the Plan Supplement and the terms of which shall be consistent in all material respects with those set forth in the Amended and Restated ABL Credit Facility Term Sheet.

Amended and Restated ABL Credit Facility means that certain asset-backed loan credit facility provided to the Reorganized Debtors pursuant to the Amended and Restated ABL Credit Agreement.

Amended and Restated ABL Credit Facility Documents means, collectively, the Amended and Restated ABL Credit Agreement and all other agreements, documents, and instruments delivered or entered into in connection therewith (including any guarantee agreements and collateral documentation).

Amended and Restated ABL Credit Facility Term Sheet means that term sheet approved on November 29, 2016 at Docket No. 1298.

Amended By-Laws means, with respect to a Reorganized Debtor, such Reorganized Debtor's amended or amended and restated by-laws (including any articles of association, operating agreement (including the Reorganized CHC Operating Agreement), or similar constitutional document, if any, required under the laws of such Reorganized Debtor's jurisdiction of organization), a substantially final form of which will be contained in the Plan Supplement to the extent they contain material changes to the existing document, and the terms of which shall be consistent in all material respects with the Plan Term Sheet (as defined in, and attached to, the Plan Support Agreement) and otherwise acceptable to the Requisite Plan Sponsors in their sole discretion, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties).

Amended Certificate of Incorporation means, with respect to a Reorganized Debtor, such Reorganized Debtor's amended or amended and restated certificate of incorporation (including any operating agreement (including the Reorganized CHC Operating Agreement), memorandum of association or similar constitutional document, if any, required under the laws of such Reorganized Debtor's jurisdiction of organization), a substantially final form of which will be contained in the Plan Supplement, to the extent it contains material changes to the

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existing document, and the terms of which shall be consistent in all material respects with the Plan Term Sheet and otherwise acceptable to the Requisite Plan Sponsors in their sole discretion, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties).

Asset means all of the right, title, and interest in and to property of whatever type or nature (including real, personal, mixed, intellectual, tangible, and intangible property).

Avoidance Actions means any and all actual or potential Claims and Causes of Action to avoid a transfer of property or an obligation incurred by any of the Debtors pursuant to any applicable section of the Bankruptcy Code, including sections 502(d), 544, 545, 547, 548, 549, 550, 551, 553(b), and 724(a) of the Bankruptcy Code, or under similar or related state or federal statutes and common law.

Backstop Agreement means that certain Backstop Agreement, dated as of October 11, 2016, by and among CHC Parent and the Backstop Parties.

Backstop Commitment means the obligation of the Backstop Parties to purchase the New Second Lien Convertible Notes in the Rights Offering in the amounts set forth in Exhibit A to the Backstop Agreement, pursuant to the terms and conditions of the Backstop Agreement.

Backstop Parties means certain of the Plan Sponsors and the Individual Creditor Parties, together with any of their respective successors and permitted assigns pursuant to the terms and conditions of the Backstop Agreement, that have agreed to backstop the Rights Offering under the Backstop Agreement, each in its capacity as such.

Ballot means the applicable form or forms of ballot(s) to be distributed to holders of Claims entitled to vote on the Plan and on which the acceptance or rejection of the Plan is to be indicated.

Bankruptcy Code means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.

Bankruptcy Court means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, having jurisdiction over the Chapter 11 Cases and, to the extent of any reference made under section 157 of title 28 of the United States Code or the Bankruptcy Court is determined not to have authority to enter a Final Order on an issue, the unit of such District Court having jurisdiction over the Chapter 11 Cases under section 151 of title 28 of the United States Code.

Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time, applicable to the Chapter 11 Cases, and any Local Rules of the Bankruptcy Court.

Business Day means any day other than a Saturday, a Sunday or any other day on which banking institutions in New York, New York are authorized or required by law or executive order to close.

Canadian Court means the Supreme Court of British Columbia.

Canadian Recognition Proceeding means the proceeding commenced before the Canadian Court by CHC Parent, as foreign representative of the Debtors, on September 30, 2016, under Part IV of the Companies' Creditors Arrangement Act, seeking, among other things, recognition of the Chapter 11 Cases as "foreign main proceedings" (ii) recognition of CHC Parent as the foreign representative of the Debtors; (iii) recognition of certain orders granted by the Bankruptcy Court in the Chapter 11 Cases; and (iv) a stay of all proceedings against the Canadian Debtors and their directors and officers.

Cash means legal tender of the United States of America.

Cash Collateral Order means, collectively, (a) the interim orders authorizing the use of prepetition collateral and cash collateral entered by the Bankruptcy Court on *May 07, 2016* [Docket No. 61]; *June 08, 2016* [Docket No. 274]; *July 08, 2016* [Docket No. 570]; *August 09, 2016* [Docket No. 734]; *September 02, 2016* [Docket No. 831]; *September 23, 2016* [Docket No. 906]; *October 21, 2016* [Docket No. 1045]; *November 7, 2016* [Docket No. 1146]; *December 6, 2016* [Docket No. 1292]; and *December ___, 2016* [Docket No. ___] and (b) the final order authorizing and granting such relief, entered by the Bankruptcy Court on [*January __, 2017*] [Docket No. __].

Cause of Action means any action, claim, cross-claim, third-party claim, cause of action, controversy, demand, right, Lien, indemnity, contribution, guarantee, suit, obligation, liability, debt, damage, judgment, account, defense, remedy, offset, power, privilege, license and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, secured or unsecured, assertable directly or derivatively (including under alter ego theories), whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity or pursuant to any other theory of law. For the avoidance of doubt, Cause of Action includes: (a) any right of setoff, counterclaim or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to sections 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress and usury and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any claims under any state or foreign law, including any fraudulent transfer or similar claims.

Cayman Proceedings means any proceedings in the Cayman Islands necessary to effectuate the Restructuring.

Chapter 11 Case means, with respect to a Debtor, such Debtor's case under chapter 11 of the Bankruptcy Code commenced on May 5, 2016 in the Bankruptcy Court, jointly

administered with all other Debtors' cases under chapter 11 of the Bankruptcy Code, and styled *In re CHC Group Ltd., et al.*, Ch. 11 Case No. 16-31854 (BJH).

CHC Parent means CHC Group Ltd., a Cayman Islands exempted company.

Claim means a "claim" against a Debtor, as such term is defined in section 101(5) of the Bankruptcy Code.

Class means any group of Claims or Interests classified under this Plan pursuant to section 1122(a) of the Bankruptcy Code.

Collateral means any Asset of an Estate that is subject to a Lien securing the payment or performance of a Claim, which Lien is valid and has not been avoided under the Bankruptcy Code or applicable nonbankruptcy law.

Confirmation Date means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order.

Confirmation Hearing means the hearing to be held by the Bankruptcy Court regarding confirmation of this Plan, as such hearing may be adjourned or continued from time to time.

Confirmation Order means the order of the Bankruptcy Court, together with all exhibits, appendices, supplements, and related documents, confirming this Plan pursuant to section 1129 of the Bankruptcy Code, which shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties.

Consenting Creditor Parties means the Milestone Parties, the Plan Sponsors, the Creditors' Committee, the Individual Creditor Parties, and the Additional Consenting Parties.

Convenience Claim means any Claim against the Debtors that would otherwise be a Primary General Unsecured Claim that is (i) Allowed in the Convenience Claim Amount or less, or (ii) irrevocably reduced to the Convenience Claim Amount at the election of the holder of the Allowed Primary General Unsecured Claim evidenced on the Ballot submitted by such holder; *provided, however*, that a Primary General Unsecured Claim may not be subdivided into multiple Claims of the Convenience Claim Amount or less for purposes of receiving treatment as a Convenience Claim; *provided, further, however* that, to the extent that a holder of a Convenience Claim against a Debtor holds any joint and several liability claims, guaranty claims, or other similar claims against any other Debtors arising from or relating to the same obligations or liability as such Convenience Claim, such holder shall only be entitled to a distribution on one Convenience Claim against the Debtors in full and final satisfaction of all such Claims.

Convenience Claim Amount means One Hundred Thousand Dollars ($100,000), or such greater amount as may be agreed to among the Debtors and the Creditors' Committee.

Convenience Claim Distribution Amount means the aggregate amount of Cash distributed to holders of Allowed Convenience Class Claims against all Debtors, which amount shall not exceed Seven Hundred Fifty Thousand Dollars ($750,000) in the aggregate.

Creditors' Committee means the statutory committee of unsecured claimholders appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, as same may be constituted from time to time.

Cure Amount means the payment of Cash or the distribution of other property (as the parties may agree or the Bankruptcy Court may order) as necessary (a) to cure a monetary default by the Debtors in accordance with the terms of an executory contract or unexpired lease of the Debtors and (b) to permit the Debtors to assume such executory contract or unexpired lease under section 365(a) of the Bankruptcy Code.

Cure Dispute means a pending objection regarding assumption, cure, "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code), or other issues related to assumption of an executory contract or unexpired lease.

Cure Notice means a notice of a proposed Cure Amount to be paid in connection with an executory contract or unexpired lease to be assumed or assumed and assigned under the Plan pursuant to section 365 of the Bankruptcy Code, which notice shall include (i) procedures for objecting to proposed assumptions or assumptions and assignments of executory contracts and unexpired leases, (ii) any Cure Amount to be paid in connection therewith, and (iii) procedures for resolution by the Bankruptcy Court of any related disputes.

Debtor has the meaning set forth in the introductory paragraph of this Plan.

Debtor in Possession means, with respect to a Debtor, that Debtor in its capacity as a debtor in possession pursuant to sections 1101, 1107(a), and 1108 of the Bankruptcy Code.

Disallowed means, with respect to any Claim or Interest, that such Claim or Interest has been determined by a Final Order or specified in a provision of this Plan not to be Allowed.

Disbursing Agent means any Entity in its capacity as a disbursing agent under Section 6.6 hereof, including any Debtor, or Reorganized Debtor, as applicable, that acts in such a capacity.

Disclosure Statement means the Disclosure Statement for this Plan, as supplemented from time to time, which is prepared and distributed in accordance with sections 1125, 1126(b), and 1145 of the Bankruptcy Code, Bankruptcy Rules 3016 and 3018, and other applicable law, which shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties.

Disclosure Statement Order means the order entered by the Bankruptcy Court approving the Disclosure Statement.

Disputed means, with respect to a Claim, (a) any Claim, proof of which was timely and properly filed, which is disputed under Section 7.1 of this Plan or as to which the Debtors have interposed and not withdrawn an objection or request for estimation (pursuant to Section 7.3 of this Plan or otherwise) that has not been determined by a Final Order, (b) any Claim, proof of which was required to be filed by order of the Bankruptcy Court but as to which a proof of claim was not timely or properly filed, (c) any Claim that is listed in the Schedules as unliquidated, contingent, or disputed, or (d) any Claim that is otherwise disputed by any of the Debtors or Reorganized Debtors in accordance with applicable law or contract, which dispute has not been withdrawn, resolved, or overruled by a Final Order.

Disputed Claims Reserve means the reserve established pursuant to and governed by Section 7.7 of this Plan.

Distribution Record Date means the Effective Date.

DTC means the Depository Trust Company, a limited-purpose trust company organized under the New York State Banking Law.

Effective Date means the date which is the first Business Day selected by the Debtors on which (a) all conditions to the effectiveness of this Plan set forth in Section 9.1 hereof have been satisfied or waived in accordance with the terms of this Plan and (b) no stay of the Confirmation Order is in effect.

Eligible Offeree means a holder or transferee of an Allowed Senior Secured Notes Claim or an Allowed Unsecured Notes Claim, in each case who is an Accredited Investor as of the Rights Offering Record Date.

Entity has the meaning set forth in section 101(15) of the Bankruptcy Code.

Estate means the estate of a Debtor created under section 541 of the Bankruptcy Code.

Exculpated Parties means, collectively, and in each case in their capacities as such: (a) the Debtors; (b) the Plan Sponsors; (c) the Disbursing Agent; (d) the Senior Secured Notes Indenture Trustee; (e) the Secured Parties Collateral Agent; (f) the Milestone Parties and the Milestone Trustees; (g) the Creditors' Committee and its current and former members; (h) the Unsecured Notes Indenture Trustee; (i) the Individual Creditor Parties; (j) the Backstop Parties; (k) the ABL Lender Parties; and (l) with respect to each of the foregoing entities, such entities' predecessors, professionals, successors, assigns, subsidiaries, affiliates, managed accounts and funds, current and former officers and directors, principals, shareholders, members, partners, managers, employees, subcontractors, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals, and such entities' respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such.

Existing CHC Interests means all Interests in CHC Parent immediately prior to the Effective Date, including all options, warrants, ordinary and preferred shares.

Exit Revolving Credit Agreement means the Revolving Credit Agreement, as amended and restated, substantially in the form contained in the Plan Supplement, and the terms of which shall be reasonably acceptable to the Debtors, the Creditors' Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties.

Exit Revolving Credit Facility means that certain revolving credit facility provided to the Reorganized Debtors pursuant to the Exit Revolving Credit Agreement.

Exit Revolving Credit Facility Agent means _____, solely in its capacity as administrative agent under the Exit Revolving Credit Agreement, and together with any of its successors in such capacity.

Exit Revolving Credit Facility Documents means, collectively, the Exit Revolving Credit Agreement and all other agreements, documents, and instruments delivered or entered into in connection therewith (including any guarantee agreements and collateral documentation).

Final Order means an order, ruling, or judgment of the Bankruptcy Court (or other court of competent jurisdiction) entered by the Clerk of the Bankruptcy Court (or such other court) which has not been modified, amended, reversed, vacated or stayed and as to which (A) the time to appeal, petition for certiorari, or move for a new trial, stay, reargument or rehearing has expired and as to which no appeal, petition for certiorari or motion for new trial, stay, reargument or rehearing is then pending or (B) if an appeal, writ of certiorari, new trial, stay, reargument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court (or other court of competent jurisdiction) shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied, or a new trial, stay, reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for a new trial, stay, reargument or rehearing shall have expired, as a result of which such order shall have become final in accordance with Bankruptcy Rule 8002; provided that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order, shall not cause an order not to be a Final Order.

General Unsecured Claim means any Claim that is (a) not an Administrative Expense Claim, a Professional Fee Claim, a Priority Tax Claim, an Other Priority Claim, an Other Secured Claim, a Revolving Credit Agreement Claim, a Senior Secured Note Claim, an ABL Credit Agreement Claim (other than the ABL Allowed General Unsecured Claim), an Unsecured Notes Claim, a Senior Secured Notes Deficiency Claim, an Intercompany Claim, or a Convenience Claim, or (b) otherwise determined by an order of the Bankruptcy Court to be a General Unsecured Claim, including, for the avoidance of doubt, the Milestone Allowed General Unsecured Claim.

Governmental Unit has the meaning set forth in section 101(27) of the Bankruptcy Code.

Impaired means, with respect to a Claim, Interest, or a Class of Claims or Interests, "impaired" within the meaning of such term in sections 1123(a)(4) and 1124 of the Bankruptcy Code.

Indenture Trustees means the Senior Secured Notes Indenture Trustee and the Unsecured Notes Indenture Trustee.

Individual Creditor Parties means Solus Alternative Asset Management LP and Marble Ridge Capital LP, as beneficial holders, or investment advisors or managers for the account of such beneficial holders of Unsecured Notes, together with any of their respective successors and permitted assigns under the Plan Support Agreement that have executed the Plan Support Agreement.

Intercompany Claim means any Claim against a Debtor held by either another Debtor or by a non-debtor affiliate of a Debtor. For the avoidance of doubt, any Claims against a Debtor held by either another Debtor or by a non-debtor affiliate of a Debtor that has otherwise been assigned by such Debtor or non-debtor affiliate to a third-party is not an Intercompany Claim.

Intercompany Interest means an Interest in a Debtor other than CHC Parent held by another Debtor or by a non-debtor affiliate of a Debtor.

Interest means any equity security (as defined in section 101(16) of the Bankruptcy Code) of a Debtor, including all ordinary shares, common stock, preferred stock, or other instrument evidencing any fixed or contingent ownership interest in any Debtor, whether or not transferable, including any option, warrant, or other right, contractual or otherwise, to acquire any such interest in a Debtor, that existed immediately before the Effective Date.

Issuing Banks has the meaning ascribed to such term in the Revolving Credit Agreement.

Lien has the meaning set forth in section 101(37) of the Bankruptcy Code.

Local Rules means the local bankruptcy rules of the Bankruptcy Court.

Management Incentive Plan means the management incentive plan that will be adopted by the Reorganized Debtors on, or as soon as reasonably practicable after, the Effective Date, consistent with the terms set forth in the Plan Supplement.

Management Incentive Plan Securities means the New Membership Interests, or any options, warrants, or other securities, issued pursuant to the Management Incentive Plan.

Milestone means The Milestone Aviation Group Limited.

Milestone Administrative Expense Claim has the meaning ascribed to the term "Agreed Administrative Expense Claim" in the Milestone Term Sheet.

Milestone Aircraft Lease Agreements means the Milestone Committed Aircraft Lease Agreements and the Milestone Incremental Aircraft Lease Agreements.

Milestone Committed Aircraft Lease Agreements means the Facility Documents and the Definitive Restructuring Documents in respect of the Committed Aircraft (as those terms are defined in the Milestone Term Sheet).

Milestone Incremental Aircraft Lease Agreements means Definitive Restructuring Documents entered into post-petition for the Incremental Aircraft (as those terms are defined in the Milestone Term Sheet).

Milestone Parties means collectively, The Milestone Aviation Group Limited; The Milestone Aviation Asset Holding Group No. 1 Ltd; The Milestone Aviation Asset Holding Group No. 8 Ltd; The Milestone Aviation Asset Holding Group No. 20 Ltd; The Milestone Aviation Asset Holding Group No. 25 Ltd; Milestone Export Leasing, Limited; GE Capital Equipment Finance Ltd; and GE European Equipment Finance (Aircraft No. 2) Limited.

Milestone Trustees has the meaning ascribed to such term in the Milestone Term Sheet.

Milestone Term Sheet means that certain term sheet, dated as of October 11, 2016, by and among CHC Parent and The Milestone Aviation Group Limited, attached as Exhibit C to the Plan Support Agreement, and all exhibits, schedules, and annexes, including the PK Commitment Letter, related thereto, as may be amended pursuant to the terms thereof.

Milestone Allowed General Unsecured Claim means the Allowed General Unsecured Claim of the Milestone Parties in the amounts set forth in the Milestone Term Sheet.

New Board means the initial five (5) member board of managers of Reorganized CHC comprised of: (a) the Chief Executive Officer, Karl Fessenden; (b) three (3) managers selected by the Requisite Plan Sponsors in their sole discretion, but after consultation with the Chief Executive Officer; and (c) one (1) independent manager selected by the Requisite Plan Sponsors in their sole discretion, but after consultation with the Creditors' Committee and the Individual Creditor Parties, and in each instance as disclosed in the Plan Supplement.

New Intercreditor Agreement means that certain Intercreditor Agreement, to be entered into on the Effective Date, if necessary, by and between the Exit Revolving Credit Facility Agent and the New Second Lien Convertible Notes Indenture Trustee, substantially in the form contained in the Plan Supplement and the terms of which shall be reasonably acceptable to the Debtors, the Creditors' Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties.

New Membership Interest means one of the ordinary membership interests of Reorganized CHC to be issued on the Effective Date.

New Second Lien Convertible Notes means the New Second Lien Convertible Notes due three-and-a-half years from the Effective Date, issued pursuant to the New Second Lien Convertible Notes Indenture in the initial aggregate principal amount of Four Hundred

Sixty-Four Million One Hundred Forty-Eight Thousand One Hundred Forty-Eight Dollars ($464,148,148).

New Second Lien Convertible Notes Documents means, collectively, the New Second Lien Convertible Notes Indenture and all other agreements, documents, and instruments delivered or entered into in connection therewith (including any guarantee agreements and collateral documentation).

New Second Lien Convertible Notes Indenture means that certain Indenture, to be dated as of the Effective Date, by and among Reorganized CHC, the guarantors party thereto, and the New Second Lien Convertible Notes Indenture Trustee, substantially in the form contained in the Plan Supplement and the terms of which shall be reasonably acceptable to the Debtors, the Creditors' Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties.

New Second Lien Convertible Notes Indenture Trustee means _____, solely in its capacity as indenture trustee under the New Second Lien Convertible Notes Indenture.

New Unsecured Notes means the New Unsecured Notes due seven (7) years from the Effective Date issued pursuant to the New Unsecured Notes Indenture in the aggregate principal amount of Thirty-Seven Million Five Hundred Thousand Dollars ($37,500,000), less the Convenience Claim Distribution Amount.

New Unsecured Notes Indenture means that certain Indenture, to be dated as of the Effective Date, by and among Reorganized CHC, the guarantors party thereto, and the New Unsecured Notes Indenture Trustee, substantially in the form contained in the Plan Supplement and the terms of which shall be reasonably acceptable to the Debtors, the Creditors' Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties.

New Unsecured Notes Indenture Trustee means _____, solely in its capacity as indenture trustee under the New Unsecured Notes Indenture.

Non-Eligible Offeree means a holder of an Allowed Senior Secured Notes Claim or an Allowed Unsecured Notes Claim that is not an Accredited Investor as of the Rights Offering Record Date.

Other Priority Claim means any claim asserting a priority described in section 507(a) of the Bankruptcy Code that is not: (a) an Administrative Expense Claim; (b) a Professional Fee Claim; or (c) a Priority Tax Claim.

Other Secured Claim means any Secured Claim against a Debtor other than a Revolving Credit Agreement Claim, an ABL Credit Agreement Claim, or a Senior Secured Notes Claim.

Person means an individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, estate,

unincorporated organization, governmental unit (as defined in section 101(27) of the Bankruptcy Code, or other entity (as defined in section 101(15) of the Bankruptcy Code).

Petition Date means May 5, 2016.

PK means PK Transportation Finance Ireland Limited.

PK Financing Commitment Letter means the financing commitment letter from PK for a One Hundred Fifty Million Dollar ($150,000,000) asset backed debt facility in the form attached as Exhibit B to the Milestone Term Sheet, as approved by the Bankruptcy Court on _____ [Docket No. ____].

PK Financing Facility Documents means collectively, any and all agreements, documents, and instruments delivered or entered into in connection with the PK Financing Facility (including any guarantee agreements and collateral documentation) substantially in the forms contained in the Plan Supplement.

PK Financing Facility means the senior secured asset backed term loan facility between PK and a group of other lenders to be arranged by PK, as lenders, and a special purpose company incorporated in Ireland wholly owned by CHC Parent, as the borrower, for the purpose of acquiring and/or refinancing certain aircraft as contemplated by the PK Financing Commitment Letter, such facility to be utilized through one drawdown per aircraft.

Plan means this joint chapter 11 plan of reorganization, including all appendices, exhibits, schedules, and supplements hereto (including any appendices, schedules, and supplements to the Plan that are contained in the Plan Supplement), all as may be modified from time to time in accordance with the Bankruptcy Code, the terms hereof, and the terms of the Plan Support Agreement.

Plan Distribution means the payment or distribution of consideration to holders of Allowed Claims under this Plan.

Plan Document means any document, other than this Plan, to be executed, delivered, assumed, or performed in connection with the occurrence of the Effective Date, each of which, for the avoidance of doubt, is a Restructuring Document (as defined in the Plan Support Agreement), and includes, without limitation, any document included in the Plan Supplement, the Amended and Restated ABL Credit Facility Documents, PK Financing Facility Documents (if applicable), Amended Certificate of Incorporation, Amended By-Laws, Exit Revolving Credit Facility Documents, New Intercreditor Agreement, New Second Lien Convertible Notes Documents, the Registration Rights Agreement and the Reorganized CHC Operating Agreement.

Plan Equity Value means the agreed equity value of the New Membership Interests, which equity value is Five Hundred Forty-Three Million Five Hundred Thousand Dollars ($543,500,000) (assuming conversion of the New Second Lien Convertible Notes in full).

Plan Sponsors means the beneficial holders, or investment advisors or managers for the account of such beneficial holders, of Senior Secured Notes that have executed the Plan Support Agreement, and which are listed on Exhibit A to the Plan Term Sheet (as defined in, and attached to, the Plan Support Agreement).

Plan Supplement means a supplemental appendix to this Plan which shall be consistent with the Plan Support Agreement and contain, among other things, substantially final forms of the Management Incentive Plan term sheet, the Amended Certificates of Incorporation of the applicable Reorganized Debtors, the Amended By-Laws of the applicable Reorganized Debtors, the Reorganized CHC Operating Agreement, the Exit Revolving Credit Agreement, the Amended and Restated ABL Credit Agreement, the PK Financing Facility Documents (if applicable), the New Second Lien Convertible Notes Indenture, the New Unsecured Notes Indenture, the New Intercreditor Agreement (if applicable), the Schedule of Assumed Contracts and Leases, the Schedule of Rejected Contracts and Leases, the Schedule of Assumed Aircraft Leases, the Schedule of Rejected Aircraft Leases, the Schedule of Assumed Compensation and Benefit Plans, and, with respect to the members of the New Board and officers of the Reorganized Debtors, information required to be disclosed in accordance with section 1129(a)(5) of the Bankruptcy Code; *provided*, that, through the Effective Date, the Debtors shall have the right to amend the documents contained in, and the exhibits to, the Plan Supplement in accordance with the terms of this Plan and the Plan Support Agreement. Each of the Plan Supplement documents shall be in form and substance reasonably acceptable to the Debtors, the Creditors Committee, the Requisite Plan Sponsors, and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties, *provided however* that all Governance Matters (as defined in the Plan Support Agreement) shall be consistent in all material respects with the Plan Term Sheet, and determined by the Requisite Plan Sponsors in their sole discretion, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties), and otherwise in accordance with the Plan Support Agreement. The Plan Supplement shall be filed with the Bankruptcy Court no later than ten (10) calendar days before the Voting Deadline.

Plan Support Agreement means that certain Plan Support Agreement (including all exhibits thereto), dated as of October 11, 2016, by and among the Debtors and the Consenting Creditor Parties, as may be amended, restated, or otherwise modified in accordance with its terms, and as approved by the Support Agreements Approval Order.

Plan Term Sheet has the meaning ascribed to "Term Sheet" in the Plan Support Agreement.

Post-Effective Date Committee means the committee established pursuant to Section 12.4 hereof.

Post-Effective Date Committee Fee Cap means a cap of Five Hundred Thousand Dollars ($500,000) in the aggregate on the fees and expenses of the Post-Effective Date Committee.

Postpetition Aircraft Agreement means an agreement (including leases, subleases, security agreements, and mortgages and any amendments, modifications, or supplements of or to any lease, sublease, security agreement, or mortgage, and such leases, subleases, security agreements, guarantee agreements, or mortgages as so amended, modified, or supplemented, and any agreement settling or providing for any Claims or other otherwise addressing any matters relating to any lease, sublease, security agreement, mortgage or any amendment, modification, or supplement of or to any lease, sublease, security agreement, or mortgage) entered into by the Debtors relating to Aircraft Equipment and either (i) set forth on the Schedule of Assumed Aircraft Leases or the Schedule of Rejected Aircraft Leases in Plan Supplement or (ii) entered into subsequent to the filing of such schedules and identified by the Debtors as a Postpetition Aircraft Agreement in a filing with the Bankruptcy Court.

Prepetition Note Indentures *means* the Senior Secured Notes Indenture and the Unsecured Notes Indenture.

Primary General Unsecured Claim means (i) a General Unsecured Claim against the Debtors, other than (a) any guaranty claim or other similar claims arising from or relating to the same obligations or liability as such General Unsecured Claim (including Claims arising out of a security or collateral assignment by one Debtor to the extent such Claim secures or otherwise supports any primary obligation of another Debtor entity), or (b) a General Unsecured Claim arising out of an Aircraft Sublease, and (ii) the ABL Primary General Unsecured Claim.

Primary General Unsecured Claims Distribution means collectively, (i) five-point-seven percent (5.7%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which shall equate to point-eight percent (0.8%) of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan), and (ii) Seventeen Million Nine Hundred Seventy-Nine Thousand Six Hundred Forty-Eight Dollars ($17,979,648) of the New Unsecured Notes.

Priority Tax Claim means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

Pro Rata means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class.

Professional Fee Claim means any Claims for accrued fees and expenses (including success fees) for services rendered and expenses incurred by Professional Persons, subject to the Court's approved interim compensation procedures from the Petition Date through and including the Effective Date to the extent such fees and expenses have not been paid pursuant to an order of the Bankruptcy Court. For the avoidance of doubt, the fees and expenses of the Indenture Trustees and all other Restructuring Expenses do not constitute Professional Fee Claims.

Professional Person means any Person retained by order of the Bankruptcy Court in connection with these Chapter 11 Cases pursuant to sections 327, 328, 330, 503(b), or 1103 of

the Bankruptcy Code, excluding any ordinary course professional retained pursuant to an order of the Bankruptcy Court.

Put Option Premium means a nonrefundable aggregate premium (a) payable on the Effective Date to the Backstop Parties in New Second Lien Convertible Notes in a principal amount of Thirty Million Eight Hundred Fourteen Thousand Eight Hundred Fifteen Dollars ($30,814,815) or (b) payable in cash if the Backstop Agreement is terminated prior to the Effective Date, in each case pursuant to the terms and conditions of the Backstop Agreement.

QIB means a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act.

Registration Rights Agreement means one or more registration agreements that may be entered into on the Effective Date by the Registration Rights Parties, terms of which shall be consistent in all material respects with the Plan Term Sheet and otherwise acceptable to the Requisite Plan Sponsors in their sole discretion, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties).

Registration Rights Parties means Reorganized CHC and the Plan Sponsors.

Reinstated or Reinstatement means (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim entitles the holder of such Claim in accordance with section 1124 of the Bankruptcy Code, or (b) if applicable under section 1124 of the Bankruptcy Code: (i) curing all prepetition and postpetition defaults other than defaults relating to the insolvency or financial condition of the applicable Debtor or its status as a debtor under the Bankruptcy Code; (ii) reinstating the maturity date of the Claim; (iii) compensating the holder of such Claim for damages incurred as a result of its reasonable reliance on a contractual provision or such applicable law allowing the Claim's acceleration; and (iv) not otherwise altering the legal, equitable or contractual rights to which the Claim entitles the holder thereof.

Released Parties means, collectively, and in each case solely in their capacities as such: (a) the Debtors; (b) the Plan Sponsors; (c) the Backstop Parties; (d) the Senior Secured Notes Indenture Trustee; (e) the Secured Parties Collateral Agent; (f) the Milestone Parties, the Milestone Trustees, and PK; (g) the Creditors' Committee and its current and former members (h) the Unsecured Notes Indenture Trustee; (i) the Individual Creditor Parties; (j) the ABL Lender Parties, and (k) with respect to each of the foregoing Entities, such Entities' predecessors, professionals, successors, assigns, subsidiaries, affiliates, managed accounts and funds, current and former officers and directors, principals, shareholders, members, partners, managers, employees, subcontractors, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals, and such Entities' respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such.

Releasing Parties means (i) the holders of all Claims or Interests who vote to accept this Plan, (ii) the holders of Claims or Interests that are Unimpaired under this Plan,

(iii) the holders of Claims or Interests whose vote to accept or reject this Plan is solicited but who do not vote either to accept or to reject this Plan, and (iv) the holders of Claims or Interests who vote to reject this Plan but do not opt out of granting the releases set forth herein.

Reorganized CHC means a new Cayman limited liability company, which will acquire all of the Assets of the CHC Parent on the Effective Date in accordance with this Plan and the Cayman Proceedings.

Reorganized CHC Operating Agreement means the operating agreement for Reorganized CHC, the terms of which shall be consistent in all material respects with the Plan Term Sheet and otherwise be acceptable to the Requisite Plan Sponsors in their sole discretion, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties).

Reorganized Debtors means the Debtors, as reorganized as of the Effective Date in accordance with this Plan, and Reorganized CHC.

Requisite Plan Sponsors means, as of any date of determination, the Plan Sponsors that are providing at least a majority of the Plan Sponsors' aggregate Backstop Commitments in respect of the Rights Offering.

Restructuring means the financial and operational restructuring of the Debtors, the principal terms of which are set forth in this Plan and the Plan Supplement.

Restructuring Expenses means the fees and expenses payable pursuant to the Cash Collateral Order, the Plan Support Agreement, the Backstop Agreement, and the Amended and Restated ABL Credit Facility Term Sheet.

Restructuring Transactions means the one or more transactions outlined in Exhibit D to the Disclosure Statement, which shall also be included in the Plan Supplement (and may be amended and supplemented therein).

Revolving Credit Agreement means that certain Credit Agreement, dated as of January 23, 2014 (as amended, restated, supplemented or otherwise modified from time to time), by and among CHC Helicopter S.A., CHC Global Operations International Inc., CHC Global Operations (2008) Inc., Heli-One Canada Inc., Heli-One Leasing Inc., CHC Den Helder B.V., CHC Holding NL B.V., CHC Netherlands B.V., CHC Norway Acquisition Co AS, and Heli-One (Norway) AS, as borrowers, the lenders and Issuing Banks party thereto from time to time, the Revolving Credit Facility Administrative Agent, and the Secured Parties Collateral Agent, including all agreements, notes, instruments, and any other documents delivered pursuant thereto or in connection therewith (in each case, as amended, restated, modified, or supplemented from time to time prior to the Petition Date).

Revolving Credit Agreement Claim means any Claim arising under or related to the Revolving Credit Agreement or any other Loan Documents, including all Secured Obligations, including Secured Obligations consisting of Cash Management Obligations and/or Hedging Obligations (as each such term is defined in the Revolving Credit Agreement), which

claims shall be Allowed in the aggregate amount of Three Hundred Eighty-Three Million Twenty Thousand Eight Hundred Eighty-Six Dollars ($383,020,886).

Revolving Credit Facility means, collectively, all advances and other extensions of credit made to the Debtors under the Revolving Credit Agreement.

Revolving Credit Facility Administrative Agent means HSBC Bank PLC., solely in its capacity as administrative agent under the Revolving Credit Agreement, and together with any of its successors in such capacity.

Revolving Credit Facility Lenders means the lenders party to the Revolving Credit Agreement, solely in their capacity as such.

Rights Offering means that certain rights offering pursuant to which each Eligible Offeree is entitled to receive Subscription Rights to acquire the New Second Lien Convertible Notes in accordance with the Rights Offering Procedures.

Rights Offering Procedures means the procedures for the implementation of the Rights Offering, as approved by the Bankruptcy Court pursuant to the Disclosure Statement Order and included in Section XIII of the Disclosure Statement.

Rights Offering Record Date means the date established in the Rights Offering Procedures as the record date for determining the holders of Allowed Senior Secured Notes Claims or Allowed Unsecured Notes Claims entitled to receive the Subscription Rights.

Schedule of Assumed Aircraft Leases means the schedule of unexpired aircraft leases to be assumed and, if applicable, assigned, by the Debtors, to be filed as part of the Plan Supplement, which schedule shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee and the Requisite Plan Sponsors.

Schedule of Assumed Compensation and Benefit Plans means the schedule of employment and severance policies, and compensation and benefits plans, policies and programs of the Debtors to be assumed by the Debtors, to be filed as part of the Plan Supplement, which schedule shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee and the Requisite Plan Sponsors.

Schedule of Assumed Contracts and Leases means the schedule of executory contracts and unexpired leases to be assumed, and, if applicable, assigned, by the Debtors, to be filed as part of the Plan Supplement, which schedule shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee and the Requisite Plan Sponsors.

Schedule of Rejected Aircraft Leases means the schedule of unexpired aircraft leases to be rejected by the Debtors, to be filed as part of the Plan Supplement, which schedule shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee and the Requisite Plan Sponsors.

Schedule of Rejected Contracts and Leases means the schedule of executory contracts and unexpired leases to be rejected by the Debtors, to be filed as part of the Plan

Supplement, which schedule shall be in form and substance reasonably acceptable to the Debtors, the Creditors' Committee and the Requisite Plan Sponsors.

Schedules means, the schedules of assets and liabilities, statements of financial affairs, lists of holders of Claims and Interests, and all amendments or supplements thereto filed by the Debtors with the Bankruptcy Court.

Secondary General Unsecured Claim means (i) a General Unsecured Claim that is a guaranty claim, or other similar claims arising from or relating to the same obligations or liability as a Primary General Unsecured Claim (including Claims arising out of a security or collateral assignment by one Debtor to the extent such Claim secures or otherwise supports any primary obligation of another Debtor entity) asserted against any Debtor other than the Debtor against which the Primary General Unsecured Claim is asserted, (ii) a General Unsecured Claim arising out of an Aircraft Sublease, and (iii) the ABL Allowed Secondary General Unsecured Claims.

Secondary General Unsecured Claims Distribution means collectively, (i) five-point-nine percent (5.9%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which shall equate to point-nine percent (0.9%) of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan), and (ii) Eighteen Million Seven Hundred Seventy Thousand Three Hundred Fifty-Two Dollars ($18,770,352) of the New Unsecured Notes.

Secondary Recovery Debtors means 6922767 Holding SARL, Capital Aviation Services B.V., CHC Helicopter Australia Pty Ltd, CHC Helicopter S.A., CHC Helicopters (Barbados) Limited, CHC Helicopters (Barbados) SRL, Heli-One Leasing (Norway) AS, or Heli-One Leasing ULC.

Secured Claim means a Claim to the extent (a) secured by a valid, perfected and enforceable Lien on property of a Debtor's Estate, the amount of which is equal to or less than the value of such property (i) as set forth in this Plan, (ii) as agreed to by the holder of such Claim and the Debtors, or (iii) as determined by a Final Order in accordance with section 506(a) of the Bankruptcy Code or (b) subject to any setoff right of the holder of such Claim under section 553 of the Bankruptcy Code.

Secured Parties Collateral Agent means HSBC Corporate Trustee Company (UK) Limited, in its capacity as collateral agent under the Revolving Credit Facility and the Senior Secured Notes, and together with any of its successors in such capacity.

Securities Act means the Securities Act of 1933, as amended.

Security means any "security" as such term is defined in section 101(49) of the Bankruptcy Code.

Senior Secured Notes means the 9.25% Senior Secured Notes due 2020 issued pursuant to the Senior Secured Notes Indenture in the aggregate principal amount outstanding of

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One Billion Fourteen Million Two Hundred Eighty-Nine Thousand Two Hundred Dollars ($1,014,289,200).

Senior Secured Notes Claim means any Claim arising from, or related to, the Senior Secured Notes Indenture and the Senior Secured Notes, including all accrued prepetition interest, fees, and other expenses due under the Senior Secured Notes and Senior Secured Notes Indenture, including the Senior Secured Notes Indenture Trustee Expenses, and any related guarantee claims.

Senior Secured Notes Deficiency Claim means any portion of the Senior Secured Notes Claim that is an unsecured Claim.

Senior Secured Notes Indenture means that certain Indenture, dated as of October 4, 2010, by and among CHC Helicopter S.A., as issuer, each of the guarantors named therein, the Senior Secured Notes Indenture Trustee, and the Secured Parties Collateral Agent, including all agreements, notes, instruments, and any other documents delivered pursuant thereto or in connection therewith (in each case, as amended, modified, or supplemented from time to time).

Senior Secured Notes Indenture Trustee means The Bank of New York Mellon, solely in its capacity as indenture trustee under the Senior Secured Notes Indenture.

Senior Secured Notes Indenture Trustee Charging Lien means the Lien that secures repayment of the Senior Secured Notes Indenture Trustee Expenses, as provided for in section 7.07(d) of the Senior Secured Notes Indenture.

Senior Secured Notes Indenture Trustee Expenses means any reasonable and documented fees and out-of-pocket costs and expenses, incurred prior to or after the Petition Date by the Senior Secured Notes Indenture Trustee that are required to be paid under the Senior Secured Notes Indenture. Such amounts shall include, without limitation: (i) any extraordinary expenses incurred by the Senior Secured Notes Indenture Trustee that are required to be paid under the Senior Secured Notes Indenture, and (ii) the reasonable, documented, out-of-pocket costs and expenses of, and reasonable and documented unpaid legal fees and expenses actually incurred by counsel to the Senior Secured Notes Indenture Trustee in connection with the Chapter 11 Cases and the distributions to the holders of Senior Secured Notes Claims.

Senior Secured Notes Subscription Rights means the Subscription Rights to participate in Two Hundred Eighty Million Dollars ($280,000,000) of the Rights Offering for the New Second Lien Convertible Notes (the number of New Membership Interests issuable upon conversion of such New Second Lien Convertible Notes will be equal to 74.41% of the New Membership Interests on a fully diluted basis (but subject to dilution for the Management Incentive Plan) as of the Effective Date (*i.e.*, Four Hundred Four Million Four Hundred Forty-Four Thousand Four Hundred Forty-Four Dollars ($404,444,444) face amount of the New Second Lien Convertible Notes as of the Effective Date)).

Subscription Rights means the rights to purchase New Second Lien Convertible Notes in accordance with the Rights Offering Procedures.

Support Agreements means, collectively, the Plan Support Agreement, the Backstop Agreement, the Milestone Term Sheet, and all exhibits, schedules, annexes and agreements related to each of the foregoing, including, without limitation, the PK Financing Commitment Letter (as defined in the Plan Support Agreement).

Support Agreements Approval Order means the order of the Bankruptcy Court entered on [*December __, 2016*] [Docket No. __] approving the Support Agreements.

Tax Code means the Internal Revenue Code of 1986, as amended from time to time.

Unimpaired means, with respect to a Claim, Interest, or Class of Claims or Interests, not "impaired" within the meaning of such term in sections 1123(a)(4) and 1124 of the Bankruptcy Code.

Unsecured Notes means the 9.375% Unsecured Notes due 2021 issued pursuant to the Unsecured Notes Indenture in the aggregate principal amount outstanding of Ninety-Four Million Seven Hundred Thirty-Two Thousand Three Hundred Dollars ($94,732,300).

Unsecured Notes Claim means any Claim arising from, or related to, the Unsecured Notes Indenture and the Unsecured Notes, including all accrued prepetition interest, fees, and other expenses due under the Unsecured Notes and Unsecured Notes Indenture, including the Unsecured Notes Indenture Trustee Expenses, and any related guarantee claims.

Unsecured Notes Indenture means that certain Indenture, dated as of May 13, 2013 (as amended, modified, or otherwise supplemented from time to time), by and among CHC Helicopter S.A., as issuer, each of the guarantors named therein, and The Bank of New York Mellon, as original indenture trustee, including all agreements, notes, instruments, and any other documents delivered pursuant thereto or in connection therewith (in each case, as amended, modified, or supplemented from time to time prior to the Petition Date).

Unsecured Notes Indenture Trustee means the Law Debenture Trust Company of New York, solely in its capacity as successor indenture trustee under the Unsecured Notes Indenture, and together with any of its successors in such capacity.

Unsecured Notes Indenture Trustee Charging Lien means the Lien that secures repayment of the Unsecured Notes Indenture Trustee Expenses, as provided for in section 7.07(d) of the Unsecured Notes Indenture.

Unsecured Notes Indenture Trustee Expenses means any reasonable and documented fees and out-of-pocket costs and expenses, incurred prior to or after the Petition Date by the Unsecured Notes Indenture Trustee that are required to be paid under the Unsecured Notes Indenture. Such amounts shall include, without limitation: (i) any extraordinary expenses incurred by the Unsecured Notes Indenture Trustee that are required to be paid under the Unsecured Notes Indenture, and (ii) the reasonable, documented, out-of-pocket costs and expenses of, and reasonable and documented unpaid legal fees and expenses actually incurred by counsel to the Unsecured Notes Indenture Trustee in connection with the Chapter 11 Cases and the distributions to the holders of Unsecured Notes Claims.

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Unsecured Notes Subscription Rights means the Subscription Rights to participate in Twenty Million Dollars ($20,000,000) of the Rights Offering for the New Second Lien Convertible Notes (the number of New Membership Interests issuable upon conversion of such New Second Lien Convertible Notes will be equal to 5.32% of the New Membership Interests on a fully diluted basis (but subject to dilution for the Management Incentive Plan) as of the Effective Date (*i.e.*, Twenty-Eight Million Eight Hundred Eighty-Eight Thousand Eight Hundred Eighty-Nine Dollars ($28,888,889) face amount of the New Second Lien Convertible Notes as of the Effective Date)).

U.S. Trustee means the United States Trustee for Region 6.

Voting Deadline means the deadline established by the Bankruptcy Court by which ballots accepting or rejecting the Plan must be received by the Debtors' solicitation agent.

1.2 *Interpretation; Application of Definitions; Rules of Construction.*

Unless otherwise specified, all section or exhibit references in this Plan are to the respective section in or exhibit to this Plan, as the same may be amended, waived, or modified from time to time. The words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to this Plan as a whole and not to any particular section, subsection, or clause contained therein and have the same meaning as "in this Plan," "of this Plan," "to this Plan," and "under this Plan," respectively. The words "includes" and "including" are not limiting and shall be read to include "without limitation". The headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. For purposes herein: (a) in the appropriate context, each term, whether stated in the singular or plural, shall include both the singular and plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the reference document shall be substantially in that form or substantially on those terms and conditions; (c) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (d) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

1.3 *Reference to Monetary Figures.*

All references in this Plan to monetary figures shall refer to the legal tender of the United States of America unless otherwise expressly provided.

1.4 *Consent Rights of Consenting Creditor Parties.*

Notwithstanding anything herein to the contrary, any and all consent rights of the respective Consenting Creditor Parties set forth in the Plan Support Agreement with respect to the form and substance of this Plan, the Plan Supplement, the other Plan Documents, and any other Restructuring Documents (as defined in the Plan Support Agreement), including any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated

herein by this reference (including to the applicable definitions in Section 1.1 hereof) and fully enforceable as if stated in full herein.

1.5 ***Controlling Document.***

In the event of an inconsistency between this Plan and any instrument or document in the Plan Supplement, the terms of the relevant instrument or document in the Plan Supplement shall control unless otherwise specified in such Plan Supplement document. In the event of an inconsistency between this Plan, the Disclosure Statement, or any exhibit or schedule to the Disclosure Statement, this Plan shall control. As of the Effective Date, in the event of an inconsistency between this Plan and the Plan Support Agreement, this Plan shall control. The provisions of this Plan and of the Confirmation Order shall be construed in a manner consistent with each other so as to effectuate the purposes of each; *provided*, that if there is determined to be any inconsistency between any provision of this Plan and any provision of the Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of the Confirmation Order shall govern, and any such provisions of the Confirmation Order shall be deemed a modification of this Plan.

ARTICLE II. ADMINISTRATIVE EXPENSE CLAIMS, FEE CLAIMS, AND PRIORITY TAX CLAIMS.

2.1 ***Treatment of Administrative Expense Claims.***

Except with respect to Professional Fee Claims and Priority Tax Claims, and to the extent that a holder of an Allowed Administrative Expense Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtors, as applicable, agree to a less favorable treatment, on the Effective Date or as soon thereafter as is reasonably practicable, each holder of an Allowed Administrative Expense Claim shall receive, in full and final satisfaction of such Allowed Claim, Cash in an amount equal to the Allowed amount of such Claim; *provided*, that Allowed Administrative Expense Claims that arise in the ordinary course of the Debtors' business including Administrative Expense Claims arising from or with respect to the sale of goods or services on or after the Petition Date, shall be paid by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course of business in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents relating to such transactions, without further action by the holders of such Administrative Expense Claims or further approval by the Bankruptcy Court.

2.2 ***Treatment of Professional Fee Claims.***

All Professional Persons seeking payment of Professional Fee Claims shall file, no later than sixty (60) days after the Effective Date, their respective applications for final allowances of compensation for services rendered and reimbursement of expenses incurred. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the Allowed amounts of such Professional Fee Claims shall be determined by the Bankruptcy Court and shall be paid in full, in Cash. The Reorganized Debtors are authorized to pay compensation for professional services rendered and

reimbursement of expenses incurred after the Confirmation Date in the ordinary course and without the need for Bankruptcy Court approval. For the avoidance of doubt, this Section of the Plan shall not be applicable to any Restructuring Expenses, which shall be paid pursuant to Section 5.23 of the Plan.

2.3 *Treatment of Priority Tax Claims.*

Except to the extent that a holder of an Allowed Priority Tax Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtors, as applicable, agree to a less favorable treatment, on the Effective Date or as soon thereafter as is reasonably practicable, each holder of an Allowed Priority Tax Claim shall receive, at the option of the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtors, as applicable, in full and final satisfaction of such Allowed Priority Tax Claim, (i) Cash in an amount equal to the Allowed amount of such Claim, (ii) equal annual installment payments in Cash, of a total value, as of the Effective Date, equal to the Allowed amount of such Claim, over a period ending not later than five (5) years after the Petition Date, or (iii) treatment in a manner not less favorable than the most favored non-priority unsecured claim provided for by this Plan; *provided*, that Allowed Priority Tax Claims that arise in the ordinary course of the Debtors' business, shall be paid by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course of business in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents relating to such transactions, including this Plan, without further action by the holders of such Administrative Expense Claims or further approval by the Bankruptcy Court.

ARTICLE III. CLASSIFICATION OF CLAIMS AND INTERESTS.

3.1 *Classification in General.*

A Claim or Interest is placed in a particular Class for all purposes, including voting, confirmation, and distribution under this Plan and under sections 1122 and 1123(a)(1) of the Bankruptcy Code; *provided*, that a Claim or Interest is placed in a particular Class for the purpose of receiving distributions pursuant to this Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and such Claim or Interest has not been satisfied, released, or otherwise settled prior to the Effective Date.

A Claim or Interest shall be deemed classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class, and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class, *provided, however*, that any Claim classified in Class 7 shall not be classified in any other Class.

3.2 *Grouping of Debtors for Convenience Only.*

The Plan groups the Debtors together solely for the purpose of describing treatment of Claims and Interests under this Plan and confirmation of this Plan. Although this Plan applies to all of the Debtors, the Plan constitutes forty-three (43) distinct chapter 11 plans, one for each Debtor, except with respect to the Class 7 consolidation for distribution purposes

only set forth in Section 5.21 herein, and for voting and distribution purposes, each Class of Claims will be deemed to contain sub-classes for each of the Debtors, to the extent applicable. To the extent there are no Allowed Claims or Interests with respect to a particular Debtor, such Class is deemed to be omitted with respect to such Debtor. Except as otherwise provided herein, to the extent a holder has a Claim that may be asserted against more than one Debtor, the vote of such holder in connection with such Claims shall be counted as a vote of such Claim against each Debtor against which such holder has a Claim. The grouping of the Debtors in this manner shall not affect any Debtor's status as a separate legal Entity, change the organizational structure of the Debtors' business enterprise, constitute a change of control of any Debtor for any purpose, cause a merger of consolidation of any legal Entities, or cause the transfer of any Assets, and, except as otherwise provided by or permitted under this Plan, all Debtors shall continue to exist as separate legal Entities.

3.3 *Summary of Classification of Claims and Interests.*

The following table designates the Classes of Claims against and Interests in each Debtor and specifies which Classes are: (a) Impaired and Unimpaired under this Plan; (b) entitled to vote to accept or reject this Plan in accordance with section 1126 of the Bankruptcy Code; and (c) deemed to accept or reject this Plan with respect to such Debtor:

Class	**Type of Claim or Interest**	**Impairment**	**Entitled to Vote**
Class 1	Other Priority Claims	Unimpaired	No (Deemed to accept)
Class 2	Other Secured Claims	Unimpaired	No (Deemed to accept)
Class 3	Revolving Credit Agreement Claims	Impaired	Yes
Class 4	ABL Credit Agreement Claims	Impaired	Yes
Class 5	Senior Secured Notes Claims	Impaired	Yes
Class 6	Unsecured Notes Claims	Impaired	Yes
Class 7	General Unsecured Claims	Impaired	Yes
Class 8	Convenience Claims	Impaired	Yes
Class 9	Intercompany Claims	Unimpaired	No (Deemed to accept)
Class 10	Existing CHC Interests	Impaired	No (Deemed to reject)
Class 11	Intercompany Interests	Unimpaired	No (Deemed to accept)

3.4 ***Separate Classification of Other Secured Claims.***

Although all Other Secured Claims have been placed in one Class for purposes of nomenclature within this Plan, each Other Secured Claim, to the extent secured by a Lien on Collateral different from the Collateral securing another Other Secured Claim, shall be treated as being in a separate sub-Class for the purposes of receiving Plan Distributions.

3.5 ***Elimination of Vacant Classes.***

With respect to each Debtor, any Class that, as of the commencement of the Confirmation Hearing, does not have at least one holder of a Claim or Interest that is Allowed in an amount greater than zero for voting purposes shall be considered vacant, deemed eliminated from this Plan for purposes of voting to accept or reject this Plan, and disregarded for purposes of determining whether this Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to such Class.

3.6 ***Voting Classes; Presumed Acceptance by Non-Voting Classes***

With respect to each Debtor, if a Class contains Claims eligible to vote and no holder of Claims eligible to vote in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by the holders of such Claims in such Class.

3.7 ***Voting; Presumptions; Solicitation.***

(a) Acceptance by Certain Impaired Classes. Only holders of Allowed Claims in Classes 3, 4, 5, 6, 7, and 8 are entitled to vote to accept or reject this Plan. An Impaired Class of Claims shall have accepted this Plan if (i) the holders of at least two-thirds (2/3) in amount of the Allowed Claims actually voting in such Class have voted to accept this Plan and (ii) the holders of more than one-half (1/2) in number of the Allowed Claims actually voting in such Class have voted to accept this Plan. Holders of Claims in Classes 3, 4, 5, 6, 7, and 8 will receive ballots containing detailed voting instructions.

(b) Deemed Acceptance by Unimpaired Classes. Holders of Claims and Interests in Classes 1, 2, 9, and 11 are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Accordingly, such holders are not entitled to vote to accept or reject this Plan.

(c) Deemed Rejection by Impaired Classes. Holders of Existing CHC Interests in Class 10 are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Existing CHC Interests are not entitled to vote to accept or reject the Plan.

3.8 ***Cramdown.***

For any Class of Claims entitled to vote on this Plan that does not vote to accept this Plan, the Debtors will either (a) seek confirmation of this Plan under section 1129(b) of the Bankruptcy Code or (b) amend or modify this Plan in accordance with the terms hereof and the Bankruptcy Code.

3.9 ***No Waiver.***

Nothing contained in this Plan shall be construed to waive a Debtor's or other Person's right to object on any basis to any Claim.

ARTICLE IV. TREATMENT OF CLAIMS AND INTERESTS.

4.1 ***Class 1: Other Priority Claims.***

(a) Treatment: The legal, equitable, and contractual rights of the holders of Allowed Other Priority Claims are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Priority Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtor, as applicable, agree to a less favorable treatment, on the later of the Effective Date and the date that is ten (10) Business Days after the date such Other Priority Claim becomes an Allowed Claim, or as soon thereafter as is reasonably practicable, each holder of an Allowed Other Priority Claim shall receive, in full and final satisfaction of such Allowed Other Priority Claim, at the option of the Debtors, with consent of the Requisite Plan Sponsors and the Creditors' Committee, not be unreasonably withheld, or the Reorganized Debtor, as applicable, (i) Cash in an amount equal to the Allowed amount of such Claim or (ii) other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; *provided*, that Other Priority Claims that arise in the ordinary course of the Debtors' business, shall be paid by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course of business, and in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents relating to such transactions without further action by the holders of such Other Priority Claims or further approval by the Bankruptcy Court.

(b) Impairment and Voting: Allowed Other Priority Claims are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Priority Claims are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders will not be solicited with respect to such Allowed Other Priority Claims.

4.2 ***Class 2: Other Secured Claims.***

(a) Treatment: The legal, equitable, and contractual rights of the holders of Allowed Other Secured Claims are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Secured Claim and the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or the Reorganized Debtor, as applicable, agree to less favorable treatment, each holder of an Allowed Other Secured Claim shall, in full and final satisfaction of such Allowed Other Secured Claim, at the option of the Debtors with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, or Reorganized Debtors: (i) be Reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code, notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the holder of an Allowed Other Secured Claim to demand or to receive payment of such Allowed Other Secured Claim prior to the stated maturity of such Allowed Other Secured Claim from and after the

occurrence of a default; (ii) Cash in an amount equal to the Allowed amount of such Claim as determined in accordance with section 506(a) of the Bankruptcy Code, on the later of the initial distribution date under this Plan and thirty (30) days after the date such Other Secured Claim is Allowed (or as soon thereafter as is practicable); or (iii) receive the Collateral securing its Allowed Other Secured Claim on the later of the initial distribution date under this Plan and the date such Other Secured Claim becomes an Allowed Other Secured Claim (or as soon thereafter as is reasonably practicable).

(b) Impairment and Voting: Allowed Other Secured Claims are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Secured Claims are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders will not be solicited with respect to such Allowed Other Secured Claims.

4.3 ***Class 3: Revolving Credit Agreement Claims.***

(a) Treatment: On the Effective Date, or as soon as practicable thereafter, holders of Allowed Revolving Credit Agreement Claims shall receive, in full and final satisfaction of such Allowed Revolving Credit Agreement Claims, such holder's Pro Rata share of the Exit Revolving Credit Facility.

(b) Impairment and Voting: Allowed Revolving Credit Agreement Claims are Impaired. Holders of Allowed Revolving Credit Agreement Claims are entitled to vote on this Plan.

4.4 ***Class 4: ABL Credit Agreement Claims.***

(a) Treatment: On the Effective Date, or as soon as practicable thereafter, each holder of an Allowed ABL Credit Agreement Claim shall receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed ABL Credit Agreement Claim and, in accordance with the Amended and Restated ABL Credit Facility Term Sheet, its Pro Rata share of: (i) the Amended and Restated ABL Credit Agreement; (ii) distributions on account of the ABL Allowed Primary General Unsecured Claim and ABL Allowed Secondary General Unsecured Claim, which Allowed General Unsecured Claims shall receive treatment in accordance with Section 4.7 hereof; and (iii) the Exit Payment (as defined in the Amended and Restated ABL Credit Facility Term Sheet).

(b) Impairment and Voting: Allowed ABL Credit Agreement Claims are Impaired. Holders of Allowed ABL Credit Agreement Claims are entitled to vote on this Plan.

4.5 ***Class 5: Senior Secured Notes Claims.***

(a) Treatment: On or as soon as practicable after the Effective Date, each holder of a Senior Secured Notes Claim, which Claims are deemed Allowed in the aggregate amount of not less than One Billion Sixty-Seven Million Eight Hundred and Thirty-Two Thousand Five Hundred and Seventy-Six Dollars ($1,067,832,576) through the Petition Date, including accrued prepetition interest, plus fees and other expenses due under the Senior Secured Notes and Senior Secured Notes Indenture, including Senior Secured Notes Indenture Trustee

Expenses, shall receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed Senior Secured Notes Claim, and, in accordance with the Restructuring Transactions, (A) other than the Senior Secured Notes Indenture Trustee, its Pro Rata share of: (i) seventy-nine-and-a-half percent (79.5%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which shall equate to eleven-point-six percent 11.6% of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan); and (ii) (x) to the extent such holder is an Eligible Offeree, the Senior Secured Notes Subscription Rights and (y) to the extent such holder is a Non-Eligible Offeree, its share (calculated pursuant to the Rights Offering Procedures) of up to one percent (1%) of the New Membership Interests otherwise distributable to holders of Allowed Senior Secured Notes Claims (after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan) and (B) to the Senior Secures Notes Indenture Trustee, Cash in amount equal to the Senior Secured Notes Indenture Trustee Expenses outstanding as of the Effective Date. Any unclaimed portion of New Membership Interests otherwise available to Non-Eligible Offerees holding Allowed Senior Secured Notes Claims shall be distributed Pro Rata to all holders of Allowed Senior Secured Notes Claims. Upon acceptance of the Plan by Class 5, all holders of Senior Secured Notes Claim shall be deemed to have agreed to forgo any distribution in respect of their Senior Secured Notes Deficiency Claim. Distributions received under the Plan by holders of Allowed Senior Secured Notes Claims shall be subject to the Senior Secured Notes Indenture Trustee Charging Lien if the Senior Secured Notes Indenture Trustee Expenses are not paid pursuant to this Section 4.5(a).

(b) Impairment and Voting: Allowed Senior Secured Notes Claims are Impaired. Holders of Allowed Senior Secured Notes Claims are entitled to vote on this Plan.

4.6 ***Class 6: Unsecured Notes Claims.***

(a) Treatment: On or as soon as practicable after the Effective Date, each holder of an Allowed Unsecured Notes Claim, which Claims are deemed Allowed in the aggregate amount of not less than Ninety-Eight Million Five Hundred Thirty-One Thousand Four Hundred and Sixty Dollars ($98,531,460) through the Petition Date, including accrued prepetition interest, plus fees and other expenses due under the Unsecured Notes and Unsecured Notes Indenture, including the Unsecured Notes Indenture Trustee Expenses, shall receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed Unsecured Notes Claim, and, in accordance with the Restructuring Transactions, (A) other than the Unsecured Notes Indenture Trustee, its Pro Rata share of: (i) eight-point-nine percent (8.9%) of the New Membership Interests, prior to dilution on account of the New Second Lien Convertible Notes and the Management Incentive Plan (which shall equate to one-point-three percent (1.3%) of the New Membership Interests, after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan); and (ii) (x) to the extent such holder is an Eligible Offeree, the Unsecured Notes Subscription Rights or (y) to the extent such holder is a Non-Eligible Offeree, its share (calculated pursuant to the Rights Offering Procedures) of up to zero-point-one percent (0.1%) of the New Membership

Interests otherwise distributable to holders of Allowed Unsecured Notes Claims (after dilution on account of the New Second Lien Convertible Notes (as if the New Second Lien Convertible Notes converted on the Effective Date), but prior to dilution on account of the Management Incentive Plan) and (B) to the Unsecured Notes Indenture Trustee, Cash in amount equal to the Unsecured Notes Indenture Trustee Expenses outstanding as of the Effective Date. Any unclaimed portion of New Membership Interests otherwise available to Non-Eligible Offerees holding Allowed Unsecured Notes Claims shall be distributed Pro Rata to all holders of Allowed Unsecured Notes Claims. Distributions received under the Plan by holders of Allowed Unsecured Notes Claims shall be subject to the Unsecured Notes Indenture Trustee Charging Lien if the Unsecured Notes Indenture Trustee Expenses are not paid pursuant to this Section 4.6(a).

(b) Impairment and Voting: Allowed Unsecured Notes Claims are Impaired. Holders of Allowed Unsecured Notes Claims are entitled to vote on this Plan.

4.7 ***Class 7: General Unsecured Claims.***

(a) Treatment: Each holder of an Allowed General Unsecured Claim against the Debtors shall receive, in full and final satisfaction and discharge of such holder's rights with respect to and under such Allowed General Unsecured Claim, and, in accordance with the Restructuring Transactions: (i) on account of its Allowed Primary General Unsecured Claim, its Pro Rata share of the Primary General Unsecured Claims Distribution, plus (ii) on account of any Allowed Secondary General Unsecured Claim against one or more Secondary Recovery Debtors, if applicable, its Pro Rata share of the Secondary General Unsecured Claims Distribution allocated to the applicable Secondary Recovery Debtor against which it holds an Allowed Secondary General Unsecured Claim, as set forth on and in accordance with the schedule attached to the Disclosure Statement as Exhibit C. For the avoidance of doubt, if a holder of Allowed General Unsecured Claims holds an Allowed Secondary General Unsecured Claim against any Debtor that is not a Secondary Recovery Debtor, such holder shall not receive any additional recoveries on account of such claim.

(b) Impairment and Voting: Allowed General Unsecured Claims are Impaired. Holders of Allowed General Unsecured Claims are entitled to vote on this Plan.

4.8 ***Class 8: Convenience Claims***

(a) Treatment: Except to the extent that a holder of an Allowed Convenience Claim and the Debtors, with the consent of the Creditors' Committee, which shall not be unreasonably withheld, or the Reorganized Debtors, as applicable, agree to less favorable treatment, each holder of an Allowed Convenience Claim shall receive, on the later of (i) the Effective Date and (ii) the date on which such Convenience Claim becomes Allowed, or, in each case, as soon as reasonably practicable thereafter, in full and final satisfaction of such Allowed Convenience Claim, the lesser of (i) payment in full in Cash, or (ii) its Pro Rata share of the Convenience Claims Distribution Amount. Allowed Convenience Claims shall not include interest from and after the Petition Date or include any penalty on such Claim.

(b) Impairment and Voting: Allowed Convenience Claims are Impaired. Holders of Allowed Convenience Claims are entitled to vote on this Plan.

4.9 ***Class 9: Intercompany Claim***

(a) Treatment: All Allowed Intercompany Claims shall be adjusted, continued, or discharged, in each case in a manner reasonably acceptable to the Debtors or Reorganized Debtors, as applicable, the Requisite Plan Sponsors, and the Creditors' Committee. All Intercompany Claims between any Debtor and a nondebtor affiliate shall be Unimpaired under this Plan.

(b) Impairment and Voting: All Allowed Intercompany Claims are either Unimpaired or are deemed Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Intercompany Claims are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan. Therefore, holders of Allowed Intercompany Claims are not entitled to vote on this Plan.

4.10 ***Class 10: Existing CHC Interests.***

(a) Treatment: As soon as reasonably practicable following the Effective Date, CHC Parent shall be liquidated or voluntarily struck-off. Holders of Existing CHC Interests shall not receive or retain any property under the Plan or pursuant to the Cayman Proceedings on account of such Interests.

(b) Impairment and Voting: Existing CHC Interests are Impaired. Holders of Existing CHC Interests are conclusively deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Existing CHC Interests are not entitled to vote to accept or reject this Plan.

4.11 ***Class 11: Intercompany Interests.***

(a) Treatment: Intercompany Interests are Unimpaired. On the Effective Date, all Allowed Intercompany Interests shall be Reinstated.

(b) Impairment and Voting: Allowed Intercompany Interests are Unimpaired. Holders of Allowed Intercompany Interests are conclusively presumed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code. Holders of Allowed Intercompany Interests are not entitled to vote to accept or reject this Plan.

4.12 ***Debtors' Rights in Respect of Unimpaired Claims.***

Except as otherwise provided in this Plan, nothing under this Plan shall affect the rights of the Reorganized Debtors in respect of any Unimpaired Claim, including all rights in respect of legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired Claim.

4.13 ***Treatment of Vacant Classes.***

Any Claim or Interest in a Class that is considered vacant under Section 3.5 of this Plan shall receive no Plan Distribution.

ARTICLE V. MEANS FOR IMPLEMENTATION; POST-EFFECTIVE DATE GOVERNANCE.

5.1 ***Continued Corporate Existence.***

Except as otherwise provided in this Plan or pursuant to the Cayman Proceedings, the Debtors shall continue to exist after the Effective Date as Reorganized Debtors in accordance with the applicable laws of the respective jurisdictions in which they are incorporated or organized and pursuant to the Amended Certificates of Incorporation and the Amended By-Laws. On or after the Effective Date, each Reorganized Debtor may, in its sole discretion, take such action as permitted by applicable law and such Reorganized Debtor's organizational documents, as such Reorganized Debtor may determine is reasonable and appropriate, including causing: (i) a Reorganized Debtor to be merged into another Reorganized Debtor or an affiliate of a Reorganized Debtor; (ii) a Reorganized Debtor to be dissolved; (iii) the legal name of a Reorganized Debtor to be changed; or (iv) the closure of a Reorganized Debtor's Chapter 11 Case on the Effective Date or any time thereafter. In addition, CHC Helicopter S.A. may convert to a S.a. r.l.; provided, however, that if such conversion occurs on or prior to the Effective Date, then such conversion shall be at the sole discretion of the Requisite Plan Sponsors, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties).

5.2 ***Restructuring Transactions***

Pursuant to section 1123(a)(5)(D) of the Bankruptcy Code, on, or, unless specifically provided otherwise herein, prior to the Effective Date, or as soon thereafter as is reasonably practicable, the Debtors, subject to any consents required by the Plan Support Agreement, or Reorganized Debtors, as applicable, may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate this Plan including (a) the Restructuring Transactions; (b) the consummation of the transactions provided for under or contemplated by the Support Agreements; (c) the execution and delivery of appropriate agreements or other documents containing terms that are consistent with or reasonably necessary to implement the terms of this Plan and the Support Agreements and that satisfy the requirements of applicable law; (d) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of this Plan and the Support Agreements; (e) the implementation and consummation of the Cayman Proceedings; and (f) all other actions that the Debtors, with the consent of the Creditors' Committee and the Requisite Plan Sponsors, not to be unreasonably withheld, or Reorganized Debtors, as applicable, determine are necessary or appropriate and that are not inconsistent with this Plan.

5.3 ***Exit Revolving Credit Facility***

(a) On the Effective Date, the Exit Revolving Credit Facility Documents or any other document necessary to effectuate the treatment of the Revolving Credit Agreement Claims shall be executed and delivered, and the Reorganized Debtors shall be authorized to execute, deliver and enter into the Exit Revolving Credit Facility Documents without the need for any further corporate action and without further action by the holders of Allowed Revolving Credit Agreement Claims.

(b) On the Effective Date, (a) upon the granting of Liens in accordance with the Exit Revolving Credit Facility Documents, the lenders and collateral agent thereunder shall have valid, binding and enforceable Liens on the collateral specified in the Exit Revolving Credit Facility Documents; and (b) upon the granting of guarantees, mortgages, pledges, Liens and other security interests in accordance with the Exit Revolving Credit Facility Documents, the guarantees, mortgages, pledges, Liens and other security interests granted to secure the obligations arising under the Exit Revolving Credit Facility Documents shall be granted in good faith as an inducement to the lenders thereunder to convert to term loans and/or extend credit thereunder and shall be deemed not to constitute a fraudulent conveyance or fraudulent transfer, shall not otherwise be subject to avoidance, and the priorities of such Liens and security interests shall be as set forth in the Exit Revolving Credit Facility Documents.

5.4 ***Amended and Restated ABL Credit Facility***

(a) On the Effective Date, the Amended and Restated ABL Credit Facility Documents shall be executed and delivered, and the Reorganized Debtors shall be authorized to execute, deliver and enter into the Amended and Restated ABL Credit Facility Documents, without the need for any further corporate action and without further action by the holders of Allowed ABL Credit Agreement Claims.

(b) On the Effective Date, (a) upon the granting of Liens in accordance with the Amended and Restated ABL Credit Facility Documents, the lenders and collateral agent thereunder shall have valid, binding and enforceable Liens on the collateral specified in the Amended and Restated ABL Credit Facility Documents; and (b) upon the granting of guarantees, mortgages, pledges, Liens and other security interests in accordance with the Amended and Restated ABL Credit Facility Documents, the guarantees, mortgages, pledges, Liens and other security interests granted to secure the obligations arising under the Amended and Restated ABL Credit Facility Documents shall be granted in good faith as an inducement to the lenders thereunder to convert to term loans and extend credit thereunder and shall be deemed not to constitute a fraudulent conveyance or fraudulent transfer, shall not otherwise be subject to avoidance, and the priorities of such Liens and security interests shall be as set forth in the Amended and Restated ABL Credit Facility Documents.

5.5 ***PK Financing Facility***

(a) On the Effective Date, the Reorganized Debtors shall be authorized, but not obligated, to execute, deliver, and enter into the PK Financing Facility Documents and take any additional actions as are necessary or appropriate to implement and effectuate the

transactions contemplated by the PK Financing Commitment Letter, without the need for any further corporate, partnership, limited liability company or shareholder action.

(b) In the event that the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, determine to proceed with the PK Financing Facility, (i) the Debtors or the Reorganized Debtors, as applicable, shall be authorized to pay PK an Arrangement Fee (as defined in the PK Financing Commitment Letter) on the date the PK Financing Facility Documents are signed and a Commitment Fee (as defined in the PK Financing Commitment Letter) to PK on the Effective Date and (ii) substantially final forms of the PK Financing Facility Documents will be included in the Plan Supplement.

5.6 ***Authorization, Issuance, and Delivery of New Membership Interests***

On the Effective Date, Reorganized CHC is authorized to issue or cause to be issued and shall issue the New Membership Interests, without the need for any further corporate, partnership, limited liability company or shareholder action.

5.7 ***New Second Lien Convertible Notes***

(a) On the Effective Date, the Reorganized Debtors and the New Second Lien Convertible Notes Indenture Trustee will enter into the New Second Lien Convertible Notes Indenture substantially in the form contained in the Plan Supplement, and the Reorganized Debtors shall be authorized to execute, deliver, and enter into the New Second Lien Convertible Notes Indenture and any related documents, without the need for any further corporate, partnership, limited liability company or shareholder action.

(b) On the Effective Date, (a) upon the granting of Liens in accordance with the New Second Lien Convertible Notes Indenture, the holders of the New Second Lien Convertible Notes and the collateral agent thereunder shall have valid, binding and enforceable Liens on the collateral specified in the New Second Lien Convertible Notes Indenture and related guarantee and collateral documentation; and (b) upon the granting of guarantees, mortgages, pledges, Liens and other security interests in accordance with the New Second Lien Convertible Notes Indenture, the guarantees, mortgages, pledges, Liens and other security interests granted to secure the obligations arising under the New Second Lien Convertible Notes Indenture shall be granted in good faith and shall be deemed not to constitute a fraudulent conveyance or fraudulent transfer, shall not otherwise be subject to avoidance, and the priorities of such Liens and security interests shall be as set forth in the New Second Lien Convertible Notes Indenture and related guarantee and collateral documentation.

5.8 ***New Unsecured Notes***

On the Effective Date, the Reorganized Debtors and the New Unsecured Notes Indenture Trustee will enter into the New Unsecured Notes Indenture substantially in the form contained in the Plan Supplement, and the Reorganized Debtors shall be authorized to execute, deliver, and enter into the New Unsecured Notes Indenture and any related documents, without the need for any further corporate, partnership, limited liability company or shareholder action.

5.9 ***Reorganized CHC Operating Agreement.***

On the Effective Date, Reorganized CHC and all the holders of the New Membership Interests then outstanding shall be deemed to be parties to the Reorganized CHC Operating Agreement, substantially in the form contained in the Plan Supplement, without the need for execution by any such holder. The Reorganized CHC Operating Agreement shall be binding on Reorganized CHC and all parties receiving, and all holders of, New Membership Interests of Reorganized CHC; *provided*, that regardless of whether such parties execute the Reorganized CHC Operating Agreement, such parties will be deemed to have signed the Reorganized CHC Operating Agreement, which shall be binding on such parties as if they had actually signed it.

5.10 ***Cancellation of Certain Existing Agreements.***

(a) Except as expressly provided herein, on the Effective Date, all notes, instruments, certificates evidencing debt of, or Interests in, the Debtors, including the Revolving Credit Agreement, the Senior Secured Notes, the ABL Credit Agreement Senior Secured Notes Indenture, Unsecured Notes, Unsecured Notes Indenture, the Existing CHC Interests, and all options and other entitlements to purchase and/or receive Existing CHC Interests, shall be deemed surrendered and cancelled and obligations of the Debtors thereunder shall be discharged; *provided, however* that any surrender and/or cancellation of the notes, instruments and certificates evidencing debt of, or Interests in, the Debtors shall only be with respect to the Debtors and Reorganized Debtors and shall not alter the rights or obligations of any parties other than the Debtors or their non-debtor affiliates vis-à-vis one another with respect to such agreements. On the Effective Date or, to the extent subject to the Cayman Proceeding, as soon as practicable after the Effective Date, all Existing CHC Interests and all options and other entitlements to purchase and/or receive Existing CHC Interests, and all instruments and documents evidencing the foregoing, shall be deemed surrendered and cancelled and obligations of the Debtors thereunder shall be discharged.

(b) The Senior Secured Notes Indenture Trustee shall be released from all duties under the Senior Secured Notes Indenture; provided, however, that notwithstanding Confirmation or the occurrence of the Effective Date or subsection (a) of this Section 5.10, the Senior Secured Notes Indenture shall continue in effect to the extent necessary to: (i) enforce the rights, Claims and interests of the Senior Secured Notes Indenture Trustee vis-a-vis any parties other than the Debtors or their non-debtor affiliates, (ii) allow the holders of Allowed Senior Secured Notes Claims to receive distributions under the Plan from the Senior Secured Notes Indenture Trustee or from any other source, to the extent provided for under the Plan; (iii) preserve any rights of the Senior Secured Notes Indenture Trustee to payment of fees, expenses, indemnification obligations and Liens securing such right to payment from or on any money or property to be distributed in respect to the Senior Secured Notes Claims under this Plan or from the holders of Allowed Senior Secured Notes Claims, (iv) permit the Senior Secured Notes Indenture Trustees to enforce any obligation owed to it under the Plan, and (v) permit the Senior Secured Notes Indenture Trustees to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court.

(c) The Unsecured Notes Indenture Trustee shall be released from all duties under the Unsecured Notes Indenture; provided, however, that notwithstanding Confirmation or the occurrence of the Effective Date or subsection (a) of this Section 5.10, the Unsecured Notes Indenture shall continue in effect to the extent necessary to: (i) enforce the rights, Claims and interests of the Unsecured Notes Indenture Trustee vis-a-vis any parties other than the Debtors or their non-debtor affiliates, (ii) allow the holders of Allowed Unsecured Notes Claims to receive distributions under the Plan from the Unsecured Notes Indenture Trustee or from any other source, to the extent provided for under the Plan; (iii) preserve any rights of the Unsecured Notes Indenture Trustee to payment of fees, expenses, indemnification obligations and Liens securing such right to payment from or on any money or property to be distributed in respect to the Unsecured Notes Claims under this Plan or from the holders of Allowed Unsecured Notes Claims, (iv) permit the Unsecured Notes Indenture Trustees to enforce any obligation owed to it under the Plan, and (v) permit the Unsecured Notes Indenture Trustees to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court.

(d) The Secured Parties Collateral Agent shall be released from all duties under the Collateral Agent and Administrative Agent Appointment Deed, dated as of October 4, 2010, by and among the Secured Parties Collateral Agent, the Revolving Credit Facility Administrative Agent, the Senior Secured Notes Indenture Trustee, and the other parties thereto (the "Appointment Deed"), the Revolving Credit Agreement and the Senior Secured Notes Indenture (or any other document entered into by the Secured Parties Collateral Agent in connection with its obligations thereunder); *provided, however*, that notwithstanding Confirmation Order or the occurrence of the Effective Date or subsection (a) of this Section 5.10, the Revolving Credit Agreement, the Senior Secured Notes Indenture, the Appointment Deed, or any other document entered in connection with the Secured Parties Collateral Agent's obligations thereunder, shall continue in effect to the extent necessary to: (i) enforce the rights, Claims, and interests of the Secured Parties Collateral Agent vis-a-vis any parties other than the Debtors or their non-debtor affiliates, (ii) preserve any rights of the Secured Parties Collateral Agent to payment of fees, expenses, indemnification obligations and Liens securing such right to payment from or on any money or property to be distributed in respect to the Revolving Credit Agreement Claims and the Senior Secured Notes Claims under this Plan or from the Holders of Allowed Revolving Credit Agreement Claims or Allowed Senior Secured Notes Claims, (iii) permit the Secured Parties Collateral Agent to enforce any obligation owed to it under the Plan, and (iv) permit the Secured Parties Collateral Agent to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court.

5.11 ***Release of Liens.***

Upon the full payment or other satisfaction of an Allowed Other Secured Claim, or promptly thereafter, the holder of such Allowed Other Secured Claim shall deliver to the Debtors or Reorganized Debtors, as applicable, any Collateral or other property of a Debtor held by such holder, together with any termination statements, instruments of satisfaction, or releases of all security interests with respect to its Allowed Other Secured Claim that may be reasonably required to terminate any related financing statements, mortgages, mechanics' or other statutory liens, or lis pendens, or similar interests or documents. To the extent any of foregoing actions, whether arising prior to the Effective Date or thereafter, require action to be taken by the Secured

Parties Collateral Agent, the Debtors or Reorganized Debtors, as applicable, shall pay the reasonable and documented fees and expenses of the Secured Parties Collateral Agent.

5.12 ***Officers and Boards of Directors.***

(a) The composition of each board of managers, directors or similar governing body, as applicable, of the Reorganized Debtors, including the New Board, shall be disclosed prior to the entry of the Confirmation Order to the extent required by section 1129(a)(5) of the Bankruptcy Code.

(b) The officers of each Reorganized Debtor shall be disclosed prior to the entry of the Confirmation Order to the extent required by section 1129(a)(5) of the Bankruptcy Code. On the Effective Date, the applicable Reorganized Debtors shall enter into new employment agreements with certain members of the management team.

(c) Except to the extent that a member of the board of managers, directors or similar governing body of a Debtor continues to serve in such capacity on the Effective Date, such members of each Debtor prior to the Effective Date, in their capacities as such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date and each such member will be deemed to have resigned or shall otherwise cease to be a manager or director of the applicable Debtor on the Effective Date without any further action required on the part of any such Debtor or member. Commencing on the Effective Date, each of the managers and directors of each of the Reorganized Debtors shall serve pursuant to the terms of the applicable organizational documents of such Reorganized Debtor and may be replaced or removed in accordance with such organizational documents.

5.13 ***Management Incentive Plan.***

The New Board shall adopt the Management Incentive Plan on, or as soon as reasonably practicable after, the Effective Date.

5.14 ***New Intercreditor Agreement.***

On the Effective Date, the Exit Revolving Credit Facility Agent and the New Second Lien Convertible Notes Indenture Trustee shall enter into the New Intercreditor Agreement. Each lender under the Exit Revolving Credit Facility and each holder of the New Second Lien Convertible Notes shall be deemed to have directed the applicable agent, New Second Lien Convertible Notes Indenture Trustee or Exit Revolving Credit Facility Agent, as applicable, to execute the New Intercreditor Agreement and shall be bound to the terms of the New Intercreditor Agreement from and after the Effective Date as if it were a signatory thereto.

5.15 ***Registration Rights***

On the Effective Date, the Registration Rights Parties shall enter into the Registration Rights Agreement. The Registration Rights Agreement shall provide, following the occurrence of an initial public offering of Reorganized CHC's New Membership Interests, the Registration Rights Parties with certain demand registration rights, piggyback registration rights and shelf registration rights for the offer and resale of any New Second Lien Convertible Notes

held by the Registration Parties, the New Membership Interests underlying the New Second Lien Convertible Notes and any New Membership Interests held by the Registration Rights Parties, including New Membership Interests held upon the conversion of the New Second Lien Convertible Notes. The Registration Rights Agreement shall contain customary terms and conditions, including, without limitation, provisions with respect to blackout periods.

5.16 ***Rights Offering.***

Following approval by the Bankruptcy Court of the Rights Offering Procedures, Reorganized CHC shall consummate the Rights Offering in accordance therewith. The Rights Offering shall be conducted, and the New Second Lien Convertible Notes shall be issued to the Eligible Offerees that exercise their respective Subscription Rights pursuant to the Rights Offering Procedures and the Plan. The consummation of the Rights Offering is conditioned on the consummation of the Plan, the Rights Offering Procedures and any other condition specified in the Backstop Agreement. Amounts held by the Subscription Agent with respect to the Rights Offering prior to the Effective Date shall not be entitled to any interest on account of such amounts. On the Effective Date, in exchange for providing the Backstop Commitment, and pursuant to the terms and conditions of the Backstop Agreement and the Support Agreements Approval Order, the Backstop Parties shall receive the New Second Lien Convertible Notes constituting the Put Option Premium.

5.17 ***Intercompany Interests.***

On the Effective Date and without the need for any further corporate action or approval of any board of directors, management, or shareholders of any Debtor or Reorganized Debtor, as applicable, all Intercompany Interests shall be Reinstated and unaffected by this Plan and continue in place following the Effective Date.

5.18 ***Tax Matters.***

Subject to definitive guidance from the U.S. Internal Revenue Service or a court of competent jurisdiction to the contrary, all parties (including the Reorganized Debtors, all holders of Allowed Senior Secured Notes Claims and Allowed Unsecured Notes Claims who receive New Second Lien Convertible Notes pursuant to this Plan, the New Second Lien Convertible Notes Indenture Trustee and all other parties to the New Second Lien Convertible Notes Indenture) shall, unless prohibited by applicable law, treat the New Second Lien Convertible Notes as equity for U.S. federal income tax purposes (that is not preferred stock for purposes of section 305 of the Tax Code), and the New Second Lien Convertible Notes Indenture shall so provide. To the extent permitted by applicable law, all parties shall report consistent therewith for U.S. state and local income tax purposes.

5.19 ***Separability.***

Notwithstanding the combination of separate plans of reorganization for the Debtors set forth in this Plan for purposes of economy and efficiency, this Plan constitutes a separate chapter 11 plan for each Debtor. Voting and distributions will be calculated and made on a Debtor-by-Debtor basis. If the Bankruptcy Court does not confirm this Plan with respect to one or more Debtors, it may still, with the consent of the Debtors, the Requisite Plan Sponsors

and the Creditors' Committee, confirm this Plan with respect to any other Debtor that satisfies the confirmation requirements of section 1129 of the Bankruptcy Code.

5.20 ***Settlement of Claims and Controversies.***

Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the Plan Distributions and other benefits provided under this Plan, the provisions of this Plan shall constitute a good faith compromise and settlement of all Claims and controversies relating to the rights that a holder of a Claim or Interest may have with respect to such Claim or Interest or any Plan Distribution on account thereof, including (i) the amount, value, and treatment of ABL Claims, Senior Secured Notes Claims, and Unsecured Notes Claims against the Debtors; (ii) the validity, extent and priority of the Liens securing the Senior Secured Notes; (iii) the value of the Debtors' encumbered and unencumbered Assets; (iv) any potential adequate protection or diminution in value Claim by the holders of Senior Secured Notes; (v) any potential Claim to surcharge Collateral under section 506(c) of the Bankruptcy Code; (vi) the allocation of distributable value among the creditor classes; and (vii) the Plan Equity Value and the total enterprise value of the Debtors. In the event that, for any reason, the Confirmation Order is not entered or the Effective Date does not occur, the Debtors, the Plan Sponsors, the Creditors' Committee, and the other Consenting Creditor Parties reserve all of their respective rights with respect to any and all disputes resolved and settled under the Plan. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of each of the compromises and settlements embodied in the Plan, and the Bankruptcy Court's finding that all such compromises or settlements are: (i) in the best interest of the Debtors, the Estates, the Reorganized Debtors, and their respective property and stakeholders; and (ii) fair, equitable and within the range of reasonableness. The provisions of the Plan, including, without limitation, its release, injunction, exculpation and compromise provisions, are mutually dependent.

5.21 ***Limited Consolidation for Primary General Unsecured Claims Distribution.***

(a) Consistent with Section 5.20 hereof, this Plan provides for recoveries on account of Allowed Primary General Unsecured Claims in Class 7 from the Primary General Unsecured Claims Distribution, regardless of the Debtor entity against which such Allowed Primary General Unsecured Claims are asserted. The Debtors shall not be consolidated for any other purpose. To the extent necessary, the Plan shall serve as a motion seeking, and entry of the Confirmation Order shall constitute, the approval, pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, effective as of the Effective Date, of the limited consolidation for distribution on account of Primary General Unsecured Claims as provided in this section.

(b) For the avoidance of doubt, the limited consolidation described in this Section shall only apply to distributions on account of Allowed Primary General Unsecured Claims and shall not impact, waive, or otherwise effect any Allowed Secondary General Unsecured Claims asserted against any Debtor or any recoveries on such Allowed Secondary General Unsecured Claims, if applicable. Providing distributions to holders of Allowed Primary General Unsecured Claims in the manner described in this Section shall not affect: (i) the legal and corporate structures of the Debtors; (ii) pre- and post-Effective Date guarantees, liens and

security interests that are required to be maintained (a) in connection with contracts or leases that were entered into during the Chapter 11 Cases or Executory Contracts and Unexpired Leases that have been or will be assumed by the Debtors or (b) pursuant to this Plan; (iii) Intercompany Interests; (iv) distributions from any insurance policies or proceeds of such policies; or (v) the revesting of assets in the separate Reorganized Debtors. In addition, such consolidation shall not constitute a waiver of the mutuality requirement for setoff under section 553 of the Bankruptcy Code.

(c) The characterization of each General Unsecured Claim as a Primary General Unsecured Claim or a Secondary General Unsecured Claim for distribution purposes shall be reasonably determined by the Voting Agent and the Debtors or Reorganized Debtors, as applicable, subject to the reasonable consent of the Creditors' Committee or the Post-Effective Date Committee, as applicable, or as otherwise ordered by the Bankruptcy Court.

5.22 ***Adjustment of Primary General Unsecured Claims Distribution and Secondary General Unsecured Claims Distribution.***

Notwithstanding anything herein to the contrary, the Debtors may modify the allocation between and among the Secondary General Unsecured Claims Distribution and the Primary General Unsecured Claims Distribution, including between and among the Secondary Recovery Debtors identified on Exhibit C to the Disclosure Statement, to the extent necessary to satisfy the requirements of the Bankruptcy Code.

5.23 ***Restructuring Expenses.***

On the Effective Date, or as soon as practicable thereafter, the Debtors or the Reorganized Debtors, as applicable, shall pay in full in Cash all outstanding Restructuring Expenses incurred, or estimated to be incurred, through the Effective Date, in accordance with the terms of the applicable orders, engagement letters or other applicable contractual arrangements, but without regard to any notice or objection period as may be contained in such applicable orders, engagement letters, or other applicable arrangements, subject to adjustment, if necessary, for the actual Restructuring Expenses incurred.

ARTICLE VI. DISTRIBUTIONS.

6.1 ***Distributions Generally.***

The Disbursing Agent shall make all Plan Distributions to the appropriate holders of Allowed Claims in accordance with the terms of this Plan.

6.2 ***Plan Funding.***

Plan Distributions of Cash shall be funded from the Debtors' and the Reorganized Debtors' Cash on hand as of the applicable date of such Plan Distribution.

6.3 ***No Postpetition Interest on Claims.***

Except as otherwise specifically provided for in this Plan, the Confirmation Order, or another order of the Bankruptcy Court or required by the Bankruptcy Code, postpetition interest shall not accrue or be paid on any Claims, and no holder of a Claim shall be entitled to interest accruing on such Claim on or after the Petition Date.

6.4 ***Date of Distributions.***

Unless otherwise provided in this Plan, any distributions and deliveries to be made under this Plan shall be made on the Effective Date or as soon thereafter as is practicable; *provided*, that the Reorganized Debtors may implement periodic distribution dates to the extent they determine them to be appropriate.

6.5 ***Distribution Record Date.***

As of the close of business on the Distribution Record Date, the various lists of holders of Claims in each Class, as maintained by the Debtors or their agents, shall be deemed closed, and there shall be no further changes in the record holders of any Claims after the Distribution Record Date. Neither the Debtors, the Reorganized Debtors, nor the Disbursing Agent shall have any obligation to recognize any transfer of a Claim occurring after the close of business on the Distribution Record Date. In addition, with respect to payment of any Cure Amounts or disputes over any Cure Amounts, neither the Debtors, the Reorganized Debtors, nor the Disbursing Agent shall have any obligation to recognize or deal with any party other than the non-debtor party to the applicable executory contract or unexpired lease, even if such non-debtor party has sold, assigned, or otherwise transferred its Claim for a Cure Amount.

6.6 ***Disbursing Agent.***

All distributions under this Plan shall be made by the Disbursing Agent on and after the Effective Date as provided herein. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties. The Reorganized Debtors shall use all commercially reasonable efforts to provide the Disbursing Agent (if other than the Reorganized Debtors) with the amounts of Claims and the identities and addresses of holders of Claims, in each case, as set forth in the Debtors' or Reorganized Debtors' books and records. The Reorganized Debtors shall cooperate in good faith with the applicable Disbursing Agent (if other than the Reorganized Debtors) to comply with the reporting and withholding requirements outlined in Section 6.17 of this Plan.

6.7 ***Delivery of Distributions.***

The Disbursing Agent will issue or cause to be issued, the applicable consideration under this Plan and, subject to Bankruptcy Rule 9010, will make all distributions to any holder of an Allowed Claim as and when required by this Plan at: (i) the address of such holder on the books and records of the Debtors or their agents; or (ii) at the address in any written notice of address change delivered to the Debtors or the Disbursing Agent, including any addresses included on any transfers of Claim filed pursuant to Bankruptcy Rule 3001. In the event that any distribution to any holder is returned as undeliverable, no distribution or payment

to such holder shall be made unless and until the Disbursing Agent has been notified of the then-current address of such holder, at which time or as soon thereafter as reasonably practicable such distribution shall be made to such holder without interest.

6.8 ***Unclaimed Property.***

One year from the later of (a) the Effective Date and (b) the date that is ten (10) Business Days after the date a Claim is first Allowed, all distributions payable on account of Claim that are not deliverable and remain unclaimed shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and shall revert to the Reorganized Debtors or their successors or assigns, and all claims of any other Entity (including the holder of a Claim in the same Class) to such distribution shall be discharged and forever barred. The Reorganized Debtors and the Disbursing Agent shall have no obligation to attempt to locate any holder of an Allowed Claim other than by reviewing the Debtors' books and records and filings with the Bankruptcy Court. Notwithstanding the foregoing, if any General Unsecured Claims Distributions remain unclaimed for one year after attempted distribution, such undeliverable distributions shall be distributed, Pro Rata, to the holders of Allowed General Unsecured Claims against the Debtor entity that made such undeliverable distributions in accordance with Section 6.1 hereof.

6.9 ***Satisfaction of Claims.***

Unless otherwise provided herein, any distributions and deliveries to be made on account of Allowed Claims under this Plan shall be in complete and final satisfaction, settlement, and discharge of and exchange for such Allowed Claims.

6.10 ***Manner of Payment Under Plan.***

Except as specifically provided herein, at the option of the Debtors or the Reorganized Debtors, as applicable, any Cash payment to be made under this Plan may be made by a check or wire transfer or as otherwise required or provided in applicable agreements or customary practices of the Debtors.

6.11 ***Fractional Shares and Notes and De Minimis Cash Distributions.***

No fractional New Membership Interests shall be distributed. When any distribution would otherwise result in the issuance of a number of New Membership Interests that is not a whole number, the New Membership Interests subject to such distribution shall be rounded to the next higher or lower whole number as follows: (i) fractions equal to or greater than 1/2 shall be rounded to the next higher whole number; and (ii) fractions less than 1/2 shall be rounded to the next lower whole number. The total number of New Membership Interests to be distributed on account of Allowed Claims will be adjusted as necessary to account for the rounding provided for herein. No consideration will be provided in lieu of fractional shares that are rounded down. Neither the Reorganized Debtors nor the Disbursing Agent shall have any obligation to make a distribution that is less than one (1) New Membership Interest or Fifty Dollars ($50.00) in Cash. Fractional New Membership Interests that are not distributed in accordance with this section shall be returned to, and ownership thereof shall vest in, Reorganized CHC. The New Second Lien Convertible Notes and New Unsecured Notes each

shall be issued in denominations of One Dollar ($1) or any integral multiples thereof and any other amounts shall be rounded down.

6.12 ***No Distribution in Excess of Amount of Allowed Claim.***

Notwithstanding anything to the contrary in this Plan, no holder of an Allowed Claim shall receive, on account of such Allowed Claim, Plan Distributions in excess of the Allowed amount of such Claim plus any postpetition interest on such Claim, to the extent such interest is permitted by Section 6.3 of this Plan.

6.13 ***Allocation of Distributions Between Principal and Interest.***

Except as otherwise required by law (as reasonably determined by the Debtors), consideration received in respect of an Allowed Claim shall be allocable first to the principal amount of the Claim (as determined for U.S. federal income tax purposes) and then, to the extent of any excess, to the remainder of the Claim, including any Claim for accrued but unpaid interest.

6.14 ***Exemption from Securities Laws.***

(a) The issuance of and the distribution under this Plan of the New Membership Interests and the New Unsecured Notes shall be exempt from registration under the Securities Act and any other applicable securities laws to the fullest extent permitted by section 1145 of the Bankruptcy Code. These securities may be resold without registration under the Securities Act or other federal securities laws pursuant to the exemption provided by section 4(a)(1) of the Securities Act, unless the holder is an "underwriter" with respect to such securities, as that term is defined in section 1145(b) of the Bankruptcy Code. In addition, such section 1145 exempt securities generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of the several states.

(b) The Rights Offering and the issuance and sale, as applicable, of the Subscription Rights and the New Second Lien Convertible Notes (and the New Membership Interests issuable upon conversation thereof) pursuant to the Rights Offering and to the Backstop Parties under the Backstop Agreement (including the New Second Lien Convertible Notes (and the New Membership Interests issuable upon the conversion thereof) comprising the Put Option Premium) is being made in reliance on the exemption from registration set forth in section 4(a)(2) of the Securities Act and Regulation D thereunder. Such securities will be considered "restricted securities" and may not be transferred except pursuant to an effective registration statement or under an available exemption from the registration requirements of the Securities Act, such as, under certain conditions, the resale provisions of Rule 144 of the Securities Act.

6.15 ***Setoffs and Recoupments.***

Each Debtor or Reorganized Debtor, as applicable, or such Entity's designee, may, pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy law, offset or recoup against any Allowed Claim and the distributions to be made pursuant to this Plan on account of such Allowed Claim any and all Claims, rights, and Causes of Action that such Debtor or Reorganized Debtor or its successors may hold against the holder of such Allowed

Claim; *provided*, that neither the failure to effect a setoff or recoupment nor the allowance of any Claim hereunder will constitute a waiver or release by a Debtor or Reorganized Debtor or its successor of any Claims, rights, or Causes of Action that a Reorganized Debtor or it successor or assign may possess against such holder.

6.16 ***Rights and Powers of Disbursing Agent.***

(a) The Disbursing Agent shall be empowered to: (i) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under this Plan; (ii) make all applicable distributions or payments provided for under this Plan; (iii) employ professionals to represent it with respect to its responsibilities; and (iv) exercise such other powers (A) as may be vested in the Disbursing Agent by order of the Bankruptcy Court (including any order issued after the Effective Date) or pursuant to this Plan or (B) as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of this Plan.

(b) To the extent the Disbursing Agent is an Entity other than a Debtor or Reorganized Debtor, except as otherwise ordered by the Bankruptcy Court and subject to the written agreement of the Reorganized Debtors, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement Claims (including for reasonable attorneys' and other professional fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors.

6.17 ***Withholding and Reporting Requirements.***

(a) In connection with this Plan and all instruments issued in connection therewith and distributed thereon, the Reorganized Debtors and the Disbursing Agent shall comply with all applicable withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all distributions under this Plan shall be subject to any such withholding or reporting requirements. In the case of a non-Cash distribution that is subject to withholding, the distributing party may withhold an appropriate portion of such distributed property and sell such withheld property to generate Cash necessary to pay over the withholding tax. Any amounts withheld pursuant to the preceding sentence shall be deemed to have been distributed to and received by the applicable recipient for all purposes of this Plan.

(b) Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution under this Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such holder by any Governmental Unit, including income, withholding, and other tax obligations, on account of such distribution. The Reorganized Debtors and the Disbursing Agent have the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to any issuing or disbursing party for payment of any such tax obligations.

(c) The Reorganized Debtors and the Disbursing Agent may require, as a condition to receipt of a distribution, that the holder of an Allowed Claim provide any information necessary to allow the distributing party to comply with any such withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority. If the

Reorganized Debtors or the Disbursing Agent make such a request and the holder fails to comply before the date that is 180 days after the request is made, the amount of such distribution shall irrevocably revert to the applicable Reorganized Debtor and any Claim in respect of such distribution shall be discharged and forever barred from assertion against such Reorganized Debtor or its respective property.

ARTICLE VII. PROCEDURES FOR RESOLVING CLAIMS.

7.1 *Disputed Claims Generally.*

Except insofar as a Claim is Allowed under the Plan, the Debtors or the Reorganized Debtors, as applicable, shall be entitled to object to Claims. Any objections to Claims shall be served and filed on or before: (a) the one-hundred and eightieth (180th) day following the later of (i) the Effective Date and (ii) the date that a proof of Claim is filed or amended or a Claim is otherwise asserted or amended in writing by or on behalf of a holder of such Claim; or (b) such later date as may be fixed by the Bankruptcy Court.

7.2 *Objections to Professional Fee Claims.*

Any objections to Professional Fee Claims shall be served and filed (a) no later than thirty (30) days after the filing of the final applications for compensation or reimbursement by the applicable Professional Person or (b) such later date as ordered by the Bankruptcy Court.

7.3 *Estimation of Claims.*

The Debtors or the Reorganized Debtors, as applicable, may at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether the Debtors had previously objected to or otherwise disputed such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Reorganized Debtors may pursue supplementary proceedings to object to the allowance of such Claim.

7.4 *Claim Resolution Procedures Cumulative.*

All of the objection, estimation, and resolution procedures in this Plan are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently settled, compromised, withdrawn, or resolved in accordance with this Plan by any mechanism approved by the Bankruptcy Court.

7.5 ***Resolution of Disputed Claims***

On and after the Effective Date, the Reorganized Debtors shall have the authority to litigate, compromise, settle, otherwise resolve or withdraw any objections to all Claims against the Debtors and to compromise and settle any such Disputed Claims without notice to or approval by the Bankruptcy Court or any other party; *provided*, *however*, that for so long as the Post-Effective Date Committee is in existence, the Post-Effective Date Committee shall have (i) consultation rights for the settlement of any General Unsecured Claims filed or asserted in the amount of Five Million Dollars ($5,000,000) or more and (ii) reasonable consent rights with respect to any settlement of a General Unsecured Claim that is settled for an Allowed General Unsecured Claim in excess of Five Million Dollars ($5,000,000). In the event the Post-Effective Date Committee does not consent to any such Claim settlement, the Reorganized Debtors shall have the right to seek approval of such Claim settlement by the Bankruptcy Court pursuant to Bankruptcy Rule 9019. Upon request, the Debtors or the Reorganized Debtors shall also provide the Post-Effective Date Committee with a spreadsheet of all General Unsecured Claims, which shall include the filed Claim amounts and any objections asserted thereto.

7.6 ***No Distributions Pending Allowance.***

No payment or distribution provided under this Plan shall be made on account of a Disputed Claim unless and until (and only to the extent that) such Claim becomes an Allowed Claim.

7.7 ***Disputed Claims Reserve***

(a) There shall be withheld from the New Membership Interests and New Unsecured Notes to be distributed to holders of Allowed General Unsecured Claims an amount of New Membership Interests and New Unsecured Notes that would be distributable to Disputed General Unsecured Claims had such Disputed Claims been Allowed on the Effective Date, together with all earnings thereon (net of any expenses relating thereto, including any taxes imposed thereon or otherwise payable by the Disputed Claims Reserve). There shall also be withheld Cash in an amount that would be distributable to any Disputed Convenience Claims had such Disputed Claims been Allowed on the Effective Date, together with all earnings thereon (net of any expenses relating thereto, including any taxes imposed thereon or otherwise payable by the Disputed Claims Reserve). The Disbursing Agent shall hold in the Disputed Claims Reserve all dividends, payments, and other distributions made on account of, as well as any obligations arising from, property held in the Disputed Claims Reserve, to the extent that such property continues to be so held at the time such distributions are made or such obligations arise, and such dividends, payments, or other distributions shall be held for the benefit of (i) holders of Disputed General Unsecured Claims against any of the Debtors whose Claims are subsequently Allowed, (ii) holders of New Unsecured Notes pending resolution of distributions to holders of Allowed Convenience Claims, (iii) holders of Disputed Convenience Claims against any of the Debtors whose Claims are subsequently Allowed, and (iv) other parties entitled thereto hereunder.

(b) The Debtors intend to seek a determination by the Bankruptcy Court of the estimated amount (either on an individual or aggregate basis) of Disputed General Unsecured

Claims and the Disputed Convenience Claims for purposes of determining the amount of the Disputed Claims Reserve attributable to such Disputed Claims. The New Membership Interests held in the Disputed Claims Reserve pursuant to this Section 7.7 shall be deemed voted by the Disbursing Agent proportionally in the same manner as any outstanding New Membership Interests held by parties other than the Disbursing Agent are voted. The Disbursing Agent shall be responsible for payment, out of the assets of the Disputed Claims Reserve, of any taxes imposed on the Disputed Claims Reserve or its assets. In the event, and to the extent, any Cash in the Disputed Claims Reserve is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets of the Disputed Claims Reserve (including any income that may arise upon the distribution of the assets in the Disputed Claims Reserve), assets of the Disputed Claims Reserve may be sold to pay such taxes. To the extent that a Disputed General Unsecured Claim becomes an Allowed Claim after the Effective Date, the Disbursing Agent shall distribute to the holder thereof the distribution, if any, of the New Membership Interests and New Unsecured Notes to which such holder is entitled hereunder out of the Disputed Claims Reserve. To the extent that a Disputed Convenience Claim becomes an Allowed Claim after the Effective Date, the Disbursing Agent shall distribute to the holder thereof the distribution, if any, of Cash to which such holder is entitled hereunder out of the Disputed Claims Reserve. No interest shall be paid with respect to any Disputed Convenience Claim or any Disputed General Unsecured Claim that becomes an Allowed Claim after the Effective Date.

(c) In the event the New Membership Interests and New Unsecured Notes remaining in the Disputed Claims Reserve are insufficient to satisfy all the Disputed Claims that have become Allowed and are due to be satisfied with distributions from the Disputed Claims Reserve, such Disputed Claims shall be satisfied Pro Rata or ratably, as applicable, from the Disputed Claims Reserve consistent with the proportional recoveries provided by the Plan and as set forth in Exhibit C to the Disclosure Statement. After all New Membership Interests and New Unsecured Notes have been distributed from the Disputed Claims Reserve, no further distributions shall be made in respect of Disputed Claims. At such time as all Disputed Claims have been resolved, any remaining New Membership Interests and New Unsecured Notes in the Disputed Claims Reserve shall be shall be released from the Disputed Claims Reserve for distribution in accordance with Sections 4.7 and 5.8 hereof.

7.8 ***Distributions After Allowance.***

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the holder of such Allowed Claim in accordance with the provisions of this Plan. As soon as practicable after the date on which the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the holder of such Claim the distribution (if any) to which such holder is entitled under this Plan as of the Effective Date, without any interest to be paid on account of such Claim unless required by the Bankruptcy Code.

ARTICLE VIII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.

8.1 ***Assumption and Rejection of Executory Contracts and Unexpired Leases.***

(a) As of and subject to the occurrence of the Effective Date, all executory contracts and unexpired leases to which the Debtors are party shall be deemed rejected except for an executory contract or unexpired lease that (i) has previously been assumed or rejected pursuant to a Final Order of the Bankruptcy Court, (ii) is specifically designated on the Schedule of Assumed Contracts and Leases filed and served prior to commencement of the Confirmation Hearing, (iii) is specifically designated on the Schedule of Rejected Contracts and Leases filed and served prior to commencement of the Confirmation Hearing, (iv) is specifically designated on the Schedule of Assumed Aircraft Leases filed and served prior to commencement of the Confirmation Hearing, (v) is specifically designated on the Schedule of Rejected Aircraft Leases filed and served prior to commencement of the Confirmation Hearing, or (vi) is the subject of a separate (A) assumption motion filed by the Debtors or (B) rejection motion filed by the Debtors under section 365 of the Bankruptcy Code before the Confirmation Date. The Debtors reserve the right the modify the treatment of any particular executory contract or unexpired lease pursuant to this Plan, and any such modification shall be reasonably acceptable to the Debtors, the Requisite Plan Sponsors, and the Creditors' Committee.

(b) Subject to the occurrence of the Effective Date, the payment of any applicable Cure Amount, and the resolution of any Cure Dispute, the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the rejections, assumptions, and assumptions and assignments provided for in this Plan pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated or provided in a separate order of the Bankruptcy Court, rejections or assumptions or assumptions and assignments of executory contracts and unexpired leases pursuant to this Plan are effective as of the Effective Date. Each executory contract and unexpired lease assumed pursuant to this Plan or by order of the Bankruptcy Court but not assigned to a third party before the Effective Date shall vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of this Plan, any order of the Bankruptcy Court authorizing and providing for its assumption, or applicable law.

(c) Unless otherwise provided herein or by separate order of the Bankruptcy Court, each executory contract and unexpired lease that is assumed or assumed and assigned shall include any and all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument, or other document is listed in the Schedule of Assumed Contracts and Leases or Schedule of Assumed Aircraft Leases.

(d) Notwithstanding anything to the contrary contained in this Plan, subject to the terms and conditions of the Milestone Term Sheet as approved by the Bankruptcy Court, on the Effective Date, (i) the Milestone Committed Aircraft Lease Agreements shall be assumed and shall vest in and be fully enforceable against applicable Reorganized Debtor; (ii) any guarantee agreement or other Definitive Restructuring Document (as defined in the Milestone Term Sheet)

that is not an executory contract, shall be reinstated pursuant to section 1123(a)(2) of the Bankruptcy Code and shall vest in and be fully enforceable against the applicable Reorganized Debtor; and (iii) the Milestone Incremental Aircraft Lease Agreements shall vest in and be fully enforceable against the applicable Reorganized Debtor.

8.2 ***Determination of Cure Disputes and Deemed Consent.***

(a) The Debtors shall file, as part of the Plan Supplement, the Schedule of Assumed Contracts and Leases and the Schedule of Assumed Aircraft Leases, which, if and where applicable, will indicate whether the executory contract or lease is also being assigned and to whom, and shall simultaneously serve a Cure Notice on parties to executory contracts or unexpired leases to be assumed or, if applicable, assigned, reflecting the Debtors' intention to assume or assume and assign the contract or lease in connection with this Plan and, where applicable, setting forth the proposed Cure Amount (if any).

(b) With respect to each executory contract or unexpired lease to be assumed or assumed and assigned by the Debtors, unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed to by the parties thereto prior to the Effective Date, the dollar amount required to Cure any defaults of the Debtors existing as of the Confirmation Date shall be the Cure Amount set in the Cure Notice. The Cure Amount shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by the Debtors or Reorganized Debtors, as applicable, upon assumption of the relevant executory contract or unexpired lease. Upon payment in full of the Cure Amount, any and all proofs of Claim based upon an executory contract or unexpired lease that has been assumed in the Chapter 11 Cases or hereunder shall be deemed Disallowed and expunged without any further notice to or action by any party or order of the Bankruptcy Court.

(c) If there is a dispute regarding (i) any Cure Amount, (ii) the ability of the Debtors to provide adequate assurance of future performance (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (iii) any other matter pertaining to assumption or assumption and assignment, such dispute shall be heard by the Bankruptcy Court prior to such assumption or assumption and assignment being effective. Any counterparty to an executory contract or unexpired lease that fails to object timely to the notice of the proposed assumption or assumption and assignment of such executory contract or unexpired lease or the relevant Cure Amount within fifteen (15) days of the Debtors' notice of intent to assume or assume and assign, shall be deemed to have consented to such assumption or assumption and assignment and the Cure Amount (even if Zero Dollars ($0)), and shall be forever barred, estopped, and enjoined from challenging the validity of such assumption or assumption and assignment or the amount of such Cure Amount thereafter.

8.3 ***Rejection***

In the event that the rejection of an executory contract or unexpired lease hereunder results in damages to the other party or parties to such contract or lease, any Claim for such damages, if not heretofore evidenced by a timely filed proof of Claim, shall be forever barred and shall not be enforceable against the Debtors or the Reorganized Debtors, or their respective Estates, properties or interests in property, unless a proof of Claim is filed with the Bankruptcy Court and served upon the Debtors or the Reorganized Debtors, as applicable, no

later than thirty (30) days after the later of (i) the Confirmation Date or (ii) the effective date of the rejection of such executory contract or unexpired lease, as set forth on the Schedule of Rejected Contracts and Leases or on the Schedule of Rejected Aircraft Leases or order of the Bankruptcy Court. The Confirmation Order shall constitute the Bankruptcy Court's approval of the rejection of all the leases and contracts identified in the Schedule of Rejected Contracts and Leases, the Schedule of Rejected Contracts and Leases, and Schedule of Rejected Aircraft Leases.

8.4 ***Survival of the Debtors' Indemnification Obligations.***

Any obligations of the Debtors pursuant to their corporate charters, by-laws, limited liability company agreements, memorandum and articles of association, or other organizational documents and agreements to indemnify current and former officers, directors, agents, or employees with respect to all present and future actions, suits, and proceedings against the Debtors or such officers, directors, agents, or employees based upon any act or omission for or on behalf of the Debtors shall not be discharged, impaired, or otherwise affected by this Plan; *provided*, that the Reorganized Debtors shall not indemnify any person for any Claims or Causes of Action arising out of or relating to any act or omission that is a criminal act or constitutes fraud, gross negligence, or willful misconduct. All such obligations shall be deemed and treated as executory contracts to be assumed by the Debtors under this Plan and shall continue as obligations of the Reorganized Debtors.

8.5 ***Compensation and Benefit Plans.***

The Debtors shall file, as part of the Plan Supplement, the Schedule of Assumed Compensation and Benefit Plans. Unless otherwise provided in this Plan, all employment and severance policies, and all compensation and benefits plans, policies, and programs of the Debtors applicable to their respective employees, retirees, and non-employee directors, including all savings plans, retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans, and life and accidental death and dismemberment insurance plans, in each case to the extent specifically listed on the Schedule of Assumed Compensation and Benefit Plans, are deemed to be, and shall be treated as, executory contracts under this Plan and, on the Effective Date, will be assumed pursuant to sections 365 and 1123 of the Bankruptcy Code. Any such policy, plan, or program not specifically listed on the Schedule of Assumed Compensation and Benefit Plans shall be deemed rejected. For the avoidance of doubt, any awards granted under the Management Incentive Plan will be governed by such plan and will not be subject to any provisions of the foregoing assumed plans, programs, or arrangements.

8.6 ***Insurance Policies.***

All insurance policies to which any Debtor is a party as of the Effective Date shall be deemed to be and treated as executory contracts, shall be assumed by the applicable Debtor, and shall vest in the Reorganized Debtors and continue in full force and effect thereafter in accordance with their respective terms.

8.7 ***Reservation of Rights.***

(a) The Debtors may amend the Schedule of Assumed Contracts and Leases, the Schedule of Rejected Contracts and Leases, the Schedule of Assumed Aircraft Leases, and the Schedule of Rejected Aircraft Leases and any Cure Notice through 4:00 p.m. (Central Time) on the Business Day immediately prior to the commencement of the Confirmation Hearing in order to (i) add, delete, or reclassify any executory contract or unexpired lease or amend a proposed assignment and /or (ii) amend the proposed Cure; *provided, however*, that if the Confirmation Hearing is adjourned for a period of more than two (2) consecutive calendar days, the Debtors' right to amend such schedules and notices shall be extended to 4:00 p.m. (Central Time) on the Business Day immediately prior to the adjourned date of the Confirmation Hearing, with such extension applying in the case of any and all subsequent adjournments of the Confirmation Hearing. For the avoidance of doubt, any such amendments shall be reasonably acceptable in all respects to the Debtors, the Requisite Plan Sponsors, and the Creditors' Committee.

(b) Neither the exclusion nor the inclusion by the Debtors of any contract or lease on any exhibit, schedule, or other annex to this Plan or in the Plan Supplement, nor anything contained in this Plan, will constitute an admission by the Debtors that any such contract or lease is or is not an executory contract or unexpired lease or that the Debtors or the Reorganized Debtors or their respective affiliates have any liability thereunder.

(c) Except as otherwise provided in this Plan, or in a previously entered order of the Bankruptcy Court, nothing shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, Causes of Action, or other rights of the Debtors or the Reorganized Debtors under any executory or non-executory contract or unexpired or expired lease.

(d) Nothing in this Plan will increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtors or the Reorganized Debtors, as applicable, under any executory or non-executory contract or unexpired or expired lease.

(e) If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of its assumption under this Plan, the Debtors or Reorganized Debtors, as applicable, shall have sixty (60) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

ARTICLE IX. CONDITIONS PRECEDENT TO THE OCCURRENCE OF THE EFFECTIVE DATE.

9.1 ***Conditions Precedent to the Effective Date.***

The Effective Date shall not occur unless all of the following conditions precedent have been satisfied or waived in accordance with Section 9.2 of this Plan:

(a) the Plan Documents are reasonably acceptable in all respects to (a) the Debtors, the Requisite Plan Sponsors, and the Creditors' Committee and (b) the Individual Creditor Parties and the Milestone Parties, solely to the extent and under the circumstances provided for pursuant to Section 2(b) of the Plan Support Agreement; *provided, however*, any

Plan Documents regarding organizational and governance matters of the Reorganized Debtors and Reorganized CHC, including, without limitation, the Reorganized CHC Operating Agreement, the Registration Rights Agreement, the Amended Certificate of Incorporation and the Amended By-Laws, shall be acceptable in all respects to the Requisite Plan Sponsors in their sole discretion, in consultation with the Debtors and the Creditors' Committee (and, solely to the extent the terms of such agreement materially, adversely, disproportionately and directly affect the Individual Creditor Parties, in consultation with the Individual Creditor Parties);

(b) the Debtors maintain unrestricted cash liquidity (i.e., cash, cash equivalents and unrestricted availability under any financing arrangement for general working capital purposes), without regard to the proceeds from the Rights Offering, in the amount set forth on Schedule 6(a)(xix) of the Plan Support Agreement (after accounting for payments to be made in connection with the Effective Date), or such lesser amount as reasonably determined by the Debtors, the Requisite Plan Sponsors and the Creditors' Committee;

(c) the Plan Support Agreement is in full force and effect;

(d) the conditions to effectiveness of the Backstop Agreement have been satisfied or waived in accordance with the terms thereof, and the Backstop Agreement is in full force and effect and binding on all parties thereto;

(e) the Bankruptcy Court has entered the Confirmation Order and it is a Final Order, and which order is in all respects reasonably acceptable to the Debtors, Requisite Plan Sponsors and the Creditors' Committee and, to the extent set forth in the Plan Support Agreement, Milestone and the Individual Creditor Parties;

(f) all Restructuring Expenses have been paid in accordance with Section 5.23 hereof

(g) all governmental and third-party approvals and consents, including Bankruptcy Court approval, necessary in connection with the transactions provided for in this Plan have been obtained, are not subject to unfulfilled conditions, and are in full force and effect, and all applicable waiting periods have expired without any action having been taken by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on such transactions;

(h) the Confirmation Order has been recognized by the Canadian Court pursuant to the Canadian Recognition Proceeding; and

(i) the Cayman Proceedings have been completed.

9.2 ***Waiver of Conditions Precedent.***

(a) Each of the Conditions Precedent to the occurrence of the Effective Date may be waived subject to the written consent, which shall not be unreasonably withheld, of the Debtors, the Requisite Plan Sponsors, and the Creditors' Committee and, to the extent such waiver (i) materially, adversely, disproportionately, and directly impacts the treatment of any Claims of the Individual Creditor Parties, the consent of the Individual Creditor Parties, which

shall not be unreasonably withheld, and (ii) materially and directly impacts the rights, interests of the Milestone Parties under the Milestone Term Sheet (including any agreements contemplated therein or related thereto) and the PK Financing Documents, the consent of Milestone, which shall not be unreasonable withheld. If any such condition precedent is waived pursuant to this Section and the Effective Date occurs, each party agreeing to waive such condition precedent shall be estopped from withdrawing such waiver after the Effective Date or otherwise challenging the occurrence of the Effective Date on the basis that such condition was not satisfied. If this Plan is confirmed for fewer than all of the Debtors as provided for in Section 5.19 of this Plan, only the conditions applicable to the Debtor or Debtors for which this Plan is confirmed must be satisfied or waived for the Effective Date to occur.

(b) The stay of the Confirmation Order pursuant to Bankruptcy Rule 3020(e) shall be deemed waived by and upon the entry of the Confirmation Order, and the Confirmation Order shall take effect immediately upon its entry.

ARTICLE X. EFFECT OF CONFIRMATION.

10.1 *Binding Effect.*

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, and subject to the occurrence of the Effective Date, on and after the entry of the Confirmation Order, the provisions of this Plan shall bind every holder of a Claim against or Interest in any Debtor and inure to the benefit of and be binding on such holder's respective successors and assigns, regardless of whether the Claim or Interest of such holder is impaired under this Plan and whether such holder has accepted this Plan.

10.2 *Vesting of Assets.*

Except as otherwise provided in this Plan, on and after the Effective Date, all Assets of the Estates, including all claims, rights, and Causes of Action and any property acquired by the Debtors under or in connection with this Plan, shall vest in each respective Reorganized Debtor free and clear of all Claims, Liens, charges, other encumbrances, and Interests. Subject to the terms of this Plan, on and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property and prosecute, compromise, or settle any Claims (including any Administrative Expense Claims) and Causes of Action without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules other than restrictions expressly imposed by this Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Debtors may pay the charges that they incur on or after the Confirmation Date for Professional Persons' fees, disbursements, expenses, or related support services without application to the Bankruptcy Court.

10.3 *Discharge of Claims Against and Interests in the Debtors.*

Upon the Effective Date and in consideration of the distributions to be made under this Plan, except as otherwise provided in this Plan or in the Confirmation Order, each holder (as well as any trustee or agent on behalf of such holder) of a Claim or Interest and any successor, assign, and affiliate of such holder shall be deemed to have forever waived, released,

and discharged the Debtors, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, Interests, rights, and liabilities that arose prior to the Effective Date. Except as otherwise provided in this Plan, upon the Effective Date, all such holders of Claims and Interests and their successors, assigns, and affiliates shall be forever precluded and enjoined, pursuant to sections 105, 524, and 1141 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or terminated Interest in any Debtor or any Reorganized Debtor.

10.4 ***Term of Pre-Confirmation Injunctions and Stays.***

Unless otherwise provided in this Plan, all injunctions and stays arising under or entered during the Chapter 11 Cases, whether under sections 105 or 362 of the Bankruptcy Code or otherwise, and in existence on the date of entry of the Confirmation Order, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

10.5 ***Injunction Against Interference with Plan.***

Upon the entry of the Confirmation Order, all holders of Claims and Interests and all other parties in interest, along with their respective successors and assigns and present and former affiliates, employees, agents, officers, directors, and principals, shall be enjoined from taking any action to interfere with the implementation or the occurrence of the Effective Date.

10.6 ***Plan Injunction.***

(a) Except as otherwise provided in this Plan or in the Confirmation Order, as of the entry of the Confirmation Order but subject to the occurrence of the Effective Date, all Entities who have held, hold, or may hold Claims or Interests are, with respect to any such Claim or Interest, permanently enjoined after the entry of the Confirmation Order from: (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative, or other forum) against or affecting, directly or indirectly, a Debtor, a Reorganized Debtor, or an Estate or the property of any of the foregoing, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Entities mentioned in this subsection (i) or any property of any such transferee or successor; (ii) enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree, or order against a Debtor, a Reorganized Debtor, or an Estate or its property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Entities mentioned in this subsection (ii) or any property of any such transferee or successor; (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against a Debtor, a Reorganized Debtor, or an Estate or any of its property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Entities mentioned in this subsection (iii) or any property of any such transferee or successor; (iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply

with the provisions of this Plan to the full extent permitted by applicable law; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of this Plan; *provided*, that nothing contained herein shall preclude such Entities who have held, hold, or may hold Claims against or Interests in a Debtor or an Estate from exercising their rights, or obtaining benefits, pursuant to and consistent with the terms of this Plan and the Plan Documents and the Cayman Proceedings.

(b) By accepting distributions pursuant to this Plan, each holder of an Allowed Claim or Allowed Interest will be deemed to have affirmatively and specifically consented to be bound by this Plan, including the injunctions set forth in this Section.

10.7 *Releases.*

(a) <u>Releases by the Debtors</u>. As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce this Plan and the Plan Documents and the Cayman Proceedings, for good and valuable consideration, including the contributions and service of the Released Parties to the Chapter 11 cases, the reorganization of the Debtors, and the implementation of the Restructuring, the adequacy of which is hereby confirmed, and except as otherwise provided in this Plan or in the Confirmation Order, the Released Parties are deemed forever released and discharged by the Debtors, the Reorganized Debtors, and the Estates from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, the Reorganized Debtors, or their Estates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements between any Debtor and any Released Party, the Restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the transactions contemplated by Section 5.2 hereof, the Disclosure Statement, the the Rights Offering, the Support Agreements, and this Plan and related agreements, instruments, and other documents (including the Plan Supplement and other Plan Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to this Plan, or any other act or omission, other than Claims or Causes of Action arising out of or related to any act or omission of a Released Party that is a criminal act or constitutes intentional fraud, willful misconduct, or gross negligence; *provided, however*, that the releases provided for herein shall not affect any settlement approved or subject to approval by the Bankruptcy Court to the extent any releases provided for in such settlement differ from the releases contained in this Section 10.7(a).

(b) <u>Releases by Holders of Claims and Interests</u>. As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce this Plan, the Plan Documents, and the Cayman Proceedings, for good and valuable consideration, including the contributions and service of the Released Parties to the Chapter 11 Cases, the reorganization of the Debtors, and the implementation of the Restructuring, the adequacy of which is hereby confirmed, and except as otherwise provided in this Plan or in the Confirmation Order, as an integral component of this Plan, the Released Parties are deemed forever released and discharged by the Releasing Parties, from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such holders or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements between any Debtor and any Released Party, the Restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the transactions contemplated by Section 5.2 hereof, the Disclosure Statement, the Rights Offering, the Support Agreements, and this Plan and related agreements, instruments, and other documents (including the Plan Supplement and other Plan Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to this Plan, or any other act or omission, other than Claims or Causes of Action arising out of or related to any act or omission of a Released Party that is a criminal act or constitutes intentional fraud, willful misconduct, or gross negligence; *provided, however*, that, for the avoidance of doubt, the releases provided for herein shall not release any claim against any non-Debtor that has been asserted by the named plaintiff or any member of the class (provided that such class member does not timely opt out of the class) in *Rudman v. CHC Group et al.*, 15-cv-3773-LAK, pending in the United States District Court for the Southern District of New York.

10.8 *Exculpation.*

To the extent permitted by applicable law, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, loss, and liability for any claim in connection with or arising out of the administration of the Chapter 11 Cases; the negotiation and pursuit of the Disclosure Statement, the Rights Offering, the Support Agreements, the transactions contemplated by Section 5.2 hereof, this Plan and all related agreements, instruments, and other documents (including the Plan Supplement and other Plan Documents), or the solicitation of votes for, or confirmation of, this Plan; the funding of this Plan; the occurrence of the Effective Date; the administration of this Plan or the property to be distributed under this Plan; the issuance of securities under or in connection with this Plan; or the transactions in furtherance of any of the foregoing; except

to the extent arising out of or related to any act or omission of an Exculpated Party that is a criminal act or constitutes intentional fraud, willful misconduct or gross negligence. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting such Exculpated Parties from liability. For the avoidance of doubt, nothing in this Plan or the Confirmation Order is intended to affect the police or regulatory activities of governmental agencies.

10.9 ***Injunction Related to Releases and Exculpation.***

The Confirmation Order shall permanently enjoin the commencement or prosecution by any Entity, whether directly, derivatively, or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, or liabilities released or exculpated pursuant to this Plan.

10.10 ***Subordinated Claims.***

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments thereof under this Plan take into account and conform to the relative priority and rights of the Claims and Interest in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, sections 510(a), 510(b), or 510(c) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors reserve the right to reclassify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

10.11 ***Waiver of Certain Avoidance Actions***

On the Effective Date, the Reorganized Debtors shall be deemed to waive and release all Avoidance Actions against non-insider trade vendors and employees of Reorganized CHC as of the Effective Date.

10.12 ***Retention of Causes of Action and Reservation of Rights.***

Except as expressly provided in Section 10.11 of this Plan, and subject to Sections 10.7, 10.8, and 10.9 of this Plan, nothing contained in this Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights, claims, Causes of Action, rights of setoff or recoupment, or other legal or equitable defenses that the Debtors had immediately before the Effective Date on behalf of the Estates or of themselves in accordance with any provision of the Bankruptcy Code or any applicable nonbankruptcy law. Subject to Sections 10.7, 10.8, and 10.9 of this Plan, the Reorganized Debtors shall have, retain, reserve, and be entitled to assert all such claims, Causes of Action, rights of setoff or recoupment, and other legal or equitable defenses as fully as if the Chapter 11 Cases had not been commenced, and all of the Debtors' legal and equitable rights in respect of any Unimpaired Claim may be asserted after the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

10.13 ***Ipso Facto and Similar Provisions Ineffective.***

Any term of any policy, contract, or other obligation applicable to a Debtor shall be void and of no further force or effect with respect to any Debtor to the extent that such policy, contract, or other obligation is conditioned on, creates an obligation of the Debtor as a result of, or gives rise to a right of any Entity based on any of the following: (a) the insolvency or financial condition of a Debtor; (b) the commencement of the Chapter 11 Cases; (c) the confirmation or consummation of this Plan, including any change of control that will occur as a result of such consummation; (d) any change of control resulting from the issuance, or mandatory conversion of the New Second Lien Convertible Notes; (e) any change of control resulting from the Cayman Proceedings; or (f) the Restructuring.

ARTICLE XI. RETENTION OF JURISDICTION.

11.1 ***Retention of Jurisdiction.***

Pursuant to sections 105(c) and 1142 of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction, pursuant to 28 U.S.C. §§ 1334 and 157, over all matters arising in or related to the Chapter 11 Cases for, among other things, the following purposes:

(a) to hear and determine applications for the assumption of executory contracts or unexpired leases and any disputes over Cure Amounts resulting therefrom;

(b) to determine any motion, adversary proceeding, application, contested matter, and other litigated matter in the Chapter 11 Cases pending on or commenced after the entry of the Confirmation Order;

(c) to hear and resolve any disputes arising from or related to (i) any orders of the Bankruptcy Court granting relief under Bankruptcy Rule 2004 or (ii) any protective orders entered by the Bankruptcy Court in connection with the foregoing;

(d) to ensure that distributions to holders of Allowed Claims are accomplished as provided in this Plan and the Confirmation Order and pursuant to the Cayman Proceedings;

(e) to consider, if necessary, Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim, including any Administrative Expense Claim;

(f) to enter, implement, or enforce such orders as may be appropriate in the event that the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(g) to issue and enforce injunctions and releases, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any Entity with the consummation, implementation, or enforcement of this Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

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(h) to hear and determine any application to modify this Plan in accordance with section 1127 of the Bankruptcy Code to remedy any defect or omission or reconcile any inconsistency in this Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(i) to hear and determine all Professional Fee Claims;

(j) to resolve disputes concerning Disputed Claims and any reserves with respect to Disputed Claims or the administration thereof;

(k) to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan, the Confirmation Order, the Support Agreements, any transactions or payments in furtherance of either, or any agreement, instrument, or other document governing or related to any of the foregoing;

(l) to take any action and issue such orders, including any such action or orders as may be necessary after entry of the Confirmation Order or the occurrence of the Effective Date, as may be necessary to construe, enforce, implement, execute, and consummate this Plan, including any release, exculpation, or injunction provisions set forth in this Plan, or to maintain the integrity of this Plan following the occurrence of the Effective Date;

(m) to determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(n) to hear and determine any disputes with the Post-Effective Date Committee as provided herein;

(o) to hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited determination of taxes under section 505(b) of the Bankruptcy Code);

(p) to hear and determine any other matters related to the Chapter 11 Cases and not inconsistent with the Bankruptcy Code or title 28 of the United States Code;

(q) to hear and determine any disputes arising in connection with the interpretation, implementation, or enforcement of any Postpetition Aircraft Agreement;

(r) to resolve any disputes concerning whether an Entity had sufficient notice of the Chapter 11 Cases, the Disclosure Statement, any solicitation conducted in connection with the Chapter 11 Cases, any bar date established in the Chapter 11 Cases, or any deadline for responding or objecting to a Cure Amount, in each case, for the purpose for determining whether a Claim or Interest is discharged hereunder or for any other purpose;

(s) to recover all Assets of the Debtors and property of the Estates, wherever located; and

(t) to enter a final decree closing each of the Chapter 11 Cases.

ARTICLE XII. MISCELLANEOUS PROVISIONS.

12.1 *Amendments.*

(a) Plan Modifications. This Plan may be amended, modified, or supplemented by the Debtors, subject to the consent rights set forth in the Plan Support Agreement, in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law, without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as otherwise ordered by the Bankruptcy Court. In addition, after the Confirmation Date, so long as such action does not materially and adversely affect the treatment of holders of Allowed Claims or Allowed Interests pursuant to this Plan, the Debtors, subject to the consent rights set forth in the Plan Support Agreement, may remedy any defect or omission or reconcile any inconsistencies in this Plan or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes of effects of this Plan, and any holder of a Claim or Interest that has accepted this Plan shall be deemed to have accepted this Plan as amended, modified, or supplemented.

(b) Certain Technical Amendments. Prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to this Plan without further order or approval of the Bankruptcy Court, subject to the consent rights set forth in the Plan Support Agreement; *provided*, that such technical adjustments and modifications do not adversely affect the treatment of holders of Allowed Claims or Allowed Interests under this Plan.

12.2 *Revocation or Withdrawal of Plan.*

The Debtors reserve the right to revoke or withdraw this Plan prior to the Effective Date as to any or all of the Debtors, subject to the consent rights set forth in, and the terms and conditions of, the Plan Support Agreement. If, with respect to a Debtor, this Plan has been revoked or withdrawn prior to the Effective Date, or if confirmation or the occurrence of the Effective Date as to such Debtor does not occur on the Effective Date, then, with respect to such Debtor: (a) this Plan shall be null and void in all respects; (b) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount any Claim or Interest or Class of Claims or Interests), assumption of executory contracts or unexpired leases affected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void; and (c) nothing contained in this Plan shall (i) constitute a waiver or release of any Claim by or against, or any Interest in, such Debtor or any other Entity; (ii) prejudice in any manner the rights of such Debtor or any other Person or Entity; or (iii) constitute an admission of any sort by any Debtor or any other Person or Entity.

12.3 *Dissolution of Creditors' Committee*

Except to the extent provided herein, upon the Effective Date, the current and former members of the Creditors' Committee, and their respective officers, employees, counsel, advisors and agents, shall be released and discharged of and from all further authority, duties, responsibilities and obligations related to and arising from and in connection with the Chapter 11 Cases; provided, however, that following the Effective Date, the Creditors' Committee shall continue in existence and have standing and a right to be heard for the following limited

purposes: (1) Claims and/or applications for compensation by Professionals and requests for allowance of Administrative Claims for substantial contribution pursuant to section 503(b)(3)(D) of the Bankruptcy Code; (2) any appeals of the Confirmation Order, (3) any appeals to which the Creditors' Committee is a named party; (4) any adversary proceedings or contested matters as of the Effective Date to which the Creditors' Committee is a named party; and (5) responding to creditor inquiries for fourteen (14) days following the Effective Date. Following the completion of the Creditors' Committee's remaining duties set forth above, the Creditors' Committee shall be dissolved, and the retention or employment of the Creditors' Committee's respective attorneys, accountants and other agents shall terminate.

12.4 ***Post-Effective Date Committee***

So long as the Creditors' Committee does not terminate its obligations under the Plan Support Agreement, a Post-Effective Date Committee shall be formed on the Effective Date, with its rights as set forth in Section 7.5 hereof. The Post-Effective Date Committee shall consist of three (3) members appointed by and from the Creditors' Committee and may adopt by-laws governing its conduct. The Reorganized Debtors will reimburse the Post-Effective Date Committee and its members (in such capacity) for reasonable and documented fees and out-of-pocket expenses, subject to the Post-Effective Date Committee Fee Cap. Unless the Post-Effective Date Committee votes to disband earlier, the existence of the Post-Effective Date Committee, and all rights and powers associated therewith, shall terminate on the date on which all Disputed General Unsecured Claims have been resolved.

12.5 ***Exemption from Certain Transfer Taxes.***

Pursuant to section 1146 of the Bankruptcy Code, the issuance, transfer, or exchange of any security or other property hereunder, including, to the fullest extent permitted by applicable law, all sale transactions consummated by the Debtors and approved by the Bankruptcy Court on and after the Confirmation Date through and including the Effective Date, including any transfers effectuated under this Plan, including pursuant to the transactions contemplated by Section 5.2 hereof, and any assumption, assignment, or sale by the Debtors of their interests in unexpired leases of nonresidential real property or executory contracts pursuant to section 365(a) of the Bankruptcy Code, and any transfer of title to or ownership of any of the Debtors' interests in any Aircraft Equipment, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax. In furtherance thereof, and to the fullest extent permitted by applicable law, any such issuance, transfer, or exchange shall constitute a "transfer under a plan" within the purview of section 1146 of the Bankruptcy Code.

12.6 ***Payment of Statutory Fees.***

All fees payable under section 1930 of chapter 123 of title 28 of the United States Code shall be paid on the Effective Date, or as soon as practicable thereafter, by the Debtors or Reorganized Debtors. Quarterly fees owed to the U.S. Trustee shall be paid when due in accordance with applicable law and the Debtors and Reorganized Debtors shall continue to file reports to show the calculation of such fees for the Debtors' Estates until the Chapter 11 Cases are closed under section 350 of the Bankruptcy Code. Each and every one of the Debtors shall remain obligated to pay quarterly fees to the U.S. Trustee until the earliest of that particular

Debtor's case is closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code.

12.7 ***Severability.***

Subject to Section 5.19 of this Plan, if, prior to the entry of the Confirmation Order, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors, with the consent of the Requisite Plan Sponsors and the Creditors' Committee, not to be unreasonably withheld, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation by the Bankruptcy Court, the remainder of the terms and provisions of this Plan shall remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with this Section, is valid and enforceable pursuant to its terms.

12.8 ***Governing Law.***

Except to the extent that the Bankruptcy Code or other federal law is applicable or to the extent that a Plan Document provides otherwise, the rights, duties, and obligations arising under this Plan and the Plan Documents shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York, without giving effect to the principles of conflict of laws thereof.

12.9 ***Immediate Binding Effect.***

Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 7062, or otherwise, upon the occurrence of the Effective Date, the terms of this Plan and the Plan Documents shall be immediately effective and enforceable and deemed binding upon and inure to the benefit of the Debtors, the Reorganized Debtors, the holders of Claims and Interests, the Released Parties, the Exculpated Parties, and each of their respective successors and assigns.

12.10 ***Successors and Assigns.***

The rights, benefits, and obligations of any Entity named or referred to in this Plan shall be binding on and shall inure to the benefit of any heir, executor, administrator, successor, or permitted assign, if any, of each such Entity.

12.11 ***Entire Agreement.***

On the Effective Date, this Plan, the Plan Supplement, the Confirmation Order and the Cayman Proceedings shall supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into this Plan; *provided, however*, the Plan Support Agreement and Backstop Agreement shall not be so superseded solely to the extent such

agreements contain covenants or other obligations that apply to the period after the Effective Date.

12.12 ***Computing Time.***

In computing any period of time prescribed or allowed by this Plan, unless otherwise set forth in this Plan or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

12.13 ***Exhibits to Plan.***

All exhibits, schedules, supplements, and appendices to this Plan (including the Plan Supplement) are incorporated into and are a part of this Plan as if set forth in full herein.

12.14 ***Expedited Tax Determination.***

The Reorganized Debtors may request an expedited determination of U.S. federal, state, or local taxes under section 505(b) of the Bankruptcy Code for all returns filed on or on behalf of the Debtors or the Reorganized Debtors for all taxable periods through the Effective Date.

12.15 ***Notices.***

All notices, requests, and demands to or upon the Debtors or Reorganized Debtors, as applicable, shall be in writing (including by email transmission) and, unless otherwise provided herein, shall be deemed to have been duly given or made only when actually delivered, addressed as follows:

(a) *If to the Debtors or Reorganized Debtors*:

CHC Group Ltd.
600 E. Las Colinas Blvd., Suite 1000
Irving, Texas 75039
Attn: Hooman Yazhari
Telephone: (214) 262-7300
Email: hooman.yazhari@chc.ca

– and –

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Gary T. Holtzer, Esq.
Kelly DiBlasi, Esq.
Telephone: (212) 310-8000
Email: gary.holtzer@weil.com
kelly.diblasi@weil.com

– and –

Weil, Gotshal & Manges LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Attn: Stephen A. Youngman, Esq.
Telephone: (214) 746-7770
Email: stephen.youngman@weil.com

(b) *If to the Plan Sponsors*:

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park, Bank of America Tower
New York, NY 10036
Attn: Michael S. Stamer, Esq.
James Savin, Esq.
Jason Rubin, Esq.
Telephone: (212) 872-1000
Email: mstamer@akingump.com
jsavin@akingump.com
jrubin@akingump.com

(c) *If to the Creditors' Committee:*

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036
Attn: Douglas Mannal, Esq.
Anupama Yerramalli, Esq.
Rachael Ringer, Esq.
Telephone: (212) 715-9100
Email: dmannal@kramerlevin.com
ayerramalli@kramerlevin.com
rringer@kramerlevin.com

– and –

Gardere Sewell Wynne LLP
3000 Thanksgiving Tower
1601 Elm Street
Dallas, Texas 75201
Attn: Marcus Helt, Esq.
Telephone: (214) 999-3000
Email: mhelt@gardere.com

(d) *If to the Individual Creditor Parties:*

Brown Rudnick LLP
One Financial Center
Boston, MA 02111
Attn: Steven B. Levine, Esq.
Email: SLevine@brownrudnick.com

(e) *If to Milestone:*

Sidley Austin LLP
787 Seventh Avenue
New York, NY 10019
Attn: Michael G. Burke
Email: mgburke@sidley.com

After the occurrence of the Effective Date, the Reorganized Debtors have authority to send a notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entities must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the occurrence of the Effective Date, the Reorganized Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities that have filed such renewed requests.

12.16 ***Reservation of Rights.***

Except as otherwise provided herein, this Plan shall be of no force or effect unless the Bankruptcy Court enters the Confirmation Order. None of the filing of this Plan, any statement or provision of this Plan, or the taking of any action by the Debtors with respect to this Plan shall be or shall be deemed to be an admission or waiver of any rights of the Debtors with respect to any Claims or Interests prior to the Effective Date.

[The balance of this page has been intentionally left blank.]

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CHC Group Ltd.
6922767 Holding SARL
Capital Aviation Services B.V.
CHC Cayman ABL Borrower Ltd.
CHC Cayman ABL Holdings Ltd.
CHC Cayman Investments I Ltd.
CHC Den Helder B.V.
CHC Global Operations (2008) ULC
CHC Global Operations Canada (2008) ULC
CHC Global Operations International ULC
CHC Helicopter (1) S.à r.l.
CHC Helicopter (2) S.à r.l.
CHC Helicopter (3) S.à r.l.
CHC Helicopter (4) S.à r.l.
CHC Helicopter (5) S.à r.l.
CHC Helicopter Australia Pty Ltd
CHC Helicopter Holding S.à r.l.
CHC Helicopter S.A.
CHC Helicopters (Barbados) Limited
CHC Helicopters (Barbados) SRL
CHC Holding (UK) Limited
CHC Holding NL B.V.
CHC Hoofddorp B.V.
CHC Leasing (Ireland) Limited
CHC Netherlands B.V.
CHC Norway Acquisition Co AS
Heli-One (Netherlands) B.V.
Heli-One (Norway) AS
Heli-One (U.S.) Inc.
Heli-One (UK) Limited
Heli-One Canada ULC
Heli-One Holdings (UK) Limited
Heli-One Leasing (Norway) AS
Heli-One Leasing ULC
Heli-One USA Inc.
Heliworld Leasing Limited
Integra Leasing AS
Lloyd Bass Strait Helicopters Pty. Ltd.
Lloyd Helicopter Services Limited
Lloyd Helicopter Services Pty. Ltd.
Lloyd Helicopters International Pty. Ltd.
Lloyd Helicopters Pty. Ltd.
Management Aviation Limited

By: /s/ Robert Del Genio _____
Name: Robert Del Genio
Title: Chief Restructuring Officer

Exhibit O

FILED
DALLAS COUNTY
1/12/2017 2:45:04 PM
FELICIA PITRE
DISTRICT CLERK

CAUSE NO. DC-16-15017

ERA GROUP INC., Plaintiff, v. AIRBUS HELICOPTERS, INC. and, AIRBUS HELICOPTERS, S.A.S., Defendants.	IN THE DISTRICT COURT 116TH JUDICIAL DISTRICT DALLAS COUNTY, TEXAS

SPECIAL APPEARANCE OF DEFENDANT AIRBUS HELICOPTERS, S.A.S.

Defendant Airbus Helicopters, S.A.S. ("AH France") makes this special appearance pursuant to TEX. R. CIV. P. 120(a) to object to the Court's exercise of personal jurisdiction over it, and in support thereof would show as follows:

I.
INTRODUCTION

AH France is a French company headquartered in France where it designs, obtains certification of, manufactures and sells helicopters, including a model known as the "Super Puma." AH France does not have a place of business in Texas and does not transact business in Texas. Plaintiff Era Group, Inc. ("Era") alleges that AH France fraudulently induced it to purchase ten Super Puma helicopters that Era claims are defective and do not conform to express and implied warranties. AH France, however, did not sell these helicopters to Era. Instead, AH France sold and delivered the helicopters in France to a separate and independent company, Airbus Helicopters, Inc. ("AH US"), which is incorporated under the laws of the State of Delaware and has its offices in Texas and Mississippi. AH US later sold the helicopters to purchasers having addresses in Louisiana for use outside of Texas.

The essence of Era's claims against AH France is that AH France knew, but failed to disclose, that the main gearboxes in Super Puma helicopters contain defects, and that AH France misrepresented the safety, reliability, and design of the main gearbox. Era asserts that an event involving a Super Puma helicopter in Norway, and subsequent actions taken by certain airworthiness authorities in Europe and other parts of the world, recently revealed this defect to Era. Absent from Era's Petition, however, is any allegation that AH France committed any act in Texas that gave rise to Era's tort claims, which is required for a Texas court to exercise personal jurisdiction over AH France under the Texas long-arm statute, TEX. CIV. PRAC. & REM. CODE § 17.042(2), and the due process minimum contacts requirements of the United States Constitution. Because AH France is not at home in Texas and thus not subject to the general jurisdiction of Texas courts, and because Era has not identified a substantial connection between any Texas contacts by AH France and the operative facts of Era's claims such that specific jurisdiction exists, AH France's special appearance should be granted.

II.
STATEMENT OF FACTS

AH France, formerly known as Eurocopter, S.A.S., is a French company organized and existing under the laws of France. [Declaration of Michel Gouraud ("Gouraud Decl."), ¶ 3; Original Petition ("Pet."), ¶ 22.] Its principal place of business is in Marignane, France, where it designs, obtains certification of, manufactures, sells and supports certain Airbus Helicopters model helicopters, including Super Puma helicopters. [*Id.*] AH France has never – even temporarily – had offices or operational activities in Texas. [*Id.*] AH France maintains a website in France and produces marketing materials in France. [*Id.*] AH France does not sell Super Puma or any other helicopters in Texas or through its website. [*Id.* at ¶¶ 3-4.]

AH France sells helicopters to purchasers from around the world, including to AH US. [*Id.* at ¶¶ 3, 6.] AH US, which has its offices in Grand Prairie, Texas, is not a subsidiary of AH France; in fact, AH France has no ownership interest in AH US. [*Id.* at ¶ 9.] Nor does AH US derive its right to use the name "Airbus" from AH France. [Affidavit of James R. Cawyer, ¶ 4.] AH France and AH US are separate and independent companies, each with its own separate management, employees, facilities, bank accounts and operational control. [Gouraud Decl., ¶ 9; Cawyer Aff., ¶ 4.] AH France operates its own website with a unique domain name (airbushelicopters.com), which is hosted separately from, and is independent of, the website operated by AH US (airbushelicoptersinc.com). [Gouraud Decl., ¶ 3.] AH US has customers throughout the United States, and only approximately 11% of its customers have billing addresses in the State of Texas. [Cawyer Aff., ¶ 5.] When AH US purchases helicopters from AH France, including the helicopters at issue here, the purchases are made in France, and the helicopters are delivered to AH US in France. [Gouraud Decl., ¶ 6.]

The Super Puma helicopters at issue in this lawsuit bear manufacturer serial numbers ("MSN") 2680, 2685, 2690, 2691, 2732, 2734, 2760, 2777, 2825, and 2809. [Pet., ¶¶ 48-50.] AH France designed, obtained certification of, and manufactured these helicopters in France. [Gouraud Decl., ¶¶ 3, 6.] Over several years prior to 2010, AH France sold and delivered these helicopters in France to AH US. [*Id.* at ¶ 6.]

AH France was not a party to any of the purchase agreements between AH US and the purchasers of the helicopters at issue in this dispute. [*Id.*] In 2006, a company named Era Helicopters LLC ("Era Helicopters") with a Lake Charles, Louisiana, address purchased the first four of these aircraft from AH US, which was known then as American Eurocopter LLC. [Pet., ¶ 48 & Exh. A (Purchase Agreement for MSN 2680, 2685, 2690 & 2691); Cawyer Aff., ¶¶ 1, 6.]

The Purchase Agreement Terms and Conditions called for Era Helicopters to take technical[1] delivery of these four helicopters in France, with final delivery occurring at AH US's facility in Texas. [Pet., Exh. A, Purchase Agreement Terms and Conditions, ¶ 2(a).] The Louisiana purchaser of these four helicopters signed Texas Aircraft Exemption Certificate Out-of-State Registration and Use forms that certified for each helicopter that "[t]he aircraft will be registered in Lake Charles, Louisiana, as recorded with [the] Federal Aviation Administration" and "[t]he aircraft will be hangared in Lake Charles, Louisiana, and is not purchased for use in Texas." [Cawyer Aff., Exhs. A - D.] The Delivery Affidavits for these helicopters state that they were delivered to "Era Helicopters, LLC, Lake Charles Regional Airport, 600 Airport Services Road, Lake Charles, LA 70606." [*Id.* at Exhs. E - H.]

In 2007, a company called Era Group, Inc., with the same Lake Charles address, purchased four more of the helicopters from AH US. [Pet., ¶ 49 & Exh. B (Purchase Agreement for MSN 2732, 2734, 2760 and 2777).] According to the terms of the Purchase Agreement, those helicopters were delivered by AH US to Era Group Inc., in Marignane, France. [Pet., Exh. B (delivery dates "Ex works Marignane [France]").] The Delivery Affidavits for these helicopters stated that they were delivered to "Era Group, Inc., Lake Charles Regional Airport, 600 Airport Services Road, Lake Charles, LA 70606." [Cawyer Aff., Exhs. I - K (the delivery affidavit for MSN 2734 has not been located).]

In 2010, Era Helicopters of Lake Charles purchased the remaining two helicopters from AH US. [*Id.* at ¶ 50 & Exh. C (Purchase Agreement for MSN 2809 and 2825).] The Purchase

[1] The term "technical" delivery means that the helicopters would be delivered at their place of manufacture in France "to ensure that the aircraft will meet all contractual requirements and in order to allow adjustments to discrepancies, if required." [Pet., Exh. A, Purchase Agreement Terms and Conditions, ¶ 2(a).]

Agreement called for AH US to deliver those helicopters in France. [*Id.* at Exh. C, Purchase Agreement Terms & Conditions, ¶ 2(a).] The Delivery Affidavits for those helicopters listed the same Lake Charles, Louisiana, address as for the other 8 helicopters. [Cawyer Aff., Exhs. L - M.]

Era alleges that these ten Super Puma helicopters have been operated in Brazil, Norway, and the Gulf of Mexico. [Pet., ¶ 111.] None are alleged to have been operated in Texas, and, as stated, Era certified that the four helicopters delivered in Texas would not be registered or hangared in Texas. [Cawyer Aff., Exhs. A – D.] Era further alleges that between December 2012 and March 2016 it received maintenance on its ten Super Puma helicopters by AH France and/or an unrelated company, Heli-One, which is a third-party authorized maintenance provider that AH France does not own, control or have any corporate relationship with. [*Id.* at ¶¶ 111-114; Gouraud Decl., ¶ 10.] None of that maintenance is alleged to have been performed in Texas. [Pet., ¶¶ 111-114.]

Era also alleges that AH France has made numerous false statements in publications, marketing materials and on its website regarding the Super Puma. [*Id.*, *passim*.] None of the statements, however, are alleged to have been made by AH France in Texas. [*Id.*] In fact, the Petition references only one instance in which specific statements about Super Puma helicopters were ever allegedly made directly to an Era-affiliated entity. [Pet., ¶ 29.] Those statements, however, were made by AH US, not AH France, and they were made during a sales presentation to Era Helicopters LLC (not plaintiff Era Group, Inc.) in Louisiana in December 2011, more than a year *after* the last sale to Era in 2010. [*Id.*]

On April 29, 2016 a Super Puma helicopter (not one of the helicopters at issue in this lawsuit) operated by a Norwegian company crashed in Norway. [Pet., ¶¶ 70-74.] The cause of

that accident is currently under investigation by the Accident Investigation Board of Norway ("AIBN"). [*Id.*] The focus of the investigation is on the failure of a second stage planetary gear in the main gearbox. [*Id.* at ¶ 75.] AH France has provided technical support to investigative and certification authorities in Europe from its place of business in France. [Gouraud Decl., ¶ 8.]

On November 21, 2016, citing the 2016 Norway crash as evidence of a defect in all Super Puma aircraft, Era filed its Petition against AH France and AH US and asserted claims of fraudulent inducement, breach of express and implied warranties, and unjust enrichment. [Pet., Counts I-V.] Era also asserts that it has sustained economic losses from reduced value of its Super Puma aircraft and related costs. [*Id.* at ¶¶ 118-121.]

III.
ARGUMENT AND AUTHORITIES

The Texas Supreme Court has explained as follows the shifting burdens and standards when a nonresident defendant specially appears and challenges personal jurisdiction:

> A nonresident defendant is subject to the personal jurisdiction of Texas courts if (1) the Texas long-arm statute authorizes the exercise of jurisdiction, and (2) the exercise of jurisdiction does not violate federal and state constitutional due process guarantees. The broad "doing business" language in Texas's long-arm statute allows the trial court's jurisdiction to "reach as far as the federal constitutional requirements of due process will allow." Personal jurisdiction is consistent with due process "when the nonresident defendant has established minimum contacts with the forum state, and the exercise of jurisdiction comports with traditional notions of fair play and substantial justice." "A defendant establishes minimum contacts with a state when it purposefully avails itself of the privilege of conducting activities within the forum state, thus invoking the benefits and protections of its laws."

Kelly v. General Interior Constr., Inc., 301 S.W.3d 653, 657-58 (Tex. 2010) (citations omitted).

In the same opinion the Texas Supreme Court explained:

> Our special-appearance jurisprudence dictates that the plaintiff and the defendant bear shifting burdens of proof in a challenge to personal jurisdiction. We have consistently held that the plaintiff bears the initial burden to plead sufficient allegations to bring the nonresident defendant

> within the reach of Texas's long-arm statute. Once the plaintiff has pleaded sufficient jurisdictional allegations, the defendant filing a special appearance bears the burden to negate all bases of personal jurisdiction alleged by the plaintiff. Because the plaintiff defines the scope and nature of the lawsuit, the defendant's corresponding burden to negate jurisdiction is tied to the allegations in the plaintiff's pleading.
>
> If the plaintiff fails to plead facts bringing the defendant within reach of the long-arm statute (i.e., for a tort claim, that the defendant committed tortious acts in Texas), the defendant need only prove that it does not live in Texas to negate jurisdiction.

Id. at 658-59 (citations omitted).

The Texas Supreme Court concluded by confirming:

> The defendant can negate jurisdiction on either a factual or legal basis. Factually, the defendant can present evidence that it has no contacts with Texas, effectively disproving the plaintiff's allegations. The plaintiff can then respond with its own evidence that affirms its allegations, and it risks dismissal of its lawsuit if it cannot present the trial court with evidence establishing personal jurisdiction. Legally, the defendant can show that even if the plaintiff's alleged facts are true, the evidence is legally insufficient to establish jurisdiction . . . [.]

Id. at 659 (citations omitted).

The minimum contacts inquiry is refined into contacts that give rise to either general or specific jurisdiction. The United States Supreme Court has made clear that general jurisdiction exists only if the defendant's contacts show that it is "at home" in the forum state, which in all but the exceptional case means that it is incorporated in or maintains its principal place of business in the forum state. *Daimler AG v. Bauman*, 134 S. Ct. 746, n.19 (2014). And, the Texas Supreme Court has made clear that specific jurisdiction only exists over a non-resident defendant if there is a "substantial connection" between the defendant's contacts with the forum state and the "operative facts" of the lawsuit. *Moki Mac River Expeditions, Inc. v. Drugg*, 221 S.W.3d 569, 585 (Tex. 2007).

In this case, even if all of the facts alleged in Era's voluminous Petition are taken as true, Era still has not pled facts placing AH France within the Texas long-arm statute. Thus, because AH France has shown that it is not a Texas resident with a principal place of business in Texas, [Gouraud Decl., ¶ 3], it has met its burden of negating personal jurisdiction over it by a Texas court. *Kelly*, 301 S.W.3d at 658-58. Moreover, as shown below, Era also has not pled facts that, if true, are sufficient to establish either general or specific jurisdiction over AH France consistent with the minimum contacts due process requirements.

A. The Court Lacks General Jurisdiction Because AH is not "At Home" in Texas

In *Daimler*, the United States Supreme Court explained that the general jurisdiction inquiry "is not whether a foreign corporation's in-forum contacts can be said to be in some sense 'continuous and systematic,' it is whether that corporation's 'affiliations with the State are so 'continuous and systematic' as to render [it] essentially at home in the forum State.'" 134 S. Ct. at 761 (quoting *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 564 U.S. 915, 919, 131 S. Ct. 2846, 180 L. Ed. 2d 796 (2011)). "Only in an 'exceptional case'," the Court explained, "will a corporation be deemed 'at home' in a place other than its principal place of business or place of incorporation." *Id.* at 761 n.19. In reaching this decision, the Court cited to *Perkins v. Benguet Consol. Mining Co.*, 342 U.S. 437 (1952), as an example of an exceptional case in which the Court found general jurisdiction over a Philippines company whose president had temporarily moved the company's headquarters to Ohio during the second world war, from where the president conducted the company's day-to-day business activities. *Id.* at 756, n.8.

Here, Era has alleged the undisputed facts that negate general jurisdiction – *i.e.*, that AH France is "a French corporation with its principal place of business and/or headquarters in France." [Pet., ¶ 22; Gouraud Decl., ¶ 3.] Thus, Texas is not a "paradigm" place in which AH

France is deemed "at home" for general jurisdiction. *Daimler*, 134 S. Ct. at 760-61, n.19; *Knight Corp v. Knight*, 367 S.W.3d 715, 727 (Tex. App.—Houston [14th Dist.] 2012, no pet.) ("For a corporation, the paradigm forum for the exercise of general jurisdiction is the place in which the corporation is fairly regarded as at home."), citing *Goodyear*, 131 S. Ct. at 2853-54.

AH France has never – even temporarily – operated its business out of Texas, [Gouraud Decl., ¶ 5], and Era has not alleged any facts showing this to be an "exceptional case" like that in *Perkins*. While AH France engages in commercial transactions with Texas-based AH US, such transactions do not support the exercise of general jurisdiction over it after *Daimler*. *In re Deutsche Bank Securities Inc.*, 2015 Tex. App. LEXIS 6889, *13-17 (Tex. App.—Austin [3rd Dist.] July 3, 2015) (discussing *Daimler* and finding that "extensive business practices" in Texas would not subject a German company to general jurisdiction). Nor does AH France's maintenance of its passive website accessible to Texas residents render AH France "at home" in Texas. *Crossroads, LLC v. A.D.I.M. Global Co.*, 2016 Tex. App. LEXIS 13202, *n.7 (Tex. App.—Dallas [5th Dist.] Dec. 13, 2016) ("Even 'repeated contacts with forum residents' through an interactive website 'may not constitute the requisite substantial, continuous and systematic contacts required for a finding of general jurisdiction.'") (quoting *Monkton Ins. Servs., Ltd v. Ritter*, 768 F.3d 429, 432, 434 (5th Cir. 2014) (explaining that after *Daimler* "[i]t is . . . incredibly difficult to establish general jurisdiction in a forum other than the place of incorporation or principal place of business"). Based upon the foregoing, this Court lacks general jurisdiction over AH France.

B. The Court Lacks Specific Jurisdiction Because There Is No Substantial Connection between Era's Lawsuit and AH France's Texas Contacts

To establish specific jurisdiction over AH France, Era must allege: (1) AH France purposefully availed itself of the privilege of conducting business activities in Texas, and (2) its

alleged liability arises from or relates to those activities. *Moki Mac*, 221 S.W.3d at 575. The Texas Supreme Court has explained that specific jurisdiction requires the plaintiff to establish "a substantial connection between [the defendant's forum] contacts and the operative facts of the litigation." *Id.* at 585 (citations omitted). The "operative facts" are those "that would be the focus of the trial." *Id.*; *see also Denso Corp. v. Hall*, 396 S.W.3d 681, 691 (Tex. App.—Houston [14th Dist.] 2013).

To determine whether AH France has purposefully availed itself of the benefits of doing business in Texas for purposes of Era's claims, the Court should consider "(1) [AH France's] own actions but not the unilateral activity of another party, (2) whether [AH France's] actions were purposeful rather than "random, isolated, or fortuitous," and (3) whether [AH France] sought "some benefit, advantage, or profit by 'availing' itself of the jurisdiction." *Michiana Easy Livin' Country, Inc. v. Holton*, 168 S.W.3d 777, 785 (Tex. 2005).

Texas courts are very clear that to establish specific jurisdiction in tort cases, the Texas long-arm statute, Tex. Civ. Prac. & Rem. Code § 17.042(2), requires that the nonresident defendant commit "a tort in whole or in part in this state." In *Kelly*, the Texas Supreme Court found that specific jurisdiction did not exist in Texas over a nonresident defendant for a fraud claim where there were no allegations that the defendant committed any fraudulent acts in Texas. 301 S.W.3d at 659-660. As the Court explained:

> GIC failed to plead facts within the reach of the long-arm statute because it did not allege that the Officers committed any tortious acts in Texas. As noted, GIC's live pleading contains no allegations that the Officers' wrongdoing occurred in Texas. Regarding the fraud claim, GIC did allege several fraudulent acts (e.g., providing false affidavits to Meristar and misrepresenting to GIC that it would be paid in full), but it did not allege that any fraudulent acts occurred in Texas . . .

Id.

Simply put, Texas courts do not exercise specific jurisdiction over nonresident defendants in fraud, fraudulent inducement, and negligent misrepresentation cases when the defendant is not alleged to have made the allegedly false statement giving rise to the claim in Texas. *See, e.g., Crossroads, LLC v. A.D.I.M. Global Co.*, 2016 Tex. App. LEXIS 13202, *16-17 (Tex. App.—Dallas [5th Dist.] Dec. 13, 2016) ("Under the same circumstances in *KC Smash 01, LLC*, where the defendant did not enter Texas in connection with the transaction at issue, we explained that "fraudulent or negligent misrepresentations made through electronic media do not establish specific jurisdiction.") (quoting *KC Smash 01, LLC v. Gerdes, Hendrichson, Ltd., L.L.P.*, 384 S.W.3d 389, 393-94 (Tex. App.—Dallas [5th Dist.] 2012) (no specific jurisdiction over claim for allegedly fraudulent and misleading statements when defendant did not enter Texas); *Jani-King Franchising, Inc. v. Falco Franchising, Inc.*, 2016 Tex. App. LEXIS 4836, *12-14 (Tex. App.—Dallas [5th Dist.] May 5, 2016) (finding no purposeful availment as to fraud defendant who made calls and emails to Texas, but did not physically enter Texas, but finding purposeful availment as to other fraud defendants who made statements and omissions while in Texas); *Julian v. Cadence McShane Constr. Co.*, LLC, 2015 Tex. App. LEXIS 11490, *14-21 (Tex. App.—Houston [First Dist.] Nov. 5, 2015) (finding no specific jurisdiction over defendant on fraud claim when there was no allegation that the defendants said or did anything in Texas that related to the claim).

Texas courts are equally clear that specific jurisdiction may not be based on a statement made by a nonresident defendant outside of Texas even if the statement was directed at Texas. In *Kelly*, the Texas Supreme Court explained, "we rejected the concept of directed-a-tort jurisdiction in *Michiana*, instead affirming the importance of the defendant's contacts with the forum state." 301 S.W.3d at 661 (citing *Michiana*, 168 S.W.3d at 788-92); *Crossroads*, 2016

Tex. App. LEXIS 13202 at *16-17 ("We have rejected the argument that "directing a tort" at the forum state-such as Crossroads making misrepresentations to ADIM when ADIM was in Texas-is a basis for specific personal jurisdiction.") (citing *Michiana*, 168 S.W.3d at 790-92); *Klug v. Wickert*, 2015 Tex. App. LEXIS 7414, *14-15 (Tex. App.—Dallas [5th Dist.] July 16, 2015) (arguments that tortious conduct is directed by the defendant to the forum improperly "shifts a court's focus from the relationship among the *defendant*, the forum, and the litigation, to the relationship among the *plaintiff*, the forum, and the litigation") (original emphasis).

Here, the operative facts of Era's fraudulent inducement claim as to AH France are allegedly false statements made by AH France that induced Era to purchase Super Puma helicopters from AH US. Notably absent from Era's Petition is an allegation that AH France made any such statements in Texas. Era does reference marketing materials and publications about Super Puma helicopters, which AH produced in France, [Gouraud Decl., ¶ 3], but does not allege those materials were presented to or otherwise communicated by AH France to Era in Texas. [Pet., §§ 40-44, 125.] Thus, those statements cannot support specific jurisdiction. *Kelly*, 301 S.W.3d at 659-661. Era also alleges that information about Super Puma helicopters may be found on AH France's website that is maintained in France, but such website information does not provide a basis for exercising specific jurisdiction. *Crossroads*, 2016 Tex. App. LEXIS 13202 at *16-17 ("fraudulent or negligent misrepresentations made through electronic media do not establish specific jurisdiction").[2] Furthermore, much of the alleged conduct in Era's Petition that did not occur in Texas occurred *after* the last of the helicopters were sold in 2010 (such as

[2] Throughout most of its Petition, Era chooses not to distinguish between AH France and AH US, instead referring to them jointly as "Airbus Helicopters," even though Era acknowledges that they are different companies in Paragraphs 23 through 25 of its Petition, and Era concedes that it purchased the helicopters at issue from AH US, not AH France.

the presentation by AH US (not AH France) to Era Helicopters in Louisiana in 2011, and the alleged maintenance on Era's helicopters in 2012-2016). Thus, these allegations cannot have fraudulently induced Era to purchase its Super Puma helicopters.

The operative facts of Era's breach of warranty claims relate to warranties made in the purchase agreements for the helicopters with AH US. [Pet., Counts II-V; §§ 53-55 & Exh. A - C.] Even if those warranties had not already expired by their terms (and they have), AH France was not a party to those purchase agreements. [Gouraud Decl., ¶ 6; Pet. ¶¶ 23, 25.] Moreover, to the extent Era argues that AH France may be liable to it as a subsequent purchaser for warranties made by AH France when it sold the helicopters in France to AH US, the operative facts of that claim (assuming Texas law were applied, which AH France does not concede) would be the warranties made by AH France to AH US in France**.** *Man Engines & Components, Inc. v. Shows*, 434 S.W.3d 132, 139 (Tex. 2014) ("As a matter of law, an implied warranty of merchantability, if not disclaimed, is born at the point of sale . . .").[3]

All of the other facts that Era alleges in support of its claim of a main gearbox defect, including the event in Norway in 2016 and earlier events in 2009 and 2012, occurred in Europe. None of them pertain to alleged tortious conduct by AH France in Texas. Although Era has not alleged a product liability cause of action, to the extent the helicopters are alleged to be defective the relevant conduct would be by AH France in France. *See Sulak v. American Eurocopter Corp.*, 901 F. Supp. 2d 834, 837, 844 (N.D. Tex. 2012) (finding for choice of law purposes that

[3] Era quotes an express warranty from the purchase agreement with AH US on page 53 of the Petition. Again, Era does not identify the entity that was the party to that agreement even though Era acknowledges that it purchased the helicopters from AH US, not AH France. [Pet., ¶¶ 23, 25; Gouraud Dec., ¶ 6.] Era misleadingly added "[Eurocopter]" after the word "seller" in the quote, which does not appear in the text of the purchase agreement that Era cites for this warranty in Exhibit A to its Petition. Eurocopter is the former name of AH France. [Gouraud Decl., ¶ 1.]

AH France designed the helicopter at issue in France and that "any defects in the helicopter would have occurred where it was designed and manufactured: France.") (citing *Perez v. Lockheed Corp. (In re Air Disaster at Ramstein Air Base, Ger.*), 81 F.3d 570, 577 (5th Cir. 1996) (holding strict-liability place of conduct is where product was designed, manufactured, and entered the commerce stream)).

The fact that AH France has sold helicopters, including the ones at issue, to AH US, a distributor in Texas, does not support the exercise of specific jurisdiction over AH France as to Era's claims. As explained, Era's claims are not based on AH France's sale of the helicopters to AH US, but, rather, on allegedly tortious conduct that Era claims induced it or an affiliate to enter into purchase agreements with AH US. Moreover, fraudulent inducement claims require the existence of a contract *between the parties*, and it is undisputed that no contract exist for the helicopters between AH France and the Era purchasers from Louisiana. *Haase v. Glazner*, 62 S.W.3d 795, 798-99 (Tex. 2001) ("Fraudulent inducement, however, is a particular species of fraud that arises only in the context of a contract and requires the existence of a contract as part of its proof. That is, with a fraudulent inducement claim, the elements of fraud must be established *as they relate to an agreement between the parties*.") (emphasis added).

Finally, the fact that Era's helicopters passed through Texas-based transactions between AH US and their Louisiana purchasers, and four of them passed physically though Texas bound for registration and use outside of Texas, does not create a basis for specific jurisdiction in Texas for Era's claims. In *Moore v. Pulmosan Safety Equip. Corp.*, the court found no substantial connection with Texas where the product was manufactured in New York and used in Louisiana, even though it was purchased by the plaintiff's Texas employer and passed through Texas on its way to Louisiana. 278 S.W.3d 27, 38 (Tex. App. – Houston [14th Dist.] 2008). "The relevant

facts," the court explained, "will be the state of the product as it left New York and the conditions in which [the plaintiff] used the product and worked in Louisiana. The fact that the product passed through Texas is not an operative fact." *Id.*

Since none of the tortious conduct alleged by Era in support of its claims against AH France occurred in Texas, Era has not alleged a substantial connection between contacts by AH France and the operative facts of its lawsuit. Indeed, because AH France has not done anything that would qualify as purposeful availment of the privilege of doing business in Texas with respect to Era's claims, the touchstone of the specific jurisdiction inquiry is lacking. Thus, this Court lacks specific jurisdiction over AH France. *Kelly*, 301 S.W.3d at 659-661.

C. Fair Play and Substantial Justice: France's Interests Outweigh Texas's

If the Court finds that AH France has sufficient minimum contacts with Texas, it should still decline to exercise personal jurisdiction over it because doing so would not comport with "traditional notions of fair play and substantial justice." *Guardian Royal Exch. Assur., Ltd. v. English China Clays, P.L.C.*, 815 S.W.2d 223, 231 (Tex. 1991). To make this determination, the Court should weigh the following five factors: (1) the burden on the defendant; (2) the interests of the forum state in adjudicating the dispute; (3) the plaintiff's interest in obtaining convenient and effective relief; (4) the interstate judicial system's interest in obtaining the most efficient resolution of controversies; and (5) the shared interest of the several states in furthering fundamental substantive social policies. *Id.* at 232.

The Texas Supreme Court has recognized that "when the defendant is a resident of another nation, the court must also consider the procedural and substantive policies of other nations whose interests are affected by the assertion of jurisdiction by a state court." *Id.* at 228. Thus, "the unique burdens placed upon a foreign defendant who must defend itself in a foreign

legal system carries significant weight in assessing the reasonableness of stretching the long arm of personal jurisdiction over national borders." *Id*. at 229.

While AH France recognizes that distance alone is insufficient to defeat jurisdiction, it would be unreasonable and unfair to require AH France to defend itself in Texas in this particular case arising solely from alleged conduct by it in France and where the majority of its relevant witnesses and documents are located. France has a far greater interest than Texas in adjudicating claims based on alleged fraudulent conduct by a French company made on French soil and based on alleged defects in a helicopter designed, certificated, manufactured and sold in France. *Keeton v. Hustler Magazine, Inc.*, 465 U.S. 770, 776 ("'A state has an especial interest in exercising judicial jurisdiction over those who commit torts within its territory. This is because torts involve wrongful conduct which a state seeks to deter, and against which it attempts to afford protection, by providing that a tort-feasor shall be liable for damages which are the proximate result of his tort.'") (citation omitted). The burden AH France would face in defending itself in Texas, under a foreign legal system, with witnesses for whom English is a second language, particularly for claims arising from alleged statements made in France, and with regard to events involving Super Puma helicopters that occurred entirely in Europe, outweighs any interest of Texas. *Doe v. Roman Catholic Archdiocese of St. Louis*, 109 S.W.3d 928, 931 (Tex. App.—Dallas [5th Dist.] 2003) ("we cannot agree with appellants that Texas's interest outweighs that of Missouri, given that the alleged torts occurred in Missouri, involved Missouri residents, and would be adjudicated under Missouri law"); *Rio de Janeiro v. Philip Morris Inc.*, 143 S.W.3d 497, 502 (Tex. App.—Beaumont [9th Dist.] 2004) ("We agree Texas does not appear to have an interest in adjudicating this specific dispute, a dispute involving

tortious conduct and damages occurring outside the borders of Texas and unrelated to defendants' business in Texas.").

IV.
CONCLUSION

For the foregoing reasons, Defendant Airbus Helicopters, S.A.S. respectfully requests that its Special Appearance be granted, and that it be dismissed from this lawsuit because the Court lacks personal jurisdiction over it.

Dated: January 12, 2017.

Respectfully submitted,

/s/ Thad T. Dameris

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ATTORNEYS FOR DEFENDANT
AIRBUS HELICOPTERS, S.A.S.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following counsel of record in accordance with the Texas Rules of Civil Procedure on this 12th day of January 2017:

Karl S. Stern
Quinn Emanuel Urquhart & Sullivan LLP
karlstern@quinnemanuel.com
711 Louisiana Street
Suite 500
Houston, TX 77002

/s/ Thad T. Dameris
Thad T. Dameris

CAUSE NO. DC-16-15017

ERA GROUP INC.,	IN THE DISTRICT COURT
Plaintiff,	
v.	116th JUDICIAL DISTRICT
AIRBUS HELICOPTERS, INC. and, AIRBUS HELICOPTERS, S.A.S.,	
Defendants.	DALLAS COUNTY, TEXAS

DECLARATION OF MICHEL GOURAUD IN SUPPORT OF DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S SPECIAL APPEARANCE

I, Michel Gouraud, declare:

1. I am employed as Head of Distribution and Services Network at Airbus Helicopters, SAS ("AH"), which was formerly known as Eurocopter, SAS. I am over the age of eighteen and have never been convicted of a felony. I make this declaration in support of AH's Special Appearance in this lawsuit, and for no other purpose.

2. Except as stated below, I have personal knowledge of the matters set forth herein and I could competently testify about them if called upon as a witness.

3. AH is a French company organized and existing under the laws of France. Its principal place of business is in Marignane, France, where it designs, obtains certification of, manufactures, sells and supports certain Airbus Helicopters model helicopters, including Super Puma helicopters, and from where it maintains a website and produces marketing materials for helicopters it distributes. AH also conducts aircraft certification and internal technical activities, including investigating incidents and accidents, from its place of business in France.

4. AH does not sell helicopters through its website.

5. AH has never temporarily moved its primary offices or operational activities to Texas.

6. AH designed and manufactured Super Puma EC225 helicopters serial numbers 2685, 2690, 2680, 2691, 2732, 2734, 2760, 2777, 2825 and 2809 in France. AH sold and delivered these helicopters in France to Airbus Helicopters, Inc., formerly known as American Eurocopter Corporation, of Grand Prairie, Texas. AH did not sell any of these helicopters to Era Group Inc. or Era Helicopters LLC.

7. AH does not sell Super Puma helicopters in Texas.

8. AH's involvement with investigative and certification authorities from Europe and the United Kingdom over Super Puma accidents in 2009 in the North Sea and 2016 in Norway, and two incidents that occurred in the North Sea in 2012, occurred from AH's place of business in France.

9. AH does not own AHI, and AH and AHI are separate and independent companies, each with its own management, employees, facilities, bank accounts and operational control.

10. AH does not own, control or have any corporate relationship with HeliOne.

11. My date of birth is: 21 May 1966.

12. My address is: 66, rue Lamarck, 75018, Paris, France.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Le Bourget, FRANCE, on this 23rd day of December, 2016.

Michel Gouraud

CAUSE NO. DC-16-15017

ERA GROUP INC., Plaintiff, v. AIRBUS HELICOPTERS, INC. and, AIRBUS HELICOPTERS, S.A.S., Defendants.	IN THE DISTRICT COURT 116th JUDICIAL DISTRICT DALLAS COUNTY, TEXAS

AFFIDAVIT OF JAMES R. CAWYER

STATE OF TEXAS)
) ss.
COUNTY OF TARRANT)

I, James R. Cawyer, being duly sworn, depose and say as follows:

1. I am the Vice President of Finance of Airbus Helicopters, Inc. ("AH US"), formerly known as American Eurocopter Corporation ("AEC"). I am over eighteen (18) years of age. With the exception of March 2000 to June 2001, I have worked for AH US or its predecessors, American Eurocopter LLC ("AE LLC") and Aérospatiale Helicopter Corporation ("AHC"), since 1991. I have personal knowledge of the matters set forth herein through my employment with AH US and/or my review of AH US's business records. I make this affidavit in support of Airbus Helicopters, S.A.S.'s ("AH France's") Special Appearance, and for no other purpose.

2. When I refer to AH US in this document I am including AEC, AE LLC and AHC.

3. AH US is a Delaware corporation that has its headquarters in Texas and a manufacturing facility in Mississippi.

4. AH US is a separate and independent company from AH France, with its own management, employees, facilities, bank accounts and operational control. AH France does not own AH US. AH US does not derive its right to use the name "Airbus" from AH France.

5. AH US has customers throughout the United States. Only approximately 11% of its customers have billing addresses in the State of Texas.

6. In 2006, Era Helicopters, LLC with an address in Lake Charles, Louisiana, purchased four Super Puma helicopters, Manufacturer Serial Numbers ("MSN") 2680, 2685, 2690, and 2691, from AH US. Era Helicopters executed Texas Aircraft Exemption Certificate Out-of-State Registration and Use forms in which it certified for each of the helicopters that "[t]he aircraft will be registered in Lake Charles, Louisiana, as recorded with [the] Federal Aviation Administration" and "[t]he aircraft will be hangared in Lake Charles, Louisiana, and is not purchased for use in Texas." True and correct copies of these Texas Aircraft Exemption Certificate Out-of-State Registration and Use forms are attached hereto as **Exhibits A – D**.

7. Also attached hereto are Delivery Affidavits for these four helicopters and for five additional helicopters (MSN 2732, 2760, 2777, 2809, and 2825) that were purchased from AH US by Era Helicopters, LLC and Era Group, Inc. The Delivery Affidavits state that the helicopters were delivered by AH US to Era Helicopters, LLC and Era Group, Inc. with addresses in Lake Charles, Louisiana. True and correct copies of these Delivery Affidavits are attached hereto as **Exhibits E – M.** AHI has been unable to locate in its files the Delivery Affidavit for MSN 2734.

FURTHER, AFFIANT SAYETH NOT.

Executed on this 11th day of January, 2017, in Grand Prairie, Texas.

James R. Cawyer

SWORN TO AND SUBSCRIBED BEFORE ME, this 11th day of January, 2017

LOURDES POARD
NOTARY PUBLIC
STATE OF TEXAS
EXPIRES
4-22-2017

Notary Public

My Commission Expires: Apr 22, 2017

EXHIBIT A

Comptroller of Public Accounts FORM 01-907 (Rev.12-01/3)

TEXAS AIRCRAFT EXEMPTION CERTIFICATE OUT-OF-STATE REGISTRATION AND USE

Under Ch. 559, Government Code, you are entitled to review, request, and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or toll-free number listed on this form.

Name of purchaser: ERA Helicopters, LLC	
Address (Street & number and P.O. Box number): Lake Charles Regional Airport, 1600 Airport Service Rd	Phone (Area code & number): 337-478-6131
City, State, ZIP code: Lake Charles, LA 70606	

Name of seller: American Eurocopter LLC	Seller's Texas sales tax permit number: 113-42548655
Address (Street & number and P.O. Box number): 2701 Forum Drive	Phone (Area code & number): 972-641-0000
City, State, ZIP code: Grand Prairie, TX 75052-7099	

The undersigned hereby certifies that the aircraft described below was purchased on May 13, 2008 (Date of sale) for a total sales price of € 15,839,570 of which $ -0- was allowed as a trade-in, resulting in a net sales price of € 15,839,570.

Aircraft make	Model	Serial number	FAA registration number (Tail number)
Eurocopter	EC225LP	2680	N225EH

The aircraft will be registered in Lake Charles (City), LA (State) as recorded with Federal Aviation Administration.

The aircraft will be **hangared** in Lake Charles (City), LA (State) and is not purchased for use in Texas.

My correct mailing and location address are Same as above (Mailing address)

Same as above (Location address)

I claim an exemption from the Texas sales tax pursuant to Texas Tax Code Section 151.328(a)(4) because the aircraft is purchased for registration and use outside Texas.

I understand that by signing this form, I am authorizing the Texas Comptroller of Public Accounts to furnish copies to officials of my home state. I understand that the purpose of providing this information to officials of my home state is to facilitate the enforcement of any taxes imposed on the purchase or use of the aircraft in my home state.

I understand that it is a misdemeanor punishable by a fine not to exceed $500 to provide this certificate of exemption if I know the aircraft will be used in a manner other than for registration and use outside Texas.

sign here — Purchaser's signature: CONTROLLED COPY	Date: 5/13/08
sign here — Seller's signature:	Date:

(Original to be retained by seller, seller to send copy to the Texas Comptroller of Public Accounts, Business Activity Research Team, P.O. Box 13003, Austin, Texas, 78711-3003, and copy to the Purchaser.)

EXHIBIT B

Comptroller of Public Accounts FORM 01-907 (Rev.12-01/3)

TEXAS AIRCRAFT EXEMPTION CERTIFICATE OUT-OF-STATE REGISTRATION AND USE

Under Ch. 559, Government Code, you are entitled to review, request, and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or toll-free number listed on this form.

Name of purchaser **ERA Helicopters LLC**	
Address *(Street & number and P.O. Box number)* **Lake Charles Regional Airport, 600 Airport Service Rd**	Phone *(Area code & number)* **337-478-6131**
City, State, ZIP code **Lake Charles, LA 70606**	

Name of seller **American Eurocopter LLC**	Seller's Texas sales tax permit number **113-42548655**
Address *(Street & number and P.O. Box number)* **2701 Forum Drive**	Phone *(Area code & number)* **972-641-0000**
City, State, ZIP code **Grand Prairie, TX 75052-7099**	

The undersigned hereby certifies that the aircraft described below was purchased on December 30, 2008 (Date of sale)

for a total sales price of $ **18,848,041** of which $ **-0-** was allowed as a trade-in,

resulting in a net sales price of $ **18,848,041** .

Aircraft make	Model	Serial number	FAA registration number *(Tail number)*
Eurocopter	**EC225LP**	**2685**	**N247CF**

The aircraft will be registered in **Lake Charles** (City), **LA** (State) as recorded with Federal Aviation Administration.

The aircraft will be **hangared** in **Lake Charles** (City), **LA** (State) and is not purchased for use in Texas.

My correct mailing and location address are **Same as above** (Mailing address)

Same as above (Location address)

I claim an exemption from the Texas sales tax pursuant to Texas Tax Code Section 151.328(a)(4) because the aircraft is purchased for registration and use outside Texas.

I understand that by signing this form, I am authorizing the Texas Comptroller of Public Accounts to furnish copies to officials of my home state. I understand that the purpose of providing this information to officials of my home state is to facilitate the enforcement of any taxes imposed on the purchase or use of the aircraft in my home state.

I understand that it is a misdemeanor punishable by a fine not to exceed $500 to provide this certificate of exemption if I know the aircraft will be used in a manner other than for registration and use outside Texas.

sign here Purchaser's signature	Date 12/8/08
sign here Seller's signature	Date

(Original to be retained by seller, seller to send copy to the Texas Comptroller of Public Accounts, Business Activity Research Team, P.O. Box 13003, Austin, Texas, 78711-3003, and copy to the Purchaser.)

CONTROLLED COPY

EXHIBIT C

01-907 (Rev.12-01/3)

TEXAS AIRCRAFT EXEMPTION CERTIFICATE OUT-OF-STATE REGISTRATION AND USE

Under Ch. 559, Government Code, you are entitled to review, request, and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or toll-free number listed on this form.

Name of purchaser: ERA Helicopters LLC	
Address (Street & number and P.O. Box number): Lake Charles Regional Airport, 600 Airport Service Rd	Phone (Area code & number): 337-478-6131
City, State, ZIP code: Lake Charles, LA 7066	

Name of seller: American Eurocopter LLC	Seller's Texas sales tax permit number: 113-42548655
Address (Street & number and P.O. Box number): 2701 Forum Drive	Phone (Area code & number): 972-641-0000
City, State, ZIP code: Grand Prairie, TX 75052-7099	

The undersigned hereby certifies that the aircraft described below was purchased on April 17, 2008 (Date of sale) for a total sales price of € 16,260,640 of which $ -0- was allowed as a trade-in, resulting in a net sales price of € 16,260,640.

Aircraft make	Model	Serial number	FAA registration number (Tail number)
Eurocopter	EC225LP	2690	N225SN

The aircraft will be registered in Lake Charles (City), LA (State) as recorded with Federal Aviation Administration.

The aircraft will be hangared in Lake Charles (City), LA (State) and is not purchased for use in Texas.

My correct mailing and location address are Same as above (Mailing address)

Same as above (Location address)

I claim an exemption from the Texas sales tax pursuant to Texas Tax Code Section 151.328(a)(4) because the aircraft is purchased for registration and use outside Texas.

I understand that by signing this form, I am authorizing the Texas Comptroller of Public Accounts to furnish copies to officials of my home state. I understand that the purpose of providing this information to officials of my home state is to facilitate the enforcement of any taxes imposed on the purchase or use of the aircraft in my home state.

I understand that it is a misdemeanor punishable by a fine not to exceed $500 to provide this certificate of exemption if I know the aircraft will be used in a manner other than for registration and use outside Texas.

CONTROLLED COPY

sign here — Purchaser's signature	Date 4/17/08
sign here — Seller's signature	Date

(Original to be retained by seller, seller to send copy to the Texas Comptroller of Public Accounts, Business Activity Research Team, P.O. Box 13003, Austin, Texas, 78711-3003, and copy to the Purchaser.)

RECEIVED TIME MAY 20 10:20AM

EXHIBIT D

Comptroller of Public Accounts FORM 01-907 (Rev.12-01/3)

TEXAS AIRCRAFT EXEMPTION CERTIFICATE OUT-OF-STATE REGISTRATION AND USE

Under Ch. 559, Government Code, you are entitled to review, request, and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or toll-free number listed on this form.

Name of purchaser: ERA Helicopters LLC	
Address (Street & number and P.O. Box number): Lake Charles Regional Airport, 600 Airport Service Rd	Phone (Area code & number): 337-478-6131
City, State, ZIP code: Lake Charles, LA 70606	

Name of seller: American Eurocopter LLC	Seller's Texas sales tax permit number: 113-42548655
Address (Street & number and P.O. Box number): 2701 Forum Drive	Phone (Area code & number): 972-641-0000
City, State, ZIP code: Grand Prairie, TX 75052-7099	

The undersigned hereby certifies that the aircraft described below was purchased on 7/28/08 (Date of sale)

for a total sales price of $ 18,262,111 of which $ -0- was allowed as a trade-in,

resulting in a net sales price of $ 18,262,111 .

Aircraft make	Model	Serial number	FAA registration number (Tail number)
Eurocopter	EC225LP	2691	

The aircraft will be registered in Lake Charles (City), LA (State) as recorded with Federal Aviation Administration.

The aircraft will be hangared in Lake Charles (City), LA (State) and is not purchased for use in Texas.

My correct mailing and location address are Same as above (Mailing address)

Same as above (Location address)

I claim an exemption from the Texas sales tax pursuant to Texas Tax Code Section 151.328(a)(4) because the aircraft is purchased for registration and use outside Texas.

I understand that by signing this form, I am authorizing the Texas Comptroller of Public Accounts to furnish copies to officials of my home state. I understand that the purpose of providing this information to officials of my home state is to facilitate the enforcement of any taxes imposed on the purchase or use of the aircraft in my home state.

I understand that it is a misdemeanor punishable by a fine not to exceed $500 to provide this certificate of exemption if I know the aircraft will be used in a manner other than for registration and use outside Texas.

sign here — Purchaser's signature	Date 7/28/08
sign here — Seller's signature	Date

EXHIBIT E

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2680, Registration Number N225EH to:

ERA HELICOPTERS, LLC
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-4123-A, dated April 25, 2006 and all amendments thereto.

Accepted by: Neil Osborne
Era Helicopters, LLC

Title: President

Date Accepted: May 13, 2008

Total Airframe Time: 92.2 hrs

No. 1 Engine Serial Number: 1154

Total Engine Time: 92.2 hrs

No. 2 Engine Serial Number: 1138

Total Engine Time: 92.2 hrs

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

RECEIVED TIME MAY. 28. 8:37AM

EXHIBIT F

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT
with Attachment

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2685, Registration Number N247CF to:

ERA HELICOPTERS, LLC
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-4123-C, dated April 25, 2006 and all amendments thereto.

Accepted by: Elvin Domingue
Era Helicopters, LLC

Title: Heavy Ship Manager
12/30/2008

Date Accepted: December 30, 2008

Total Airframe Time: 38.4 hrs

No. 1 Engine Serial Number: 1162

Total Engine Time: 30.5 hrs

No. 2 Engine Serial Number: 1146

Total Engine Time: 38.4 hrs

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT G

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2690, Registration Number N225SN to:

ERA HELICOPTERS LLC
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-4123-D, dated April 25, 2006 and all amendments thereto.

Accepted by: _____
Era Helicopters LLC

Title: President

Date Accepted: April 17, 2008

Total Airframe Time: 5.45 hrs

No. 1 Engine Serial Number: 1119

Total Engine Time: 5.45 hrs

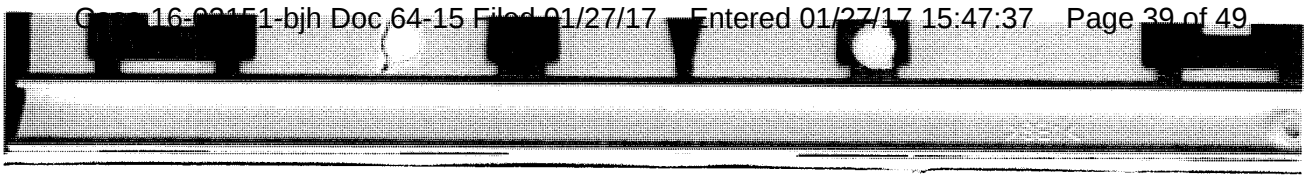
No. 2 Engine Serial Number: 1147

Total Engine Time: 5.45 hrs

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

RECEIVED TIME APR. 21. 5:47PM

EXHIBIT H



american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2691, Registration Number XXXXX to:

ERA HELICOPTERS, LLC
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-4123-D, dated April 25, 2006 and all amendments thereto.

Accepted by: Elvin Domingue
Era Helicopters, LLC

Title: Heavy Ship Manager

Date Accepted: July 28, 2008

Total Airframe Time: 16.4 hrs

No. 1 Engine Serial Number: 1109

Total Engine Time: 20.1 hrs

No. 2 Engine Serial Number: 1155

Total Engine Time: 16.4 hrs

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT I

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2732, Registration Number ~~XXXXX~~ G-REDV to:

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-6176-1, dated July 5, 2007 and all amendments thereto.

Accepted by: Jimmy J Gilmour
Era Group, Inc.

Title: DIRECTOR OF ENGINEERING
Bond Offshore Helicopters

Date Accepted: June 18, 2009

Total Airframe Time: 9 hrs 05 min.

No. 1 Engine Serial Number: 13007

Total Engine Time: 9 hrs .05 min.

No. 2 Engine Serial Number: 13009

Total Engine Time: 9 hrs .05 min

Delivery Discrepancies/Shortages:

1. The replacement price of the air conditioning removable parts (HP Group) for 225's #5 and #6 (PA V-6176-1 and PA V-6176-2) will remain the same as the 95,220 Euro credit given adjusted for year on year escalation up to the date of the purchase of the removable parts (HP Group) from EC by ERA.

   EC also agrees to provide the adaptation parts as required for the installation fo of the new Behr High Pressure Group (HP Group) for #5 at no cost to ERA.

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT J

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2760, Registration Number EWWCO to: FRANCE
PR-BLL BRAZIL

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter Corporation is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-6176-3, dated July 5, 2007 and all amendments thereto.

Accepted by: _____
Era Group, Inc.

Title: Quality Inspector

CAW Date Accepted: 06-~~17~~ 22-2010

Total Airframe Time: 14 hrs 55

No. 1 Engine Serial Number: 13051

Total Engine Time: 14 hrs 55

No. 2 Engine Serial Number: 13050

Total Engine Time: 14 hrs 55

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT K

AMERICAN EUROCOPTER

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2777, Registration Number N109RR to:

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter Corporation is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-6176-4, dated July 5, 2007 and all amendments thereto.

Accepted by: Jmod Siabo
Era Group, Inc.

Title: Director of Quality Control

CW

Date Accepted: November ~~5~~ 10, 2010

Total Airframe Time: 7 hrs 35 min.

No. 1 Engine Serial Number: 13070

Total Engine Time: 7 hrs 35 min.

No. 2 Engine Serial Number: 13071

Total Engine Time: 7 hrs 35 min.

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT L

AMERICAN EUROCOPTER
AN EADS NORTH AMERICA COMPANY

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2809, Registration Number N225EW to:

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter Corporation is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-66397-1, dated April 7, 2010 and all amendments thereto.

Accepted by: _____
Era Group, Inc.

Title: VP Maintenance

Date Accepted: December 12, 2011

Total Airframe Time: 12 hrs 5 mins

No. 1 Engine Serial Number: 13139

Total Engine Time: 12 hrs 5 mins

No. 2 Engine Serial Number: 13140

Total Engine Time: 12 hrs 5 mins

Contact: Robert Van de Vuurst
Phone No.: 337.478.6131

EXHIBIT M

AMERICAN EUROCOPTER
AN EADS NORTH AMERICA COMPANY

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2825, Registration Number _____ to:

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter Corporation is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-66397-2, dated April 7, 2010 and all amendments thereto.

Accepted by: _____
Era Group, Inc.

Title: Vice President of Maintenance

Date Accepted: April 27 2012

Total Airframe Time: 23.55 hrs

No. 1 Engine Serial Number: 13164

Total Engine Time: 23.55 hrs

No. 2 Engine Serial Number: 13165

Total Engine Time: 23.55 hrs

Contact: Robert Van de Vuurst
Phone No.: 337.478.6131

Exhibit P

Claim #353 Date Filed: 8/22/2016

United States Bankruptcy Court for the Northern District of Texas

Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)

- ☐ CHC Group Ltd. (Case No. 16-31854)
- ☐ 6922767 Holding SARL (Case No. 16-31855)
- ☐ Capital Aviation Services B.V. (Case No. 16-31856)
- ☐ CHC Cayman ABL Borrower Ltd. (Case No. 16-31857)
- ☐ CHC Cayman ABL Holdings Ltd. (Case No. 16-31858)
- ☐ CHC Cayman Investments I Ltd. (Case No. 16-31859)
- ☐ CHC Den Helder B.V. (Case No. 16-31860)
- ☐ CHC Global Operations (2008) ULC (Case No. 16-31862)
- ☐ CHC Global Operations Canada (2008) ULC (Case No. 16-31870)
- ☐ CHC Global Operations International ULC (Case No. 16-31879)
- ☐ CHC Helicopter (1) S.À R.L. (Case No. 16-31892)
- ☐ CHC Helicopter (2) S.À R.L. (Case No. 16-31895)
- ☐ CHC Helicopter (3) S.À R.L. (Case No. 16-31878)
- ☐ CHC Helicopter (4) S.À R.L. (Case No. 16-31882)
- ☐ CHC Helicopter (5) S.À R.L. (Case No. 16-31890)
- ☐ CHC Helicopter Australia Pty. Ltd. (Case No. 16-31872)
- ☐ CHC Helicopter Holding S.À R.L. (Case No. 16-31875)
- ☐ CHC Helicopter S.A. (Case No. 16-31863)
- ☐ CHC Helicopters (Barbados) Limited (Case No. 16-31865)
- ☐ CHC Helicopters (Barbados) SRL (Case No. 16-31867)
- ☐ CHC Holding (UK) Limited (Case No. 16-31868)
- ☐ CHC Holding NL B.V. (Case No. 16-31874)
- ☐ CHC Hoofddorp B.V. (Case No. 16-31861)
- ☐ CHC Leasing (Ireland) Limited (Case No. 16-31864)
- ☐ CHC Netherlands B.V. (Case No. 16-31866)
- ☐ CHC Norway Acquisition Co AS (Case No. 16-31869)
- ☐ Heli-One (Netherlands) B.V. (Case No. 16-31871)
- ☐ Heli-One (Norway) AS (Case No. 16-31876)
- ☐ Heli-One (U.S.) Inc. (Case No. 16-31881)
- ☐ Heli-One (UK) Limited (Case No. 16-31888)
- ☒ Heli-One Canada ULC (Case No. 16-31893)
- ☐ Heli-One Holdings (UK) Limited (Case No. 16-31894)
- ☐ Heli-One Leasing (Norway) AS (Case No. 16-31886)
- ☐ Heli-One Leasing ULC (Case No. 16-31891)
- ☐ Heli-One USA Inc. (Case No. 16-31853)
- ☐ Heliworld Leasing Limited (Case No. 16-31889)
- ☐ Integra Leasing AS (Case No. 16-31885)
- ☐ Lloyd Bass Strait Helicopters Pty. Ltd. (Case No. 16-31883)
- ☐ Lloyd Helicopter Services Limited (Case No. 16-31873)
- ☐ Lloyd Helicopter Services Pty. Ltd. (Case No. 16-31877)
- ☐ Lloyd Helicopters International Pty. Ltd. (Case No. 16-31880)
- ☐ Lloyd Helicopters Pty. Ltd. (Case No. 16-31884)
- ☐ Management Aviation Limited (Case No. 16-31887)

☒ Date Stamped Copy Returned
☐ ~~No self addressed stamped envelope~~
☐ No copy to return

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

RECEIVED
AUG 22 2016
KURTZMAN CARSON CONSULTANTS

Part 1: Identify the Claim

1. **Who is the current creditor?**
   AIRBUS HELICOPTERS (SAS)
   Name of the current creditor (the person or entity to be paid for this claim)
   Other names the creditor used with the debtor

2. **Has this claim been acquired from someone else?**
   ☒ No
   ☐ Yes. From whom?

3. **Where should notices and payments to the creditor be sent?**
   Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

   Where should notices to the creditor be sent?
   Name: Brian P. Hall, Esq. c/o SGR
   Number Street: 1230 Peachtree St NE, Suite 3100
   City: Atlanta State: GA ZIP Code: 30309
   Country: USA
   Contact phone: (404) 815-3537
   Contact email: bhall@sgrlaw.com

   Where should payments to the creditor be sent? (if different)
   Name: AIRBUS HELICOPTERS
   Number Street: Aeroport International Marseille
   City: Marignane State: FR ZIP Code: 13725
   Country: France
   Contact phone: 0033 42 85 85 85
   Contact email: jean-pascal.meo@airbus.com

4. **Does this claim amend one already filed?**
   ☒ No
   ☐ Yes. Claim number on court claims registry (if known) _____ Filed on MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?**
   ☒ No
   ☐ Yes. Who made the earlier filing?

16318931608220000000000001

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. **Do you have any number you use to identify the debtor?**
   - ☐ No
   - ☒ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: 8 7 3 5

7. **How much is the claim?** $ 93,071.23 . **Does this amount include interest or other charges?**
   - ☒ No
   - ☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. **What is the basis of the claim?**
   Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
   Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
   Limit disclosing information that is entitled to privacy, such as health care information.

   Goods sold.

9. **Is all or part of the claim secured?**
   - ☒ No
   - ☐ Yes. The claim is secured by a lien on property.

   Nature of property:
   - ☐ Real estate: If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
   - ☐ Motor vehicle
   - ☐ Other. Describe: _____

   Basis for perfection: _____
   Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

   RECEIVED
   AUG 22 2016
   KURTZMAN CARSON CONSULTANTS

   Value of property: $_____
   Amount of the claim that is secured: $_____
   Amount of the claim that is unsecured: $_____ (The sum of the secured and unsecured amount should match the amount in line 7.)

   Amount necessary to cure any default as of the date of the petition: $_____

   Annual Interest Rate (when case was filed)_____%
   - ☐ Fixed
   - ☐ Variable

10. **Is this claim based on a lease?**
    - ☒ No
    - ☐ Yes. **Amount necessary to cure any default as of the date of the petition.** $_____

11. **Is this claim subject to a right of setoff?**
    - ☒ No
    - ☐ Yes. Identify the property: _____

JPT

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

- [X] No
- [ ] Yes. *Check all that apply:*

	Amount entitled to priority
[ ] Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	$
[ ] Up to $2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	$
[ ] Wages, salaries, or commissions (up to $12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	$
[ ] Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	$
[ ] Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	$
[ ] Other. Specify subsection of 11 U.S.C. § 507(a)(__) that applies.	$

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

- [ ] No
- [X] Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

$ 27,295.18

RECEIVED
AUG 22 2016
KURTZMAN CARSON CONSULTANTS

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- [X] I am the creditor.
- [ ] I am the creditor's attorney or authorized agent.
- [ ] I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- [ ] I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 07 25 2016
MM / DD / YYYY

Signature

Print the name of the person who is completing and signing this claim:

Name: Jean-Pascal (First name) Meo (Last name)

Title: Division General Counsel

Company: AIRBUS HELICOPTERS
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address: Aeroport International Marseille Provence
Number Street

Marignane (City) State 13725 (ZIP Code) France (Country)

Contact phone: 0033 42 85 85 85 Email: jean-pascal.meo@airbus.com

Promenade, Suite 3100
1230 Peachtree Street, N.E.
Atlanta, Georgia 30309-3592
Main: 404 815-3500
www.sgrlaw.com

SMITH, GAMBRELL & RUSSELL, LLP
Attorneys at Law

Brian P. Hall
Direct Tel: 404-815-3537
Direct Fax: 404-685-6837
bhall@sgrlaw.com

August 19, 2016

VIA FEDERAL EXPRESS

CHC Group Claims Processing Center
c/o KCC
2335 Alaska Avenue
El Segundo, CA 90245

Re: Heli-One Canada ULC
Case No. 16-31893

Dear Sir or Madam:

Enclosed please find a Proof of Claim, along with substantiating documentation, for submission in the above-referenced case, to be filed on behalf of our client, Airbus Helicopters (SAS).

Please return a file-stamped copy of the Proof of Claim in the enclosed self-addressed, stamped envelope.

Should you have any questions regarding the enclosed, please contact me.

Very truly yours,

Brian P. Hall

BPH/jm
Enclosures

PROOF OF CLAIM

Creditor :
Airbus Helicopters (SAS)

Debtor :
HELI-ONE Canada ULC

EUROCOPTER
AN EADS COMPANY

STANDARD CONDITIONS OF SALE

APPLYING TO THE SALE OF SPARE PARTS

1 - DEFINITIONS

- AOG (Aircraft On Ground) means a situation in which the helicopter is unable to fly or is ineligible to return to service because of an unscheduled need for replacement or major repair of components, not related to schedule maintenance tasks.
- **Contract** means the agreement entered into by EUROCOPTER and the Customer related to the sale of Spare Parts on the basis of these Standard Conditions of Sale.
- **Customer** means the person or company to which EUROCOPTER sells any Spare Parts.
- **EUROCOPTER** means EUROCOPTER S.A.S. and/or EUROCOPTER Deutschland GmbH.
- **Manufacturer** means the company which has designed the Spare Parts.
- **Order Confirmation** means the acknowledgement of receipt of the Customer's order by EUROCOPTER.
- **Party/Parties** mean either separately or collectively the Customer and EUROCOPTER.
- **Product** means helicopter and the installed optional equipment.
- **Scheduled Order means** Order confirmed by EUROCOPTER, taking into consideration the Customer delivery date request allowing a reasonable lead-time for the delivery of Spare Parts.
- **Spare Parts** means brand new parts of the helicopter supplied by EUROCOPTER.

2 - GENERAL

These Standard Conditions of Sale apply to the sale of Spare Parts performed by EUROCOPTER to any Customer in order to maintain and/or operate EUROCOPTER helicopters, excluding brokerage or other distribution activities. They shall exclusively govern the contractual relationship between EUROCOPTER and its Customers. The Spare Parts are ordered within the framework of Customer's professional activities in order to maintain and/or operate EUROCOPTER helicopters. Any conditions in contradiction and/or deviation to the present standard conditions are not accepted by EUROCOPTER, unless EUROCOPTER has expressly agreed to such in writing.

3 - CUSTOMER ACCOUNT

Each provision of Spare Parts ordered requires the opening of a Customer account.

The Customer shall, without delay, inform EUROCOPTER of any change in the address indicated in the file, or a change of ownership of the helicopter.

4 - PURCHASE ORDERS

EUROCOPTER provides Spare Parts only to Customer duly registered within EUROCOPTER.

The sale of Spare Parts shall be subject to due ordering by the Customer and acceptance by EUROCOPTER. The Customer's orders have to be confirmed in writing by EUROCOPTER. The Contract shall be binding upon receipt by the Customer of EUROCOPTER's Order Confirmation.

Until receipt of EUROCOPTER's Order Confirmation, the Customer may cancel in writing individual orders placed to EUROCOPTER.
After receipt of the Order Confirmation, if the Customer wishes to cancel an order, EUROCOPTER is entitled to request from the Customer cancellation fees as indemnity to cover all costs borne by EUROCOPTER.

5 - DELIVERY AND TRANSPORT

5-1 General

Except if the Contract stipulates another INCOTERM® Spare Parts shall be delivered packed Free Carrier (FCA - INCOTERMS® 2010) at EUROCOPTER site as specified in the Contract.

If the method of shipment is not stipulated in the Contract, transportation will be at EUROCOPTER's discretion. EUROCOPTER shall not be liable for any loss or expense due to the selection of forwarder/carrier or mode of transportation. Any claims for breakage or damage, if any, shall be made by the Customer directly to the forwarder/carrier.

In case of unavailability of the Spare Parts or of raw material, EUROCOPTER has the right to make partial deliveries.

5-2 Collection of Spare Parts

Spare Parts must be picked up by the Customer or by his forwarder/carrier within fifteen (15) calendar days as from the notification by EUROCOPTER.

Should the Customer fail to pick up the Spare Parts within said fifteen (15) calendar days period:

- EUROCOPTER may rescind the Contract by written notice with immediate effect and retain as liquidated damages any initial payments made by the Customer. The retention of any such payment shall not preclude EUROCOPTER from seeking compensation from and against the Customer for further damages and/or costs;
- The Customer shall not be entitled to claim compensation or damages on the grounds of the non-availability of the Spare Parts retained by EUROCOPTER; and
- All expenses incurred by EUROCOPTER as regards the Customer's order (packaging, unpacking, storage at the forwarding agent's premises, etc.) shall be charged to the Customer.

In the event that the Spare Parts are delivered in consigned containers, the Customer shall return said container within fifteen (15) days after it is made available to the Customer by the freight forwarder. After the expiry of this period, EUROCOPTER shall be entitled to invoice the container at current price.

5-3 Reserves at delivery

The Customer shall check the Spare Parts and notify any recognisable defects and/or any non conformity with the order in a documented registered letter within twenty one (21) calendar days for standard deliveries as from the date the Spare Parts have been picked up by the Customer (as described in article 5-1).
After expiry of such period, the Spare Pars shall be deemed accepted.

Should EUROCOPTER be in charge of the transport service, claims against the carrier have to be made within three (3) working days as from the date of the Spare Parts reception.

6 - AOG

To guarantee an efficient service to the Customer and respond quickly to any situation where the Customer's helicopter is on ground EUROCOPTER provides a twenty four (24) hours a day/seven (7) days a week AOG service.

The AOG service is available for orders of Spare Parts which are essential to bring back a helicopter into service or to enable it to perform its mission.

Any Spare Parts listed in EUROCOPTER's Illustrated Parts Catalog can be ordered by the Customer via AOG service, except main assemblies, raw materials, ingredients and hazardous material.

The AOG service is provided to the Customer at the price indicated in the relevant EUROCOPTER's price list in force, or in the relevant quotation if no price is available in the price list in force. A flat rate for transportation cost will be added to the price of Spare Parts.

Beyond the general procedure described in articles 3 and 4, the Customer shall also mention in writing on any AOG order placed to EUROCOPTER the following information:

- Order number
- Type, version and serial number of the helicopter
- Part number/ nomenclature
- Failure description and reason of removal
- Quantity required for the specific AOG
- Ship to address
- Invoice address (if different from ship to address)

EUROCOPTER, by sending an Order Confirmation shall confirm in writing to the Customer the price and the delivery time within twelve (12) hours after the reception of the Customer's order.

The Customer may cancel in writing individual order placed to EUROCOPTER no later than twelve (12) hours after the reception of EUROCOPTER's Order Confirmation. Without any cancellation from the Customer received by EUROCOPTER in due time, the Contract shall be deemed accepted and the Spare Parts delivered. Consequently any cancellation of order shall be agreed by EUROCOPTER afterwards.

The Spare Parts already available in EUROCOPTER's inventory when receiving the order from the Customer will be delivered packed Carriage Insurance Paid (CIP, INCOTERMS® 2010) to the nearest International Airport to the Customer and within seventy two (72) hours after the reception by EUROCOPTER of the Customer's order, depending on the delivery location.

The Customer may order in AOG a maximum of three (3) lines items per order and in accordance with the quantity fitted on the helicopter.

In case of several line items ordered, EUROCOPTER has the right to make partial deliveries, depending on the availability of the Spare Parts.

The Customer shall check the Spare Parts provided in AOG conditions, notify any recognisable defects in a documented registered letter within forty eight (48) hours as from the date the Spare Parts have been received by the Customer and put them at EUROCOPTER's disposal.

7 - DELAYS

7-1 Force Majeure

The Parties shall not be held liable for failure to perform or delay in performing any of their contractual obligations except for payment obligations, if such failure or delay is due to an event which at the same time is compelling, unpredictable, unavoidable, beyond the affected Party's reasonable control and not due to its fault or negligence. Governmental decisions will be considered as event of Force Majeure, if the conditions stated in the previous sentence are fulfilled. Force Majeure events include, but are not limited to, acts of God, war, insurrection, epidemics, sabotage, labour disputes, strikes, lock-outs, shortages of labour, shortage in material or energy, acts, orders or priorities of any government and embargo ("Force Majeure").

In case of Force Majeure, the contractual delivery date shall be extended by such period of time reasonably required to remove and/or overcome the event of Force Majeure and its effects. The Party prevented shall notify the other Party about the occurrence of any event of Force Majeure within due time after the commencement thereof, citing this article in said notice.

Should a Party be prevented by an event of Force Majeure beyond two (2) months after the contractual delivery date to fulfil its contractual obligations, either Party is entitled to terminate the Contract in whole or in part, as far as the Contract can be split into parts, by notifying the decision by registered letter with acknowledgement of receipt. In such a case neither of the Parties is entitled to any compensation for any damage occurring in direct connection with the event of Force Majeure.

7-2 Excusable delay

Any postponement of delivery by EUROCOPTER due to any of the following causes shall not constitute a delay in delivery of EUROCOPTER:

- Changes or additions to the order which are requested by the Customer after Order Confirmation by EUROCOPTER, or
- Any failure by the Customer to perform its obligations in accordance with the schedule set forth in the Contract or,
- Any Force Majeure case as per article 7-1.

8 - TRANSFER OF OWNERSHIP

Transfer of ownership of the Spare Parts is subject to the prior performance by the Customer of its obligations in particular the full payment of the delivered Spare Parts and interest, if any.

Accordingly, in the event that the Customer fails to pay according to the contractual payment terms, EUROCOPTER reserves the right to rescind the Contract through notification sent by registered letter and, if the Spare Pars are already delivered, to demand that said Spare Parts be returned.

In the event that the laws of the country where the Spare Parts are delivered do not allow EUROCOPTER to retain ownership and title, EUROCOPTER shall be entitled to benefit from any other rights that such laws may confer. The Customer shall implement all measures necessary to protect EUROCOPTER's aforementioned rights.

9 - TRANSFER OF RISK

Risk of loss or damage to the Spare Parts is transferred to the Customer at the time of delivery as determined by the agreed INCOTERMS® 2010).

10 - PRICES

All invoices for Spare Parts will be at the price indicated in the relevant EUROCOPTER's price list in force, or in the relevant quotation if no price is available in the price list in force. Prices are indicated and payable in Euros.

All prices are for Spare Parts delivered FCA EUROCOPTER site (INCOTERMS® 2010), and in case of a minimum purchase amount of two hundred (200) Euros, are inclusive of all expenses and taxes relating to the manufacture of the Spare Parts, VAT excluded.
For all orders below a minimum purchase amount of two hundred (200) Euros, EUROCOPTER reserves the right to invoice, against documents, additional individual costs for filling the order.
Prices are exclusive of any charges resulting from administrative and legislative regulations in force in the Customer's country and of any customs and duty charges, which are the Customer's responsibility.

11 - PAYMENTS

11-1 General

The payment obligation will be considered fulfilled at the time the full amount is irrevocably credited to the EUROCOPTER bank account mentioned in the Contract.

The Customer shall make the payment by bank transfer (swift), in accordance with the invoiced value.

Unless otherwise agreed no discount shall be granted by EUROCOPTER to the Customer in case of early payment.

11-2 Payment terms

For any Scheduled Order exceeding two hundred thousand (200,000) Euros the Customer shall perform the following payment:

- Upon Contract agreement, a thirty (30) per cent down payment of the total amount of the Contract shall be paid by the Customer;
- Upon delivery, the balance of the invoiced amount of the delivered Spare Parts shall be paid by the Customer.

Otherwise, full payment shall be made no later than thirty (30) days following the date of invoice.

12 - PAYMENT DELAYS

Payment shall in no case be postponed or apportioned for any reason whatsoever.

Failure to pay any outstanding amount in due time shall render all amounts due by the Customer immediately payable.

In the event of a payment delay, the Customer will be, in full right, liable for a 12 (twelve) % annual interest rate or any higher rate required by law, for the period lapsed between the due date and the date upon which funds were made available on EUROCOPTER's bank account.

In the event of a delay or failure by the Customer to pay, EUROCOPTER will be entitled to suspend performance of all current purchase orders or to rescind the Contract by written notice and retain as liquidated damages any initial payment made by the Customer. The retention of any such payment shall not preclude EUROCOPTER from seeking compensation from the Customer for further damages and/or costs.

The Customer shall be entitled to show and prove that the actual damage caused by such default to EUROCOPTER is considerably less than the amount retained as liquidated damages.

The Customer shall not be entitled to claim compensation for damages on the grounds of non-availability of Spare Parts.

13 - PRODUCT QUALITY AND AIRWORTHINESS DOCUMENTATION

EUROCOPTER S.A.S. and EUROCOPTER Deutschland GmbH. hold Organization Approvals issued in their respective National Civil Aviation Authority, a Production Organization Approval in compliance with the EASA Part 21/G and AQAP 2110 regulations.

The official recognition that the Spare Parts have satisfied the Quality Assurance Procedures is attested by the issuance of the following documents:

- For civilian Customers, an Authorized Release Certificate (EASA Form 1) per non standard Spare Parts, issued on behalf of the National Civil Aviation Authority by EUROCOPTER;
- Upon request, a Certificate of Conformity issued by EUROCOPTER authorized certifying staff;
- A Log Card, if applicable.

14 - MODIFICATIONS

14-1 Modifications incorporated prior to delivery

EUROCOPTER may carry out modifications to the Spare Parts pursuant to new manufacturing or engineering requirements without the consent of the Customer, as long as such modifications do not affect the specification and/or performance of the Spare Parts, contractual price and/or delivery time. If modifications affect specification and/or performance of the Spare Parts, related costs and/or delivery time, EUROCOPTER will consult with the Customer to reach agreement on the consequences to the Contract.

Any configuration changes requested by the Customer shall be subject to mutual written agreement and to an adjustment of the price of the Spare Parts, payments and delivery time.

14-2 Modifications decided following delivery of the Spare Parts

EUROCOPTER will notify the Customer of any modifications that the competent National Airworthiness Government Agency has decided to impose on the Spare Parts or on the helicopters owned by the Customer. In the event of such modifications, EUROCOPTER shall make available to the Customer, within a reasonable time, at the latter's request and at the latter's expense, the Spare Parts required to incorporate such modifications to the helicopter and Spare Parts previously delivered.

15 - WARRANTY

15-1 General

EUROCOPTER warrants that the Spare Parts delivered, except the turbine engine(s) and MEGHAS avionics equipment are free from defects in material and workmanship under normal use and service.

The turbine engine(s) as well as the MEGHAS avionics equipment installed in the helicopter are covered by the warranty granted by the manufacturers of these items (Turbomeca, Pratt & Whitney and Thales), the benefits of which EUROCOPTER hereby assigns on to the Customer who accepts such assignment.

As soon as possible but at the latest fifteen (15) calendar days after the discovery of any defect, the Customer shall furnish to EUROCOPTER, by using a Warranty Claim Form the full details of its claim and the basis thereof. As soon as it receives a Warranty Claim Form, EUROCOPTER will forward to the Customer a Warranty Claim Acknowledgment and a Return Material Authorization Form. Within fifteen (15) calendar days from the reception of these two documents the Customer shall return the allegedly defective Spare Parts to EUROCOPTER. If the Customer fails to return the allegedly defective Spare Parts in due time EUROCOPTER reserves the right to invoice the Spare Parts to the Customer at the price indicated in the relevant EUROCOPTER's price list in force, or in the relevant Quotation if no price is available in the price list in force.

EUROCOPTER will reimburse reasonable transportation costs outbound for the reparable Spare Parts for which the benefit of the warranty has been granted by EUROCOPTER. The Customer shall send to EUROCOPTER the invoice by the end of the corresponding year. Insurance, customs expenses and other charges as well as the expenses incurred by the Customer for the removal, re-installation and adjustment operations with respect to such Spare Parts shall be borne by the Customer.

For the return of Spare Parts for which the benefit of the warranty has been granted by EUROCOPTER, the inbound return transportation costs shall be borne by EUROCOPTER.

The warranty shall apply only to the extent the helicopter and the parts installed therein are operated, maintained, stored and/or installed in accordance with the instructions contained in the technical publication supplied by EUROCOPTER. In addition, the warranty shall apply only to the extent maintenance activities have been regularly performed and properly recorded in the appropriate logbook. Such logbook shall be presented to EUROCOPTER if so requested.

Normal wear and tear of item such as, but not limited to, seals, tires, inner tubes, bulbs, packings and similar consumables parts, cannot form the subject of any claim under the warranty.

The incorporation by the Customer in any helicopter of any modification which has not been recommended by or received the prior approval of EUROCOPTER shall cause the warranty to cease. Additionally this warranty shall not apply to any helicopter or Spare Parts which has been repaired or altered outside EUROCOPTER's facility or approved repair-centre.

The warranty shall cease to apply if the defect is partly or wholly caused by a defective item not provided by EUROCOPTER.

The warranty shall furthermore cease to apply to any item that is put back into service after being removed from another helicopter involved in an accident unless the Customer can prove that the defect of the item is not the result of the accident.

The warranty is granted to the Customer personally and shall not be assigned by the Customer to any third party without EUROCOPTER's prior written consent.

The warranty constitutes EUROCOPTER sole liability, and is in lieu of any other warranty and is exclusive of any other remedy. EUROCOPTER shall not be responsible for any incidental or consequential damages arising from any breach of warranty.

15-2 Warranty period

EUROCOPTER's obligation under the warranty is limited to the repair - or replacement at EUROCOPTER's choice - of allegedly defective Spare Parts, that have been returned to its facility and, at the time of any repair or replacement, have been recognized by EUROCOPTER after expertise as defective. To be eligible under the warranty the alleged failure must have occurred within the following time-limits, as determined by EUROCOPTER:

- For Spare Parts
  - Within one thousand (1,000) flying hours or twelve (12) months from the time they are fitted to the helicopters or twenty four (24) months after their delivery from EUROCOPTER's factory, whichever event first occurs.
- For tools
  - Within a period of twenty four (24) months after their delivery from EUROCOPTER's factory.

15-3 Repaired or replaced Spare Parts

The warranty period on the repaired or replaced Spare Parts is the warranty period that was remaining on the respective defective Spare Parts. The Spare Parts removed for which EUROCOPTER supplies a replacement Spare Parts shall become the property of EUROCOPTER.

15-4 German legal warranty

For Contracts governed by German law, German legal warranty (Sachmangelhaftung) supersedes the standard warranty conditions described here above for the first twelve months.
During this period, and providing that that German legal warranty is applicable, EUROCOPTER may elect to repair or replace the defective Spare Parts.

16 - CONTRACTUAL LIABILITY

The statutory liability of EUROCOPTER for injury to life, body or health shall remain unaffected by the following limitations.

In the event of intent or gross negligence of EUROCOPTER or its representatives or any person used to perform an obligation on behalf of EUROCOPTER, EUROCOPTER shall be liable according to statutory regulations.

This shall also be the case for a breach of contractual obligations; however EUROCOPTER's liability in case of a breach of any of its contractual obligations shall be limited to foreseeable, typically occurring damages and shall not exceed 50 (fifty) percent of the Contract Value, provided that such limitation shall not apply in the event of intent.

The foregoing shall be EUROCOPTER's sole liability, further liability shall be excluded.

17 - ASSIGNMENT

The Customer shall not be entitled, without the prior written consent of EUROCOPTER, to assign or transfer to a third party all or part of the rights and obligations under the Contract.

18 - EXPORT AND IMPORT LICENCES/AUTHORIZATIONS, CUSTOMS

18-1 Export and Import licences/ authorisations

Items/commodities may be sensitive and controlled and, therefore, subject to export/ import laws and regulations. The Parties acknowledge that diversion contrary to such export/ import laws and regulations is prohibited.

If the provision of items/commodities (goods/hardwares, softwares, technologies) and/or services under the Contract requires any official licences/authorizations (in particular import and/or export licences/authorizations), EUROCOPTER shall take all necessary measures and follow all appropriate procedures in order to obtain such licences/authorizations.

If the involvement of the Customer is required, then the Customer shall provide its assistance and/or support requested by EUROCOPTER without any delay.

If such a licence/authorization is not granted and/ or is granted with delay and/ or if a licence/authorization that has been granted is revoked and/ or if a licence/authorization is not granted at its renewal, the Customer has no right of claims against EUROCOPTER in this respect. In such case, EUROCOPTER will be entitled to terminate the Contract under the condition set out in the article 7.1 Force Majeure.

Export licences/authorizations are usually provided for a specific end-use/end-user and/or with specific provisions or conditions. The Customer undertakes to abide by the content of governmental licences/authorizations and to warrant and represent certificates signed in the context of application procedures. Any change in the end-use/end-user of the corresponding items/commodities and/or services requires the prior authorization of the Governments that have issued the said export licences/authorizations.

The Customer shall therefore notify EUROCOPTER prior to any transfer of control, possession, registration, title, ownership, etc. of items/commodities and/or services to any third party in order to allow EUROCOPTER to assess the necessary actions to be taken and procedures to be applied. Then the Customer shall follow the instructions given by EUROCOPTER.

The Customer shall personally obtain in due time any import licence/authorization required for items/commodities and/or services covered by the Contract.

18-2 Customs

If Spare Parts are exported directly by sea, air, and road to a country outside the European Union, EUROCOPTER will take over the responsibility to provide appropriate customs documentation to the Customer or its designated forwarder. The Customer guarantees correct closure of the respective customs procedure on leaving the European Union. In case of non-compliance, the Customer shall be liable for any additional costs and charges imposed on EUROCOPTER by national tax administration.

19 - INTELLECTUAL PROPERTY

EUROCOPTER retains all rights in respect of developments, inventions, production procedures and any intellectual property rights relating to the subject of the Contract. Copying and or reproducing EUROCOPTER's Products or publications, either wholly or partially, without EUROCOPTER's written express approval is unlawful.

Nothing in the Contract shall be construed as a legal transfer of or license to, any patent, utility or design model, copyright, trademark or other intellectual property right.

20 - CONFIDENTIALITY

The Customer recognizes the confidential and proprietary nature of the documentation and information relating to the Products. Unless otherwise previously agreed in writing the Customer shall not copy or divulge any information directly or indirectly provided within the scope of this Contract.

In case of breach of confidentiality, EUROCOPTER shall be entitled to claim compensation from and against the Customer.

21 - MISCELLANEOUS

The failure of EUROCOPTER to enforce or to apply at any time any of the clauses or provisions of these Standard Conditions of Sale shall in no way be construed to be a present or future waiver of such clause or provision nor in any way to affect the validity of these Standard Conditions of Sale or any part thereof or the right for EUROCOPTER thereafter to enforce each and every such provision.

In the event that one or more of the clauses provided for in these Standard Conditions of Sale is deemed invalid or unenforceable, the remaining provisions shall remain entirely valid and applicable.

22 - APPLICABLE LAW

The Contract shall be governed by German Law, excluding its provisions on the conflict of laws and the United Nations Convention for the International Sale of Goods for the sale of products manufactured and/or services performed by EUROCOPTER Deutschland GmbH.

Any dispute arising out of or in connection with the Contract governed by German law shall be brought before the courts of Munich, Germany, provided that nothing in this provision shall limit the right of EUROCOPTER to commence proceedings in any other court of competent jurisdiction in any country, including, but not limited to, the courts of the country where the Customer is domiciled or has its principal place of business. The Parties hereby consent and agree to be subject to the jurisdiction of the aforesaid courts and, to the greatest extent permitted by applicable law, the Parties hereby waive any right to seek to avoid the jurisdiction of the above courts on the basis of the doctrine of *forum non conveniens*.

The Contract shall be governed by French Law, excluding its provisions on the conflict of laws and the United Nations Convention for the International Sale of Goods for the sale of products manufactured and/or services performed by EUROCOPTER SAS.

Any dispute arising out of or in connection with the Contract governed by French law shall be brought before the courts of Marseille, France, provided that nothing in this provision shall limit the right of EUROCOPTER to commence proceedings in any other court of competent jurisdiction in any country, including, but not limited to, the courts of the country where the Customer is domiciled or has its principal place of business. The Parties hereby consent and agree to be subject to the jurisdiction of the aforesaid courts and, to the greatest extent permitted by applicable law, the Parties hereby waive any right to seek to avoid the jurisdiction of the above courts on the basis of the doctrine of *forum non conveniens*.

AIRBUS HELICOPTERS

STANDARD CONDITIONS OF SALE

1 - DEFINITIONS

- **AOG** (Aircraft On Ground) means a situation in which the Helicopter is unable to fly or is ineligible to return to service because of an unscheduled need for replacement or major repair of components, that is not related to scheduled maintenance tasks.
- **BFE/CFE** means Buyer Furnished Equipment / Customer Furnished Equipment.
- **Certificate of Conformity** (or **Statement of Conformity**) means the document issued by the Seller's quality assurance organization after completion of procedures approved by the respective authorized national agency certifying the Product's conformity with the Seller's applicable specifications.
- **CAMO** means Continuing Airworthiness Management Organization.
- **Contract** means the agreement between the Seller and the Customer of which these Standard Conditions of Sale form part, comprising the applicable Specific Annex(es) and the Purchase Order or Order Confirmation.
- **Core Unit** means the used Part sent by the Customer to the Seller in case of exchange for an overhauled or repaired Part under the standard exchange service.
- **Customer** means the person, entity, or company to whom the Seller sells any Products and/or Services under the Contract.
- **Customer Center** means a subsidiary of the Seller.
- **Documentary Credit** means an irrevocable, confirmed and non-transferable documentary credit.
- **EASA** means European Aviation Safety Agency.
- **Helicopter** means helicopter manufactured by the Seller.
- **Item** means transmission components, blades and/or equipment.
- **OTL, SLL** mean respectively Operating Time Limit and Service Life Limit.
- **Part** means a piece of an Item or a Product.
- **Party/Parties** mean either separately or collectively the Customer and/or the Seller.
- **Product(s)** means the goods to be provided by the Seller under the Contract in compliance with the applicable specification and/or definition, including all types of Helicopters, optional equipment, Spare Parts, tools, other equipment, documentation, technology, data, software on a Product (and any other goods mentioned in the Specific Annex(es), when applicable).
- **Production Organization Approval (POA)** means approvals issued by the respective competent authority to the Seller in compliance with EASA part 21/G regulation.
- **Order Confirmation** means the acknowledgement of receipt of the Customer's order by the Seller, i.e. either the confirmation sent by the Seller to the Customer to take into account the Customer's order or the approval sent by the Customer to the Seller on the Quotation.
- **Purchase Order** (or **Order**) means the order covering the acquisition of Products and/or Services.
- **Quotation** means the priced offer and associated conditions, sent to the Customer by the Seller.
- **RMA** means Return Material Authorization format provided by the Seller for the purposes of the warranty article and/or R&O Service.
- **R&O** means the following activities: repair, overhaul, standard exchange, inspection and modification of an Item.
- **Seller** means Airbus Helicopters (SAS) located in Marignane, France and/or Airbus Helicopters Deutschland GmbH, located in Donauwörth, Germany.
- **Service(s)** means the services which may be performed under the Contract consisting of:
  - performance of R&O
  - technical publications, technical assistance, technical expert services, and/or tool rental
  - performance of Training,
  - SaaS, and
  - any other services mentioned under the Specific Annex(es), when applicable.
- **SaaS (Sofware As A Service)** means a software application available online on an internet website and/or a software application available on defined mobile operating system(s).
- **Specific Annex** (or **Annex**) means the annex of the SCS outlining specific conditions.
- **Spare Parts** means new parts to be provided by the Seller
- **SCS** means general Standard Conditions of Sale for Products and Services.
- **SB** means Service Bulletin.
- **STC** means Supplemental Type Certificate and also refers to an equipment which has a STC.
- **TAT** means Turn Around Time, from the time the Seller receives the Customer's Item and its related and valid documents in its facility up to the time the Item is at the Customer's disposal FCA incoterms® at Seller's facility, less the Customer's approval lead time and/or less lead time due to Customer's responsibility discrepancies.
- **Training Items** means training software, training documentation and courseware.
- **Training** means training need analysis, training courses, simulator sessions and on-the-job training.
- **TSN, TSO, TSR, TBO** mean respectively Time Since New, Time Since Overhaul, Time Since Repair and Time Between Overhaul.
- **VAT** means Value Added Tax.

2 - SUBJECT AND SCOPE

These general Standard Conditions of Sale apply to any sale of Products and/or Services sold by the Seller to its Customer(s), excluding brokerage or other distributor activities. The purchase of the Products and/or Services by a Customer is considered to be performed within the framework of its professional activities.

These general Standard Conditions of Sale are supplemented by the relevant Specific Annex(es) as quoted hereinafter, when applicable:

- for Helicopter sales:
  - Sale of new Helicopters and associated services
  - Sale of second hand Helicopters and associated services

- and for Products (other than Helicopters) and Services:
  - Sale of Spare Parts
  - R&O Services
  - Technical publications, technical assistance, technical expert services, tool rental
  - Training Services and Training Items
  - Helicopter maintenance, repair, overhaul, inspection, upgrade and retrofit
  - SaaS

3 - PURCHASE ORDER / QUOTATION

3.1 Sale of Helicopters and associated Services – Purchase Order

The Helicopter Contract shall be binding when signed by both the Seller and the Customer and shall come into force upon receipt of the initial down-payment.

3.2 Products and Services sold independently of a Helicopter sale – Order issuance, acceptance

Customer's Orders shall be confirmed by the Seller in writing. The Contract shall become binding upon receipt by the Customer of the Seller's Order Confirmation and shall come into force upon receipt of the down payment when relevant (as mentioned under article 6.2). The delivery schedule shall become effective upon receipt of the down payment.
In case the Customer requires a Quotation from the Seller, the Contract shall become binding when the Seller receives the Customer's written approval of such Quotation issued without changes. Said Quotation duly signed by the Customer shall constitute the Order Confirmation when received by the Seller.

3.3 Purchase Order modifications

3.3.1 Modifications to Purchase Order by the Seller

Pursuant to new manufacturing or engineering requirements, obsolescence or new regulations, the Seller shall be entitled to carry out modifications without the consent of the Customer, as long as these modifications do not affect the specification and/or performance of the Product and/or Services, and/or delivery time. Should the requirements affect specification and/or performance of the Product and/or Services, related costs and/or delivery time, the Seller and the Customer shall agree on the contractual consequences. If the Parties fail to reach an

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agreement within one (1) month, the Seller shall be entitled to terminate the Contract under the conditions stated in article 14.2.

3.3.2 Modifications to Purchase Order modifications by the Customer

Any changes or configuration changes requested by the Customer require mutual written agreement of the Parties and may lead to an adjustment of the price and/or delivery time.

4 - EXPORT AND IMPORT LICENCES – AUTHORIZATIONS, CUSTOMS

4.1 Export and Import licences - authorizations

All Products, including but not limited to item(s)/commodity(ies) (goods/hardware, software and technology(ies)) and/or Services may be subject to export laws and regulations as well as national, foreign and international regulations, and the Parties acknowledge that violations to such laws and regulations are prohibited.

The Seller will perform all necessary and appropriate procedures for requesting any official authorizations (such as export licences) needed for the performance of this Contract. The Customer agrees to provide reasonable assistance or any documentation or certificate requested by the Seller to obtain the necessary authorizations and/or to ensure compliance with the applicable laws and regulations

The Seller shall not be held liable if the authorizations are not granted or are granted with delay or if an authorization that has been granted is revoked or not renewed. Such event shall be considered as a force majeure event as defined in article 13.1.

The Customer shall obtain in due time any import licence/authorization required in its country for the Products and/or Services covered in the Contract and shall provide in due time the Seller upon its request with an end-user certificate duly signed by an empowered representative or, when necessary, its national authorities. The Seller agrees to provide, upon Customer's request, reasonable assistance and any documentation for obtaining the import licences and/or to ensure compliance with the applicable laws and regulations.

Export licences/authorizations are provided for a specific end-use/end-user and/or with specific provisions and/or conditions. The Customer undertakes to abide by the content of governmental licences/authorizations and to warrant and represent certificates signed in the context of application procedures. Any change in the end-use/end-user of the corresponding Products and/or Services requires the prior authorization of the government that has issued the said export licences/authorizations. Therefore, prior to any transfer of control, possession, registration, title, ownership, etc. of Products and/or Services to any third party, the Customer shall notify the Seller thereof in order to allow the Seller to assess the necessary actions to be taken and the procedures to be applied. The Customer shall then follow the instructions given by the Seller.

The Parties also agree not to re-export any technical information or technology that may be exported under this Contract without first obtaining the other Party's approval and, when necessary, approval from the relevant Governmental authorities.

4.2 Export and Import - Customs

Irrespective of the applicable Incoterm, if Products are exported directly to a country outside the European Union, the Seller will provide appropriate export customs documentation to the Customer or its designated freight forwarder. The Customer guarantees correct closure of the related customs procedure in due time on leaving the European Union or the country of dispatch. In case of non-compliance, the Customer shall be liable for any additional costs and charges imposed on the Seller by the national tax administration.

If the Seller transports the Products by ferry-flight, the Customer will have to provide additional documentation to the Seller to prove exportation for VAT purposes. The Seller will inform the Customer of the required documentation in due time before the delivery date.

5 - PRICES

5.1 General

Prices are stated and payable in Euros.

Helicopter prices and the prices of other Products and Services sold together with Helicopters are according to the baseline Helicopter definition in force at the date of signature of the Contract and to the specific configuration and scope detailed in the Contract.
For Products and Services sold independently of Helicopters, all invoices for Products and Services will be at the prices stated in the relevant Seller's price list in force, or in the relevant Quotation. The Seller's price lists are subject to regular updates.

Prices relate to Products and Services delivered in accordance with the Incoterms mentioned in each Specific Annex of these SCS.

5.2 Duties and taxes, VAT

Prices are exclusive of taxes, duties and/or charges resulting from administrative and legislative regulations in force in any country other than the Seller's country and of any customs and duty charges, which shall be borne by the Customer.

Prices are exclusive of VAT or sale taxes or turnover taxes or other similar taxes. If applicable, such taxes will be charged in addition.

5.3 Additional costs/ Chargeable amounts

Prices, unless otherwise stipulated in the Contract, do not include any preparation, packing and crating charges nor any modifications carried out at Customer's request before and after delivery, expenses incurred for the inspection of Products by third parties, expenses relating to freight forwarding, carriage by sea, air or land, ferry-flight, storage and insurance costs incurred after Customer's acceptance.

For all orders below a minimum amount of two hundred (200) Euros, the Seller reserves the right to invoice a minimum amount of two hundred (200) Euros.

6 - PAYMENTS

6.1 General

The payment obligation will be considered fulfilled at the time the due amount is irrevocably credited in full to the Seller's bank account.

The Customer shall make the payment by bank transfer (swift), which, on the Seller's request, may be secured by a stand-by letter of credit or a Documentary Credit.

Any down payments are non-refundable, as they are necessary to partially cover the production, procurement, financial, administrative and other costs.

In the event of payment by Documentary Credit, the Customer shall at the time of the initial down payment and/or Purchase Order, open at its own expense, a Documentary Credit in favour of the Seller for the Contract price, reduced by the initial down-payment, if any.

The Documentary Credit shall permit partial deliveries and shall be valid for the total specified period of delivery or performance plus three (3) months covering the time required for preparing the necessary documents and for performing the payment.

The Documentary Credit shall be payable at sight in favour of the Seller as deliveries are made upon presentation of the following documents by the Seller to the bank:

- In case of Helicopter sale :
  - Commercial invoice in triplicate,
  - Statement of conformity or Certificate of Conformity for Helicopters and optional equipment installed therein,
  - Authorized release certificate (EASA Form 1) for packed optional equipment and Spare Parts and
  - Certificate of Conformity for miscellaneous parts and tools which are not subject to installation on Helicopter.
- In case of Products and Services sold independently of a Helicopter sale
  - Commercial invoice in duplicate, and
  - Any document specified by the Seller and mentioned under the Contract.

Should the Documentary Credit expire before full delivery is completed, the Customer shall in due time extend, at its expense, the Documentary Credit without any need for action in this respect on the part of the Seller.

6.2 Payment terms

6.2.1 Sale of Helicopters and associated Services

The Customer shall make the following payments:

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- An initial down payment of thirty (30) per cent of the contractual amount no later than fifteen (15) calendar days after the signature of the Contract,
- An intermediate down payment of
  - Twenty (20) per cent of the contractual amount, six (6) months prior to delivery for H120, H125, H130, AS355, H135/H135 Helionix®, H145 and EC145 Helicopters, or
  - Thirty (30) per cent of the contractual amount, nine (9) months prior to delivery for AS365, H155, H175 and H225 Helicopters,
- The balance of the total contractual amount at the time of the acceptance of the Products and Services and prior to delivery.

In case of sale of second-hand helicopter(s), the Customer shall make the following payments:

- An initial down payment of thirty (30) per cent of the contractual amount no later than fifteen (15) calendar days after the signature of the Contract,
- The balance of the total contractual amount at the time of the acceptance of the Products and prior to delivery.

6.2.2 Products and Services sold independently of a Helicopter sale

For any Order, the Customer shall make the following payments:

- Upon Contract signature, a thirty (30) per cent down payment of the total amount of the Contract shall be paid by the Customer no later than fifteen (15) calendar days following the date of invoice;
- Upon delivery of the Products / performance of the Services, the balance of the invoiced amount of the delivered Products or Items / performed Services shall be paid by the Customer no later than thirty (30) calendar days following the date of invoice.

For Spare Part or R&O Service orders not exceeding two hundred thousand (200,000) Euros, full payment shall be made upon delivery no later than thirty (30) calendar days following the date of invoice.

Payment terms for Services such as, but not limited to, SaaS or Helicopter maintenance, repair, overhaul, upgrade, retrofit or inspection, are specific and defined in the relevant Specific Annex.

Unless otherwise agreed, no discount shall be granted by the Seller to the Customer in case of early payment.

6.3 Penalties for late payment

Payment shall under no circumstances be postponed or apportioned for any reason whatsoever. Consequently, in case of late payment, the Customer shall pay to the Seller interest on the unpaid amount at the rate calculated on the basis of ten (10) percentage points per annum computed on the basis of 365 days/year and the actual number of days elapsed since the due date until the actual date of payment without any need for a formal demand or any prior notice.

Without prejudice to the above, should the Customer fail to pay or in the event of a delay in payment, the Seller will be entitled to extend the schedule for an equivalent time period and/or suspend performance of the Contract and/or in all cases, definitively retain the amount of any payments already made by the Customer. The retention of any such payment shall not preclude the Seller from seeking compensation from the Customer for further damages. In the event of a delay or failure by the Customer to pay for more than two (2) months, the Seller shall be entitled to terminate the Contract for default of the Customer under the conditions defined in article 14.2.

In addition, when French law is applicable as per article 15, the Customer shall also be liable to the Seller for a fixed amount of forty (40) Euros for cost recovery fees pursuant to French code of commerce article L. 441-6. If the actual costs incurred by the Seller in recovering unpaid sums exceed forty (40) Euros, the Seller shall be entitled to ask for additional compensation upon producing evidence of such actual costs.

7 - QUALITY ASSURANCE AND AIRWORTHINESS

7.1 General

Airbus Helicopters and Airbus Helicopters Deutschland GmbH hold, as issued by its respective national civil aviation authorities,

- a POA in compliance with the EASA Part 21/G regulation,
- a maintenance organisation approval in compliance with the EASA Part 145 regulation, and
- a training organisation approval in compliance with the EASA Part 147 for maintenance staff and helicopter Part FCL (Flight Crew Licencing) for aircrews

The privileges of an approved production organization include the issuance of airworthiness documents.

The Seller holds a CAMO approval certificate issued by its national civil aviation authority in compliance with EASA Part M/ Subpart G.

The official recognition that Products and repaired / overhauled / standard exchange Items have satisfied the quality assurance procedures is certified by the issuance of the following documents:

For Helicopter(s) in baseline definition and installed optional equipment:

- A Statement of Conformity or Certificate of Conformity issued by the Seller's quality organization to certify compliance with the contractual specification,
- An Aircraft Statement of Conformity (EASA Form 52) for Helicopters sold to customers of EASA member states signed by the Seller's authorized certifying staff within the above mentioned POA. The EASA Form 52 allows the issuance by the national civil aviation authority of the certificate of airworthiness for the European countries members of EASA, or
- A certificate of airworthiness for export, for Helicopters sold outside the European Union, issued by the national civil aviation authority upon submission by the Seller to the EASA representative body of the above mentioned original Helicopter Statement of Conformity (EASA Form 52),
- Upon request, a certificate of non-registration issued by the national civil aviation authority.

For optional equipment delivered packed, Spare Parts and repaired / overhauled / standard exchange Items:

- Upon request, a Certificate of Conformity or other equivalent document issued by the Seller's authorized certifying staff, for standard components,
- An authorized release certificate (EASA Form 1) for other certified components or non-standard Spare Parts issued on behalf of the national civil aviation authority by the Seller or the Seller's selected workshop.
- A log card if applicable
- A dual or tri release if required through a bi/tri lateral agreement between authorities (e.g. Federal Aviation Regulation (FAR) 145 / Transport Canada Civil Aviation (TCCA) 145).

For miscellaneous parts and tools which are not subject to installation on the Helicopter (if applicable):

- A Certificate of Conformity issued by the Seller.

The Customer that has its civil helicopter registered in a country under EASA regulation is responsible of any task related to the management of the continuing airworthiness of the helicopter or shall transfer this obligation by signing a contract with a CAMO in order to ensure the proper accomplishment of the airworthiness management activities in accordance with the regulations in force (Part M/ Subpart G). Upon signature of the Contract with the Seller, the Customer shall indicate who will assume the responsibility of the CAMO.

7.2 Modifications after delivery

The Seller will notify the Customer of any modifications that the competent national airworthiness agency has decided to impose on Helicopters or Spare Parts of the same type. In the event of such modifications, the Seller shall make available to the Customer, within a reasonable time, at the latter's request and expense, the equipment kits required to incorporate such modifications to the Helicopter and Spare Parts previously delivered.

For this purpose, the Customer shall receive at no additional cost the technical information bulletins relating to the type of Helicopter mentioned in the Contract for as long as at least one (1) Helicopter of the type remains in service with the Customer.

8 - ACCEPTANCE AND TRANSFER OF OWNERSHIP AND RISK

8.1 Helicopter acceptance activities

8.1.1 Helicopter acceptance activities by the Seller

Prior to Customer's acceptance activities for new Helicopters, the Seller shall perform production ground and flight tests on Helicopters. Flight tests will not exceed per Helicopter:

- Twenty (20) flight hours for H120, H125, H130, AS355, H135/H135 Helionix®, H145 and EC145 or,
- Thirty (30) flight hours for AS365, H155 and H175 or,
- Fifty (50) flight hours for H225.
- Some equipment and components may be delivered with up to fifty (50) hours and/or the remaining time of some equipment and components may be reasonably affected by the industrial cycle.

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Additional hours may be flown in the event that development and installation of specific equipment is requested by the Customer. The cost of such additional hours shall be borne by the Customer.

Helicopter non conformities with certified definition, which have an impact on Helicopter operation and maintenance by the Customer, shall be submitted to the Customer for approval.
Upon satisfactory completion of the Seller's acceptance activities, a Certificate of Conformity will be issued by the Seller. As from the date of issuance of this document, the Helicopters shall be deemed ready for Customer's acceptance, referred to as the "Ready for Acceptance" date.

Not later than (1) month prior to the date on which a Helicopter is to be Ready for Acceptance by the Customer, the Seller will provide the Customer with a procedure describing the acceptance process (organization, schedule, documents, etc) and document(s) defining the flight tests that could be performed by the Customer (hereinafter referred to as "Acceptance Test Document(s)"). The purpose of these tests is not to re-perform certification tests. These documents shall be valid for all Helicopters of the same type.

Within one (1) week after receipt of the Ready for Acceptance notice, the Customer shall send to the Seller the information required from the Customer's representatives in order to be admitted to the Seller's premises. The Customer's inspection team shall not exceed three (3) persons.

8.1.2 Helicopter acceptance activities by the Customer

The acceptance activities by the Customer shall not exceed, per Helicopter:

- One (1) day for H120, H125, H130, AS355, H135/H135 Helionix®, H145 and EC145, or
- Two (2) days for AS365 and H155, or
- Three (3) days for H175 and H225.

The Customer shall bear its own expenses and costs related to the Customer acceptance activities including but not limited to travel and accommodation of its representatives during this process.

During the Customer's acceptance activities, it may perform acceptance flights, the combined time of which shall not exceed per Helicopter one (1) flight hour for H120, H125, H130, AS355, H135/H135 Helionix®, H145 and EC145 Helicopters and two (2) flight hours for AS365, H155, H175 and H225 Helicopters.

Acceptance flights will follow the format and procedures described in the Acceptance Test Document(s) provided by the Seller and shall be carried out under the responsibility of a Seller's pilot acting as pilot in command.

Unless a major deviation from the specification is found during the Customer's acceptance, the Customer shall accept the Helicopters as being in conformity with the contractual specifications. The acceptance shall be acknowledged by the Customer's signature of an acceptance certificate, designated as "Acceptance Protocol" and/or "Acceptance and Transfer of Ownership Protocol". If the acceptance certificate is not signed within the above acceptance time period, and without such absence of signature being duly justified in writing explaining the precise reason of the rejection and the contractual grounds thereof, or if the Customer does not attend the acceptance procedure, the acceptance shall be deemed to have been granted by the Customer.

8.2 Acceptance of the other Products than the Helicopters and Services

A Certificate of Conformity or equivalent document is issued by the Seller for Products other than the Helicopters.

With regards to Products other than Helicopters, the Customer shall check and notify any defect and/or non-conformity with the order and/or missing associated documentation in a documented registered letter:

- within twenty one (21) calendar days as from the date the Seller has notified that the Product is ready to be collected, or
- in case of Products delivered CIP or DAP, the time frames for acceptance are the following:
  - forty eight (48) hours for AOG orders,
  - fifteen (15) calendar days after delivery for Training items and/or technical publications

and claims against the carrier shall be made within three (3) working days as from the date of receipt of the Product . After expiry of said periods, the Customer's acceptance of the Products shall be deemed given unless the Customer's refusal is duly substantiated in writing and explaining the precise reason of the refusal and the contractual grounds thereof.

For the Services, except SaaS, a certificate of completion of Services or assignment sheet shall be issued once the Service has been performed. The Customer shall sign the form certifying that the Service has been provided in accordance with the Contract. Unless the Customer's refusal is duly substantiated in writing and explains the precise reason of the refusal and the contractual grounds thereof, the Service shall be deemed accepted five (5) working days after issuance of the certificate of completion of the Services or of the assignment sheet. SaaS, including any and all of their supporting elements and content, are provided on an "as is" and "as available" basis.

8.3 Collection of Products

After the transfer of ownership, the Customer shall collect the Helicopter within two (2) weeks in case of ferry flight or within one (1) month if it is to be dismantled or conditioned for sea, air or road transport.
If the Customer has requested pilot's training following the acceptance of its Helicopter, said duration shall be extended by the time required to train its pilot(s) on its Helicopter.

The Customer shall collect any optional (i.e. not installed on Helicopter) packed equipment, Spare Parts, R&O Items and/or tools:

- within four (4) weeks for Products sold together with Helicopters
- within fifteen (15) calendar days otherwise

following the notification by the Seller to the Customer of its availability.

If the Customer fails to pick up its Products within the above mentioned periods of time:

- The Customer shall reimburse the Seller any expenses incurred by the Seller such as maintenance, storage, insurance, taxes and associated penalties if any, levies, etc. The foregoing does not constitute any obligation for the Seller to maintain, store or insure the Products beyond the date the Products should have been collected.
- The Seller may terminate the Contract as per article 14.2 and shall not be liable for any loss or damages incurred by the Customer as a consequence of such termination.

In the event that the Products are delivered in consigned containers, the Customer shall return said containers at its expense within fifteen (15) calendar days after they are made available to the Customer by the freight forwarder. After the expiry of this period, the Seller shall be entitled to invoice the container at its current price.

8.4 Transfer of ownership and risk

8.4.1 Helicopters

Transfer of ownership of the Product shall be subject to the prior fulfillment by the Customer of its obligations, in particular full payment of the balance of the Contract and interest, if any. Upon signature of the "Acceptance Protocol" or the "Acceptance and Transfer of Ownership Protocol" by the Seller and the Customer and upon full payment of the Contract price, the ownership of the Products is transferred from the Seller to the Customer. The Seller shall also immediately issue the bill of sale.

All risks relating to the loss of or damage to the Products shall pass to the Customer upon delivery.

With respect to the Customer's hull all risk and hull war risk insurance coverage, the Customer shall cause the insurers of the Customer's hull insurance policies to waive all rights of subrogation against the Seller, its assignees and its directors, officers, agents and employees. This waiver shall be applicable as from the time of signature of the "Acceptance Protocol" and/or the "Acceptance and Transfer of Ownership Protocol".

At Customer's request and costs, and according to the terms of the Contract, the Seller will dismantle and package the Helicopter for transportation after the transfer of ownership.

8.4.2 Products other than Helicopters

The transfer of ownership of any Products other than Helicopters shall take place:

- at the Seller's facility, at the time of their collection by the forwarding agent appointed by the Customer, or
- in case of Products delivered CIP or DAP, at the mentioned delivery place,

and shall be subject to the prior performance by the Customer of its obligations in particular the full payment of the delivered Products and interest, if any.

As a result, should the Customer fail to pay according to the contractual payment terms, the Seller reserves the right to terminate the Contract

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through notification sent by registered letter and, if the Products are already delivered, to demand that said Products be returned.

If the laws of the country where the Products are delivered do not allow the Seller to regain ownership, the Seller shall be entitled to benefit from any other rights that such laws may confer. The Customer shall implement all measures necessary to protect the Seller's aforementioned rights. In all cases, this will not prevent the Seller from claiming any damages.

Risk of loss or damage to the Products is transferred to the Customer at the time of delivery of the Products by the Seller as determined by the agreed INCOTERMS® 2010.

8.5 Adherence to the delivery date

Adherence to the delivery date is conditioned upon the Customer fulfilling all of its contractual obligations.

9 - WARRANTY

9.1 General

The Seller warrants that the Products and Services provided, except the turbine engine(s), specific equipment with a STC mentioned in the Contract (if any) and MEGHAS avionics equipment, are free from defects in material and workmanship under normal use and service and that software identified in the applicable Helicopter specification substantially provides the functions set forth in the said specification or in the applicable SB.

The turbine engine(s) as well as the MEGHAS avionics equipment installed in the Helicopter and STCs equipment identified in the Purchase Order are covered by the warranty granted by the manufacturers of these items (Turbomeca, Pratt & Whitney and Thales and the STC holder), the benefits of which the Seller hereby assigns on to the Customer who hereby acknowledges and accepts such assignment.

As soon as possible but no later than fifteen (15) calendar days after the discovery of a defect, the Customer shall furnish to the Seller, by using a warranty claim form provided by the Seller, the full details of its claim and the basis thereof. As soon as it receives the said form, the Seller will forward to the Customer a warranty claim acknowledgment and a RMA form. Within fifteen (15) calendar days following the receipt of such documents the Customer shall return the allegedly defective Parts to the Seller. If the Customer fails to return the allegedly defective Parts in due time, the Seller reserves the right to invoice the replacement Parts which have been ordered or produced for the Customer at the price stated in the relevant Seller's price list in force, or in the relevant Quotation.

The Seller will compensate reasonable transportation costs outbound from the Customer premises to the Seller's premises for the repairable Parts for which the benefit of the warranty has been granted by the Seller. The Customer shall send the invoice to the Seller by the end of each quarter and in any case not later than three (3) months after the acceptance by the Seller of the warranty claim. Corresponding credit notification will be issued on a quarterly basis by the Seller and shall be applicable to Spare Parts and/or R&O invoice(s). Insurance, customs expenses and other charges as well as the expenses incurred by the Customer for the removal, re-installation, calibration and troubleshooting operations with respect to such Parts shall be borne by the Customer.

However, during the first year of the warranty of a new civil Helicopter (except H215 one), for each valid warranty claim, the Seller will compensate in kind the Customer for reasonable labour charges related to warranty issues on the basis of removal and re-installation of the concerned Part(s) (troubleshooting excluded). These labour charges flat rates in force are defined by the Seller per category and are available to the Customer on request. Such compensation shall be cumulated on a monthly basis under the form of a credit which shall be valid for one (1) year and shall be used by the Customers for paying ordered Spare Parts. If applicable, the Customer hereby authorizes the Seller to grant the credit to the company who manages and performs the warranty claim on its behalf for the final benefit of the said Customer.

Said credit(s) shall not apply in case of Customer's default, such as, but not limited to, late payment and payment failure.

For Parts for which the benefit of the warranty has been granted by the Seller, the return transportation costs to the Customer premises shall be borne by the Seller.

The warranty exclusions are as follows:

- Parts and any associated costs incurred for scheduled maintenance, or
- if the Customer has failed to notify the Seller of its warranty claim within two (2) weeks from the failure occurrence date, or
- if the supply and/or any part thereof is stored, operated, maintained, installed, repaired or overhauled otherwise than in accordance with the manuals, documentation and instructions delivered by the Seller, or
- in the event that maintenance activities have not been properly entered in the appropriate logbook (or in case of failure to produce the logbook to the Seller if so requested), or
- if the defective Product or any part thereof has been repaired or altered otherwise than as instructed by the Seller or its subcontractors/suppliers, or
- if the Product or any part thereof has suffered an accident, or
- in the event of a defect that is the result of normal wear and tear, or
- if the Product has not been delivered by the Seller, or
- if such Product or any part thereof is not properly stored and protected in accordance with instructions delivered by the Seller, or
- if the defect is partly or wholly caused by a defective item not provided by the Seller, or
- if the software or the host media is exposed to any computer virus or to any conditions in excess of those published in the applicable manuals, documentation and instructions delivered by the Seller, as well as any alteration and/or modification not validated by the Seller, having an impact on the software, or
- normal wear and tear of item(s) such as, but not limited to, seals, tires, inner tubes, bulbs, packings and similar consumables parts.

The warranty is granted to the Customer personally and shall not be assigned or transferred to any third party without the prior consent of the Seller. Should the Customer want the warranty to be managed by a third party, it shall then provide the Seller with a power of attorney authorizing the said third party to act on its behalf.

The warranty constitutes the Seller's sole liability in case of breach of the warranty obligation, and is exclusive and in lieu of any other warranty or remedy available under this Contract or at law.

9.2 Warranty period

The Seller's obligation under the warranty is limited to the repair - or replacement at the Seller's discretion - of the allegedly defective Products or Services that have been returned to its facility and, at the time of any repair or replacement have been recognized by the Seller after expert investigation as defective. To be eligible under this warranty, the alleged failure must have occurred within the time-limits mentioned here-after:

- For new civil Helicopter(s) (except H215 one) in baseline definition and installed optional equipment:
  - Within two thousand (2,000) flying hours or thirty six (36) months after their acceptance at the Seller's factory, whichever event occurs first.
- For Spare Part(s) and SB kit(s):
  - Within one thousand (1,000) flying hours or twelve (12) months from the time they are fitted to the Helicopters or twenty four (24) months after their delivery from the Seller's factory, whichever event occurs first.
- For tool(s):
  - Within twenty four (24) months after their delivery from the Seller's factory.
- For Training Item(s):
  - Within the twelve (12) months after their delivery from the Seller's factory.
- For repaired, overhauled and standard exchange Items, and second hand Part(s):
  - Within five hundred (500) flying hours or six (6) months from the time they are fitted to the Helicopters or twelve (12) months after their delivery from the Seller's site, whichever event occurs first.
    For repaired Item, the warranty is limited to the repair done and/or the Parts replaced.
- For tools repaired, overhauled or returned for calibration:
  - Within twelve (12) months after their delivery from the Seller's site.
- For workmanship:
  - Within five hundred (500) flying hours or six (6) months from the signature date of the acceptance certificate by both Parties, whichever event occurs first.
- Warranty periods in case of sale of second-hand Helicopter(s) are defined in the relevant Specific Annex.

Software identified in the applicable Helicopter specification shall only be considered as non-conforming, if there are substantial deviations of the functions supported by software from the Helicopter specifications.

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The Seller will, at its sole discretion, remedy such non-conforming software for the considered Helicopter by providing a correction release of the software or by finding a reasonable workaround. The Customer shall supply the Seller with all necessary information and documentation in its possession, to enable the Seller to investigate and rectify such non-conforming software. The Seller warrants the software identified in the applicable Helicopter specification provided that the alleged warranty is notified by the Customer to the Seller within one hundred and eighty (180) calendar days from the date of delivery of the Helicopter to the Customer.

The warranty conditions for software embedded in the delivered Spare Parts or in the delivered repaired/overhauled/ standard exchange Item shall be the ones applicable to the software delivered with the Helicopter, as mentioned in the previous paragraph.

Any SaaS, including any and all of their supporting elements and content, are provided "as is" and "as available".

The warranty period on the repaired or replaced part(s) shall be the warranty period that was remaining on the respective defective part. The part(s) removed for which the Seller supplies a replacement part(s) shall become the property of the Seller.

9-3 German legal warranty

For Contracts governed by German law, the German legal warranty (Sachmängelhaftung) supersedes the standard warranty conditions described here above for the first twelve (12) months. During this period, and provided that the German legal warranty is applicable, the Seller may elect to repair or replace the defective Products.

10 - CONFIDENTIALITY

During the performance of the Contract, the proprietary information of the Parties shall be protected as follows: the term "Proprietary Information" shall mean any information or data in whatever form (either in writing or orally, subject to the conditions set forth hereinafter, and including but not limited to any written or printed documents, samples, models or any means of disclosing such Proprietary Information that the disclosing Party may elect to use during the life of the Contract), disclosed by either Party to the other and which is designated as proprietary to the disclosing Party by an appropriate stamp, legend or any other notice in writing, or when disclosed orally, has been identified as proprietary at the time of disclosure and has been promptly (thirty (30) calendar days at the latest) confirmed and designated in writing as Proprietary Information of the disclosing Party.

The receiving Party hereby covenants that, from the effective date of the Contract, the Proprietary Information received from the disclosing Party shall:

a) be protected and kept in strict confidence by the receiving Party, which must use the same degree of precaution and safeguards as it uses to protect its own Proprietary Information of like importance, but in no case any less than reasonable care; and
b) be only disclosed to and used by those persons within the receiving Party's organization who have a need to know and solely for the purpose specified in the Contract, and
c) not be used, in whole or in part, for any purpose other than the purpose of the Contract without the prior written consent of the disclosing Party; and
d) neither be disclosed nor caused to be disclosed, whether directly or indirectly to any third party or persons other than those mentioned in subparagraph b) above; and
e) neither be copied nor otherwise reproduced nor duplicated, in whole or in part, where such copying, reproduction or duplication has not been specifically authorized in writing by the disclosing Party.

Any Proprietary Information and copies thereof disclosed by either Party to the other shall, subject to any third party rights, remain the property of the disclosing Party and shall be immediately returned by the receiving Party upon request.

11 - INTELLECTUAL PROPERTY

The Seller retains all rights in respect of developments, inventions, know-how, production procedures and any intellectual property rights relating to the Products and/or Services.

Nothing in the SCS shall be construed as a legal transfer of or licence to (other than specified hereafter), any patent, utility or design model, copyright, trademark, know-how or other intellectual property right.

Copying and/or reproducing and/or communication and/or transmission to a third party of Seller's Products or Services or technical information or publications, either wholly or partially, without the Seller's express approval is strictly forbidden (except for the copying by the Customer of technical documentation provided by the Seller exclusively for the purposes of operation and maintenance of the Helicopters by the Customer).

The Seller grants the Customer a non-exclusive, non-transferable licence to use

- a SaaS for the purposes of operating and/or maintaining helicopters and/or
- the executable form of the software on the related Product, for the purposes of operating the Helicopters.

This licence does not entitle the Customer to receive free of charge updates of such software. The Customer shall not decompile, disassemble, modify, reverse assemble, reverse engineer or reduce to human readable form, the software and/or any SaaS except to the extent the foregoing restriction is, by operation of applicable law, prohibited or of no effect.

12 - LIABILITY

Notwithstanding any provision to the contrary in the Contract or elsewhere, the total and cumulated liability of the Seller under the Contract, due to any and all causes whatsoever, whether based on breach of contract or in tort or otherwise, shall in no event exceed in aggregate an amount equivalent to ten per cent (10%) of the total net Contract price.

The above limitation shall not apply in the event of gross negligence, wilful misconduct, death or bodily injury.

Each Party shall be responsible for death or bodily injury arising to its own personnel, whatever the cause. The Parties therefore waive the right to any claim against the other in this respect, except if such death or bodily injury is caused by the gross negligence or wilful misconduct of the other Party.

In no event shall the Parties be liable for any indirect, consequential, incidental, special or punitive damages of any kind, including, but not limited to, damages for any loss of use or profit, loss of assets, loss resulting from business disruption, loss of goodwill or loss of contractual opportunity by the other Party.

To the extent permitted at law, the Seller's obligations and liabilities and the Customer's rights and remedies as set forth in this Contract are exclusive and are in replacement of any and all other remedies under law or otherwise.

13 - FORCE MAJEURE AND EXCUSABLE DELAY

13.1 Force majeure

The Seller shall not be held responsible for failure to perform or delay in performing any of the contractual obligations of this Contract if such failure or delay is due to, but not limited to:

- acts of God, war, insurrection, epidemics, sabotage, labour disputes, strikes, lock-outs, shortages of labour, interruption or delays in transportation, fire, explosion, equipment or machinery breakdown, failure or delays of the Seller's sources of supply, shortage in material or energy, or
- acts, orders or priorities resulting from any government action, national or international authorities, or
- acts caused by any supplier or subcontractor of the Seller (or lower level subcontractor or supplier), or
- a bankruptcy or insolvency event concerning any supplier or subcontractor (or lower level subcontractor or supplier), or
- any other case beyond the reasonable control of the Seller.

For the avoidance of doubt, the delay or absence of payment by the Customer cannot be considered by it as a case of force majeure.

In case of force majeure, the contractual delivery date shall be extended by such period of time reasonably required to remove and/or overcome the event of force majeure and its effects.

13.2 Excusable delay

Any postponement of the contractual dates due to the following causes shall not constitute a delay:

a) BFE/CFE not delivered according to the schedule stated in the Contract or found defective and which consequently requires to be replaced by the Customer or,
b) Changes or additions to the Contract requested by the Customer or,
c) Any failure or omission by the Customer to perform its obligations set forth in this Contract.

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Any additional costs incurred by the Seller as a result of the occurrence of one of the above events shall be invoiced by the Seller and paid by the Customer over and above the Contract Price.

14 - TERMINATION

14.1 Extraordinary termination

Each Party may immediately terminate or reduce the scope of the Contract by notice in writing to the other Party if:

- A petition is filed, a notice is given, a resolution or a court order is passed in connection with the winding up of the other Party, or
- The other Party becomes bankrupt or insolvent.

14.2 Termination for default

A Party may terminate all or part of this Contract for default of the other Party in the event that the other Party persistently fails to perform its obligations and despite the non-defaulting Party having notified by acknowledgment of receipt the defaulting Party to take adequate corrective measures and provided no such measures have been proven to have been taken within a period of two (2) months, following the above notice. The termination shall occur without any specific formality other than the above notice.

In the case of termination for default, the following shall apply:

- In case of default of the Customer:
  - a) the Customer shall reimburse the Seller for all costs (including but not limited to raw materials, labour, overhead, storage and financial fees) incurred by the Seller or which the Seller could not avoid incurring (including termination indemnities, if any, under the contracts between the Seller and its subcontractors or suppliers or under the second level contracts or subcontracts),
  - b) the Customer shall pay to the Seller a termination indemnity equal to ten per cent (10%) of the contractual price as well as an indemnity equal to the damages sustained by the Seller,
  - c) the Customer shall indemnify the Seller in case other remedies are available by the Customer under this Contract, than those mentioned under paragraphs a) to b) above, and
  - d) the Seller shall be entitled to retain any payments already made by the Customer, until an agreement is found on the above or the dispute resolution has been implemented and a decision has been taken in consequence.
- In case of default of the Seller:
  - a) the Seller shall be entitled to deliver the remaining non-faulty Products and render the remaining non-faulty Services, and shall be paid the corresponding price thereof,
  - b) the Seller shall return to the Customer all the BFE/CFE remaining in its premises, once the Products are delivered and/or the Services are rendered,
  - c) the Seller shall refund the Customer, the amount of the down payment which refers to the unfulfilled part of the Contract, and
  - d) the Customer shall possibly apply the liquidated damages, if any.

14.3 Termination for force majeure

In case of the occurrence of a force majeure event as provided in article 13.1 which lasts more than six (6) consecutive months, the Parties shall meet in order to determine under which conditions they wish to pursue the Contract or if they do not reach an agreement within a one (1) month period, either Party shall be entitled to terminate the Contract, without being entitled to claim for any damages or compensation in any form whatsoever from the other.

15 - APPLICABLE LAW AND DISPUTE RESOLUTION

The Contract shall be governed by German law for the sale of Products and/or Services by Airbus Helicopters Deutschland GmbH and by French law for the sale of Products and/or Services by Airbus Helicopters. Irrespective of the applicable law, the United Nations Convention for the international sale of goods is excluded.

The Parties shall attempt to amicably settle any dispute, controversy or claim arising out or in connection with the Contract. If two (2) months after the occurrence of such dispute, controversy or claim, the Parties have failed to reach an agreement, then the dispute, controversy or claim, depending on the contractual aggregate amount shall be settled as follows:

A dispute will be finally settled under the rules of arbitration of the International Chamber of Commerce (ICC) by three (3) arbitrators appointed in accordance with the said rules.

In the specific case of a dispute of which the aggregate amount does not exceed ten million (10 000 000) Euros, the Parties agree to opt for a fast track arbitration process in accordance with the ICC rules.

The place of arbitration shall be Geneva (Switzerland) and the language of the arbitration shall be English.

However, in all cases, should the Seller elect to choose a local court jurisdiction due to arbitration not being adapted to the specific nature of the dispute, in particular the need for immediate injunctive relief or to recover sums due, then such local court will be competent to settle the dispute.

The Parties hereby consent and agree to be subject to the jurisdiction of the aforesaid courts and/or arbitration and, to the greatest extent permitted by the applicable law, the Parties hereby waive any right to seek to avoid the jurisdiction of the above courts on the basis of the doctrine of *forum non conveniens*.

Unless otherwise agreed by both Parties, the fact that any dispute has been referred to arbitration pursuant to this article shall not relieve either Party from any of its obligations as set out in this Contract.

16 - DATA EXCHANGE

16.1 General

In order to improve the Products, their reliability and availability and the Customer services, the Seller has set up a data exchange process based on maintenance and operational data coming from the Customer's helicopters in service. The list of data to be exchanged will be proposed by the Seller when applicable and will be agreed between the Parties in a specific agreement relative to the types of data and applicable exchange modes. The Customer's data will notably consist of:

- Customer's helicopter data generated by on-board recording systems
- Customer's information system data, such as maintenance, operation, logistics and airworthiness data.

The Customer hereby authorizes the Seller on a free and non-exclusively basis:

- to collect such Customer's data,
- to use the data to create processed data (Customer's data which is reconciliated, enriched, qualified and selected by the Seller),
  - for the Seller's and its Customer Centers' use
  - for the Customer's use subject to a specific agreement
- and to use suitably de-identified and anonymous processed data, which may be used by the Seller for the purposes of, but not limited to, its current business activities such as trend monitoring, benchmarking, data mining, performance calculation, statistical or predictive analysis, data aggregation, report issuance, studies, summaries, analyses, reports or oral discussions thereof.

16.2 Data confidentiality and intellectual property

The Parties agree that any and all Customer's data disclosed by the Customer to the Seller shall be deemed confidential. Nevertheless, after achievement of the de-identification process, the outcome of analysis, studies, statistics, results performed by the Seller and based on such Customer's data are not deemed confidential, therefore the Seller shall be entitled to use in the conditions defined in the foregoing paragraph.

The Seller owns the foreground intellectual property being the result of the analysis, studies or statistics that it has performed.

Notwithstanding the confidentiality obligations here above, the Seller may disclose the Customer's data

- to the Seller's officers, employees, professional advisers, insurers, agents and subcontractors who have a need to access the Customer's data for the performance of their work with respect to the permitted purpose and who are bound by a written agreement or professional obligation to protect the confidentiality of the Customer's data.
- to any governmental agency or judge legally authorized to have access to the Customer's data.

16.3 Data related liability

Notwithstanding anything to the contrary in the Contract, the Seller shall not be liable toward the Customer in the frame of the analysis of the Customer's data and/or in connection with the Customer's helicopter maintenance, repair and flight operations as a result of the disclosure of confidential information by the Customer to the Seller or as the result of any exchange or analysis of information collected through the process.

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17 - MISCELLANEOUS

These SCS along with the applicable Specific Annex(es) and Purchase Order (or Order) constitute the entire agreement between the Seller and the Customer. They supersede all previous communications and/or agreements either oral or written, between the Seller and the Customer with respect to the Products or Services.

In the event that one (1) or more of the articles provided for in these SCS is deemed invalid or unenforceable, the remaining provisions shall remain entirely valid and applicable.

English shall be the language of the Contract. Both Parties shall use English as the language to exchange, issue and deliver information, documentation and notices, and any related documents excluding those documents which might be produced by a governmental institution in the local language.

In the Contract, unless the contrary intention appears:

- headings are for the purpose of convenient reference only and do not form part of the Contract;
- where the last day of any period prescribed for the doing of an action falls on a day which is not a working day in the country of the applicable law, the action shall be done no later than the end of the next working day.

In case of any contradictions and discrepancies between the parts of the Contract, precedence shall be given in the following decreasing order:

1) Purchase Order, Order or Order Confirmation (as applicable)
2) Present SCS
3) Specific Annex(es)
4) Other Annexes and/or appendices in their order of appearance.

The provisions of the confidentiality, intellectual property, liability, applicable law and dispute resolution articles of the Contract shall survive and continue to have effect after the termination or expiry for any reason whatsoever of the Contract, and for a period of thirty (30) years thereafter.

No term or provision hereof will be considered waived by either Party, and no breach excused by either Party, unless such waiver or consent is in writing and signed by the Party against whom the waiver is asserted. No consent by either Party to, or waiver of, a breach by either Party, whether express or implied, will constitute a consent to, waiver of, or excuse of any other, different or subsequent breach by either Party.

The relationship between the Seller and the Customer is solely that of purchaser and seller. No joint venture or partnership is intended nor will any be construed from this Contract. Neither Party will have the authority to enter into contracts on behalf of or bind the other in any respect.

The Customer shall not be entitled, without the prior written consent of the Seller, to assign or transfer to a third party all or part of the rights and obligations under the Contract.

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AIRBUS HELICOPTERS

STANDARD CONDITIONS OF SALE – SPECIFIC ANNEX APPLYING TO THE SALE OF SPARE PARTS

B1 - GENERAL

This Specific Annex is applicable to sale of Spare Parts, including tools, SB kits and STCs performed by the Seller to any Customer in order to maintain and/or operate Helicopters.

B2 - DELIVERY AND INCOTERMS

Unless the Contract stipulates another INCOTERM®, Spare Parts shall be delivered packed Free Carrier (FCA - INCOTERMS® 2010) at the Seller's site or logistic platform as specified in the Purchase Order.

In case of unavailability of the Spare Parts or of raw material, the Seller shall be entitled to make partial deliveries.

B3 - ORDER'S TYPOLOGY AND SPECIFICITIES

B3-1 Planned Purchase Orders

Purchase Orders of Spare Parts shall be considered as planned Purchased Orders if the requested delivery date is above two (2) weeks from the date of receipt by the Seller of a valid Customer's Order (Order Date), under FCA Incoterms defined in Article B2. In case of complete or partial modification of the Order, the date of receipt shall be updated accordingly.

For each order line of any planned and confirmed Purchased Orders, the Seller shall commit on delivery performance, except for critical part(s) as mentioned in the Order Confirmation. In case of late delivery, the Seller will grant to the Customer a credit under the conditions defined hereafter:

- If the Spare Part(s) ordered is(are) "on collection" as identified in the Seller's price list in force and is(are) delivered by the Seller after the delivery date requested by the Customer, the credit per delayed Spare Part shall depend on the timeframe between the requested delivery date and the Order Date, under FCA Incoterms defined in Article B2, as follows:
  - Timeframe of fifteen (15) calendar days up to thirty (30) calendar days: four (4) per cent of the invoiced value of the Spare Part; the total credit per Order's line shall not exceed two thousand (2 000) euros;
  - Timeframe of thirty one (31) calendar days up to sixty (60) calendar days: six (6) per cent of the invoiced value of the Spare Part; the total credit per Order's line shall not exceed three thousand (3 000) euros;
  - Timeframe of more than sixty one (61) calendar days: eight (8) per cent of the invoiced value of the Spare Part; the total credit per Order's line shall not exceed four thousand (4 000) euros.
- If the Spare Part(s) ordered is(are) "on demand" as identified in the Seller's price list in force, the Seller shall propose a delivery date and commit on it in the Order Confirmation. If the Seller delivers the Spare Part(s) on demand after the said committed delivery date, the credit per delayed Spare Part shall equal to eight (8) per cent of the invoiced value of the Spare part; the total credit per Order's line shall not exceed four thousand (4 000) euros
- The credit shall not apply in case of an event disrupting the logistic flow for reasons not attributable to the Seller.
- The eligible credits shall be cumulated from 1st of January to 31st December of year n and the related total amount will be then granted under the form of a credit which shall be valid from 1st of April until 31st December of year n+1 and shall be used by the Customers for paying ordered Spare Parts. Said credit shall not apply in case of Customer's default, such as, but not limited to, late payment and payment default.

If the Contract stipulates another INCOTERM® than FCA, the conditions for allocating the credit are subject to adjustments and shall be agreed between the Parties.

B3-2 Rush Purchase Orders

The Rush Purchase Order is an Order with a requested delivery time below two (2) weeks from the date of its receipt by the Seller, the Customer not being in AOG situation

B3-3 AOG Purchase Orders

To guarantee an efficient service to the Customer and respond quickly to any situation where the Customer's Helicopter is AOG, the Seller provides a twenty four (24) hours a day/seven (7) days a week AOG service. The AOG service is available for orders of Spare Parts which are essential to put a Helicopter back into service or to enable it to perform its mission.

Any Spare Parts listed in the Seller's illustrated Parts catalog can be ordered by the Customer via AOG service, except main assemblies, raw materials, ingredients and hazardous materials.

The AOG service is provided to the Customer at the price stated in the relevant Seller's price list in force or in the relevant Quotation. Nevertheless, the Seller shall be entitled to add a surcharge fee (excluding transportation) of one hundred (100) euros per confirmed AOG order. A flat rate for transportation cost will be added to the price of Spare Parts.

The Customer shall also mention in writing regarding any AOG order placed to the Seller, the following information:

- Part number/ nomenclature
- Failure description and reason of removal
- Quantity required for the specific AOG
- Ship to address

The Seller, by sending an Order Confirmation, shall confirm in writing to the Customer the price and the delivery time within twelve (12) hours after receipt of the Customer's Order.

The Spare Parts already available in the Seller's inventory upon receiving the Order from the Customer will be delivered packed Carriage Insurance Paid (CIP, INCOTERMS® 2010) to the nearest international airport to the Customer and within seventy two (72) hours after receipt by the Seller of the Customer's Order, depending on the delivery location.

The Customer may order in AOG a maximum of three (3) line items per order and in accordance with the quantity fitted on the Helicopter. If several line items are ordered, the Seller has the right to make partial deliveries, depending on the availability of the Spare Parts.

The Customer shall check the Spare Parts provided in AOG conditions, notify any recognisable defects in a documented registered letter within forty eight (48) hours as from the date the Spare Parts have been received by the Customer and place them at Seller's disposal.

B4 - SB kit and STC

Unless otherwise specified, the kits originated from SB or STC modification are defined on the basis of the "as-delivered" configuration (i.e. the configuration of the Helicopter at the time of transfer of title from the Seller to the original customer). It is the responsibility of the Customer to make sure that the actual configuration of the Helicopter corresponds to the pre-mod configuration of the relevant SB or STC installation instruction. Any deviation of the actual configuration that requires the amendment of the SB or the STC installation instruction shall be charged to the Customer on a time and material basis.

Unless otherwise specified, the STC is sold to the Customer with the certification(s) as listed in the catalog and specified in the offer. It is the responsibility of the Customer to make sure that such certification(s) are acceptable to its competent airworthiness authority before the installation of the kit. The Seller will provide all reasonable support to the Customer for the additional certification or validation of the existing certification(s) at the latter's sole expense on a time and material basis.

The STC holder of the Product shall retain full responsibility for the type design definition its own Product (configuration, definition, necessary changes and continuing airworthiness). The Seller does not warrant the compatibility of the STC with future mandatory or non-mandatory modifications.

AIRBUS HELICOPTERS

STANDARD CONDITIONS OF SALE – SPECIFIC ANNEX APPLYING TO R&O SERVICES

C1 - GENERAL

This Specific Annex is applicable to the sale of Services in relation to repair, overhaul, standard exchange, inspection and modification performed by the Seller to any Customer in order to maintain and/or operate Helicopters.

C2 - PURCHASE ORDERS/QUOTATIONS

The Customer shall issue for each item sent to the Seller for R&O Service, an order with the following information, if relevant:

- Order number / reference of the Seller's Quotation
- Type of work requested (inspection, repair, overhaul, modification, standard exchange)
- Applicable technical publication
- Type, version and serial number of the Helicopter
- Part number and serial number of the Item
- Description
- Price
- TSR, TSO, TSN and TBO
- Modifications carried out on the subject Item,
- Nature of complaint or reason for removal
- Delivery date of need
- Location / delivery address / mode of shipment
- Invoice address and VAT number
- Requested release documentation.

If the technical publication is not provided by the Customer, the Seller reserves the right to perform the R&O Service according to the technical publication in force known by the Seller.

It is understood between the Parties that the Seller shall either carry out the R&O Service in its own workshops or shall have such reconditioning carried out by a Seller selected workshop. In both cases, the TAT indicated in the Quotation or in the R&O prices catalogue is given for information purposes only. On Customer's request, the Seller may arrange a customized TAT; in such a case and based on a written agreement, this service will be charged to the Customer above the standard quoted price.

For Items with fixed price listed in the Seller R&O prices catalogue, the Customer grants to the Seller the right to proceed to the repair and invoice the work at such price (*).

In case of Items with fixed price which may be subject to additional tasks (refer to "exclusions" in the R&O prices catalogue), an additional Quotation may be issued by the Seller after inspection of the Item, if some Parts excluded from the fixed price finally need to be replaced (*).

For the Items with basic price and for the other Items, a Quotation will be drawn up by the Seller after inspection.

(*) A Quotation will be issued for additional costs and increased lead-time for Items:

- which have been improperly used or maintained by the Customer,
- involved in incidents or accidents,
- having suffered external damage,
- with missing Parts,
- for which the requested release documentation is not proposed in the R&O prices catalogue.

If the Customer does not accept the Quotation, the inspected Item will be returned as is(**) by the Seller at the Customer's request and at the latter's expense. The inspection, administration, packaging and transportation costs will be invoiced to the Customer by the Seller.

The Quotation remains valid for two (2) months from the date of issue. In the absence of Customer's approval within said timeframe, the Seller reserves the right to update the Quotation and to invoice expenses to the Customer or to return the inspected Item as is(**) at Customer's expense; in the latter case, inspection, administration, packaging and transportation costs will be invoiced to the Customer.

If an Item is deemed non-repairable or unserviceable after inspection, the Seller will either scrap it with prior Customer's consent or return it as is(**), at Customer's expense; inspection, administration costs and, as applicable, scrapping or packaging and transportation will be charged to the Customer.

(**) Item status after inspection: assemblies are disassembled, painting may be stripped out, parts are inspected, used oil and Parts subject to systematic replacement have been removed.

If the Item has been previously repaired in a service centre not approved by the Seller, the Seller reserves the right to repair the Item according to its own standards.

C3 - RETURN OF ITEMS AND INCOTERMS

C3-1 Return of Item

Prior to any return of Item, the Customer shall obtain from the Seller an RMA number. Any item sent by the Customer for R&O Service shall be sent to the Seller, packed Delivery Duty Paid (DDP) (INCOTERMS® 2010) to the location as specified in the RMA or in other documents provided by the Seller.

The Customer shall send together with the Item the following documents:

- Order
- Log card duly completed, when relevant or certified component history
- Delivery note
- Material Return Sheet with RMA number provided by the Seller.

If the Customer fails to send any of the above documents within three (3) weeks after Seller's reminder, the Seller shall return at Customer's expense (Delivery Duty Paid (DDP) INCOTERMS® 2010) the initial Item to the Customer with any work performed.

If the method of shipment is not stipulated in the Contract, transportation shall be at Seller's discretion and at Customer's expense. The Seller shall not be liable for any loss or expenses due to the selection of forwarder/carrier or mode of transportation. Any claims for damage shall be made by the Customer directly to the forwarder/carrier.

C3-2 Delivery and Incoterms

Unless the order stipulates another INCOTERM®, the repaired/overhauled/standard exchange Item shall be at Customer's disposal packed Free Carrier (FCA - INCOTERMS® 2010) at the Seller's facility specified in the Quotation or in other documents provided by the Seller.

If several Items are sent for R&O Service, the Seller has the right to make partial deliveries.

Should the Customer's container be damaged during the transport from the Customer's location to the Seller premises, the Seller reserves the right to send a quote to the Customer in order to provide the Customer with either its repaired container, or a second-hand one or a new one.

C4 - SPECIFICITIES

C4-1 Standard exchange

The standard exchange for an Item entails supplying the Customer with another second-hand Item of the same reference or a functionally equivalent one and in airworthy condition to replace the Item which has been removed and returned to the Seller for repair.

The standard exchange is based on the effective availability of an exchange Item. If the Item is available, the Customer's order shall be recorded by the Seller, then the Item will be made available within forty eight (48) hours. For a selection of Items designated in the R&O prices catalogue with a "Easy Exchange" mention, the Seller manages a specific pool to increase standard exchange availability. If the Item is not available under standard exchange Service, the Seller could propose alternate solution on Customer's request. To improve Item availability, the Customer is encouraged to forecast the exchange of an Item requiring an overhaul at least two (2) months in advance.

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The exchange Item shall become the Customer's property and the removed one shall become the Seller's property. The Customer cannot request return of the removed Item (Core Unit).

After reception of the Core Unit from the Customer and release of discrepancies by the Seller, the Seller reserves the right to invoice additional costs after inspection related to the status of the Core Unit.

The standard exchange is only applicable to Items for which have been used, stored and maintained in accordance with recommendations stated in the technical publication of the Helicopter type.

The Customer shall return the Core Unit at its own expenses and its title of ownership within four (4) weeks after the delivery of the exchange Item. If the Customer fails to return the Core Unit within the said period of time the standard exchange rule shall no longer be applicable and the Seller reserves the right to invoice the exchange Item at the price of a second-hand one or a brand new one, as applicable, plus non-refundable administrative costs.

If the Core Unit is delivered without an updated log card (e.g. hours or cycle missing or incorrect) the Seller will inform the Customer at technical filtering step. Failing a reply from the Customer within fifteen (15) days, the Seller will scrap the Parts in question. The additional costs for replacement of the Parts shall be charged to the Customer.

Following inspection and in the event that the Core Unit cannot be repaired, standard exchange rules will not be applicable and the Seller reserves the right to invoice the exchange Item at the price of a second-hand one or a brand new one, if applicable.

For any Item subject to TBO limit, the Seller shall usually supply an exchange Item with full potential (i.e. TSO is null). If the Seller supplies an Item which does not have a full potential, the standard exchange price shall be then adjusted by the Seller pro rata the remaining potential.

C4-2 "Easy Repair" service

The Seller is proposing for a selection of Items an "Easy Repair" service, i.e. a repair or an overhaul performed within a reduced TAT. Said Items are identified in the R&O catalogue with their relevant reduced TAT.

By accepting the "Easy Repair" service in a R&O Order, if the actual TAT of the purchased repair or overhaul exceeds the reduced TAT as stipulated in the catalogue, the Customer grants to the Seller the right to provide the Customer with a standard exchange instead of the repair or overhaul as applicable, at the same initial price.

If the Seller proceeds with a standard exchange:

- in case of an overhaul Order of any Item subject to TBO limit, the Seller will usually supply exchange Items with full potential (i.e. TSO is null). If the Seller supplies an Item which does not have a full potential, the overhaul price will be then adjusted by the Seller pro rata the remaining potential.
- in case of a repair Order, if the absolute difference between the TSO of the exchange Item and the TSO of the removed Item is above ten (10) per cent of TBO, a determent or betterment calculation shall apply on the repair price taking into account TSO and TBO.
- in the event that the removed Item cannot be finally repaired, the Seller reserves the right to invoice the exchange Item at the price of a second-hand one or a brand new one, if applicable.

C4-3 Dynamic Item

Any Item delivered by the Seller after overhaul shall be at least in the same reference standard as the Item received from the Customer.

In case of repair Order, final test on bench could reveal extra non-conformities. In that case, a quotation for corresponding additional work may be issued.

C4-4 Investigation

On Customers' request, the Seller is prepared to carry out an investigation on the Item sent to the Seller. In this case the Seller will charge the Customer for the costs incurred, even if the Customer chooses not to have the work performed by the Seller. Said costs will not be charged if the concerned Item is deemed to be covered by the Seller's warranty.

C5 - AIRWORTHINESS

In accordance with the civil aviation regulation, the Seller will use the following words to indicate the status of the Item being released: "OVERHAULED", "INSPECTED", "MODIFIED", or "REPAIRED".

The Seller applies the instructions and directives specified in the Seller technical publication which may be supplemented by Customer's requests provided they don't conflict with the Seller's technical publication and the applicable regulation.

If the Part/Item is declared as non-airworthy by the Seller and returned to the Customer, the Seller waives all liability on said Part/Item which shall be scrapped under Customer's responsibility. In such case and without any formal request from the Customer in the repair order or any other documents considered as contractual, said Part/Item will be recorded and identified as unserviceable by the Seller according to Seller's applicable procedures (record of the scrapped Part/Item in the Seller's database, identification of the Part/Item through "unserviceable" tag and identification of the Part/Item with a triangle scrapping mark when possible).

All imperative or mandatory modifications as mentioned in the Seller's technical publication will be systematically applied. All necessary work to ensure continuous airworthiness of the Item will be systematically applied by the Seller at Customer's expense. If the Customer formally requires not applying some applicable airworthiness directives of the Item, the Seller will deliver the Item only with a Certificate of Conformity but without granting airworthiness.

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Claim #365 Date Filed: 8/22/2016

United States Bankruptcy Court for the Northern District of Texas

Indicate Debtor against which you assert a claim by checking the appropriate box below. (**Check only one Debtor per claim form.**)

- ☐ CHC Group Ltd. (Case No. 16-31854)
- ☐ 6922767 Holding SARL (Case No. 16-31855)
- ☐ Capital Aviation Services B.V. (Case No. 16-31856)
- ☐ CHC Cayman ABL Borrower Ltd. (Case No. 16-31857)
- ☐ CHC Cayman ABL Holdings Ltd. (Case No. 16-31858)
- ☐ CHC Cayman Investments I Ltd. (Case No. 16-31859)
- ☐ CHC Den Helder B.V. (Case No. 16-31860)
- ☐ CHC Global Operations (2008) ULC (Case No. 16-31862)
- ☐ CHC Global Operations Canada (2008) ULC (Case No. 16-31870)
- ☐ CHC Global Operations International ULC (Case No. 16-31879)
- ☐ CHC Helicopter (1) S.À R.L. (Case No. 16-31892)
- ☐ CHC Helicopter (2) S.À R.L. (Case No. 16-31895)
- ☐ CHC Helicopter (3) S.À R.L. (Case No. 16-31878)
- ☐ CHC Helicopter (4) S.À R.L. (Case No. 16-31882)
- ☐ CHC Helicopter (5) S.À R.L. (Case No. 16-31890)
- ☐ CHC Helicopter Australia Pty. Ltd. (Case No. 16-31872)
- ☐ CHC Helicopter Holding S.À R.L. (Case No. 16-31875)
- ☐ CHC Helicopter S.A. (Case No. 16-31863)
- ☐ CHC Helicopters (Barbados) Limited (Case No. 16-31865)
- ☐ CHC Helicopters (Barbados) SRL (Case No. 16-31867)
- ☐ CHC Holding (UK) Limited (Case No. 16-31868)
- ☐ CHC Holding NL B.V. (Case No. 16-31874)
- ☐ CHC Hoofddorp B.V. (Case No. 16-31861)
- ☐ CHC Leasing (Ireland) Limited (Case No. 16-31864)
- ☐ CHC Netherlands B.V. (Case No. 16-31866)
- ☐ CHC Norway Acquisition Co AS (Case No. 16-31869)
- ☐ Heli-One (Netherlands) B.V. (Case No. 16-31871)
- ☒ Heli-One (Norway) AS (Case No. 16-31876)
- ☐ Heli-One (U.S.) Inc. (Case No. 16-31881)
- ☐ Heli-One (UK) Limited (Case No. 16-31888)
- ☐ Heli-One Canada ULC (Case No. 16-31893)
- ☐ Heli-One Holdings (UK) Limited (Case No. 16-31894)
- ☐ Heli-One Leasing (Norway) AS (Case No. 16-31886)
- ☐ Heli-One Leasing ULC (Case No. 16-31891)
- ☐ Heli-One USA Inc. (Case No. 16-31853)
- ☐ Heliworld Leasing Limited (Case No. 16-31889)
- ☐ Integra Leasing AS (Case No. 16-31885)
- ☐ Lloyd Bass Strait Helicopters Pty. Ltd. (Case No. 16-31883)
- ☐ Lloyd Helicopter Services Limited (Case No. 16-31873)
- ☐ Lloyd Helicopter Services Pty. Ltd. (Case No. 16-31877)
- ☐ Lloyd Helicopters International Pty. Ltd. (Case No. 16-31880)
- ☐ Lloyd Helicopters Pty. Ltd. (Case No. 16-31884)
- ☐ Management Aviation Limited (Case No. 16-31887)

RECEIVED
AUG 22 2016
KURTZMAN CARSON CONSULTANTS

Official Form 410
Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify the Claim

1. Who is the current creditor?

AIRBUS HELICOPTERS (SAS)
Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor _____

2. Has this claim been acquired from someone else?

☒ No
☐ Yes. From whom? _____

3. Where should notices and payments to the creditor be sent?

Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Where should notices to the creditor be sent?

Brian P. Hall, Esq. c/o SGR
Name
1230 Peachtree St NE, Suite 3100
Number Street
Atlanta GA 30309
City State ZIP Code
USA
Country
Contact phone (404) 815-3537
Contact email bhall@sgrlaw.com

Where should payments to the creditor be sent? (if different)

AIRBUS HELICOPTERS
Name
Aeroport International Marseille
Number Street
Marignane FR 13725
City State ZIP Code
France
Country
Contact phone 0033 42 85 85 85
Contact email jean-pascal.meo@airbus.com

4. Does this claim amend one already filed?

☒ No
☐ Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY

5. Do you know if anyone else has filed a proof of claim for this claim?

☒ No
☐ Yes. Who made the earlier filing? _____

☒ Date Stamped Copy Returned
☐ No self addressed stamped envelope
☐ No copy to return

1631876160822000000000001

JPT

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. **Do you have any number you use to identify the debtor?**
   - ☐ No
   - ☒ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: 2 4 3 7

7. **How much is the claim?** $6,111,506.82 . **Does this amount include interest or other charges?**
   - ☒ No
   - ☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. **What is the basis of the claim?**

   Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.

   Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).

   Limit disclosing information that is entitled to privacy, such as health care information.

   Goods sold, services performed.

9. **Is all or part of the claim secured?**
   - ☒ No
   - ☐ Yes. The claim is secured by a lien on property.

   Nature of property:
   - ☐ Real estate: If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
   - ☐ Motor vehicle
   - ☐ Other. Describe: _____

   RECEIVED
   AUG 2 2 2016
   KURTZMAN CARSON CONSULTANTS

   Basis for perfection: _____

   Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

   Value of property: $_____

   Amount of the claim that is secured: $_____

   Amount of the claim that is unsecured: $_____ (The sum of the secured and unsecured amount should match the amount in line 7.)

   Amount necessary to cure any default as of the date of the petition: $_____

   Annual Interest Rate (when case was filed) _____ %
   - ☐ Fixed
   - ☐ Variable

10. **Is this claim based on a lease?**
    - ☒ No
    - ☐ Yes. **Amount necessary to cure any default as of the date of the petition.** $_____

11. **Is this claim subject to a right of setoff?**
    - ☒ No
    - ☐ Yes. Identify the property: _____

JPM

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

[X] No

[ ] Yes. *Check all that apply:*

	Amount entitled to priority
[ ] Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	$
[ ] Up to $2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	$
[ ] Wages, salaries, or commissions (up to $12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	$
[ ] Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	$
[ ] Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	$
[ ] Other. Specify subsection of 11 U.S.C. § 507(a)(__) that applies.	$

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

[ ] No

[X] Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

$1,573,873.10

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

[X] I am the creditor.

[ ] I am the creditor's attorney or authorized agent.

[ ] I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

[ ] I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 07 25 2016
MM / DD / YYYY

Signature

RECEIVED
AUG 2 2 2016
KURTZMAN CARSON CONSULTANTS

Print the name of the person who is completing and signing this claim:

Name: Jean-Pascal (First name) Meo (Last name)

Title: Division General Counsel

Company: AIRBUS HELICOPTERS
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address: Aeroport International Marseille Provence (Number Street)
Marignane (City) 13725 (ZIP Code) France (Country)

Contact phone: 0033 42 85 85 85 Email: jean-pascal.meo@airbus.com

Promenade, Suite 3100
1230 Peachtree Street, N.E.
Atlanta, Georgia 30309-3592
Main: 404 815-3500
www.sgrlaw.com

SMITH, GAMBRELL & RUSSELL, LLP
Attorneys at Law

Brian P. Hall
Direct Tel: 404-815-3537
Direct Fax: 404-685-6837
bhall@sgrlaw.com

August 19, 2016

VIA FEDERAL EXPRESS

CHC Group Claims Processing Center
c/o KCC
2335 Alaska Avenue
El Segundo, CA 90245

Re: Heli-One (Norway) AS
Case No. 16-31876

Dear Sir or Madam:

Enclosed please find a Proof of Claim, along with substantiating documentation, for submission in the above-referenced case, to be filed on behalf of our client, Airbus Helicopters (SAS).

Given the voluminous substantiating documentation, you will find enclosed four labeled binders for ease of use. If you would prefer to receive these documents via .pdf files, we would be glad to provide those.

Please return a file-stamped copy of the Proof of Claim in the enclosed self-addressed, stamped envelope.

Should you have any questions regarding the enclosed, please contact me.

Very truly yours,

Brian P. Hall

BPH/jm
Enclosures

PROOF OF CLAIM

Creditor :
Airbus Helicopters (SAS)

Debtor :
HELI-ONE (Norway) AS

1/3

CONFIDENTIAL

EUROCOPTER

REPAIR CENTER AGREEMENT

between

Heli-One Norway

and

Eurocopter

Reference RCEU – 671 – 2012

CONFIDENTIAL

The present agreement ("Agreement") is concluded by and between:

Heli-One Norway

A Norwegian company with a share capital of (100,000,000 NOK), registered in (Sola, Norway) under n° (982715040),

Whose registered office is located at:
P. O. Box 535
N-4055 Stavanger Airport
Norway

Represented by:
Lars Landsnes
VP & Managing Director

Hereinafter referred to as "**Heli-One**"

AND

EUROCOPTER

A French Company with a share capital of 581,614,047 Euros,
registered in the R.C.S. of Aix-en-Provence under n°B 352 383 715

whose registered office is located at:
Aéroport International de Marseille-Provence
13725 Marignane Cedex
France

Represented by:
Olivier LAMBERT
Senior Vice-President
Sales & Customer Relations

Hereinafter referred to as "**Eurocopter**"

Eurocopter is acting:

- in its own name as far as Commodities manufactured or provided by Eurocopter are concerned;
- in the name of Eurocopter Deutschland GmbH (D 81663 München, Germany), hereinafter called "**ECD**", as far as Commodities manufactured or provided by Eurocopter Deutschland GmbH are concerned;
- in the name of Eurocopter Training Services (Aéroport International Marseille Provence, 13725 Marignane cedex, France), hereinafter referred to as "**ETS**", as far as Commodities manufactured or provided by Eurocopter Training Services are concerned;

Eurocopter and **Heli-One** may be individually referred to as Party and collectively referred to as Parties.

CONFIDENTIAL

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CONFIDENTIAL

any kind, whether directly or indirectly in order to act or refrain from acting as specified in the above paragraph.

(ii) (a) Undertakes not to promise, offer or give any undue pecuniary or other advantage whether directly or through intermediaries, to any person who directs or works for a private sector entity, in order that he or she, in breach of his or her duties, act or refrain from acting, in order to obtain an improper advantage.

(b) Also undertakes not to give to a person referred to in the above paragraph who would solicit, without any right, offers, promises, gifts, presents or advantages of any kind, whether directly or indirectly in order to act or refrain from acting as specified in the above paragraph.

27.3 For the sake of clarity, it is made clear that the document headed OECD Regulation Form annexed to this Agreement as Appendix G has contractual value and forms an integral part of this Agreement, even if it was entered into on a date different from this Agreement.

27.4 The contractual obligations incumbent upon Heli-One in terms of this OECD Regulation Form shall be considered by the Parties as essential to the performance of this Agreement.

27.5 Heli-One undertakes to hold Eurocopter, its representatives, staff and shareholders harmless in respect of all consequences, and particularly, pecuniary which could affect him as a result of the violation or breach whatsoever of the obligations freely subscribed by Heli-One in this Article 28.

This document is made in 2 (two) original copies.

For **Heli-One**	For **Eurocopter**
Date & Signature	Date & Signature
Lars LANDSNES VP – Managing Director	**Olivier LAMBERT** Senior Vice-President Sales & Customer Relations

eurocopter
an EADS Company

PBH DAMPER L2

eurocopter
an EADS Company

PARTS BY THE HOUR CONTRACT
for DAMPERS PAIRS, MRH
HELICOPTER AS 332L2

By and between

ASTEC NW

And

EUROCOPTER

CUSTOMER SERVICE - SALES DIRECTORATE

CONTRACT N° NCA-03-SCE 100
September 2003

PARTS BY THE HOUR CONTRACT

FOR DAMPERS PAIRS, MRH

HELICOPTER AS 332L2

By and between

EUROCOPTER S.A.S, with a share capital of 551 962 907.10 Euros registered in R.C.S of Aix-en-Provence under n° B 352 383 715, which Registered Office is located Aéroport International Marseille-Provence, 13725 Marignane Cedex - France,

Hereinafter referred to as **"EUROCOPTER"**

Represented by: Edith VAN BENTEM

In her capacity of: Customer Service - Offshore Europe Sales Manager

on the one hand

and

_____

Hereinafter referred to as "CUSTOMER"

Represented by: George S. CHEETHAM

In his capacity of: Managing Director

on the other hand

and EUROCOPTER hereinafter referred to as "PARTY" or "PARTIES".

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AIRBUS HELICOPTERS

Invoice
Repair (Cust.)

Invoice number: 189065387
Date: 04.03.2016
Type of order: Repair & Overhaul
Our order : 2313400
Date: 14.01.2016
Delivery note number/Date: 846550280 / 02/29/2016
Your P/O: R15761715
Customer number: 55009030
Placed by:
Your contact: DUBOIS Morgane
Phone:
Fax:
E-mail:
morgane.dubois@eurocopter.com

Invoice address
Company
Heli-One (Norway) AS
C/O Heli-One Canada Inc
4740 Agar Drive
Richmond British Columb BC V7B 1A3
Canada

Delivery address
Heli-One (Netherlands) BV
Global distribution Center
Fokker Logistics Park, Building 15
Fokkereweg 300
AN Oude Meer
Netherlands

Payment:Payment within 60 days
Incoterm:FCA GONESSE
Transportation:Standard

Aircraft: 0225 LP

Item	Quantity	Operation Part number upon arrival Description upon arrival Nato entrance code Delivered reference Delivered description Delivered NATO code	Price per sales unit EUR	Total price EUR
1020	1	EASYREPAIR REP		
		704A33633184		
		SOLENOID VALVE		
		4810-14-469-2569		
		704A33633184		
		SOLENOID VALVE		
		4810-14-469-2569	5,051.00/ PC	5,051.00
		Discount	-5.00%	-252.55
		Net Value for Item	4,798.45 / PC	4,798.45

Manufacturer : F0210
Country of origin : FR
Serial number upon arrival : 127

Total gross amount :		5,051.00
Discount/Surcharge amount :		-252.55
Surcharge amount AOG :		0.00
Amount except tax :		4,798.45
Amount of tax :	0.00	0.00
Invoice total amount :		**4,798.45**

Certified true and conform this invoice amount to a total of : four thousand seven hundred ninety-eight euro forty-five cents

AIRBUS HELICOPTERS

Invoice number: 189065387 Page 2 / 2
Date: 04.03.2016

Out of French VAT scope, VAT liability shifted to the recipient of the service (REVERSE CHARGE)

Payment :

Bank	:	NATIXIS 408 Avenue du Prado 13295 MARSEILLE Cedex 01
Account	:	FR76-3000-7530-3704-53288700-074- - SWIFT NATXFRPP
Penality for delayed payment	:	at an annual rate of 12%+ a fixed amount of 40 euros for cost recovery fees
Discount for advanced payment	:	0
Payment by	:	
Has to take place before	:	05/03/2016

AIRBUS HELICOPTERS

Invoice
Repair (Cust.)

Invoice number: 189065394
Date: 04.03.2016
Type of order: Repair & Overhaul
Our order : 2313406
Date: 14.01.2016
Delivery note number/Date: 846550273 / 02/29/2016
Your P/O: R22000515
Customer number: 55009030
Placed by:
Your contact: DUBOIS Morgane
Phone:
Fax:
E-mail:
morgane.dubois@eurocopter.com

Invoice address
Company
Heli-One (Norway) AS
C/O Heli-One Canada Inc
4740 Agar Drive
Richmond British Columb BC V7B 1A3
Canada

Delivery address
Heli-One (Netherlands) BV
Global distribution Center
Fokker Logistics Park, Building 15
Fokkereweg 300
AN Oude Meer
Netherlands

Payment:Payment within 60 days
Incoterm:FCA GONESSE
Transportation:Standard

Aircraft: 0225 LP

Item	Quantity	Operation Part number upon arrival Description upon arrival Nato entrance code Delivered reference Delivered description Delivered NATO code	Price per sales unit EUR	Total price EUR
1020	1	EASYREPAIR REP 14420A010002 SOLENOID VALVE 4810-14-469-2569 14420A010002 SOLENOID VALVE 4810-14-469-2569	5,051.00/ PC	5,051.00
		Discount	-5.00%	-252.55
		Net Value for Item	4,798.45 / PC	4,798.45

Manufacturer : F1958
Country of origin : FR France

Serial number upon arrival : 654
Serial number : 1220

AIRBUS HELICOPTERS

Invoice number: 189065394 Page 2 / 2
Date: 04.03.2016

Total gross amount :		5,051.00
Discount/Surcharge amount :		-252.55
Surcharge amount AOG :		0.00
Amount except tax :		4,798.45
Amount of tax :	0.00	0.00
Invoice total amount :		**4,798.45**

Certified true and conform this invoice amount to a total of : four thousand seven hundred ninety-eight euro forty-five cents
Out of French VAT scope

Payment :	**Payment within 60 days**		
	Bank	:	**NATIXIS 408 Avenue du Prado 13295 MARSEILLE Cedex 01**
	Account	:	**FR76-3000-7530-3704-53288700-074- - SWIFT NATXFRPP**
	Penality for delayed payment	:	**at an annual rate of 12%**
	Discount for advanced payment	:	**0**
	Payment by	:	
	Has to take place before	:	**05/03/2016**

AIRBUS HELICOPTERS

Invoice
Repair (Cust.)

Invoice number: 189065399
Date: 04.03.2016
Type of order: Repair & Overhaul
Our order : 2330793
Date: 09.02.2016
Delivery note number/Date: 846566204 / 03/04/2016
Your P/O: R0179716
Customer number: 55009030
Placed by:
Your contact: DUBOIS Morgane
Phone:
Fax:
E-mail:
morgane.dubois@eurocopter.com

Invoice address
Company
Heli-One (Norway) AS
C/O Heli-One Canada Inc
4740 Agar Drive
Richmond British Columb BC V7B 1A3
Canada

Delivery address
Heli-One (Netherlands) BV
Global distribution Center
Fokker Logistics Park, Building 15
Fokkereweg 300
AN Oude Meer
Netherlands

Payment:Payment within 60 days
Incoterm:FCA Marignane
Transportation:Standard

Aircraft: 0225 LP

Item	Quantity	Operation Part number upon arrival Description upon arrival Nato entrance code Delivered reference Delivered description Delivered NATO code	Price per sales unit EUR	Total price EUR
1020	1	MODIFIED 070217E100002 AIR CONDITIONING UNIT 5895-14-575-7053 070217E100002 AIR CONDITIONING UNIT		
			3,260.00/ PC	3,260.00
		Discount	-5.00%	-163.00
		Net Value for Item	3,097.00 / PC	3,097.00

Manufacturer : FAQC8

Serial number upon arrival : 1104012
Serial number : 1104008

AIRBUS HELICOPTERS

Invoice number: 189065399 Page 2 / 2
Date: 04.03.2016

Total gross amount :		3,260.00
Discount/Surcharge amount :		-163.00
Surcharge amount AOG :		0.00
Amount except tax :		3,097.00
Amount of tax :	0.00	0.00
Invoice total amount :		**3,097.00**

Certified true and conform this invoice amount to a total of : three thousand ninety-seven euro zero cents
Out of French VAT scope, VAT liability shifted to the recipient of the service (REVERSE CHARGE)

Payment :	Payment within 60 days		
	Bank	:	NATIXIS 408 Avenue du Prado 13295 MARSEILLE Cedex 01
	Account	:	FR76-3000-7530-3704-53288700-074- - SWIFT NATXFRPP
	Penality for delayed payment	:	at an annual rate of 12%
	Discount for advanced payment	:	0
	Payment by	:	
	Has to take place before	:	05/03/2016

AIRBUS HELICOPTERS

Invoice
Repair (Cust.)

Invoice number: 189065408
Date: 04.03.2016
Type of order: Repair & Overhaul
Our order : 2330795
Date: 09.02.2016
Delivery note number/Date: 846566198 / 03/04/2016
Your P/O: R0179516
Customer number: 55009030
Placed by:
Your contact: DUBOIS Morgane
Phone:
Fax:
E-mail:
morgane.dubois@eurocopter.com

Invoice address
Company
Heli-One (Norway) AS
C/O Heli-One Canada Inc
4740 Agar Drive
Richmond British Columb BC V7B 1A3
Canada

Delivery address
Heli-One (Netherlands) BV
Global distribution Center
Fokker Logistics Park, Building 15
Fokkereweg 300
AN Oude Meer
Netherlands

Payment:Payment within 60 days
Incoterm:FCA Marignane
Transportation:Standard

Aircraft: 0225 LP

Item	Quantity	Operation Part number upon arrival Description upon arrival Nato entrance code Delivered reference Delivered description Delivered NATO code	Price per sales unit EUR	Total price EUR
1020	1	MODIFIED 070217E100002 AIR CONDITIONING UNIT 5895-14-575-7053 070217E100002 AIR CONDITIONING UNIT		
			3,260.00/ PC	3,260.00
		Discount	-5.00%	-163.00
		Net Value for Item	3,097.00 / PC	3,097.00

Manufacturer : FAQC8

Serial number upon arrival : 1104011
Serial number : 1111022

AIRBUS HELICOPTERS

Invoice number: 189065408 Page 2 / 2
Date: 04.03.2016

Total gross amount :		3,260.00
Discount/Surcharge amount :		-163.00
Surcharge amount AOG :		0.00
Amount except tax :		3,097.00
Amount of tax :	0.00	0.00
Invoice total amount :		**3,097.00**

Certified true and conform this invoice amount to a total of : three thousand ninety-seven euro zero cents
Out of French VAT scope, VAT liability shifted to the recipient of the service (REVERSE CHARGE)

Payment :	**Payment within 60 days**		
	Bank	:	**NATIXIS 408 Avenue du Prado 13295 MARSEILLE Cedex 01**
	Account	:	**FR76-3000-7530-3704-53288700-074- - SWIFT NATXFRPP**
	Penality for delayed payment	:	**at an annual rate of 12%**
	Discount for advanced payment	:	**0**
	Payment by	:	
	Has to take place before	:	**05/03/2016**

AIRBUS HELICOPTERS

Invoice
Repair (Cust.)

Invoice number: 189081496
Date: 14.04.2016
Type of order: Repair & Overhaul
Our order : 2342347
Date: 24.02.2016
Delivery note number/Date: 846673749 / 04/13/2016
Your P/O: R21017515
Customer number: 55009030
Placed by:
Your contact: DUBOIS Morgane
Phone: 04 42 85 52 55
Fax: 04 42 85 88 55
E-mail:
morgane.dubois@eurocopter.com

Invoice address
Company
Heli-One (Norway) AS
C/O Heli-One Canada Inc
4740 Agar Drive
Richmond British Columb BC V7B 1A3
Canada

Delivery address
Heli-One (Netherlands) BV
Global distribution Center
Fokker Logistics Park, Building 15
Fokkereweg 300
AN Oude Meer
Netherlands

Payment:Payment within 60 days
Incoterm:CIP AN OUDE MEER
Transportation:Standard

Aircraft: 0332 L2

Item	Quantity	Operation Part number upon arrival Description upon arrival Nato entrance code Delivered reference Delivered description Delivered NATO code	Price per sales unit EUR	Total price EUR
1020	1	REPAIRED		
		3139952		
		MODULE,MEM		
		5998-14-506-2519		
		3139952		
		MODULE,MEM		
		5998-14-506-2519	3,454.00/ PC	3,454.00
		Discount	-5.00%	-172.70
		Net Value for Item	3,281.30 / PC	3,281.30

Manufacturer : F6512
Country of origin : FR France

Serial number upon arrival : 99H25125
Serial number : 99H25125

AIRBUS HELICOPTERS

Invoice number: 189081496 Page 2 / 2
Date: 14.04.2016

Total gross amount :		3,454.00
Discount/Surcharge amount :		-172.70
Surcharge amount AOG :		0.00
Amount except tax :		3,281.30
Amount of tax :	0.00	0.00
Invoice total amount :		**3,281.30**

Certified true and conform this invoice amount to a total of : three thousand two hundred eighty-one euro thirty cents
Out of French VAT scope, VAT liability shifted to the recipient of the service (REVERSE CHARGE)

Payment : **Payment within 60 days**

Bank	:	**NATIXIS 408 Avenue du Prado 13295 MARSEILLE Cedex 01**
Account	:	**FR76-3000-7530-3704-53288700-074- - SWIFT NATXFRPP**
Penality for delayed payment	:	**at an annual rate of 12%**
Discount for advanced payment	:	**0**
Payment by	:	
Has to take place before	:	**06/13/2016**

Exhibit Q

(o) Related Information

(1) For more information about this AD, contact Galib Abumeri, Aerospace Engineer, Airframe Branch, ANM–120L, FAA, Los Angeles Aircraft Certification Office (ACO), 3960 Paramount Boulevard, Lakewood, CA 90712–4137; phone: 562–627–5324; fax: 562–627–5210; email: *galib.abumeri@faa.gov.*

(2) Service information identified in this AD that is not incorporated by reference is available at the addresses specified in paragraphs (p)(5) and (p)(6) of this AD.

(p) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the service information listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this service information as applicable to do the actions required by this AD, unless the AD specifies otherwise.

(3) The following service information was approved for IBR on August 9, 2016.

(i) Boeing Alert Service Bulletin 737–57A1296, Revision 2, dated April 1, 2015.

(ii) Reserved.

(4) The following service information was approved for IBR on April 8, 2008 (73 FR 11538, March 4, 2008).

(i) Boeing Service Bulletin 737–57–1296, dated June 13, 2007.

(ii) Reserved.

(5) For Boeing service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P.O. Box 3707, MC 2H–65, Seattle, WA 98124–2207; telephone 206–544–5000, extension 1; fax 206–766–5680; Internet *https://www.myboeingfleet.com.*

(6) You may view this service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425–227–1221.

(7) You may view this service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202–741–6030, or go to: *http://www.archives.gov/federal-register/cfr/ibr-locations.html.*

Issued in Renton, Washington, on June 21, 2016.

Dorr M. Anderson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2016–15355 Filed 7–1–16; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2016–8032; Directorate Identifier 2016–SW–037–AD; Amendment 39–18578; AD 2016–12–51]

RIN 2120–AA64

Airworthiness Directives; Airbus Helicopters

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule; request for comments.

SUMMARY: We are publishing a new airworthiness directive (AD) for Airbus Helicopters Model AS332L2 and Model EC225LP helicopters, which was sent previously to all known U.S. owners and operators of these helicopters. This AD immediately prohibits flight of all Model AS332L2 and EC225LP helicopters. This AD is prompted by an accident involving an EC225LP helicopter in which the main rotor hub (MRH) detached from the main gearbox (MGB). These actions are intended to prevent failure of the main rotor system and subsequent loss of control of the helicopter.

DATES: This AD becomes effective July 20, 2016 to all persons except those persons to whom it was made immediately effective by Emergency AD 2016–12–51, issued on June 3, 2016, which contains the requirements of this AD.

We must receive comments on this AD by September 6, 2016.

ADDRESSES: You may send comments by any of the following methods:

- *Federal eRulemaking Docket:* Go to *http://www.regulations.gov.* Follow the online instructions for sending your comments electronically.
- *Fax:* 202–493–2251.
- *Mail:* Send comments to the U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE., Washington, DC 20590–0001.
- *Hand Delivery:* Deliver to the ''Mail'' address between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Examining the AD Docket

You may examine the AD docket on the Internet at *http://www.regulations.gov* by searching for and locating Docket No. FAA–2016–8032; or in person at the Docket Operations Office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this AD, the European Aviation Safety Agency (EASA) AD, the economic evaluation, any comments received, and other information. The street address for the Docket Operations Office (telephone 800–647–5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT: Gary Roach, Aviation Safety Engineer, Regulations and Policy Group, Rotorcraft Directorate, FAA, 10101 Hillwood Pkwy., Fort Worth, TX 76177; telephone (817) 222–5110, email *gary.b.roach@faa.gov.*

SUPPLEMENTARY INFORMATION:

Comments Invited

This AD is a final rule that involves requirements affecting flight safety, and we did not provide you with notice and an opportunity to provide your comments prior to it becoming effective. However, we invite you to participate in this rulemaking by submitting written comments, data, or views. We also invite comments relating to the economic, environmental, energy, or federalism impacts that resulted from adopting this AD. The most helpful comments reference a specific portion of the AD, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should send only one copy of written comments, or if comments are filed electronically, commenters should submit them only one time. We will file in the docket all comments that we receive, as well as a report summarizing each substantive public contact with FAA personnel concerning this rulemaking during the comment period. We will consider all the comments we receive and may conduct additional rulemaking based on those comments.

Discussion

On June 3, 2016, we issued Emergency AD 2016–12–51 to correct an unsafe condition for Model AS332L2 and EC225LP helicopters. Emergency AD 2016–12–51 immediately prohibits further flight of Model AS332L2 and EC225LP helicopters. The emergency AD was sent previously to all known U.S. owners and operators of these helicopters.

Emergency AD 2016–12–51 was prompted by Emergency AD No. 2016–0104–E, dated June 2, 2016, issued by EASA, which is the Technical Agent for the Member States of the European

Union, to correct an unsafe condition for Airbus Helicopters Model EC 225 LP helicopters. Following a fatal accident in Norway in which the MRH detached from the MGB in-flight, EASA issued Emergency AD No. 2016–0089–E, dated May 3, 2016, to require a one-time inspection of the MGB and to report findings to EASA and Airbus Helicopters. Review of the findings from the inspections prompted Airbus Helicopters to provide further inspections and replacement instructions for correctly installing the MGB suspension bars and attachment fittings. EASA subsequently issued Emergency AD No. 2016–0103–E, dated June 1, 2016, which superseded Emergency AD No. 2016–0089–E, and required inspecting the MGB suspension bar fittings and related base plate assemblies and replacing the attachment hardware. Soon after Emergency AD No. 2016–0103–E was issued, a preliminary report from the Accident Investigation Board Norway indicated metallurgical findings of fatigue and surface degradation in the outer race of a second stage planet gear of the MGB epi-cyclic module. EASA advises that it could not be determined if the fatigue and surface degradation is a contributing factor or if it resulted from another initiating factor. Therefore, pending further investigation to determine the root cause of the reported damage and pending development of mitigating measures by Airbus Helicopters, EASA decided to temporarily ground the fleet as a precautionary measure and issued Emergency AD No. 2016–0104–E on June 2, 2016. EASA included Model AS 332 L2 helicopters to the applicability due to similarities in design that make it subject to the same unsafe condition.

FAA's Determination

These helicopters have been approved by the aviation authority of France and are approved for operation in the United States. Pursuant to our bilateral agreement with France, EASA, its technical representative, has notified us of the unsafe condition described in the EASA AD. We are issuing this AD because we evaluated all information provided by EASA and determined the unsafe condition exists and is likely to exist or develop on other helicopters of these same type designs.

AD Requirements

This AD immediately prohibits flight of all Airbus Helicopters Model AS332L2 and EC225LP helicopters.

Interim Action

We consider this AD to be an interim action. Once the design approval holder develops a modification that addresses the unsafe condition identified in this AD, we might consider additional rulemaking.

Costs of Compliance

We estimate that this AD affects five helicopters of U.S. Registry. There are no costs of compliance with this AD because there are no required maintenance actions.

FAA's Justification and Determination of the Effective Date

Providing an opportunity for public comments prior to adopting these AD requirements would delay implementing the safety actions needed to address this known unsafe condition. Therefore, we find the risk to the flying public justifies waiving notice and comment prior to the adoption of this rule because the previously described unsafe condition can adversely affect the airworthiness of the helicopter and the prohibition of all flights must begin immediately.

Since it was found that immediate action was required, notice and opportunity for prior public comment before issuing this AD were impracticable and contrary to the public interest and good cause existed for making Emergency AD 2016–12–51 effective immediately on June 3, 2016, to all known U.S. operators of the specified Airbus helicopters. These conditions still exist and the Emergency AD is hereby published in the **Federal Register** as an amendment to § 39.13 of the Federal Aviation Regulations (14 CFR 39.13) to make it effective to all persons.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. ''Subtitle VII: Aviation Programs,'' describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in ''Subtitle VII, Part A, Subpart III, Section 44701: General requirements.'' Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

We determined that this AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national Government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed, I certify that this AD:

1. Is not a ''significant regulatory action'' under Executive Order 12866;
2. Is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979);
3. Will not affect intrastate aviation in Alaska to the extent that it justifies making a regulatory distinction; and
4. Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by adding the following new airworthiness directive (AD):

2016–12–51 Airbus Helicopters: Amendment 39–18578; Docket No. FAA–2016–8032; Directorate Identifier 2016–SW–037–AD.

(a) Applicability

This AD applies to Airbus Helicopters Model AS332L2 and Model EC225LP helicopters, certificated in any category.

(b) Unsafe Condition

This AD defines the unsafe condition as failure of the main rotor system, which will result in loss of control of the helicopter.

(c) Effective Date

This AD becomes effective July 20, 2016 to all persons except those persons to whom it was made immediately effective by Emergency AD 2016–12–51 issued on June 3,

2016, which contains the requirements of this AD.

(d) Compliance

You are responsible for performing each action required by this AD within the specified compliance time unless it has already been accomplished prior to that time.

(e) Required Action

Further flight is prohibited.

(f) Alternative Methods of Compliance (AMOCs)

(1) The Manager, Safety Management Group, FAA, may approve AMOCs for this AD. Send your proposal to: Gary Roach, Aviation Safety Engineer, Regulations and Policy Group, Rotorcraft Directorate, FAA, 10101 Hillwood Pkwy., Fort Worth, TX 76177; telephone (817) 222–5110; email *9-ASW-FTW-AMOC-Requests@faa.gov.*

(2) For operations conducted under a 14 CFR part 119 operating certificate or under 14 CFR part 91, subpart K, we suggest that you notify your principal inspector, or lacking a principal inspector, the manager of the local flight standards district office or certificate holding district office, before operating any aircraft complying with this AD through an AMOC.

(g) Additional Information

The subject of this AD is addressed in European Aviation Safety Agency (EASA) Emergency AD 2016–0104–E, dated June 2, 2016. You may view the EASA AD on the Internet at *http://www.regulations.gov* by searching for and locating it in Docket No. FAA–2016–8032.

(h) Subject

Joint Aircraft Service Component (JASC) Code: Main Rotor Gearbox: 6320.

Issued in Fort Worth, Texas, on June 23, 2016.

James A. Grigg,

Acting Manager, Rotorcraft Directorate, Aircraft Certification Service.

[FR Doc. 2016–15624 Filed 7–1–16; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2016–7422; Directorate Identifier 2016–NM–079–AD; Amendment 39–18579; AD 2016–13–14]

RIN 2120–AA64

Airworthiness Directives; Bombardier, Inc. Airplanes

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule; request for comments.

SUMMARY: We are adopting a new airworthiness directive (AD) for certain Bombardier, Inc. Model DHC–8–400 series airplanes. This AD requires an inspection to determine if certain left and right main landing gear (MLG) retract actuator rod ends are installed and repetitive liquid penetrant inspections (LPIs) of affected left and right MLG retract actuator rod ends, and corrective actions if necessary. This AD also provides optional terminating action for the inspections. This AD was prompted by a report of cracked MLG retract actuator rod ends. We are issuing this AD to detect and correct fatigue cracking of the left and right MLG retract actuator rod ends, which could lead to left or right MLG collapse.

DATES: This AD becomes effective July 20, 2016.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of July 20, 2016.

We must receive comments on this AD by August 19, 2016.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov.* Follow the instructions for submitting comments.
- *Fax:* 202–493–2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE., Washington, DC 20590.
- *Hand Delivery:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this final rule, contact Bombardier, Inc., Q-Series Technical Help Desk, 123 Garratt Boulevard, Toronto, Ontario M3K 1Y5, Canada; telephone: 416–375–4000; fax: 416–375–4539; email: *thd.qseries@aero.bombardier.com;* Internet: *http://www.bombardier.com.* You may view this referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425–227–1221. It is also available on the Internet at *http://www.regulations.gov* by searching for and locating Docket No. FAA–2016–7422.

Examining the AD Docket

You may examine the AD docket on the Internet at *http://www.regulations.gov* by searching for and locating Docket No. FAA–2016–7422; or in person at the Docket Operations office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Operations office (telephone: 800–647–5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT: Aziz Ahmed, Aerospace Engineer, Airframe and Mechanical Systems Branch, ANE–171, FAA, New York Aircraft Certification Office (ACO), 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone: 516–228–7329; fax: 516–794–5531.

SUPPLEMENTARY INFORMATION:

Discussion

Transport Canada Civil Aviation (TCCA), which is the aviation authority for Canada, has issued Canadian AD CF–2016–16, dated May 20, 2016 (referred to after this as the Mandatory Continuing Airworthiness Information, or ''the MCAI''), to correct an unsafe condition for certain Bombardier, Inc. Model DHC–8–400 series airplanes. The MCAI states:

> There has been a single reported case of a cracked MLG retract actuator rod end in service. A supplier disclosure letter and subsequent Bombardier analysis indicate that the MLG retract actuator rod end P/N [part number] P3A2750 and P3A2750–1 may develop fatigue cracking. This condition, if not corrected, could lead to left hand (LH) or right hand (RH) MLG collapse.
>
> This [Canadian] AD mandates the inspection [to determine if certain left and right main landing gear MLG retract actuator rod ends are installed, repetitive LPIs of affected left and right MLG retract actuator rod ends, and corrective actions if necessary], and replacement of the LH and RH MLG retract actuator rod ends P/N P3A2750 and P3A2750–1 [which is terminating action for the repetitive LPIs].

Corrective actions includes replacing cracked MLG retract actuator rod ends. You may examine the MCAI on the Internet at *http://www.regulations.gov* by searching for and locating Docket No. FAA–2016–7422.

Related Service Information Under 1 CFR Part 51

Bombardier, Inc. has issued Service Bulletin 84–32–142, dated May 4, 2016. The service information describes procedures for an inspection to determine if certain left and right MLG retract actuator rod ends are installed, repetitive LPIs of the left and right MLG retract actuator rod ends, and replacement of left and right MLG

Exhibit R

France Selling $618 Million Airbus Stake to Institutions

Ruth David, Matthew Campbell and Alexis Xydias
January 16, 2014, 6:29 AM EST

France said it sold a 451 million euro ($614 million) stake in Airbus Group NV to institutional investors as European governments reduce their control of the manufacturer of the A380 jetliner.

About 8.03 million shares, or 1 percent of the total, were offered in a range between 56 euros and the market price, according to terms of the deal obtained by Bloomberg News. Price guidance on the sale was later revised to 56.25 euros.

France is cutting its ownership of Airbus as part of an agreement to reduce the direct influence of the French, German, and Spanish governments over the company. Reached in the wake of a failed merger with defense contractor BAE Systems Plc, the December 2012 shareholder accord is a step toward Airbus becoming a “normal” firm guided by market forces, Chief Executive Officer Tom Enders has said.

Following the sale, the French, German and Spanish governments will own a minimum of 26 percent of Airbus's voting stock, French Finance Minister Pierre Moscovici said in an e-mailed statement.

Shares of Airbus rose 0.4 percent to 56.86 euros at 12:26 p.m. in Paris. The stock has climbed about 76 percent in the past year and is trading near an all-time high after a 2013 order book twice as large as the company predicted.

Space Merger

Enders said this week he may move to shore up the firm's defense business by taking control of MBDA, a missile manufacturer in which Airbus has a minority holding, and seeking a merger for its space unit.

Shrinking military budgets in Europe are hurting the defense operations even as demand from emerging markets drives growth in sales of commercial airliners. Airbus is exploring ways to speed up production of its A320 and A350 aircraft to shrink wait times for customers, with delivery slots for the former sold out until 2016.

The French government joins sellers including Sweden's Vattenfall AB and CVC Capital Partners Ltd. that are paring their stakes in European companies after investors returned to the region's markets in 2013.

Societe Generale SA is managing the sale, according to the terms of the deal. A spokesman for Airbus declined to comment.

Additional share sales in Europe, the Middle East and Africa raised about $116 billion in 2013, more than double what was sold in 2012, according to data compiled by Bloomberg.

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IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)

In Re:	Case No. 16-31854-bjh-11
CHC GROUP LTD., et al.,	Dallas, Texas
Debtors.	February 6, 2017
	9:46 a.m.
ECN CAPITAL (AVIATION) CORP.,	Adv. Proc. No. 16-03151-bjh
Plaintiff,	
v.	
AIRBUS HELICOPTERS (SAS),	
Defendant.	

TRANSCRIPT OF HEARING ON:

[#23] STATUS CONFERENCE RE: MOTION FOR WITHDRAWAL OF REFERENCE, FILED BY DEFENDANT AIRBUS HELICOPTERS (SAS);

[#1] STATUS CONFERENCE RE: SCHEDULING ORDER;

[#56] DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S MOTION FOR CONTINUANCE OF TRIAL, STAY OF DEADLINES AND BRIEF IN SUPPORT, FILED BY DEFENDANT AIRBUS HELICOPTERS (SAS)

BEFORE THE HONORABLE BARBARA J. HOUSER
CHIEF UNITED STATES BANKRUPTCY COURT

Transcription Services: eScribers, LLC
700 West 192nd Street
Suite #607
New York, NY 10040
(973) 406-2250

PROCEEDINGS RECORDED BY ELECTRONIC SOUND RECORDING.

TRANSCRIPT PRODUCED BY TRANSCRIPTION SERVICE

1
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25

MR. BARBER: Your Honor, if I may. There were announcements made at the beginning of the hearing and I did not make announcements as to this hearing. With me in the courtroom is Mr. Martin Flumenbaum and also Pietro Signoracci, both of the Paul Weiss firm in New York, and they will be handling the argument.

THE COURT: Excellent.

MR. BARBER: Thank you.

THE COURT: Thank you.

MR. FLUMENBAUM: Thank you, Your Honor.

THE COURT: Good morning.

MR. FLUMENBAUM: Good morning.

THE COURT: All right. Well, let me just start with a predicate. In our district, any time a motion to withdraw the reference is filed, under the district-court local rules, which you're probably all now familiar with, we're required to have the status conference with the parties, to do a couple of things: one, to see if -- see the extent of agreement or disagreement about withdrawal of the reference and then, under our local rule -- district-court rule, I'm required to prepare a report and recommendation for the district court, suggesting what I think the appropriate outcome of that motion is.

So, we do this in every instance where there is a motion to withdraw the reference, and so that's the purpose of this. And then somewhat related to that is the request for a

1 continuance of the trial, that was also filed, that is
2 somewhat intertwined with the timing of whether or not we're
3 going to proceed here or in the district court.
4 My sense is -- and this is a listening check or maybe
5 a reading check; my sense is that there is agreement that this
6 case, assuming it stays in federal court, is going to be tried
7 at the district-court level. Both sides have demanded jury
8 trials and there's been a late -- we'll agree that the
9 bankruptcy court can conduct if the other side also agrees,
10 but I'm unaware of that.
11 So, absent consent to me conducting the jury trial, I
12 assume we all agree -- and I'm not looking necessarily for you
13 to consent; don't misunderstand. But I'm assuming we all
14 agree that this case is headed to the district court. True?
15 MR. FLUMENBAUM: Your Honor, if the case proceeds to
16 a full jury trial, I think the answer would be yes, unless
17 Airbus consents to a jury trial before Your Honor. But it's
18 our view that this motion should be denied at this time and
19 that all of the proceedings prior to the conduct (sic) of the
20 jury trial should be handled by this Court.
21 THE COURT: Well, no --
22 MR. FLUMENBAUM: That's our position.
23 THE COURT: I understand that you want me to pre-try
24 the case.
25 Please.

MR. KATZ: Just --

THE COURT: And since we don't know necessarily who's who yet, if you wouldn't mind, for the record, just identifying -- and you can do it right there from counsel table, so that we make sure we have the right people assigned to the right role.

MR. FLUMENBAUM: That was Marty Flumenbaum for --

THE COURT: Thank you.

MR. FLUMENBAUM: -- for ECN.

THE COURT: Thank you very much.

MR. KATZ: And, Your Honor, good morning. Jason Katz and Eric Strain on behalf of Airbus Helicopters (SAS).

And the Court's summary of where we stand on the motion is accurate from Airbus' standpoint. Airbus' position is that the motion to withdraw the reference should occur now, so the motion should be granted in full. I understand that ECN has taken the position that, yes, it should be withdrawn but not till later and this Court's handled all pre-trial matters.

THE COURT: Well, let's -- then on that, let's focus on that issue. And let me tell you that if the reference is withdrawn, and unless Judge Cummings agrees to hear this here, you all may be headed to Lubbock. We're down a few district judges in the Northern District of Texas. We have some vacancies that have not been filled and, as a result, Judge

1 Cummings, who has taken senior status and sits in Lubbock, has
2 five percent of the Dallas-division docket. You all are one
3 of his five percent, with respect to this motion to withdraw
4 the reference.
5 So, to be honest, I have never -- I have never had
6 him decide a motion to withdraw the reference based upon my
7 withdrawal-of-reference recommendation. And I don't know if
8 he would come here for trial or not. But you all probably
9 realize who the district judge was. But he has a relatively
10 small percentage of the Dallas-division docket and, as luck
11 would have it, he has this case.
12 So, I tell you that only because it is true that most
13 of the Dallas-division judges prefer the case to be pre-tried
14 by the bankruptcy court and then the reference withdrawn when
15 the bankruptcy court certifies that the case is ready for
16 trial.
17 I'm not quite sure what Judge Cummings' general
18 procedure is, but I will tell you that I have some perspective
19 on this and it may be helpful. For those of you who have not
20 appeared in front of me, you've probably at least been told by
21 your local counsel that I tend to read everything in advance
22 of hearings; it helps me cut to the chase, for lack of a
23 better word. It is true that I have read everything here.
24 I will tell you that this case may seem different to
25 me. And normally I do suggest, haven't always but for

1 seventeen years I have normally suggested, that we'll pre-try
2 the case and then send it up to the district court when it's
3 ready for trial. This case seems a little different to me,
4 and let me explain why and then you all can tell me what I'm
5 missing. The motion to dismiss does seem like it's something
6 that I should hear, because it's all about bankruptcy
7 jurisdiction, for lack of a better word. Obviously we've got
8 personal jurisdiction, which doesn't have anything to do with
9 bankruptcy jurisdiction per se, but here the arguments on
10 that -- although I am not fully briefed on them yet since the
11 motion to dismiss isn't set until February 28th, personal
12 jurisdiction appears even to be a bit intertwined with the
13 bankruptcy case, given arguments over the filling of the proof
14 of claim and whether or not that is enough to have submitted
15 the personal jurisdiction before the bankruptcy court.
16 So, my inclination at the moment, only based upon the
17 papers I've read, is to think that the reference is going to
18 have to be withdrawn because at this point we don't have
19 consent, by both sides, to the bankruptcy court conducting the
20 jury trial. It makes sense to me, because of the
21 interrelationship with the bankruptcy case and issues about
22 what is enough for there to be bankruptcy jurisdiction, that
23 it might be perceived to be helpful if I issued proposed
24 findings and conclusions with respect to a motion to dismiss,
25 unless I think I can finally determine that. But once we get

1 past that, I'm not convinced that I am necessarily the right
2 court to do the balance. I mean, this is basically a
3 complicated, negligence, aviation fuss: what caused the
4 crash, liability, blah-blah. And while it might be
5 fascinating, and it's certainly something that I probably
6 could learn, it's not something that I would routinely be
7 addressing.
8 And at that point, it may make more sense, is my
9 current thinking, to suggest that the district court pull the
10 case at that time and either pre-try the case himself or refer
11 the matter to a magistrate judge that would, I guess, more
12 regularly deal with issues like that. Again, that assumes the
13 case survives motion to dismiss, abstention. But that's sort
14 of my current thinking.
15 So -- and we'll come back to timing, because
16 obviously timing is significant. I don't want to minimize
17 that. But what am I missing?
18 MR. KATZ: Your Honor, Jason Katz and Eric Strain on
19 behalf of Airbus Helicopters (SAS).
20 The Court, I think, is -- I don't think you're
21 missing anything. I think you've hit the nail on the head.
22 It's Airbus' position that we've got two non-U.S. companies in
23 this court on a products-liability case. And the spectrum of
24 what is conceivably -- having a conceivable effect on the
25 bankruptcy estate is being tested here, surely.

1 Since I've been practicing law, it's always been
2 tough for me to figure out how does it not conceivably affect
3 the estate. And then I got retained in this case, Your Honor,
4 and I thought, ah-hah, this may be it, because ECN has taken
5 the position that the outcome in this case somehow is going to
6 affect their claims in the underlying bankruptcy case. And I
7 would just want to clarify a few things about that, Your
8 Honor, that I think need to be pointed out, that, as I
9 understand ECN's claims in the underlying case, those are
10 lease-rejection claims.
11 THE COURT: In the bankruptcy case.
12 MR. KATZ: In the bankruptcy case, that's right. And
13 in our case it's a tort claim.
14 THE COURT: Well, no, it's -- yeah, you're right.
15 Sorry.
16 MR. KATZ: And --
17 THE COURT: Had to stop and measure my parties.
18 MR. KATZ: Understood, Your Honor. And, so, if ECN
19 recovers in this case, it's not going to affect their claims
20 in the other case and -- because if they recover in this case,
21 the money goes to ECN; it wouldn't go to the debtor. And to
22 the extent that there is some value that we're going to reduce
23 their claim --
24 THE COURT: But isn't their argument a finer point?
25 It's sort of collateral estoppel. I mean, that's their issue

is that the conceivable effect may be that the outcome there could estop Airbus -- I don't think it can be issue preclusion, because we don't have identical parties. But that's the finer point.

MR. KATZ: That was the next point, Your Honor. Yes, and my response to that is that's based on their view that other creditors for the debtor are going to make similar claims based on what they do hear, and there's just no certainty to that. And I just think that tests the -- is that really a rational conceivable effect or is that a "well, I guess it could happen" conceivable effect? I just don't think that's what that -- I don't think that's what the Fifth Circuit meant there.

So, I would just take the position -- Airbus takes the position that that's not enough. And obviously the Court's going to take that issue up at a later date. But as it relates to whether reference should be withdrawn, I don't need to go through the six factors of (ph.) the Holland case or the local rules. I would just say that the Court is well aware of our position on all those, in our briefing, and that this case is different, I agree with the Court on that, that normally I wouldn't have an issue recommending my client to agree to this Court hearing pre-trial matters and then having the reference withdrawn when the Court certified it ready for trial. That makes sense. When there are bankruptcy issues

that the Court has to deal with -- and obviously I agree that the Court is well suited to handle bankruptcy jurisdiction and provide recommendations to the district court on those but, past that, Your Honor, I agree; I just -- I don't see that there's much for this Court to do that Judge Cummings couldn't do himself. Obviously, it's up to him. He's going to do what he wants to do. Judge McBryde -- Judge Lynn (ph.) over in Fort Worth once told me on a motion to withdraw reference, when I asked him, Judge, you should sever the core from the noncore and -- he listened to me and he smiled and he said, well, Mr. Katz, I don't tell Judge McBryde what to do, he tells me what to do, so I'll let him decide what he wants to do.

So, Your Honor, I would just ask that the Court grant the relief that we sought -- or that you recommend to the district court that he grant the relief we seek in our motion. Thank you, Your Honor.

THE COURT: Please.

MR. FLUMENBAUM: Good morning, Your Honor. Martin Flumenbaum from Paul Weiss, representing ECN.

As Your Honor stated at the outset, the withdrawal of the reference is often deferred until the bankruptcy court has ruled on pre-trial matters and on dispositive motions. And why is that done? To further judicial economy, to expedite the bankruptcy process, and to prevent forum-shopping, in this

1 case. In this case, all of those factors apply even beyond
2 the motion-to-dismiss stage. And let me first deal with the
3 motion-to-dismiss stage, because what Defendants are doing in
4 the -- Defendants in the adversary proceeding are doing are
5 asking you to actually withdraw the reference before the
6 motion to dismiss. And I think Your Honor is clearly the
7 right court to deal with those issues that relate to the
8 motion to dismiss.
9 First of all, the issue of related-to, subject-matter
10 jurisdiction, is something that's right down the center of the
11 fairway for this Court to hear. We submit that the evidence
12 is overwhelming with respect to related-to jurisdiction in
13 this particular case, but in any event it is this Court that
14 should make that determination.
15 And as Your Honor alluded to, the issue of personal
16 jurisdiction in this case is also right down the fairway,
17 because what happened in this case is that this French entity
18 came to this Court voluntarily to assume the benefits of this
19 court. It voluntarily appeared in the bankruptcy. It
20 submitted proofs of claim for six million dollars in the
21 bankruptcy. It participated as an unsecured -- on the
22 committee of unsecured creditors --
23 THE COURT: Um-hum.
24 MR. FLUMENBAUM: -- in the bankruptcy. It appointed
25 a representative of its Texas affiliate to sit on the

1 unsecured-creditors' committee, in the bankruptcy. And it
2 is -- and to the settlement in the bankruptcy, which
3 specifically reserves the claims that ECN is bringing against
4 Airbus in the bankruptcy court, in the jurisdiction of this
5 Court.
6 So, they have -- they've recognized the precise
7 claims that we do. And we think our claims are -- we value at
8 about a hundred million dollars. We think that --
9 THE COURT: Your claims against Airbus?
10 MR. FLUMENBAUM: Airbus. We think that CHC has
11 claims that could be ten times ours. They own fifty -- owned
12 or leased fifty-one of these super-helicopters at the time of
13 the bankruptcy.
14 And as Your Honor knows, when they came before you in
15 the bankruptcy proceeding, they specifically represented to
16 you that this crash in Norway impacted their economics, their
17 fleet reorganization, their statements that they made in open
18 court and in their SEC filings that relate to that.
19 So, this is not just a tangential relationship. As
20 we stated in our complaint, if the bankruptcy had proceeded,
21 we believe that if we had recovered against Airbus in this
22 proceeding, it would reduce our claims, because we would be
23 collecting twice in some ways for the value of the aircraft --
24 THE COURT: Well, help me understand --
25 MR. FLUMENBAUM: -- because we had leased -- we had

1 leased those. We bought those aircraft from CHC.
2 THE COURT: Right.
3 MR. FLUMENBAUM: CHC bought them from Airbus.
4 THE COURT: Right.
5 MR. FLUMENBAUM: So -- and then we've leased them
6 back to CHC.
7 THE COURT: Understand.
8 MR. FLUMENBAUM: CHC rejects the lease. We have
9 damages as a result of that. But --
10 THE COURT: But how -- those are different --
11 MR. FLUMENBAUM: But the value of those leases form a
12 significant value of what the aircraft is worth. The --
13 THE COURT: You're losing me. I mean, I understand
14 that your claim here is a rejection claim.
15 MR. FLUMENBAUM: Of course.
16 THE COURT: And that's purely a statutory claim
17 created by Section 365 of the Bankruptcy Code. Your claim
18 against Airbus is very different from that.
19 MR. FLUMENBAUM: Very -- it's a different claim.
20 THE COURT: And I don't see how that's a credit
21 against your claim --
22 MR. FLUMENBAUM: If we --
23 THE COURT: -- ever.
24 MR. FLUMENBAUM: If -- well, if we collected a
25 judgment against Airbus, Airbus, I believe, will say, we

1 collected some of our damages in the bankruptcy proceeding via
2 CHC and they will use that as a setoff. I believe that's a --
3 THE COURT: Wait. Wait, wait. How? I hear you that
4 you fear that, but I'm asking you, as a matter of legal
5 principle -- they're completely separate damages --
6 MR. FLUMENBAUM: Well, the value of the --
7 THE COURT: -- as I'm seeing them.
8 MR. FLUMENBAUM: -- the ultimate value of the
9 aircraft depends on our ability to lease it and receive income
10 as a result of it. We're a leasing company. So, we have
11 value of the aircraft; and the lease prices and the lease
12 amounts that one could get from utilizing that, it will be
13 part of what our damage claim will be against Airbus. So, to
14 the extent we've recovered a very small piece in this
15 bankruptcy proceeding, I believe that that would be credited
16 against our recovery against Airbus.
17 But in any event --
18 THE COURT: Okay, but as an unsecured creditor --
19 okay. Well, I hear you, but we're talking about --
20 MR. FLUMENBAUM: I --
21 THE COURT: -- a very --
22 MR. FLUMENBAUM: I clearly haven't --
23 THE COURT: -- de minimis amount of credit.
24 MR. FLUMENBAUM: Well, it's turning -- it will turn
25 out to be a de minimis amount, as a result of -- as a result

1 of where we are today in connection with the bankruptcy. But
2 it will -- but the -- as Your Honor also stated, the action
3 itself -- again, past the motions to dismiss, the action
4 itself will have a direct impact on the estate if there's a
5 liquidating trust that's created or even if no liquidating
6 trust is created. It will be part of the assets of the
7 reorganized entity at --
8 THE COURT: Well, but I'm not convinced of that in
9 the same way you are, but now I feel like we're arguing a
10 motion to dismiss, and --
11 MR. FLUMENBAUM: Well --
12 THE COURT: -- I haven't properly prepared for that,
13 although certainly all of this is a bit intertwined.
14 But CHC's claims -- I mean, you own the claims --
15 MR. FLUMENBAUM: With respect to five --
16 THE COURT: -- to the five aircraft.
17 MR. FLUMENBAUM: Correct. CHC owns a different
18 claim --
19 THE COURT: With respect to forty-five other Pumas --
20 MR. FLUMENBAUM: Correct.
21 THE COURT: -- that they purchased from Airbus.
22 MR. FLUMENBAUM: Correct.
23 THE COURT: So, you own all of the claims here with
24 respect to defective manufacture, products liability, and all
25 that, because you were the ultimate owner of those aircraft?

MR. FLUMENBAUM: Of those five.

THE COURT: Of those five.

MR. FLUMENBAUM: Correct.

THE COURT: So --

MR. FLUMENBAUM: And CHC has a companion claim, which they've reserved the rights to bring in their settlement with Airbus --

THE COURT: Well, they have the ability, if they later choose to, to bring claims related to the forty-five other helicopters. And I'm rounding.

MR. FLUMENBAUM: Yes.

THE COURT: I think --

MR. FLUMENBAUM: Correct.

THE COURT: -- they had fifty-one; so, it'd be forty-six.

MR. FLUMENBAUM: Right.

THE COURT: So -- but again, that's --

MR. FLUMENBAUM: So --

THE COURT: -- with respect to -- I don't know; are they the same models or are they different models?

MR. FLUMENBAUM: Same models. The same models.

THE COURT: I'm not sure --

MR. FLUMENBAUM: Obviously it's --

THE COURT: -- that's quite right.

MR. FLUMENBAUM: Well, there's --

1 THE COURT: But --
2 MR. FLUMENBAUM: -- certainly overlap between the
3 LS332s (sic) and the 225s. They are in that Super Puma
4 category --
5 THE COURT: Well, I --
6 MR. FLUMENBAUM: -- which has been grounded.
7 THE COURT: I understand that, but --
8 MR. FLUMENBAUM: Yeah. But they would have the same
9 claim for a defective gearbox that we're alleging. And it had
10 been my thought, when we brought this claim, that we would be
11 proceeding arm in arm with the debtor against Airbus, because
12 this was such a significant asset of the estate, that they
13 would bring this lawsuit and we would be working together with
14 the debtor to bring these claims in this proceeding, together,
15 to do that.
16 Now, for whatever reasons, they haven't done that
17 yet. Whether they will or will not, I don't control.
18 THE COURT: Right.
19 MR. FLUMENBAUM: But that doesn't mean that we don't
20 have proper jurisdiction here from the outset, because you
21 measured jurisdiction --
22 THE COURT: Okay, but now you're focused way too much
23 on the motion to dismiss, and that's set for a different day.
24 So --
25 MR. FLUMENBAUM: So, what --

THE COURT: So, let's focus on the withdrawal of reference, because --

MR. FLUMENBAUM: Okay.

THE COURT: -- they'd like the reference withdrawn now. I've already told them that I'm not wildly enthusiastic about that, because I think the motion to dismiss raises issues that the district court would at least prefer that I grapple with in the first instance and make a recommendation on. But you want me to keep it for all --

MR. FLUMENBAUM: Right.

THE COURT: -- pre-trial proceedings. And, no offense, I'm not a products-liability lawyer --

MR. FLUMENBAUM: Well --

THE COURT: -- so, why --

MR. FLUMENBAUM: -- it --

THE COURT: -- why would I keep it, if it survives the motion to dismiss, once you get into those kinds of discovery --

MR. FLUMENBAUM: Your --

THE COURT: -- disputes?

MR. FLUMENBAUM: Your Honor has the discretion, obviously, not to keep it at that point. But I do think that there will be at some point an intersection between this debtor's estate and this claim.

THE COURT: How? I mean, the --

1 MR. FLUMENBAUM: The --
2 THE COURT: -- the itty-bitty credit -- this
3 bankruptcy case is going to be long closed --
4 MR. FLUMENBAUM: No, no, the --
5 THE COURT: -- by the time you ever get to trial.
6 MR. FLUMENBAUM: The debtor's estate has reserved the
7 right to bring their claims against Airbus before you in this
8 court, for the negligence, for the --
9 THE COURT: Right.
10 MR. FLUMENBAUM: So --
11 THE COURT: But that's not going to affect my
12 estate -- my -- the bankruptcy estate will be concluded.
13 MR. FLUMENBAUM: Well, but --
14 THE COURT: That claim is going to have re-vested,
15 assuming I confirm the plan --
16 MR. FLUMENBAUM: Right.
17 THE COURT: -- which is a big assumption; I'm not
18 saying that. But assuming I confirm the plan next week or
19 shortly thereafter, the cause of action re-vests in the
20 reorganized debtors and there is no longer a bankruptcy estate
21 against which to have an impact.
22 MR. FLUMENBAUM: They've res -- but they've reserved
23 the right to bring that claim bef --
24 THE COURT: Well, of course, but that --
25 MR. FLUMENBAUM: -- in this --

1 THE COURT: -- the reorgani --
2 MR. FLUMENBAUM: -- in this proceeding --
3 THE COURT: No. They're not --
4 MR. FLUMENBAUM: -- in this court.
5 THE COURT: They're not going to -- ain't happening.
6 If the case is over -- and that's why Mr. Youngman is here
7 today at my request; he may have been here anyway. But I want
8 to know. But I think you misspeak. They aren't planning to
9 bring that lawsuit here.
10 MR. FLUMENBAUM: I don't know what they're planning,
11 but I thought they've reserved the right to do so.
12 THE COURT: Well, I'll be honest with you. Have you
13 read the Fifth Circuit's decisions on post-confirmation
14 jurisdiction? Because if you have, you will know that that
15 ain't happening. So, I put that on a virtually -- no chance
16 that this Court would conclude that it had post-confirmation
17 jurisdiction. I'll be honest; I'm thinking jurisdiction's a
18 bit of a stretch pre-confirmation, with respect to your
19 lawsuit.
20 Clearly, if the debtor chose to sue Airbus here and
21 there was personal jurisdiction -- I mean, it -- well, I don't
22 want to get into the motion to dismiss. But I think you're
23 overly optimistic as to what the debtor's thinking. I do not
24 think the debtor has any plans. But we'll ask Mr. Youngman,
25 at the conclusion of this, if the debtor had any thought in

1 its imagination that it would file a lawsuit later, as a
2 reorganized debtor, against Airbus and its entities, in the
3 bankruptcy court. I'm pretty sure Mr. Youngman's going to
4 tell me no, that's not what they ever thought.
5 But again, even if that is what they were hoping for,
6 for some unknown reason, I don't think -- I don't think it
7 would pass the Fifth Circuit post-confirmation jurisdiction
8 test.
9 MR. FLUMENBAUM: Well, I guess it would depend on
10 when this bankruptcy-estate process is fully completed. And
11 as I said, I -- maybe I misread their settlement agreement
12 with Air -- their proposed settlement agreement with Airbus,
13 but I thought they reserved, in that, the right to bring it in
14 this court.
15 But my point going forward is that, to the extent
16 that there is --
17 THE COURT: And maybe they did. I haven't studied
18 that settlement agreement yet. That's set for next week.
19 MR. FLUMENBAUM: Right.
20 THE COURT: I got lots of time --
21 MR. FLUMENBAUM: I understand, Your Honor.
22 THE COURT: -- to think about that.
23 MR. FLUMENBAUM: But I don't disagree with Your Honor
24 that once the motions to dismiss are determined, then
25 especially if there's no ancillary matter here that relates to

1 the same kinds of issues -- I do not regard the product-
2 liability issues in this case as going to be so complicated or
3 so difficult. There's going to be a final report issued by
4 the Norwegian authorities in April of this year, which will
5 determine at least publicly some of the defects. My guess is
6 that by the time our case is ready for a jury trial, it will
7 be an issue for damages as opposed to liability. The legs
8 don't separate from the body of the aircraft, without some
9 design problem or some major problem.
10 So, I don't think we believe that by bringing the
11 case here where we do have jurisdiction, assuming we do have
12 jurisdiction, that we were going to impose on this Court, in
13 terms of -- in terms of moving this case forward. In fact, we
14 were hoping to benefit from the speed at which this Court
15 normally moves its bankruptcy proceedings, once we believed we
16 had jurisdiction in this court to do so.
17 So, thank you.
18 THE COURT: Thank you.
19 All right, anything else on the withdrawal of
20 reference, other than I would like to hear Mr. Youngman --
21 just what the debtor's thinking is, at some point.
22 Mr. Katz, please.
23 MR. KATZ: Your Honor, Jason Katz and Eric Strain on
24 behalf of Airbus Helicopters (SAS).
25 Quickly, just a few rebuttal points and I'll sit

1 down. Counsel for ECN mentioned some sort of design defect
2 when dealing with that crash, in order -- we'd just obviously
3 object to that and say that there's no evidence, before this
4 Court, of what happened there and really it's not pertinent to
5 the motion to withdraw the reference, and --
6 THE COURT: Agree.
7 MR. KATZ: -- it's just an alleged -- allegation that
8 ECN's making.
9 Something that I, when reviewing this, found
10 interesting, when I first reviewed the complaint, I just
11 assumed that the helicopter crash in Norway belonged to -- was
12 a leased helicopter by the debtor. I was wrong. ECN owns
13 five of the helicopters that they're suing on, but that's
14 not -- those helicopters that the debtor leased, that wasn't
15 in the crash. They're just making a big to-do about these
16 ground leaks, and I understand why, but it's just completely
17 unrelated to the five helicopters before -- in this case.
18 It's just --
19 THE COURT: So, the helicopter that crashed was not a
20 helicopter leased -- that the debtor leased from ECN?
21 MR. KATZ: That's my understanding, Your Honor. And
22 while I just assumed it was, I was wrong. And I think that
23 that's correct.
24 I reviewed the declaration in support of the first-
25 day motions, I reviewed the disclosure statement, because ECN

1 keeps on making a big deal about my client's helicopter's the
2 reason why these companies are in bankruptcy. And I just
3 wanted to make sure that that's what the debtor had been
4 saying in this case, before this Court, since I don't
5 represent Airbus in the main case.
6 And I got to tell you, Your Honor, when I read the
7 declaration in support of the first-day motion and I reviewed
8 the disclosure statements, what I saw was the debtor said that
9 they -- their business is to -- they operate in the oil-and-
10 gas industry and that they lease out or -- these helicopter
11 services and maintenance to companies that deal in the oil-
12 and-gas industry.
13 And while they reserve their rights to serve -- to
14 sue Airbus at a later date over whatever claims they might
15 have about my client's helicopters, what I understand is that
16 the big reason why these companies were in bankruptcy is
17 because they had a downturn in revenue due to the oil-and-gas
18 economy. And that's what I read, Your Honor. I just wanted
19 the Court to understand that I just think Airbus disagrees
20 that they were the reason why these companies were in
21 bankruptcy.
22 That's all I've got, Your Honor.
23 THE COURT: Thank you.
24 MR. FLUMENBAUM: Can I just make two clarifications,
25 Your Honor?

1 THE COURT: Of course.
2 MR. FLUMENBAUM: First, we cited specific references,
3 in the opening-day statement, to references to the crash and
4 to the financial impact from that. The SEC disclosures are
5 very clear in July of 2016; we cited that as well to the
6 Court. I never said that the crash was a CHC helicopter
7 leased from ECN. It was a CHC helicopter, however, that --
8 leased helicopter that did crash.
9 THE COURT: Right, but it was not one it was leasing
10 from ECN.
11 MR. FLUMENBAUM: It was not one that it was leasing
12 from ECN.
13 THE COURT: All right. Fair enough.
14 Mr. Youngman, what is the debtor thinking? What
15 impact, if any, do you feel about this adversary proceeding on
16 the bankruptcy estate?
17 MR. YOUNGMAN: First, I'm not going to answer your
18 question directly, but I'll get to it.
19 THE COURT: All right. I'll be patient.
20 MR. YOUNGMAN: First, the debtor did reserve its
21 rights and claims against Airbus, and of course it did,
22 because there is some law that would suggest --
23 THE COURT: It would be malpractice --
24 MR. YOUNGMAN: -- if we didn't --
25 THE COURT: -- not.

1 MR. YOUNGMAN: Absolutely. Secondly, and I don't
2 have these numbers down very well, so we'll address it better
3 at the confirmation hearing if needed; but I believe the
4 debtors had approximately fifty of this type of helicopter or
5 the other type, at the filing date, and we've rejected almost
6 all of those. You may recall that we had an ABL facility that
7 had some of this type of aircraft, and we put those back to
8 the lender. And I think we maybe have two of this model that
9 are owned.
10 So, the forty-five aircraft, I just want to make sure
11 the Court unders --
12 THE COURT: So, let me just make sure, because we
13 looked and tried to figure this out and we came to fifty-one.
14 But fifty's close enough for me, for purposes of these
15 discussions. So, if I'm hearing you right, the debtor had an
16 interest in, purchased -- did the debtor purchase all of those
17 and then enter into, say, leaseback transactions like it did
18 with ECN, or did the debtor simply lease super-Pumas from a
19 third party who directly dealt with Airbus? If you know.
20 MR. YOUNGMAN: It's both.
21 THE COURT: Okay.
22 MR. YOUNGMAN: It's both. The ECN was a sale
23 leaseback.
24 THE COURT: Right. I know that.
25 MR. YOUNGMAN: And I'm not --

THE COURT: Were there other sale leasebacks --

MR. YOUNGMAN: I'm not familiar enough with whether the rest of them were all sale leasebacks or pure leases.

THE COURT: Okay. Okay, but --

MR. YOUNGMAN: But in any event, they were leased.

THE COURT: -- but, listening check: so, based on what you just said -- and I know there's no evidence of this, but just for my frame of reference -- the debtor may own two Super Pumas outright?

MR. YOUNGMAN: Left in the fleet --

THE COURT: Well --

MR. YOUNGMAN: -- because we've rejected or turned back to the ABL lenders the other --

THE COURT: Owned.

MR. YOUNGMAN: -- type of this aircraft.

THE COURT: Okay. So, did the debtor, under the rejection or the surrender, reserve claims against Airbus as it relates to those helicopters? I guess what I'm getting to is, on -- if you know; and you may not; you know me. I'm trying to figure out does the debtor have claims against Airbus with respect to fifty grounding helicopters, or does it have claims against Airbus with respect to hypothetically the two helicopters that it owns outright? And, again, if you're not prepared to --

MR. YOUNGMAN: I'm not --

THE COURT: -- tell me --

MR. YOUNGMAN: I'm not prepared to -- I'm not able to answer that today. What I am able to answer is that we reserved any of those claims under our Chapter 11 claim. Did we -- do we intend to bring them in front of this Court? Hadn't really thought about that before, but didn't anticipate that we would be bringing these -- any types of claims of that nature in front of this Court.

THE COURT: Okay, so, again, just, listening check: So, while you may have reserved that possibility, that wasn't -- I'm hearing you say that wasn't really what you expected to be doing.

MR. YOUNGMAN: Correct.

THE COURT: Okay.

MR. YOUNGMAN: My, I guess, main concern -- and I was going to come to this hearing before the Court suggested maybe we should. I don't think our Chapter 11 plan should be upon -- in this jurisdictional dispute. And that's what I'm trying to prevent. These parties can have whatever litigation is appropriate, but any delay in confirmation of our Chapter 11 plan, based on what they're doing, of course we're going to be opposed to that.

THE COURT: I don't see how either one of them is arguing that we should delay confirmation. So --

MR. YOUNGMAN: I don't know that they're delaying.

1 ECN has suggested that the plan is not proper because it
2 doesn't specifically put these causes of action into a
3 litigation trust.
4 THE COURT: But that's a different issue. That
5 doesn't have anything to do with whether I got jurisdiction
6 and --
7 MR. YOUNGMAN: Well, it's what I think.
8 THE COURT: -- blah-blah. I mean, if somebody
9 disagrees, I'd love to hear it. But I see that as purely a
10 bankruptcy issue, is what rights do they have to dictate what
11 happens to those claims, as an unsecured creditor.
12 MR. YOUNGMAN: That's fair. I don't know if there's
13 any suggestion that if there's a litigation trust pursuing
14 those claims in this court -- which I didn't anticipate there
15 would ever be those claims pursued in this court, anyway, by
16 the debtor or a successor. Whether that was somebody's idea
17 of forming jurisdiction, I'll just leave to the side.
18 THE COURT: Okay.
19 MR. YOUNGMAN: I do want to note that our -- we
20 reserved our rights and claims.
21 THE COURT: Um-hum.
22 MR. YOUNGMAN: I don't -- didn't anticipate we were
23 bringing them here. And whether the proceeds are available,
24 if any that come out of that, it's going to inure to the
25 benefit of the reorganized debtor. And unsecured creditors

1 have ownership interest in the reorganized debtor.
2 Where they sit in the capital structure, I can't
3 help. So, if they're arguing that that's not as much as they
4 want, I can't fix where they sit in the capital structure,
5 but --
6 THE COURT: Where it would be helpful for me to
7 understand as part of confirmation, I think, is where -- which
8 debtors hold these claims. So who had the sale leaseback
9 arrangement; who owns them? Because again, unless it's a mere
10 entity -- I mean, unless the -- just, it would be helpful for
11 me to have a better understanding of how many of these
12 helicopters ECN had or has, I mean, that the debtors had or
13 had -- who was the lessee or the owner of the aircraft? And
14 obviously, we know where the rejection claims -- we know the
15 entities against whom the rejection claims have been asserted.
16 MR. YOUNGMAN: Right.
17 THE COURT: So I just would like to see the mirror of
18 those.
19 MR. YOUNGMAN: Very well.
20 THE COURT: Okay, thank you.
21 MR. YOUNGMAN: Thank you.
22 THE COURT: Did Mr. Youngman's clarifications cause
23 anybody to want to tell me something more?
24 MR. FLUMENBAUM: Just one additional --
25 THE COURT: Please.

MR. FLUMENBAUM: -- factor because I do think that Mr. Youngman acknowledged that there was a reservation -- yeah, for those claims, as there should have been, and that they still own at least two of these. There is also, wrongful death claims that could -- that may be brought because it was a CHC helicopter, which I'm sure they would want to -- that crashed that might relate -- that might give them causes of action against Airbus, as well, from the crash itself.

THE COURT: Okay, but how would they have wrongful death?

MR. FLUMENBAUM: If they are liable to third parties for -- there were thirteen deaths on that --

THE COURT: Uh-huh.

MR. FLUMENBAUM: -- on that. If they are liable to any of those individuals --

THE COURT: But that would be a pre-petition claim here that's being dealt with under the plan.

MR. FLUMENBAUM: Well, I -- yes.

THE COURT: So there would be no post-confirmation liability --

MR. FLUMENBAUM: Right.

THE COURT: -- it would be an unsecured claim in the case, right?

MR. FLUMENBAUM: Yeah, I don't know if

1 that's -- I -- Your Honor is obviously right, and --
2 THE COURT: Well, I --
3 MR. FLUMENBAUM: -- and I just don't know enough
4 about the intricacies to determine what happens to that
5 claim --
6 THE COURT: Well, the --
7 MR. FLUMENBAUM: -- against Airbus.
8 THE COURT: Okay, but the decedent's estate may have
9 a claim against Airbus, but to the extent they have a claim
10 against CHC, that's going to be a -- I mean, the crash
11 occurred pre-petition.
12 MR. FLUMENBAUM: Yeah, a week before.
13 THE COURT: And everybody got notice of the
14 bankruptcy case, I assume. And so I think as against CHC,
15 those claims are gone, or will --
16 MR. FLUMENBAUM: That --
17 THE COURT: -- be post-confirmation --
18 MR. FLUMENBAUM: That very well may be, except that I
19 believe they were -- would be claims that could be brought in
20 a foreign jurisdiction. Now, I don't know if -- what the
21 impact would be.
22 THE COURT: Well, if they got notice of the
23 bankruptcy, case --
24 MR. FLUMENBAUM: Yeah, I don't know.
25 THE COURT: And again, I don't know, but --

1 MR. FLUMENBAUM: I don't know, but there is -- but my
2 basic point throughout the argument has been that there is an
3 overlap between claims that the debtor in this case has, or --
4 THE COURT: Okay, but now --
5 MR. FLUMENBAUM: -- could have.
6 THE COURT: -- we're just back --
7 MR. FLUMENBAUM: I'm just repeating.
8 THE COURT: We're back to the --
9 MR. FLUMENBAUM: Correct.
10 THE COURT: -- to the motion to dismiss --
11 MR. FLUMENBAUM: Thank you, Your Honor.
12 THE COURT: -- and you're going to get a full hearing
13 on that.
14 MR. FLUMENBAUM: Thank you, Your Honor.
15 THE COURT: Thank you.
16 All right, let's talk about schedule. And let me say
17 what I don't think we need to talk about today. Late Friday,
18 a motion for protective order got filed, and so the -- to the
19 extent the supplement to the motion for continuance of trial
20 tried to raise what, I felt like, should have been raised in a
21 motion for protective order, those issues now have been
22 formally raised in a motion for protective order if it is not
23 yet set for hearing.
24 So I don't feel the need to address the specifics of
25 the protective order. I understand there's a bunch of

1 document requests and all of that. I will tell you, though,
2 that as part of addressing that motion for protective order, I
3 feel like you all are -- I don't mean this maliciously,
4 so -- but I'm going to say it bluntly -- I feel like the
5 ball's being a little bit hidden. I don't understand, and
6 nobody tells me, who these people are; what facts anybody
7 thinks they're going to testify to; you want me to quash two
8 depositions of two nonparty witnesses, but I don't know who
9 they are or what they might know, how that has any impact on
10 the jurisdictional question or not, et cetera.
11 So to the extent we're going to hear that motion for
12 protective order at some point -- presumably somebody is going
13 to ask for it to be set -- there is a whole lot more
14 information that I need in order to properly evaluate it. And
15 I don't feel like I got it in either the supplement. Frankly,
16 I quickly reviewed the motion for protective order; it's still
17 not there. Or in the response to the motion for continuance,
18 I mean, again, everybody is keeping it at 10,000 feet; I'm not
19 a 10,000 foot person. If you really want me to evaluate those
20 issues, you're going to have to tell me much more about them
21 so that I feel like I'm not just making it up as we go along.
22 Now, the motion for continuance: It seems to me that
23 everybody agrees we aren't going to trial at the current
24 setting; that's the good news. The bad news is, you disagree
25 over when we should go to trial. Let me give you some

1 thoughts that I have.
2 It makes sense to me that discovery should be limited
3 to the jurisdictional issue until I have made a recommendation
4 to the district court on the motion to dismiss. I would
5 like -- while I'm thinking about it, I would like some
6 supplemental briefing from the parties on the motion to
7 dismiss related to: do you think I can finally adjudicate it,
8 or do you think it has to be a proposed recommendation to the
9 district court? We've started looking at that, but you all
10 don't address that, and I would like the parties' positions on
11 that with authority, please, as soon as possible so that we
12 can put that into the mix before the hearing currently set for
13 the 28th.
14 My reaction -- and again, this all gets intertwined
15 so now I'm going to do what I told you guys not to do,
16 although you did it anyway. My reaction is that jurisdiction
17 is a stretch here. It's a clever stretch, and I may
18 ultimately conclude I got it, but it's taking existing law,
19 best I can tell at the moment. And again, we aren't done
20 preparing. But then ooching (sic) it one step further.
21 Is there a conceivable effect on the bankruptcy case?
22 Maybe because the debtor does have two of these helicopters
23 that it owns itself, it has other helicopters, but it's pretty
24 tenuous. And again, conceivable effect on the estate being
25 administered in bankruptcy is a broad test, I'll spot you

1 that. And it's not just the Fifth Circuit that thinks it's a
2 broad test. I mean, that's the old Pacor test from the Third
3 Circuit, and virtually every other circuit follows it; not a
4 hundred percent, but most of them do. So it's a pretty broad
5 jurisdiction.
6 But the effect here is fairly remote, and the
7 bankruptcy estate may be concluded well before this case ever
8 goes to trial. But again, you assess jurisdiction at the time
9 of the filing, so -- but again, it's -- personal jurisdiction
10 seems to be the bigger mess to me. Yes, Airbus filed claims
11 in this case Airbus was scheduled as a creditor by
12 the -- certain of the debtors -- two of them, I think, as a
13 trade creditor. I take it because Airbus serviced the Super
14 Pumas and maybe sold parts, and that kind of stuff.
15 We have not yet seen the proofs of claim because
16 they're filed, not with us but with KCC, but we're going to
17 get copies of those claims so that we understand what the
18 proofs of claim were for. But I'm guessing because the debtor
19 scheduled it as a trade creditor that that's what it is; it's
20 for parts and services and maintenance and that kind of stuff.
21 And so yes, Airbus certainly consented to this
22 Court's jurisdiction over it when it filed those claims. But
23 most of the cases are dealing then with the debtor suing
24 Airbus, and Airbus saying, oh, no, no, no. And the Court
25 saying, wait a minute, you subjected yourself to the

1 jurisdiction of the Bankruptcy Court; too bad, so sad. It's
2 like, the tar-baby, you put your hands out and you touched us
3 and now we're going to touch you back. But I'm struggling at
4 the moment that them consenting to the jurisdiction of the
5 Bankruptcy Court by filing proofs of claim, and thus, being
6 stuck if the debtor chose to sue them here, if I otherwise
7 thought that was a related-to case, which it clearly would be
8 because it would be bringing debtor claims against them that
9 would benefit creditors; blah-blah.
10 I'm struggling that that lets a nondebtor third party
11 assert a claim against them, and assert that they waived
12 personal-jurisdiction arguments as against a nondebtor. Man,
13 if that works, wee, I may be glad I'm closer to retirement
14 than not at this point because that would be really broad
15 personal jurisdiction.
16 I haven't finely sorted through that, but I'm
17 struggling a bit with the personal jurisdiction because ECN
18 doesn't cite us to a single case where that's the situation
19 where the personal jurisdiction that was allegedly my word
20 "waived", or the objection of personal jurisdiction was this
21 against a nondebtor party.
22 Now, again, I hear -- you're going to stand up and
23 tell me next -- on the 28th that -- well, but it's -- the
24 debtor bought these helicopters and the debtor has very
25 similar claims and I get that. But boy -- so I'm being asked

1 to go where no judge has gone before, best we can tell, on
2 personal jurisdiction; and I've done that before, and that's
3 okay if I think that's right. But it seems like it's a bit of
4 a stretch.
5 Because I think at the moment, the jurisdictional
6 issues are interesting and may be a stretchy, doing a lot of
7 discovery on the merits doesn't seem appropriate to me right
8 now. And I'll be honest, ECN argues, well, it's all
9 intertwined so we've got to do the merits; I don't understand
10 that. That may be a shortcoming that I'm not sophisticated on
11 products-liability issues, but it seems like that's a little
12 bit of a copout as to why you want to keep trudging ahead with
13 pretty broad discovery. So that's part of why I'm saying I
14 need much better information about why the jurisdictional
15 issues and the merits are so heavily intertwined because it
16 seems to me that jurisdiction is pretty narrow. Does Airbus
17 do business here?
18 Again, I don't want to define all of those issues
19 because I've not seen enough to understand, but I want to
20 understand what the real nub of the fuss over the discovery
21 is. And I wanted to share these thoughts with you because you
22 all are really good lawyers, which I love having in my court,
23 but that then puts a burden on you to try and work through
24 this. And if a little bit of help from me in terms of what my
25 thinking is informs that process, I thought that might be

1 productive.
2 So my inclination is to think that we ought to focus
3 on the discovery that's necessary to decide the motions to
4 dismiss. And maybe some of what's being asked for is
5 perfectly appropriate for that. Again, I didn't spend a lot
6 of time this weekend on that, particularly after the motion
7 for protective order was specifically filed Friday evening.
8 But those are my thoughts that let's get past the
9 jurisdictional issue. If I conclude that we have
10 jurisdiction, and I conclude that we should not abstain from
11 exercising it, then we can talk more about merits discovery
12 and other things.
13 Arguing about the trial setting, I mean, again, if we
14 limit discovery in the short term to the jurisdictional
15 issues, again, however broadly that may have to be, crafted,
16 it seems to me that it's sort of a light switch, right? If I
17 recommend that the district court abstain, or I recommend that
18 we don't have jurisdiction, or I conclude we don't have
19 jurisdiction, and I think I can decide that issue. Again,
20 that's why I'd like your thoughts on what I can and can't do.
21 Then there's no merits discovery that's necessary until after
22 the district judge accepts the recommendation or whatever.
23 If on the other hand, I conclude that tenuous though
24 it may be, there is personal jurisdiction, there is subject-
25 matter jurisdiction, and that I think Judge Cummings would

1 love to try this case, then at that point, of course, it's
2 time to begin the merits process. So I'm sort of inclined to
3 think what we may need to do is hang loose on when the case is
4 going to go to trial until we get past the motion to dismiss.
5 Just because I think we will be better informed about that and
6 we won't agonize too much over the timing of trial.
7 And again, if I'm right, I'm not even sure I'm the
8 right person to target the trial date, right, because if my
9 recommendation on the motion to withdraw the reference is that
10 I am going to hear and either determine or make a proposed
11 ruling with respect to the motion to dismiss, but then the
12 case should be withdrawn, then frankly, it's either Judge
13 Cummings himself who's going to decide trial setting. I mean,
14 we can have a scheduling order in place that at least, I
15 think, makes sense that we're working toward, but at the end
16 of the day, Judge Cummings is going to decide that, or some
17 magistrate judge who he would normally turn to to assist him
18 with those sorts of things.
19 But I do think -- we all agree we aren't going to
20 trial at the current setting. It makes sense to me to stay
21 deadlines temporarily, limit discovery to that necessary to
22 the jurisdictional issue, subject to the hearing on the motion
23 for protective order, but again, to give you preliminary
24 thoughts on that, and then see what happens with respect to
25 dismissal and abstention because that will much better inform

1 what the schedule moving forward should or shouldn't be.
2 Does that make any sense to the parties?
3 Yes?
4 MR. FLUMENBAUM: Your Honor, that makes sense to us;
5 again, Martin Flumenbaum for ECN. That makes sense for us.
6 The problem that we're going to have is that Airbus
7 is taking an overly narrow view of what jurisdiction is
8 appropriate. We have subpoenaed Kevin Cabanas (ph.), for
9 example, who Your Honor is familiar with, is the name of the
10 representative that was appointed --
11 THE COURT: I'm not, but thank you for assuming I
12 was. He's -- I take it, he's the person who sits on the
13 committee?
14 MR. FLUMENBAUM: Sits on the committee. And
15 they've --
16 THE COURT: Okay, what's he going to tell you?
17 MR. FLUMENBAUM: Well, I'm going to get contacts
18 between him and Airbus related to this proceeding. I'm going
19 to get --
20 THE COURT: But how does that --
21 MR. FLUMENBAUM: Because you're --
22 THE COURT: -- help you with bankruptcy?
23 MR. FLUMENBAUM: Because I believe that it -- this is
24 not just a situation where you file a proof of claim.
25 THE COURT: Right.

1 MR. FLUMENBAUM: This is where you actively
2 participate, and in structuring the settlements in obtaining
3 whatever benefits you're going to obtain for yourself for
4 Airbus France in this proceeding.
5 THE COURT: Well, but hang on. But okay, so I mean,
6 just help me understand because, I mean, I hear you, I mean,
7 but I'm guessing that that could be done by stipulation.
8 MR. FLUMENBAUM: Oh --
9 THE COURT: He was appointed to the committee, he
10 serves on the committee, the committee has been consulted by
11 the debtor with respect to settlements, and you bet, he hopes
12 that he recovers as much as humanly possible on the trade
13 claims that they've asserted on the case.
14 MR. FLUMENBAUM: And he spoke to representatives of
15 Airbus France weekly, daily, he raised issues with them as to
16 how to handle Airbus' --
17 THE COURT: Can I ask a question?
18 MR. FLUMENBAUM: -- claims here. Yeah.
19 THE COURT: Is Airbus France one of the creditors?
20 MR. FLUMENBAUM: Airbus France is the entity that
21 filed the proofs of claim.
22 THE COURT: I've not seen the claim.
23 MR. FLUMENBAUM: I'm sorry, I've assumed that you --
24 THE COURT: It's okay.
25 MR. FLUMENBAUM: -- Airbus France --

1 THE COURT: I've never seen the claim.
2 MR. FLUMENBAUM: Airbus France was the only Defendant
3 in our adversary proceeding --
4 THE COURT: Um-hum.
5 MR. FLUMENBAUM: -- is the entity that filed --
6 THE COURT: Filed the two proofs of claim.
7 MR. FLUMENBAUM: -- the proofs of claim.
8 THE COURT: Okay. But --
9 MR. FLUMENBAUM: It is the entity that appointed
10 Kevin Cabanas as its representative. Kevin Cabanas, my
11 understanding is -- and I don't have --
12 THE COURT: Okay, but how does any of that have
13 anything to do with the crash of the helicopters?
14 MR. FLUMENBAUM: It doesn't have anything -- it
15 has -- that's why Kevin Cabanas is a pure jurisdiction --
16 THE COURT: Right.
17 MR. FLUMENBAUM: -- witness.
18 THE COURT: Okay, but my point is, is okay, I'm going
19 to assume all that, yes.
20 MR. FLUMENBAUM: They're not wanting me to --
21 THE COURT: They filed a proof of claim, he's --
22 MR. FLUMENBAUM: They're not letting me depos him,
23 okay, but I think he's going to have -- he's going to have
24 conversations with the French -- his French supervisors --
25 THE COURT: Um-hum.

1 MR. FLUMENBAUM: -- as to the bankruptcy proceeding
2 itself, as to the claims in the bankruptcy committee.
3 Remember, Airbus also -- Airbus France objected to our 2004
4 application -- to ECN's application in the bankruptcy
5 proceeding.
6 THE COURT: Right.
7 MR. FLUMENBAUM: They appeared for that purpose, as
8 well.
9 THE COURT: Okay.
10 MR. FLUMENBAUM: So this -- I -- well, I understand
11 Your Honor hasn't made up her mind on jurisdiction, but I
12 don't think this is a stretch of the cases. I think this is
13 precisely what those cases entail that when you come into a
14 jurisdiction --
15 THE COURT: Wait, wait, wait. But you cite me not to
16 a single case where a creditor filing a proof of claim has
17 consented to a nondebtor suing them in the Bankruptcy Court.
18 MR. FLUMENBAUM: There generally is no consent to
19 that, but --
20 THE COURT: Well, but you get my message.
21 MR. FLUMENBAUM: Right.
22 THE COURT: None of your cases are third-party
23 plaintiffs.
24 MR. FLUMENBAUM: I can't tell you whether that's
25 right or wrong. I'm sure Your Honor is right --

1 THE COURT: Well --
2 MR. FLUMENBAUM: -- and we will look for some
3 additional cases. But if Your Honor is prepared to say the
4 debtor could have brought these claims in this proceeding --
5 THE COURT: Not these claims; they belong to you.
6 MR. FLUMENBAUM: If the debtor could bring comparable
7 claims -- similar claims -- of negligence and product
8 defect --
9 THE COURT: With respect to other aircraft.
10 MR. FLUMENBAUM: With respect to other aircraft that
11 it owned -- and remember, it owned these aircraft for a
12 portion of time, as well.
13 THE COURT: For a period of time, yeah.
14 MR. FLUMENBAUM: As well, these very aircraft.
15 THE COURT: But do you think the debtor could bring
16 the claims you're asserting?
17 MR. FLUMENBAUM: I don't think the debtor could bring
18 our claims; I don't.
19 THE COURT: I don't, either.
20 MR. FLUMENBAUM: I don't. But they certainly have
21 similar or comparable claims that they could bring. And if
22 Your Honor --
23 THE COURT: I agree with that.
24 MR. FLUMENBAUM: And if Your Honor would have
25 jurisdiction for those, I don't think logically and

1 jurisprudentially, it makes any difference whether we are the
2 creditor. They have come into the jurisdiction for the
3 purpose of --
4 THE COURT: To --
5 MR. FLUMENBAUM: -- obtaining a benefit.
6 THE COURT: To recover against the debtor; not
7 against you.
8 MR. FLUMENBAUM: Well, but that is a choice they
9 make. And there are many debtor -- there are many claimants,
10 especially from abroad, who make a decision not to subject
11 themselves --
12 THE COURT: Because they don't want the debtor to get
13 jurisdiction --
14 MR. FLUMENBAUM: Well --
15 THE COURT: -- over them, yes, I completely agree
16 that -- I've got to tell you, please do look for cases that
17 are on course because, man, I don't believe you cited us any,
18 and we can't find any.
19 MR. FLUMENBAUM: But in any event, I think Kevin
20 Cabanas, if limited to jurisdiction, is an appropriate
21 witness. Jeffrey Trang who was the other one they are
22 objecting to in its entirety, is a representative of AHI; he's
23 the Dallas -- he works for the Dallas entity, which is an
24 affiliate --
25 THE COURT: Who is AHI?

MR. FLUMENBAUM: It's Airbus Helicopter, Inc. It's a U.S. entity located in Texas.

THE COURT: Okay.

MR. FLUMENBAUM: It is an entity that sells the helicopters --

THE COURT: That didn't sell them to you.

MR. FLUMENBAUM: It did not sell them to us, but it sells the helicopters to others in Texas.

THE COURT: So what does that -- how does that --

MR. FLUMENBAUM: But that's related to the jurisdiction issue.

THE COURT: How?

MR. FLUMENBAUM: Because it --

THE COURT: You didn't buy from them.

MR. FLUMENBAUM: We didn't buy from them, but if Airbus France puts them into commerce and they are sold in Texas by a Texas entity, that's an additional factor, I didn't say it's a sufficient factor, to bring Airbus France into this jurisdiction.

THE COURT: Okay, but don't you already know that what you've just told me is true? That AHI is selling the Super Pumas in Texas?

MR. FLUMENBAUM: We do.

THE COURT: Okay.

MR. FLUMENBAUM: We do --

THE COURT: So what is the discovery going --

MR. FLUMENBAUM: But the relationship between AHI and Airbus France is the one that's opaque, for now. We don't know how that flow goes; we know they manufacture them --

THE COURT: Who is they?

MR. FLUMENBAUM: -- in France, Airbus France manufactures designs --

THE COURT: And what's the corporate --

MR. FLUMENBAUM: Above them is, I think, another Airbus entity.

THE COURT: No, no, are they sister --

MR. FLUMENBAUM: I believe they are sister --

THE COURT: Is France and AHI sisters?

MR. FLUMENBAUM: I believe they are sister entities.

THE COURT: So they have common --

MR. FLUMENBAUM: I don't think --

THE COURT: -- ownership.

MR. FLUMENBAUM: Common ownership.

THE COURT: But no -- they're sisters.

MR. FLUMENBAUM: I believe they are. I think there might be an intermediary company, which is a Delaware-based U.S. entity that owns the Texas entity, but I think that is owned by the ultimate parent that owns both Airbus Helicopter France and Airbus Delaware.

MR. STRAIN: Your Honor, I don't mean to interrupt.

I'm here as national product-liability counsel for the Airbus companies, and could shed light on some of these issues should the Court wish to hear --

THE COURT: Okay.

MR. STRAIN: -- my perspective on ownership issues and whatnot. Just bringing that to the Court's attention --

THE COURT: Excellent.

MR. STRAIN: -- should the Court wish to hear.

THE COURT: Thank you.

MR. STRAIN: So I don't think these facts are accurate, so I would be happy to clarify.

THE COURT: Fair enough.

MR. FLUMENBAUM: That's why we wanted depositions, to determine what --

THE COURT: Have we tried to stipulate? I mean, because it --

MR. FLUMENBAUM: We --

THE COURT: -- seems like the relationship between the entities is a matter of -- shouldn't be a big dispute. I mean --

MR. FLUMENBAUM: Right.

THE COURT: -- I assume there is corporate charts that would tell us who owns what and where, and so forth, and --

MR. STRAIN: And in the past, we've done this type of

1 discovery on jurisdictional issues, say by way of an
2 interrogatory or a request for admission, which then can
3 narrow any questions that may be needed to direct it in
4 discovery.
5 MR. FLUMENBAUM: Well, my understanding is that Mr.
6 Trang has been deposed in another -- in a State Texas case.
7 THE COURT: Yeah, there's two of them, I think.
8 MR. FLUMENBAUM: Correct, in a State Texas case. In
9 their latest papers, they assume we have a copy of the
10 deposition transcript; we don't, if they want to provide that
11 to us that may suffice to avoid another deposition of Mr.
12 Trang.
13 So those are the two U.S. people that we have sought.
14 Then we -- they submitted an affidavit from a represented of
15 Airbus France to this Court; we wanted to depose him. And
16 we're battling over the location of that.
17 THE COURT: Right.
18 MR. FLUMENBAUM: But they seem to agree that we're
19 entitled to that. And then we asked for a 30(b)(6). I don't
20 know if he's the same person for the 30(b)(6); they haven't
21 identified that. And then we have given them broad discovery
22 requests that do include merits. We sent them an email, which
23 narrowed the requests to -- limited to jurisdiction to about
24 fifteen and about half of what we did. But we haven't had any
25 further discussion about that.

1 But I'm prepared to limit our document requests on
2 jurisdiction to -- I heard what Your Honor said about what we
3 should be focused on for the 28th, and assuming we can get
4 those three depositions done and get satisfaction on the key
5 documents that show jurisdiction, show sales in Texas; show
6 all those things that would give jurisdiction here -- make
7 jurisdiction supplemental and appropriate.
8 THE COURT: Okay.
9 MR. KATZ: Jason Katz and Eric Strain on behalf of
10 Airbus Helicopters (SAS). Your Honor, I heard everything you
11 said and your thoughts on the pending motion, the motion for
12 protective order that was filed on Friday, and I just have a
13 few comments that will, hopefully, help the Court on a few
14 issues as it relates to the motion to dismiss and the related
15 discovery that may be necessary, limited to jurisdiction.
16 First, I agree that the Court should stay all
17 deadlines as in we put in our first order that the Court
18 should do that, and I think that's appropriate in this case so
19 that we can do limited discovery on the jurisdiction ahead of
20 the motion to dismiss of February 28th.
21 The -- subject to the protective order, as the
22 Court's referenced, the stipulation idea seems to be a good
23 one. Certain things they want to ask these nondebtor
24 witnesses about, I think, can be done by stipulation. So
25 we'll go back to counsel for ECN and try to work through

1 these. I never like coming to Court discovery disputes
2 because I think they should be worked out. Counsel for ECN is
3 right, he did send us a new one by trying to -- attempting to
4 limit some of the topic areas in the 30(b)(6) deposition
5 notice, but it's, I think, our position that there is still
6 a -- still broad, but we're going to still continue to work
7 with him to try to get it limited to where we can both agree
8 what's appropriate.
9 The motion to dismiss is for 12(b)(1) and 12(b)(2).
10 12(b)(1) is subject-matter jurisdiction, and it is Airbus'
11 position that because that subject-matter-jurisdiction motion
12 is not factual, but facial. Discovery is not proper on
13 jurisdiction in that regard because the Court can just rule on
14 the papers.
15 The declaration that Airbus submitted in support of
16 the 12(b)(2) motion, to dismiss for lack of personal
17 jurisdiction would be appropriate for limited discovery, Your
18 Honor. And we're not disputing that, and in fact, that's what
19 we've been telling them from the very beginning. I think the
20 evidence that the Court will see that's been attached to the
21 protective order, so we have to go forward on that motion,
22 shows that, I think, we first emailed counsel for ECN in early
23 January about what we thought was appropriate going forward,
24 and we just -- so we were aware of this issue early on. But
25 the motion to dismiss was filed on January 3rd, and instead of

1 hearing back on limited discovery, we get full-blown discovery
2 twenty days later, without really much discussion.
3 So the comment about whether the debtor has claims
4 versus Airbus, if ECN has claims versus Airbus, there just is
5 no claim by the debtor against Airbus. And I understand that
6 ECN thinks that they should, but that's just not their
7 decision, and I don't think it's really relevant, unless it
8 happens. And then if the debtors decide that they want to
9 intervene in this adversary, that's their business. But until
10 they do it, I don't see that the Court is going to have
11 jurisdiction, but that's an argument for a later time.
12 So we would ask the Court, grant the motion to the
13 extent that all deadlines under the November 18th, 2016
14 scheduling order be stayed until further order of the Court.
15 And that any further amended scheduling order should be
16 submitted at a later date, depending what happens at the
17 motion to dismiss level. And we would also ask that the Court
18 grant the motion limiting the discovery to jurisdictional
19 issues, subject to the protective order.
20 That's all I've got, Your Honor.
21 THE COURT: Very well.
22 Please.
23 MR. FLUMENBAUM: Martin Flumenbaum for ECN.
24 Just on the comment, Mr. Genereux submitted one
25 affidavit in this case in support of Helicopter's motion to

1 dismiss; he didn't divide it up between 12(b)(1) and 12(b)(2).
2 THE COURT: Well, but the standard for 12(b)(1) is
3 the allegations in the complaint --
4 MR. FLUMENBAUM: Correct, if the --
5 THE COURT: -- facially.
6 MR. FLUMENBAUM: -- if it's based solely on the
7 facial allegations of related-to jurisdiction that there is
8 conceivably some impact, I'm prepared to accept that. But
9 they have put -- I thought they were putting in evidence that
10 challenges that there could be no conceivable impact at the
11 time of the filing. And if they're saying they haven't, then
12 I'm prepared to live with that, but I want it to be very clear
13 that they are accepting the allegations of the complaint as
14 true.
15 MR. KATZ: Your Honor, if you -- it's Jason Katz and
16 Eric Strain on behalf of Airbus Helicopters (SAS).
17 The motion to dismiss only cites to the declaration
18 when referring to the 12(b)(2) motion. So I think that's
19 clear what our position is on that; we're not going to agree
20 that the allegations are true in the complaint, that's for --
21 THE COURT: No, no, no, but -- well --
22 MR. KATZ: -- subject to --
23 THE COURT: But --
24 MR. KATZ: For 12(b)(1) purposes --
25 THE COURT: You are not submitting the declaration in

1 support of your 12(b)(1) motion.
2 MR. KATZ: That's correct, Your Honor.
3 THE COURT: All right. And I think we all agree that
4 the standard in the Fifth Circuit is, as I test the
5 sufficiency on 12(b)(1), assuming that the allegations in the
6 complaint are true, and whether or not they are facially
7 sufficient to state a claim.
8 MR. KATZ: Fair enough, and correct, Your Honor.
9 THE COURT: Okay.
10 All right, so we're down to discovery that's
11 necessary for the 12(b)(2) motion, so we've made some
12 progress, even though we're not hearing the motion for
13 protective order.
14 Well, here's what I want to do: I am going to grant
15 the motion in part and carry the balance of the motion to the
16 hearing on the motion to dismiss. We aren't going to reargue
17 it; we're just keeping the portions that I don't address now
18 alive, so that they can be addressed then.
19 I'm going to stay the deadlines. I'm going to
20 continue trial to a date that the Court will set, following
21 its ruling on the motion to dismiss. And again, that may be a
22 proposed ruling, but we'll -- because again, there's no
23 disagreement we should continue trial from its current date;
24 the dispute is what the reset date should be. We'll stay all
25 of the deadlines in the current scheduling order, again,

1 subject to the Court ruling on the motion to dismiss. And
2 that will not stay discovery that may be necessary with
3 respect to the 12(b)(2) motion, and I'm -- nor does it stay a
4 hearing if one becomes necessary on the motion for protective
5 order.
6 And since we've clarified that the discovery only
7 needs to relate to the 12(b)(2) motion, let's go back and look
8 at that, counsel for ECN, and see what you really think you
9 need. And then frankly, do talk about stipulations because it
10 seems to me that many of the things that you're hoping to
11 prove to me as it relates to personal jurisdiction, they may
12 just admit to. Yes, the gentleman is a member of the
13 committee, and yes, the committee has considered these things,
14 and yes, he's fully participated in those discussions, and
15 yes, he talks to somebody at his employer about what he should
16 be doing. So again, it may well be that those can be
17 stipulated to and submitted as stipulations to the Court as
18 opposed to needing to take depositions.
19 MR. FLUMENBAUM: Your Honor, it will take us more
20 time to work out stipulations than it will be to take a three-
21 hour deposition of Mr. Cabanas in Dallas and get this all on
22 the record. And as I said, if Mr. Trang has already been
23 asked these questions, and they want to give me that
24 transcript, that may be sufficient.
25 THE COURT: Okay, I'm not going to decide it today.

MR. FLUMENBAUM: Yeah.

THE COURT: I'm urging you to consider stipulations. If you elect not to, what I'm trying to do is I don't like discovery fights; try and work through them.

MR. FLUMENBAUM: I appreciate that.

THE COURT: If I have to decide them, I will; that's why I'm here.

MR. FLUMENBAUM: Okay.

THE COURT: But let's narrow them as much as possible, and before we move forward on a motion for protective order, I would want a -- either amended motion or something that tells me what the live disputes are so that we don't prepare for a hearing on this many issues, when it's really down to this many issues because that's just a waste of my time. And so work together, and see if you can't resolve as many of these issues as possible, as officers of the Court. And again, if you can't, that's why there's judges, and I'll be happy to rule on them, but let's narrow them down so that we focus on the things that are really important and not on the peripheral issues.

So get with my courtroom deputy about a setting on the motion for protective order, so we have one if it's necessary. My hope is, is that it doesn't become necessary; that you all can work through the issues and agree on what is or isn't going to happen and get it done. But as I said, if

we do need a hearing, then make it clear to me what the issues really are, and make it clear to me how what you need is specifically related to 12(b)(2), or not, as the case may be.

All right. What else, gentlemen and lady? Anything else we need to accomplish today?

MR. FLUMENBAUM: Thank you, Your Honor.

MR. KATZ: Nothing further from Airbus, Your Honor.

THE COURT: Very well.

MR. STRAIN: Thank you, Your Honor.

THE COURT: Excellent. Thank you all very much.

MR. KATZ: May we be excused?

THE COURT: You may, thank you.

MR. FLUMENBAUM: One -- actually, one thing, Your Honor. Would you like me to prepare the order and circulate it, and then --

THE COURT: Please.

MR. FLUMENBAUM: I'll take care of that.

THE COURT: That would be great.

MR. FLUMENBAUM: Thank you.

THE COURT: Thank you very much.

(Recess from 11:09 a.m. until 11:10 a.m.)

THE COURT: Mr. Youngman, if you would go to the podium? Nicole, tell me when you're ready.

Okay, Mr. Youngman, I hear you -- I overheard you speaking to my court recorder about logistics for the

1 confirmation hearing, and I just -- since we're having this
2 conversation and not everybody is still here, is this
3 courtroom big enough for the confirmation hearing?
4 I mean, I -- we managed the plan support agreement
5 hearing in this courtroom. I'm assuming that confirmation
6 won't be better attended than it, but since you were asking
7 about your team and so forth, I just thought I'd ask. And I
8 don't know if there's another courtroom available, but we can
9 check, we just need to know. And you don't have to answer
10 this second, but I just, again, wanted to make a record of
11 what you and I were talking about, given that we have
12 objections to confirmation.
13 MR. YOUNGMAN: If I could ask the Court to, perhaps,
14 check if there is a larger courtroom available.
15 THE COURT: And what do you need in that courtroom?
16 Do you need electronics in that courtroom? I mean, do you
17 want to use the ELMO, or is just a courtroom?
18 MR. YOUNGMAN: A courtroom, I think, would
19 be -- because I don't think we need any of the electronics.
20 THE COURT: Could you check with the objectors and
21 confirm that they don't anticipate using electronics, and then
22 just get back with Ms. Harden, and we will -- once we know the
23 answer to that, we will reach out to the district court to see
24 if there is a larger courtroom that we might use for a couple
25 of days.

MR. YOUNGMAN: Very well, and if not, we'll certainly make do.

THE COURT: Yeah, we'll squeeze, but it just hit me when you -- when I overheard you that we might be tight in here.

MR. YOUNGMAN: Well, we were pretty tight for the PSA hearing.

THE COURT: We were, but it worked. But anyway, just let me know. And the critic -- my guess is that there would be a courtroom available, it might not be an electronic courtroom. But if people feel like they need electronics, so be that.

And secondly, the complication is always, we use a recorded transcript --

MR. YOUNGMAN: Oh.

THE COURT: -- and many of my district judge colleagues use a live court reporter. And we have portable equipment that may work. So anyway, it's not as straightforward as it seems, but tell me what you need and we'll see if there is a courtroom that can accommodate. If not, we'll just all be good friends in here, and we'll turn the air conditioning way down.

MR. YOUNGMAN: I'll admit to not paying as much attention, but the PSA hearing was pretty full; is that right?

THE COURT: It was full, but I don't remember anybody

standing, other than Mr. Fisher.

MR. YOUNGMAN: Or those two poor guys sitting on the boxes.

THE COURT: Yeah, except for Mr. Fisher, who was doing that, but he's a former law clerk so it's okay.

I knew you'd like that, Mr. Genender.

So just let us know, and we'll see. But sooner rather than later so that we can get that issue on the district court's radar that we might be interested in a different courtroom.

MR. YOUNGMAN: Very well, thank you.

THE COURT: You're welcome.

We're off the record, Nicole, thank you.

Oh, also --

(Break in audio)

THE COURT: -- something to store exhibits on so that I'm not -- so that I can more easily access, like, how many volumes of exhibits do we think we'll need.

MR. YOUNGMAN: Can I confer just a moment?

THE COURT: Yeah, and confer with the other objectors so that --

MR. YOUNGMAN: What I was thinking is --

THE COURT: -- we get some sense of, is it ten notebooks full of exhibits, or is it twenty-five notebooks full of exhibits, or is it five?

MR. YOUNGMAN: I think it depends on if we reincorporate the PSA exhibits. It sounds like we're headed that way, you may want that shelf behind you again.

THE COURT: Yeah. Yeah, okay. Just let us know, when you let us know about the electronics.

MR. YOUNGMAN: Very well.

THE COURT: Excellent. Good, thank you.

(Whereupon these proceedings were concluded at 11:15 AM)

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C E R T I F I C A T I O N

I, Clara Rubin, the court-approved transcriber, do hereby certify the foregoing is a true and correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

February 8, 2017

CLARA RUBIN DATE

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.* Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTER (SAS) Defendant	**Adv. No. 16-03151-bjh** **Plaintiff's Supplemental Memorandum of Law in Opposition to Defendant's <u>Motion to Dismiss</u>**

Plaintiff ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) ("ECN Capital"), by its undersigned attorneys, files this Supplemental Memorandum of Law in Opposition to Defendant Airbus Helicopters S.A.S.'s ("Airbus") Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction and *Forum non Conveniens* ("Motion to Dismiss"), at the direction of the Court.

PRELIMINARY STATEMENT

This Court has jurisdiction over this Adversary Proceeding and is authorized to enter an order denying Airbus's Motion to Dismiss. The Adversary Proceeding is a non-core matter in which the parties have not consented to final orders by the Bankruptcy Court, and the Court therefore is not authorized to enter a final order in the matter. In precisely these circumstances, however, courts in the Fifth Circuit and elsewhere have held that the bankruptcy court has jurisdiction to deny a defendant's motion to dismiss the complaint, as the denial of a dispositive motion does not constitute a final order.

This Court, however, is not authorized to enter an order granting Airbus's Motion to Dismiss, as such a judgment would constitute a final order in a non-core matter in which the parties have not consented to entry of final orders by the bankruptcy court. Thus, if this Court were to rule that the Motion to Dismiss should be granted, such a ruling would have to be submitted as a proposed finding of fact and conclusion of law to the District Court.

The Complaint and the Motion to Dismiss raise issues regarding the facts underlying the Bankruptcy Cases to which this Adversary Proceeding is related, as well as questions regarding the extent of this Court's subject matter and personal jurisdiction. Airbus sought to have the reference of this Adversary Proceeding withdrawn immediately, such that Airbus could present these questions in the first instance to the District Court. The District Court, of course, is not as

familiar with the parties, the Bankruptcy Cases, and the facts underlying both the Bankruptcy Cases and this Adversary Proceeding—which is exactly why Airbus wants the District Court to rule on its Motion to Dismiss in the first instance.

As ECN Capital has maintained in its briefing and argument before the Court, the reference should stay with this Court, at the very least for purposes of hearing the Motion to Dismiss. This Court should exercise its jurisdiction and enter an order denying Airbus's Motion to Dismiss.

BACKGROUND

The facts underlying ECN Capital's claims are set forth in the Complaint by ECN Capital (Aviation) Corp. against Airbus Helicopters (SAS) [Docket. No. 1] (the "Complaint") and in ECN Capital's Opposition to Defendant's Motion to Dismiss [Docket No. 63] (the "MTD Opposition").[1] ECN Capital sets forth here the salient facts relating to this Supplemental Memorandum of Law.

ECN Capital filed the Complaint against Airbus in this Adversary Proceeding on November 17, 2016. The Complaint asserts, among other things, claims against Airbus for defective design and breach of implied warranty of merchantability regarding Airbus's manufacturing, marketing, and sale of the EC225 and the AS332 L2 helicopters. *See* ¶¶ 46–111. The allegations in the Complaint demonstrate that ECN Capital's claims would likely have an impact on the rights, liabilities, and/or property of the Debtors' estates (and, at the very least, "could conceivably have an effect" on the Debtors' estates), and thus are related to the Bankruptcy Cases. *See, e.g.*, ¶¶ 8, 43.[2] The Complaint also states that the Adversary Proceeding

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the MTD Opposition. All references herein to "¶ __" are to the Complaint.

[2] As this Court recognized, for purposes of deciding Airbus's Motion to Dismiss, the factual allegations in the Complaint must be taken as true. *See* Transcript of 2/6/2017 H'r'g on Withdrawal Mot. ("Tr.") 56:3-7; *see also*

is a "non-core proceeding," and that ECN Capital "does not consent to entry of final orders or judgment by this Court at this time." ¶ 13.

On January 3, 2017, Airbus filed its Motion to Dismiss [Docket No. 24], asking this Court to find that it lacked subject matter jurisdiction over ECN Capital's claims or personal jurisdiction over Airbus. In the alternative, the Motion to Dismiss requested that the Court abstain from exercising its jurisdiction, or dismiss the Complaint on grounds of *forum non conveniens*.

Also on January 3, 2017, Airbus filed its Motion for Withdrawal of Reference of Adversary Proceeding, and Brief in Support [Docket No. 23] (the "Withdrawal Motion"), requesting that this Court "issue a report and recommendation to the District Court recommending immediate withdrawal of the reference." Withdrawal Mot. p. 9. Airbus argued in the Withdrawal Motion that "[i]t also makes the most sense for the District Court to resolve the initial procedural matters raised by [Airbus's] Motion to Dismiss because their facts bear on the ultimate issues in the case." *Id.*

On January 27, 2017, ECN Capital filed its MTD Opposition, demonstrating that this Court has subject matter jurisdiction to hear ECN Capital's claims against Airbus in the Adversary Proceeding, which are related to the Bankruptcy Cases. Among other things, ECN Capital argued in the MTD Opposition that Airbus should not be permitted to avoid this Court's jurisdiction and benefit from blatant forum-shopping merely on account of its refusal to consent to entry of final orders by the Bankruptcy Court. *See* MTD Opposition pp. 15–16 & nn.26–27.

In re Wilborn, 401 B.R. 872, 877 (Bankr. S.D. Tex. 2009) ("[W]hen deciding whether to grant a 12(b)(1) motion, the Court 'must accept all factual allegations in the plaintiffs complaint as true.'") (quoting *Ramming* v. *United States*, 281 F.3d 158, 161 (5th Cir. 2001); *Seghers* v. *El Bizri*, 513 F. Supp. 2d 694, 703 (N.D. Tex. 2007) ("In determining whether a prima facie case for personal jurisdiction exists on a [12(b)(2)] motion to dismiss, uncontroverted factual allegations in the plaintiff's complaint must be taken as true.").

On February 2, 2017, ECN Capital filed its Opposition to Airbus's Withdrawal Motion ("Withdrawal Motion Opposition") [Docket No. 65]. In the Withdrawal Motion Opposition, ECN Capital explained that this Court is better positioned that any other forum to adjudicate ECN Capital's claims against Airbus in the Adversary Proceeding, which are related to the Bankruptcy Cases. *See* Withdrawal Mot. Opp'n 5, 17. Again, ECN Capital argued that Airbus should not be permitted to benefit from its attempt at forum-shopping, and that the reference should remain with this Court at this time. *Id.* 16–18.

On February 2, 2017, Airbus filed a Reply in Further Support of Its Withdrawal Motion ("Withdrawal Motion Reply") [Docket No. 67-1].[3] Airbus again contended that the reference should be withdrawn immediately, on the purported grounds that "it is more efficient for the District Court to become familiar with the case earlier rather than later, particularly because the District Court will need to rule on dispositive motions." Withdrawal Mot. Reply 4.

On February 6, 2017, the Court held a hearing on Airbus's Withdrawal Motion. The Court recognized that the Motion to Dismiss raised issues that were intertwined with the Bankruptcy Cases, making it appropriate for the Court to retain the reference at least through the adjudication of the Motion to Dismiss. Tr. 7:5-24; 19:4-9. Ultimately, the Court requested supplemental briefing from the parties on the issue whether the Court has authority to finally adjudicate the Motion to Dismiss, or is required to submit its ruling as a proposed recommendation to the District Court. Tr. 36:4-13. ECN Capital respectfully submits this Supplemental Memorandum of Law to demonstrate, as explained below, that this Court is authorized to enter an order denying Airbus's Motion to Dismiss.

[3] The Withdrawal Motion Reply was attached as Exhibit A to Airbus's motion for leave to file the Withdrawal Motion Reply [Docket No. 67].

ARGUMENT

I. This Court Is Authorized To Enter an Order Denying Airbus's Motion To Dismiss.

Airbus relies on 28 U.S.C. § 157(c), and cases interpreting the statute, as the basis for concluding that "the District Court will need to rule on dispositive motions." Withdrawal Mot. Reply 3–4 & n.4; *see also* Withdrawal Mot. 5–6.

28 U.S.C. § 157(c) provides that the bankruptcy court may hear non-core proceedings that are related to a bankruptcy case, but that the bankruptcy court may not enter final orders in such proceedings without the consent of all parties. *Id.*; *see also, e.g., In re Blackwell ex rel. Estate of I.G. Services, Ltd.*, 279 B.R. 818, 822–24 (Bankr. W.D. Tex. 2002) ("Non-core matters . . . can be heard by the bankruptcy court, but [28 U.S.C. § 157(c)] says that only the district court can enter 'final judgments and orders,' absent consent of the parties."). This provision does not limit the bankruptcy court's ability to enter *interlocutory* orders in "related to" non-core matters. *See, e.g., In re Almasri*, 378 B.R. 550, 553 (Bankr. N.D. Ohio 2007) ("Because 28 U.S.C. § 157(c)(1) speaks only to 'final' orders or judgments, the plain language of that provision dictates that this Court has the authority to enter interlocutory orders in non-core proceedings and courts have consistently held such to be within the power of the bankruptcy court.").

An order denying Airbus's Motion to Dismiss the Complaint in the Adversary Proceeding would be an interlocutory order, not a final order. In the Fifth Circuit, "numerous courts have held that a bankruptcy court's denial of a motion to dismiss is not a final order." *Smith* v. *AET Inc., Ltd.*, 2007 WL 1644060, at *3–4 (S.D. Tex. June 4, 2007) (collecting cases and concluding that "a denial of a motion to dismiss is an interlocutory, not a final order"); *see also In re Smith*, 514 B.R. 838, 842 (Bankr. S.D. Tex. 2014) ("[D]enying the [motion to dismiss] does not end the litigation on the merits; therefore, there is no final order to be entered at this

time.”). “In general, an order denying a motion to dismiss is considered a nonappealable interlocutory order. The same rule applies in bankruptcy appeals. A bankruptcy court’s order denying a motion to dismiss generally is not a ‘final’ order.” *In re Pickle*, 149 F.3d 1174, 1998 WL 413023, at *2 (5th Cir. 1998); *see Kelley* v. *Cypress Financial Trading Co.*, 518 B.R. 373, 377 (N.D. Tex. July 30, 2014) (citing *In re Pickle* and holding that a bankruptcy court’s order denying a motion to dismiss is not a final order); *In re Ted A. Petras Furs, Inc.*, 100 F.3d 943, 1996 WL 49255, at *2 (2d Cir. 1996) (holding that bankruptcy court order denying defendants’ motion to dismiss adversary proceeding was an interlocutory order).

Bankruptcy courts have exercised the authority to enter an order denying a dispositive motion in a non-core proceeding, rather than submitting such a ruling to the district court as a report and recommendation. *See, e.g.*, *In re Holloway*, 538 B.R. 137, 140, 145 (Bankr. M.D. Ala. 2015) (holding that “[a] denial of a motion to dismiss is not a final order” and denying 12(b)(6) motion to dismiss adversary complaint including non-core claims); *In re Freeway Foods of Greensboro, Inc.*, 467 B.R. 853, 868 & n.7 (Bankr. M.D.N.C. 2012) (denying motion to dismiss non-core claims in adversary proceeding).

In re Freeway Foods is an instructive example. There, the bankruptcy court considered a motion for judgment on the pleadings with regard to eight non-core claims brought in an adversary proceeding. The bankruptcy court entered an order denying the motion with respect to seven of the claims, explaining that it had the power to do so because “denial of a dispositive motion does not constitute a final order.” *In re Freeway Foods*, 467 B.R. at 868 & n.7 (citing *Bryan* v. *BellSouth Commc’ns, Inc.*, 492 F.3d 231, 240 (4th Cir. 2007)). The court ruled that the motion to dismiss should be granted with respect to one of the non-core claims, but clarified that

"the Court's ruling as to this cause of action is a proposed finding of fact and conclusion of law [to the District Court], and not a final judgment." *Id.* at n.6.

This Court is authorized under 28 U.S.C. § 157(c) and well-settled case law to enter an order denying Airbus's Motion to Dismiss. Airbus's claim that "the District Court will need to rule on dispositive motions" therefore is not accurate, and does not justify withdrawal of the reference in this Adversary Proceeding. As this Court has acknowledged, the claims asserted in ECN Capital's Complaint against Airbus and the issues raised by Airbus in the Motion to Dismiss are intertwined with the Bankruptcy Cases (*see* Tr. 7:5-24; 19:4-9), and an adjudication of the Motion to Dismiss would benefit from this Court's familiarity with the facts underlying the Bankruptcy Cases. Accordingly, this Court should exercise its jurisdiction and authority to enter an order denying Airbus's Motion to Dismiss.

II. If This Court Does Not Deny Airbus's Motion To Dismiss, It Must Submit Its Ruling to the District Court As a Proposed Finding of Fact and Conclusion of Law.

Unlike an order denying a dispositive motion, an order granting a dispositive motion is a "final order" for purposes of 28 U.S.C. § 157(c). In non-core adversary proceedings, such orders may not be entered by a bankruptcy court without consent of all parties. *See, e.g.*, *Stern* v. *Marshall*, 564 U.S. 462, 475 (2011) (holding that under 28 U.S.C. § 157(c) only the district court may enter a final judgment in a non-core proceeding); *In re Blackwell*, 279 B.R. at 822 ("[O]nly the district court can enter 'final judgments and orders,' [in non-core matters] absent consent of the parties."). Since all parties do not consent at this time to the entry of final orders by this Court with respect to the Adversary Proceeding (*see, e.g.*, Am. Br. in Supp. of Mot. to Dismiss 2 & n.1), this Court is not authorized to enter a final order granting Airbus's Motion to Dismiss. If the Court does not deny the Motion to Dismiss, its ruling must be submitted to the District Court

as "a proposed finding of fact and conclusion of law, and not a final judgment." *In re Freeway Foods*, 467 B.R. at 868 & n.6.

CONCLUSION

For the foregoing reasons, this Court is authorized to enter an order denying Defendant's Motion to Dismiss the Complaint.

Dated: February 20, 2017
Dallas, Texas

Respectfully submitted,

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

In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS SAS, Defendant.	Adv. Pro. No. 16-3151 (BJH)

DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S
SUPPLEMENTAL BRIEF IN SUPPORT OF MOTION TO DISMISS
FOR LACK OF SUBJECT MATTER AND PERSONAL JURISDICTION,
AND ON THE GROUNDS OF *FORUM NON-CONVENIENS*

TO THE HONORABLE BARBARA J. HOUSER,
CHIEF UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, Defendant Airbus Helicopters, S.A.S. ("AH"), and files this, its Supplemental Brief in Support of Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of *Forum Non Conveniens* and, in support thereof, would respectfully show the Court as follows:

INTRODUCTION

1. Currently on file and set for hearing on February 28, 2017 is AH's Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of *Forum Non Conveniens* [Doc. 24]. At the February 6, 2017 status conference on AH's Motion to Withdraw the Reference to the Bankruptcy Court [Doc. 23], the Court requested that the parties provide supplemental briefing on the question of whether the Bankruptcy Court has the authority to issue an Order granting AH's Motion to Dismiss if it determines that it lacks subject matter jurisdiction over the adversary proceeding brought by Plaintiff ECN Capital (Aviation) LLC ("ECN"). For the reasons discussed below, if this Court finds that it lacks "related to" jurisdiction over the adversary proceeding, the Court can, and should, issue an order dismissing the action for lack of subject matter jurisdiction.

ARGUMENT AND AUTHORITIES

2. The question of this Bankruptcy Court's subject matter jurisdiction to hear this adversary proceeding is separate and distinct from its judicial power, as framed by the Constitution, to adjudicate this dispute under 28 U.S.C. § 157. *See Stern v. Marshall*, 564 U.S. 462, 480 (2011) ("Section 157 allocates the authority to enter final judgment between the bankruptcy court and the district court. *That allocation does not implicate questions of subject*

matter jurisdiction.") (citations omitted and emphasis added). As held in *In re Carroll*, 464 B.R. 293 (N.D. Tex. 2011):

> *Stern* simply clarified bankruptcy courts' constitutional power, not their subject matter jurisdiction. The Court in *Stern* discussed this critical distinction at length . . . and expressly clarified that [Section 157] is not jurisdictional – "Section 157 allocates the authority to enter final judgment between the bankruptcy court and the district court. That allocation does not implicate questions of subject matter jurisdiction.

464 B.R. at 309-10 (internal citations omitted); *see also In re Olde Prairie Block Owner, LLC*, 457 B.R. 692, 700-01 (N.D. Ill. 2011) ("Subject matter jurisdiction over bankruptcy cases is conferred by statute on District Courts, 28 U.S.C. § 1334, who may then refer those cases to Bankruptcy Judges, *id.* § 157(a). *Stern* addressed only what a Bankruptcy Judge may do once a case is referred to it, not whether that judge has jurisdiction to hear the case at all.").

3. Before this Court may exercise adjudicatory power over this dispute under Section 157, it must first find, as a threshold matter, that it even has "related to" bankruptcy jurisdiction. This Court has ample authority to determine whether it has such jurisdiction. A "bankruptcy court has jurisdiction to determine whether it has subject matter jurisdiction over an adversary proceeding filed in a case before the court. The motion to dismiss for lack of subject matter jurisdiction is filed under Federal Rule of Civil Procedure 12, which apples to adversary proceedings pursuant to Federal Rule of Bankruptcy Procedure 7012." *Fairchild Liquidating Trust v. New York (In re Fairchild Corp.)*, 452 B.R. 525, 528 (D. Del. 2011) (citing *In re BWI Liquidating Corp.*, 437 B.R. 160 (D. Del. 2010).

4. In *Fairchild*, the bankruptcy court granted a motion to dismiss for lack of subject matter jurisdiction after finding that it lacked "related to" jurisdiction over an adversary proceeding. *Id.* at 531. The bankruptcy court explained:

> The issue in *Stern* [ ] was when, under the United States Constitution, the bankruptcy court could enter a final judgment as opposed to proposed findings of fact and conclusions of law in a case where subject matter jurisdiction existed under *28 U.S.C. § 1334(a)*. As such, *Stern* [ ] is not a case about subject matter jurisdiction. Rather it addresses the power of the bankruptcy court to enter final orders, *assuming that subject matter jurisdiction exists*. This case is about whether subject matter jurisdiction exists. Thus, this court's power to enter a final order is not implicated.

Id. at 530, n.14 (emphasis in original). *See also In re BWI Liquidating Corp.*, 437 B.R. at 168 (issuing order granting Rule 12(b)(1) motions to dismiss adversary proceeding for lack of subject matter jurisdiction where "related to" jurisdiction found lacking).

5. Thus, if this Court finds that it lacks "related to" jurisdiction over this action, it can, and should, issue an order dismissing the adversary proceeding for lack of subject matter jurisdiction. *See Colvin v. Amegy Mortg. Co. L.L.C.*, 507 B.R. 915, 924 (W.D. Tex. 2014) ("Because the bankruptcy court lacked [subject matter] jurisdiction to adjudicate Colvin's easement claim, it lacked jurisdiction to deny Colvin's Rule 60 Motion and dismiss Colvin's easement claim. *Rather, the court should have dismissed the action for lack of subject-matter jurisdiction*.") (emphasis added).

CONCLUSION AND PRAYER

6. This Court must satisfy itself that it has subject matter jurisdiction over ECN's adversary proceeding. If it finds that it lacks "related to" jurisdiction, under the foregoing authorities the Court should issue an Order dismissing ECN's action for lack of subject matter jurisdiction pursuant to Fed. R. Civ. P. 12(b)(1), as incorporated in this proceeding by Fed. R. Bankr. P. 7012.

WHEREFORE, PREMISES CONSIDERED, Defendant Airbus Helicopters, S.A.S. respectfully requests that the Court grant its Motion to Dismiss, enter an order dismissing the

above-entitled and numbered adversary proceeding and grant such other and further relief to which it may be justly entitled.

Dated: February 20, 2017.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on February 20, 2017, a true and correct copy of the above and foregoing document was filed with the court via CM/ECF and served on all parties requesting electronic notification.

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.* Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS) Defendant	**Adv. No. 16-03151-bjh** **Motion for Leave to File Plaintiff's Second Supplemental Memorandum of Law in Opposition to Defendant's <u>Motion to Dismiss</u>**

Plaintiff ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) ("ECN Capital") respectfully moves for leave to file a Second Supplemental Memorandum of Law in Opposition to Defendant Airbus Helicopters S.A.S.'s ("Airbus") Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction ("Second Supplemental Memorandum of Law").[1] ECN Capital's proposed Second Supplemental Memorandum of Law is attached as Exhibit 1. The Declaration of Martin Flumenbaum in Support of ECN Capital's proposed Second Supplemental Memorandum of Law is attached as Exhibit 2. A proposed order granting this motion for leave to file a Second Supplemental Memorandum of Law is attached as Exhibit 3.

BACKGROUND

1. On February 6, 2017, the Court held a hearing on Airbus's Motion for Withdrawal of Reference of Adversary Proceeding (the "February 6 Hearing").

2. During the February 6 Hearing, the Court ruled that ECN Capital was entitled to discovery on the jurisdictional issues that were the subject of Airbus's Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction ("Motion to Dismiss"), stating that such jurisdictional discovery would be "necessary to decide the motion to dismiss." *See* Transcript of 2/6/2017 H'r'g on Withdrawal Motion ("Tr.") 40:2-4; *see also* Tr. 41:20-22, 56:10-11, 56:24–57:3.

3. Following the February 6 Hearing, ECN Capital obtained jurisdictional discovery from Airbus, including documents and information concerning Airbus's presence in the U.S., including in Texas, and Airbus's substantial participation in the Bankruptcy Cases.

4. Specifically, Airbus voluntarily produced to ECN Capital documents and information:

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the MTD Opposition.

(a) describing Airbus's corporate structure;

(b) reflecting sales from 2011 to 2016 of Airbus-manufactured helicopters, including Super Pumas, made directly by Airbus to U.S.-based customers and to certain of the Debtors;

(c) reflecting distribution of additional Airbus-manufactured helicopters to customers based in the U.S., including Texas, by Airbus's U.S. affiliate, Airbus Helicopters, Inc., headquartered in Grand Prairie, Texas;

(d) regarding travel by Airbus executives to this district for purposes of pursuing Airbus's interests in litigation in this forum; and

(e) describing Airbus's participation in the Bankruptcy Cases.

5. During the February 6 Hearing, the Court also requested that ECN Capital provide additional case law supporting this Court's exercise of jurisdiction over an adversary proceeding between non-debtors. *See* Tr. 45:15-17; 47:16-18.

RELIEF REQUESTED

6. ECN Capital seeks an order granting leave to file a Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss.

ARGUMENT

7. In accordance with the Court's ruling at the February 6 Hearing granting ECN Capital jurisdictional discovery from Airbus that the Court deemed "necessary to decide the motion to dismiss," Tr. 40:2-4, and in accordance with the Court's request for additional authority supporting this Court's jurisdiction over an adversary proceeding between non-debtors, ECN Capital seeks to file the Second Supplemental Memorandum of Law attached hereto as Exhibit 1, with its accompanying declaration attached hereto as Exhibit 2.

8. The filing of the Second Supplemental Memorandum of Law and accompanying declaration will not prejudice Airbus and will not cause a delay in the disposition of this matter. Prior to filing this Motion, ECN Capital's counsel was contacted on February 17,

2017 by counsel for Airbus with a request that ECN Capital provide to Airbus a date by which ECN Capital would file a supplemental opposition to Airbus's Motion to Dismiss. ECN Capital replied to Airbus on February 17, 2017 that ECN Capital intended to file this supplemental opposition by February 23, 2017.

9. ECN Capital seeks leave of Court in order to provide the Court with relevant information necessary to decide the Motion to Dismiss, as requested by the Court at the February 6 Hearing.

CONCLUSION

For the foregoing reasons, ECN Capital respectfully requests that the Court grant its Motion for Leave to file its Second Supplemental Memorandum of Law and accompanying declaration.

Dated: February 23, 2017
New York, NY

Respectfully submitted,

By: /s/ *Martin Flumenbaum*
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Exhibit 1

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NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Adv. No. 16-03151-bjh** **Plaintiff's Second Supplemental Memorandum of Law in Opposition To Defendant's <u>Motion To Dismiss</u>**

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Plaintiff ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) ("ECN Capital"), by its undersigned attorneys, files this Second Supplemental Memorandum of Law in Opposition to Defendant Airbus Helicopters S.A.S.'s ("Airbus") Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction and *Forum non Conveniens* ("Motion to Dismiss"), to describe the results of jurisdictional discovery and to provide additional authority requested by the Court since Plaintiff filed its Opposition to the Motion to Dismiss (the "MTD Opposition").[1]

PRELIMINARY STATEMENT

ECN Capital adequately alleged in its Complaint that this Court has subject matter jurisdiction over ECN Capital's claims and personal jurisdiction over Airbus for purposes of this Adversary Proceeding. Now, with the benefit of discovery produced by Airbus on jurisdictional issues, together with argument and filings in the Bankruptcy Cases, the record bolsters the Complaint's allegations and proves that this Court has subject matter and personal jurisdiction.

This Court has subject matter jurisdiction over ECN Capital's claims because the claims could conceivably affect the Debtors' estates—as verified by testimony at the plan confirmation hearing in the Bankruptcy Cases and the discovery obtained from Airbus by ECN Capital.

This Court has personal jurisdiction over Airbus because of Airbus's substantial participation in the Bankruptcy Cases before this Court, combined with Airbus's purposeful presence in Texas regarding the very Super Puma helicopters at issue—both of which are verified by the documents and information produced and stipulated to by Airbus.

The jurisdictional discovery from Airbus, together with testimony provided by the Debtors in the Bankruptcy Cases, further demonstrates why this Court should deny Airbus's requests for dismissal on grounds of *forum non conveniens* or for abstention. Airbus's discovery

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the MTD Opposition. All references herein to "¶ __" are to the Complaint.

shows that Airbus sent executives from France to this jurisdiction and coordinated with its U.S. affiliates in order to pursue its interests in litigation in this forum, as well as for the purpose of conducting business in Texas. The Debtors' testimony and the data produced by Airbus regarding Airbus's direct sales of Super Puma helicopters to the Debtors, show that the Debtors have claims for damages against Airbus relating to the same models of Super Puma helicopters at issue in this Adversary Proceeding. Those claims of the Debtors—and thus the rights, liabilities, and value of property of the Debtors—will be directly affected by the outcome of ECN Capital's claims in this Adversary Proceeding. Based on this record, neither dismissal on grounds of *forum non conveniens* nor abstention would be appropriate, and Airbus's attempts to avoid this Court's jurisdiction should be denied.

Numerous precedents support this Court's exercise of its subject matter and personal jurisdiction in this Adversary Proceeding. In similar adversary proceedings, bankruptcy courts have exercised personal jurisdiction over a foreign non-debtor defendant in a non-core proceeding that was related to an underlying bankruptcy case. Additionally, in the analogous context of civil litigation, district courts have found that a claimant submits itself to the personal jurisdiction of the district court in which its claims were filed for all related suits and countersuits—including those pursued by entities that were not parties to the original litigation.

This Court's subject matter and personal jurisdiction is established by the facts in the record and supported by case law. Accordingly, ECN Capital respectfully submits that this Court should exercise its jurisdiction and deny Airbus's Motion to Dismiss.

BACKGROUND[2]

Pleadings and Motions

ECN Capital filed the Complaint against Airbus in this Adversary Proceeding on November 17, 2016, asserting claims against Airbus for defective design and breach of implied warranty of merchantability regarding Airbus's manufacturing, marketing, and sale of the EC225 and the AS332 L2 helicopters. *See* ¶¶ 46–111. The allegations in the Complaint sufficiently demonstrate that ECN Capital's claims "could conceivably have an effect" on the Debtors' estates, and thus are related to the Bankruptcy Cases. *See, e.g.*, ¶¶ 8, 43.[3] The Complaint also sufficiently alleges facts demonstrating this Court's personal jurisdiction over Airbus for the purpose of this Adversary Proceeding. *See, e.g.*, ¶¶ 11, 40.

On January 3, 2017, Airbus filed its Motion to Dismiss [Docket No. 24], asking this Court to hold that it lacked subject matter jurisdiction over ECN Capital's claims or personal jurisdiction over Airbus. In the alternative, the Motion to Dismiss requested that the Court abstain from exercising its jurisdiction or dismiss the Complaint on grounds of *forum non conveniens*. In support of its Motion to Dismiss, Airbus submitted a declaration from its executive, Michel Gouraud, dated December 23, 2016 [Docket No. 26] ("Gouraud Declaration"). The Gouraud Declaration stated that Airbus "does not transact its business in the United States," Gouraud Decl. ¶ 5, that Airbus "does not sell Super Puma helicopters in the United States," *id.* ¶ 9, and that Airbus does not own Airbus Helicopters, Inc. ("AHI"), *id.* ¶ 11.

Also on January 3, 2017, Airbus filed its Motion for Withdrawal of Reference of Adversary Proceeding, and Brief in Support [Docket No. 23] (the "Withdrawal Motion").

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[2] The facts underlying ECN Capital's claims are set forth in the Complaint and in ECN Capital's MTD Opposition. ECN Capital sets forth here the salient facts relating to this Second Supplemental Memorandum of Law in Opposition to the Motion to Dismiss.

[3] As this Court recognized, for purposes of deciding Airbus's Motion to Dismiss, the factual allegations in the Complaint must be taken as true. *See* Transcript of 2/6/2017 H'r'g on Withdrawal Motion ("Tr.") 56:3-7.

On January 27, 2017, ECN Capital filed its MTD Opposition, demonstrating that this Court has personal jurisdiction over Airbus and subject matter jurisdiction to hear ECN Capital's claims against Airbus in the Adversary Proceeding, which are related to the Bankruptcy Cases.

On February 6, 2017, the Court held a hearing on Airbus's Withdrawal Motion (the "February 6 Hearing"). The Court recognized that the Motion to Dismiss raised issues that were intertwined with the Bankruptcy Cases, making it appropriate for the Court to retain the reference at least through the adjudication of the Motion to Dismiss. *See* Tr. 7:5-24; 19:4-9.

Jurisdictional Discovery

On December 30, 2016, ECN Capital served Airbus with ECN Capital's First Request for Production of Documents. On January 23, 2017, ECN Capital served Airbus with notices of depositions for Airbus employees and representatives, and a notice of a subpoena for the deposition of an employee of Airbus's U.S.-based affiliate, AHI. ECN Capital's document requests and deposition notices and subpoena were aimed in part at eliciting information regarding Airbus's presence in the U.S., including in Texas, and its substantial participation in the Bankruptcy Cases. Airbus opposed ECN Capital's discovery requests, filing a motion to stay discovery and a separate motion for a protective order seeking to quash and/or limit ECN Capital's depositions of Airbus or AHI employees. At the February 6 Hearing, the Court ruled that ECN Capital was entitled to discovery on the jurisdictional issues that were the subject of Airbus's Motion to Dismiss. *See* Tr. 36:2-3, 40:2-5.

After the February 6 Hearing, Airbus agreed to produce to ECN Capital documents and information concerning Airbus's presence in the U.S., including in Texas, and its substantial participation in the Bankruptcy Cases. Airbus produced information describing its corporate structure, which revealed that French-based Airbus and its U.S.-based affiliate AHI share the

same ultimate corporate parent, Airbus Group S.E. *See* Ex. A.[4] Airbus provided information regarding sales from 2011 to 2016 of helicopters manufactured by Airbus in France to U.S.-based customers made directly by Airbus. *See* Ex. B. The data show that Airbus directly sold 30 helicopters (each costing millions of dollars) to U.S.-based customers. The majority of this business was directed at Texas—Airbus sold 28 helicopters, including six Super Pumas, to customers headquartered in Texas. *Id.* The data also show that from 2011 to 2016, Airbus indirectly sold 58 Airbus-manufactured helicopters to Texas-based customers through its U.S.-based affiliate distributor AHI. *Id.* Airbus sold another 649 helicopters for AHI to distribute to U.S.-based customers outside of Texas. *Id.* Airbus's sales data also show that Airbus sold 19 Super Pumas to CHC Leasing (Ireland) Limited, one of the Debtors in the Bankruptcy Cases.[5] According to filings in the Bankruptcy Cases, CHC Ireland's business is run by its parent company, CHC Group, Ltd., out of Irving, Texas.[6] Airbus produced discovery regarding its maintenance operations, and revealed that Airbus ships Super Pumas owned by U.S. customers to France in order to perform any necessary main gearbox overhauls. *See* Ex. C.

ECN Capital also requested information from Airbus regarding its participation in the Bankruptcy Cases. *See* Ex. D. Airbus explained that four of its executives—Laurent Tagarian, Alain Vigneau, Eric Chartier and Valerie Le-Gall—based in Marignane, France, worked with U.S. counsel to prepare Airbus's proofs of claim in the Bankruptcy Cases. *Id.* Messrs. Tagarian and Vigneau were involved, together with Airbus's representative Kevin Cabaniss, an employee of AHI, in Airbus's efforts to become a member of the Creditors' Committee. Messrs. Tagarian

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[4] All references herein to "Ex. __" are to the accompanying Declaration of Martin Flumenbaum dated February 23, 2017.

[5] *Id.*; *see* Motion of Debtors for Entry of an Order Waiving the Requirement to File a List of Creditors . . . [16-31854 Docket No. 4] ("First Day Motion") Exhibit A (listing CHC Leasing (Ireland) Limited as a Debtor).

[6] *See* First Day Motion ¶ 6 ("CHC manages its domestic and overseas businesses from Irving, Texas."); *see id.* (defining "CHC" to include "[t]he Debtors, together with their non-debtor affiliates").

and Vigneau traveled from Marignane, France to the U.S. the week of June 27, 2016 in connection with a hearing in the Bankruptcy Cases, and Mr. Tagarian met with Mr. Cabaniss on June 28, 2016 in connection with Airbus's participation in the Bankruptcy Cases. *Id.* Airbus's discovery also revealed that Mr. Tagarian had responsibilities for Airbus "in connection with [Airbus's] participation in the [Creditors' Committee]," but Airbus withheld specific information about Mr. Tagarian's responsibilities on grounds of privilege. *Id.* Airbus noted that Messrs. Tagarian and Vigneau contributed to the preparation of key filings by Airbus in the Bankruptcy Cases, including Airbus's Objection to ECN Capital's Motion for Order Directing 2004 Examination of Debtors and the Debtors' 2017 Omnibus Restructure Agreement with Airbus.

In addition to the jurisdictional discovery produced by Airbus, publicly available sources reveal that Airbus frequently sends executives to the U.S., including to Texas, to attend and present at industry events. For example, Airbus is a Gold Level sponsor of the HAI Heli-Expo, a major helicopter industry event taking place in Dallas, Texas. *See* Ex. E. (CHC is also a Gold Level sponsor of the event. *Id.*) Airbus's logo is prominently featured on the front page of the HAI Heli-Expo website, along with a link to Airbus's webpage that directs visitors to sales and marketing materials for Airbus's helicopters, including the Super Pumas. Airbus regularly sends executives to attend and present at the HAI Heli-Expo in the U.S. For example, in 2014, Airbus's President and CEO Guillaume Faury spoke about Airbus's customer service at a breakfast during the HAI Heli-Expo in Anaheim, California. *See* Ex. F. In 2016, Airbus executive Gilles Bruniaux delivered a presentation regarding helicopter accidents on behalf of Airbus and others at the HAI Heli-Expo in Orlando, Florida. *See* Ex. G. Last year, Mr. Faury, attended the HAI Heli-Expo when it was held in Orlando, Florida. *See* Ex. H. According to a March 4, 2015 press release on Airbus's website, Airbus announced at the Heli-Expo that it had

signed a contract for the sale of helicopters to Bristow Group, a helicopter owner and operator based in Houston, Texas with a fleet of Airbus-manufactured helicopters including multiple Super Pumas. *Id.*

Plan Confirmation Hearing

Further information regarding jurisdictional issues was produced by Airbus and elicited by ECN Capital at the February 13, 2017 Plan Confirmation Hearing ("Confirmation Hearing") held before this Court in the Bankruptcy Proceedings. At the Confirmation Hearing, David W. Fowkes of Seabury Group, restructuring advisors to the Debtors, testified that the Debtors had 56 Super Pumas in their fleet at the time of the 2016 Grounding, nine of which were owned outright by the Debtors at the time and four of which remain owned outright by the Debtors. *See* Ex. I (Confirmation H'r'g Tr.) 197:21–198:7. Mr. Fowkes also testified that CHC Helicopters (Barbados) SRL—the Debtor to which ECN Capital leased the five Super Pumas it owned—owned or leased a total of 22 helicopters impacted by the 2016 Grounding, rejected its leases on all five of ECN Capital's Super Pumas, and continues to own one Super Puma. *Id.* 200:14–205:8. Robert A. Del Genio, CHC's Chief Restructuring Officer, also testified that CHC suffered injury to its business operations of approximately $34 million as a result of the 2016 Grounding, *id.* 108:5–109:17, and that CHC suffered injury to the value of the Super Pumas in its fleet as a result of the 2016 Grounding, but that CHC is unsure of the value of its claims against Airbus arising out of the 2016 Grounding, *id.* 104:11-13, 112:22–114:1.

ARGUMENT

I. This Court's Subject Matter Jurisdiction over ECN Capital's Claims Is Established by the Debtors' Testimony and the Discovery ECN Capital Obtained from Airbus.

The Debtors' testimony at the Confirmation Hearing proved what the Complaint adequately alleged: this Adversary Proceeding is "related to" the Bankruptcy Cases because the outcome of ECN Capital's claims could conceivably impact the rights, liabilities, causes of

action, and/or value of property of the Debtors. The Debtors suffered two types of injury as a result of the 2016 Grounding. *First*, the Debtors were harmed by the detrimental impact to their business, which contributed to their need to reject their leases on the five Super Pumas owned by ECN Capital. The Debtors calculated this harm to be approximately $34 million, *id.* 109:13-15, and this impact also led to a number of creditor proofs of claim filed against the Debtors in the Bankruptcy Cases. *Second*, the Debtors were harmed by the decrease in the value of the 56 helicopters in their fleet, including the four Super Pumas the Debtors continue to own outright. *Id.* 108:5–109:17. While the Debtors could not place a value on these claims, they acknowledged that each helicopter is valued at "around $20 million." *Id.* 107:19-20.

With respect to each of these harms, the outcome of ECN Capital's claims against Airbus likely would impact the Debtors' rights and/or liabilities. If ECN Capital establishes liability against Airbus for the 2016 Grounding, the reorganized Debtors would be able to rely on collateral estoppel to recover from Airbus for the injuries the Debtors incurred as a result of the 2016 Grounding, which recovery would inure to the benefit of the Debtors' creditors by virtue of the equity interests in the reorganized Debtors that such creditors are to receive under the Plan. The Debtors also potentially could offset claims by ECN Capital and other creditors arising out of lease rejections that resulted from the 2016 Grounding. Courts in the Fifth Circuit and elsewhere have found this type of potential impact on a debtor's rights or liabilities to be sufficient to establish "related to" jurisdiction over claims in an adversary proceeding brought by one non-debtor against another non-debtor. *See Passmore* v. *Baylor Health Care Sys.*, 823 F.3d 292, 296 (5th Cir. 2016) (finding "related to" subject matter jurisdiction where outcome of adversary proceeding could lead to claims by other parties impacting the estate); *8300 Newburgh Rd. Partnership* v. *Time Constr., Inc.* (*In re Time Constr., Inc.*), 43 F.3d 1041, 1045 (6th Cir.

1995) (explicitly applying same standard as Fifth Circuit and noting that third-party action was related to bankruptcy because outcome of action would affect value of debtor's property).[7]

Moreover, the discovery that Airbus produced to ECN Capital further substantiates the relatedness of the Adversary Proceeding to the Bankruptcy Cases. Airbus explained that its executives, Laurent Tagarian and Alain Vigneau, were responsible for preparing the proofs of claim Airbus filed against the Debtors in the Bankruptcy Cases—which concerned the same models of Super Pumas at issue in this Adversary Proceeding. Ex. D. Messrs. Tagarian and Vigneau also were responsible for preparing Airbus's objection to ECN Capital's requests for discovery from the Debtors in the Bankruptcy Cases regarding the Super Pumas the Debtors owned or leased, and the potential claims the Debtors might have against Airbus in connection with those Super Pumas. *Id.* Airbus's discovery now proves that Airbus sold 19 Super Pumas directly to the Debtors in the last five years, *see* Ex. B; the Debtors acknowledge that they have suffered harm in connection with those Super Pumas (and other Super Pumas the Debtors leased or owned) as a result of the 2016 Grounding, and the Debtors have claims against Airbus as a result. *See* Ex. I 104:11-13, 112:22–114:1; *see also* Ex. J 48:3-11. The outcome of ECN Capital's claims against Airbus could impact the rights, liabilities, and property value of the Debtors with respect to these Super Pumas. This Court accordingly has "related to" subject matter jurisdiction under § 1334(b) over this Adversary Proceeding.

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[7] *See also In re Canion*, 196 F.3d 579, 586–87 (5th Cir. 1999) (finding "related to" jurisdiction, since the outcome of an adversary proceeding between two non-debtors could have affected the bankruptcy estate at the time the district court referred the case to the bankruptcy court); *In re Mission Bay Ski & Bike, Inc.*, 398 B.R. 250, 253–55 (Bankr. N.D. Ill. 2010) (explaining that while "the Seventh Circuit interprets 'related to' jurisdiction more narrowly than other circuits," "related to" jurisdiction exists "when the non-debtor plaintiff is a creditor in the bankruptcy case and recovery in the action will reduce its claim against the bankruptcy estate"); *In re WorldCom, Inc. Secs. Litig.*, 293 B.R. 308, 323 (Bankr. S.D.N.Y. 2003) (finding "related to" jurisdiction over a claim against defendants connected to the debtor, because of "[t]he potential alteration of the liabilities of the estate and change in the amount available for distribution to other creditors"); *In re Edwards*, 100 B.R. 973, 982 (Bankr. E.D. Tenn. 2001) (finding "related to" jurisdiction over plaintiff's claims against a third-party lender "because of the impact a judgment against the [defendant] could have upon the bankruptcy estate").

II. This Court's Personal Jurisdiction over Airbus Is Established by Airbus's Significant Participation in the Bankruptcy Cases, Combined with Its Substantial Business in the U.S.

Airbus has submitted to this Court's personal jurisdiction through its substantial participation in the Bankruptcy Cases in this forum, where Airbus filed proofs of claim, participated as a member of the Creditors' Committee, and objected to ECN Capital's Motion for an Order Directing 2004 Examination of Debtors. *See* MTD Opp. 2–3, 25–26. The discovery shows that Airbus's actions were directed from France toward this forum, where Airbus availed itself of the benefits and protections of this Court's jurisdiction. Airbus's executives worked with U.S. counsel to prepare the filings in the Bankruptcy Cases. *See* Ex. D. The same Airbus executives traveled to this district to participate in the Bankruptcy Cases, including in connection with the Creditors' Committee meetings. *Id.* Airbus also has directed relevant business into this forum, directly selling hundreds of millions of dollars' worth of Super Pumas and other helicopters to U.S. customers based in this district, and using its U.S.-based affiliate to distribute even more helicopters in this district and to other U.S.-based customers. *See* Ex. B. This evidence—voluntarily produced and stipulated to by Airbus—directly contradicts the statements in the Gouraud Declaration submitted by Airbus in support of its attempt to avoid this Court's jurisdiction. *See* Gouraud Decl. ¶¶ 5, 9.

Courts have exercised personal jurisdiction over a creditor in an adversary proceeding in similar circumstances—where the defendant participated in the bankruptcy case and the claims in the adversary proceeding were related to the facts underlying the bankruptcy cases. *See, e.g.*, *In re LLS America, LLC*, 2012 WL 2564722, *7 (Bankr. E.D. Wash. 2012) (holding that by filing proof of claim and participating in motion practice, claimant submitted to bankruptcy court's jurisdiction for related claims); *Glinka* v. *Abraham and Rose Co. Ltd.*, 199 B.R. 484 (Bankr. D. Vt. 1996) (finding extensive participation in adversary proceeding, coupled with

contacts in relevant forum, sufficient for bankruptcy court to exercise personal jurisdiction over foreign non-debtor defendant); *In re Schwinn Bicycle Co.*, 182 B.R. 526, 531–32 (Bankr. N.D. Ill. 1995) (finding jurisdiction over creditor defendant for adversary proceedings and noting that "[e]stablishing jurisdiction over a party already voluntarily before a court is markedly different from doing so over a party not before it because he or she must first be hailed into court"); *In re Neese*, 12 B.R. 968, 971 (Bankr. W.D. Va. 1981) ("Having filed their proofs of claims in the underlying bankruptcy case, the defendants cannot now deny this Court's personal jurisdiction over them in a proceeding directly related to that case.").[8]

In the highly analogous district court context, courts have expressly held that filing a claim in one lawsuit subjects the claimant to the personal jurisdiction of the court in a subsequent related case, *even if the subsequent case is brought by an entity that was not a party to the first lawsuit.* For example, in *Int'l Transactions, Ltd.* v. *Embotelladora Agral Regionmontana SA de CV*, 277 F. Supp. 2d 654 (N.D. Tex. 2002), the court held that the defendant had purposefully availed itself of the forum court because it had brought two lawsuits in the same district against a third party relating to a dispute arising out of similar facts. 277 F. Supp. 2d at 667–68 ("Voluntarily filing a lawsuit in a jurisdiction is a purposeful availment of the jurisdiction's facilities and can subject a party to personal jurisdiction in another lawsuit when the lawsuits arise from the same general transaction."). That a party has previously chosen to litigate in a court eliminates any claim it has that defending a subsequent case filed in that forum—even if the subsequent case is brought by litigants who were not involved in the first case—would be "unreasonably burdensome." *See Hess* v. *Bumbo Int'l Trust*, 954 F. Supp. 2d 590, 597 (S.D.

[8] While some courts have held that submitting a proof of claim in a bankruptcy case does not subject an entity to general jurisdiction in the forum, those holdings have been limited to situations where "the bankruptcy proceeding was unrelated to" the subsequent action in which personal jurisdiction was challenged. *See Encompass Holdings, Inc.* v. *Daly*, No. C09–1816 BZ, 2010 WL 5088878, at n.9 (N.D. Cal. Dec. 8, 2010).

Tex. 2013) (holding that foreign entity purposefully availed itself of the forum court, for purposes of consumer product liability claim, when it filed litigation against its prior distributor in the federal court in Texas).

District courts outside the Fifth Circuit also have exercised personal jurisdiction over a party because it filed a related suit in the same jurisdiction against a third party. For example, in *Praetorian Specialty Ins. Co.* v. *Auguillard Const. Co.*, 829 F. Supp. 2d 456 (W.D. La. 2010), plaintiffs who filed a suit for permanent injuries suffered in a car accident moved to dismiss for lack of personal jurisdiction a separate action filed against them by a non-party insurer seeking a declaratory judgment recognizing that its insurance policies did not cover the accident. *Id.* at 460–61. The court followed the First Circuit Court of Appeals' analysis from *Gen. Contracting & Trading Co., LLC* v. *Interpole, Inc.*, 940 F.2d 20 (1st Cir. 1991), and held that the plaintiffs "waived objection to or consented to the personal jurisdiction" of the court by electing to file a lawsuit in the same forum arising from the same nucleus of operative facts. *Id.* at 465.[9]

It is well-established law that "the filing of a proof of claim" in a bankruptcy proceeding is "analogous to the filing of a complaint in a civil action." *O'Neill* v. *Cont'l Airlines* (*Matter of Cont'l Airlines*), 928 F.2d 127, 129 (5th Cir. 1991); *see also Simmons* v. *Savell*, (*In re Simmons*),

[9] Courts have continued to apply this principle after the issuance of the Supreme Court's ruling in *Daimler AG* v. *Bauman*, 134 S. Ct. 746 (2014). *Daimler* concerns *general* jurisdiction over a foreign corporation, *see* 134 S. Ct. at 754–58. When a defendant has consented to the personal jurisdiction of a court by filing a separate lawsuit arising from the same general transaction, it has not submitted itself to the court's general jurisdiction, but has rather submitted itself to jurisdiction of that court on the specific transaction at issue. *See Int'l Transactions, Ltd.*, 277 F. Supp. 2d at 667–68 (recognizing that filing a lawsuit voluntary constitutes "purposeful availment" of the jurisdiction in the context of a specific personal jurisdiction analysis). Since *Daimler*, courts have continued to recognize the principle that a defendant consents to the personal jurisdiction of a court when it has availed itself of the court's jurisdiction in a case arising out of similar facts. *See Furnari* v. *Wallpang, Inc.*, 2014 WL 1678419, at *11 (Del. Super. Ct. Apr. 16, 2014) (defendant consented to personal jurisdiction by filing suit on a related matter, since "[a] party may waive personal jurisdiction 'on the ground that the party consented to jurisdiction by submitting itself to a court's jurisdiction by instituting another, related suit'") (quoting *Foster Wheeler Energy Corp.* v. *Metallgesellschaft AG*, 1993 WL 669447, at *1 (D. Del. Jan. 4, 1993)); *New Media Holding Co., LLC* v. *Kagalovsky*, 985 N.Y.S.2d 216, 222 (2014) (finding that defendants "waived the right to challenge personal jurisdiction by freely using the protections of the New York courts when pursuing rights related to the partnership [at issue in the present case]").

765 F.2d 547, 552 (5th Cir. 1985) (stating that "the filing of a proof of claim is tantamount to the filing of a complaint in a civil action").[10]

In *In re Int'l Payment Grp., Inc.*, 2011 WL 5330783 (Bankr. D.S.C. Nov. 3, 2011), a federal bankruptcy court denied a motion to dismiss an adversary proceeding asserting "causes of action unrelated to or far beyond the scope of Defendant's claims against the estate," which was brought by the debtor's trustee against a creditor. *Id.* at *1. The court concluded that a creditor's proof of claim was akin to filing a complaint for the purposes of an adversary proceeding of a non-debtor against a creditor, even though "resolution of Defendant's claim against the estate [would] not result in a resolution of the disputes raised in this lawsuit," and the claims made in the adversary proceeding "dwarf[ed] those involved in any dispute that may arise over allowance of the proof of claim." *Id.* at *2.

District courts exercise personal jurisdiction over parties that have availed themselves of the court in related lawsuits, and claimants submit to bankruptcy courts' personal jurisdiction in the same respect as complainants in civil actions before district courts. Thus, a bankruptcy court also has personal jurisdiction over a creditor in an adversary proceeding brought by a non-debtor, when the non-debtor's claims are sufficiently related to the issues underlying the creditor-defendant's proofs of claim in the bankruptcy cases.

III. The Jurisdictional Discovery Demonstrates That the Court Should Deny Airbus's Requests for *Forum Non Conveniens* Dismissal and Abstention.

The discovery ECN Capital obtained from Airbus further shows that Airbus's attempts to avoid this Court's jurisdiction should be denied.

[10] *See also* U.S. Dep't of Justice, U.S. Attorneys' Manual § 1-188, https://www.justice.gov/usam/civil-resource-manual-188-bankruptcy-jurisdiction-personal-jurisdiction ("[A] foreigner filing a proof of claim submits to the personal jurisdiction of the bankruptcy court because a proof of claim is analogous to a complaint.").

Airbus seeks dismissal on the grounds of *forum non conveniens*, arguing in its Motion to Dismiss that it would be significant cost and burden for Airbus to bring witnesses to Texas and that this Adversary Proceeding has "no connection with Texas or the United States." Am. Br. in Supp. of Mot. to Dismiss 28. The record proves otherwise. Airbus voluntarily sent executives from France to this district for purposes of participating in the Bankruptcy Cases to which this Adversary proceeding is related. *See* Ex. D. And Airbus frequently sends executives to Texas for business purposes, including to attend industry events and to market and sell the very same models of Super Puma helicopters that are at issue here. *See* Ex. E. Further, Airbus sells helicopters to customers based in this district, and Airbus works with AHI—its U.S. affiliate based in Grand Prairie, Texas—to sell and distribute even more helicopters to customers in Texas and throughout the U.S. Along with sending its executives from France to Texas, Airbus's coordination with Mr. Cabaniss of AHI (together with U.S. counsel) for purposes of representing Airbus's interest in the Bankruptcy Cases further ties Airbus to this district and demonstrates Airbus's ability and willingness to appear in this district for legal proceedings. *See* Ex. D.

The discovery ECN Capital has obtained and the Debtors' testimony also support denial of Airbus's request that this Court abstain from exercising the jurisdiction it has to hear the Adversary Proceeding. In its MTD Opposition, ECN Capital set forth the criteria for the Court's consideration of Airbus's abstention request, which include "the degree of relatedness [] of the proceeding to the main bankruptcy case." MTD Opp. 22 (quoting *In re MontCrest*, 2014 WL 6982643, at *7 (Bankr. N.D. Tex. Dec. 9, 2014)). As explained in Section I above, Mr. Del Genio's testimony makes clear that the Debtors were harmed by the 2016 Grounding, which contributed to their need to cancel leases on certain helicopters, including the Super Pumas

owned by ECN Capital that are the subject of ECN Capital's proofs of claim in the Bankruptcy Cases. *See* Ex. I 108:5–109:17. And Airbus's jurisdictional discovery shows that Airbus sold 19 Super Pumas directly to certain of the Debtors, and the Debtors may have product liability or express or implied warranty claims to bring against Airbus with respect to these helicopters (along with others the Debtors owned or leased). *See* Ex. B. Thus, the testimony and discovery prove that the outcome of ECN Capital's claims in this Adversary Proceeding could significantly impact the rights, liabilities, and/or value of property of the Debtors: If ECN Capital establishes liability against Airbus, the Debtors could rely on collateral estoppel to recover significant damages from Airbus, and the Debtors potentially could offset proofs of claims from various creditors to the extent they relate to the Super Pumas. For these reasons and the reasons set forth in ECN Capital's MTD Opposition (pp. 13–16), this Court should deny Airbus's request for abstention.

CONCLUSION

For the foregoing reasons, and the reasons stated in ECN Capital's MTD Opposition and MTD Opposition Supplement, this Court should deny Defendant's Motion to Dismiss the Complaint.

Dated: February 23, 2017
Dallas, Texas

Respectfully submitted,

By: /s/ *Martin Flumenbaum*
Martin Flumenbaum

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CERTIFICATE OF SERVICE

I hereby certify that, on February 23, 2017, I caused the foregoing Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss to be filed with the Court via CM/ECF and served on all parties requesting electronic notification, including the following counsel of record for the Defendant:

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Exhibit 2

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Adv. No. 16-03151-bjh** **Declaration of Martin Flumenbaum in Support of Plaintiff's Second Supplemental Memorandum of Law in Opposition to Defendant's <u>Motion To Dismiss</u>**

I, Martin Flumenbaum, declare, under penalty of perjury, pursuant to 28 U.S.C. § 1746, as follows:

1. I am a partner with the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP, with offices at 1285 Avenue of the Americas, New York, NY 10019, (212) 373-3000, mflumenbaum@paulweiss.com. I have personal knowledge of the facts set forth herein, and could and would testify thereto if called as a witness.

2. This declaration is made in support of Plaintiff ECN Capital (Aviation) Corp.'s (f/k/a Element Capital Corp.) ("ECN Capital") Second Supplemental Memorandum of Law in Opposition to Defendant Airbus Helicopters S.A.S.'s ("Airbus") Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction and *Forum non Conveniens.*

3. Attached as **Exhibit A** is a true and correct copy of an email from Eric Strain to Pietro Signoracci, which includes information regarding Airbus's corporate structure, dated February 14, 2017.

4. Attached as **Exhibit B** is a true and correct copy of an excel spreadsheet, titled "Order Bookings – AH Group, From 01/01/2011 To 31/12/2016," sent via email from Eric Strain to Pietro Signoracci on February 14, 2017.

5. Attached as **Exhibit C** is a true and correct copy of an email from Eric Strain to Pietro Signoracci, which includes information regarding Airbus's maintenance of U.S.-based Super Puma helicopters, dated February 10, 2017.

6. Attached as **Exhibit D** is a true and correct copy of an email from Eric Strain to Pietro Signoracci, which includes information regarding the participation in the Bankruptcy Cases of individuals affiliated with Airbus, dated February 16, 2017.

7. Attached as **Exhibit E** is a true and correct copy of the website for the HAI Heli-Expo, a major helicopter industry event taking place in Dallas, Texas on March 6-9, 2017, http://heliexpo.rotor.org/ (last visited February 22, 2017).

8. Attached as **Exhibit F** is a true and correct copy of an article by Mark Huber for HAI Convention News, Airbus Helicopters CEO Promises Better Support, AIN Publications (Feb. 26, 2014).

9. Attached as **Exhibit G** is a true and correct copy of a presentation, available on the HAI Heli-Expo website, made by Gilles Bruniaux and The European Helicopter Safety Team (EHEST) at the HAI Heli-Expo in Orlando, Florida, http://www.ihst.org/portals/54/symposium/2016/HELI-EXPO%202016%20-20EHEST%20with%20Clip%20Integrated%2023%20Feb%202016.pdf (last visited February 23, 2017).

10. Attached as **Exhibit H** is a true and correct copy of Airbus Press Release, Bristow Group More Than Triples Its H175 Orders and Secures Comprehensive Support Services Agreement With Airbus Helicopters, Airbus Helicopters, http://www.airbushelicopters.com/website/en/press/Bristow-Group-more-than-triples-its-H175-orders-and-secures-comprehensive-support-services-agreement-with-Airbus-Helicopters_1717.html (last visited February 23, 2017).

11. Attached as **Exhibit I** is a true and correct copy of excerpts from the Transcript of the Confirmation Hearing for the Amended Chapter 11 Plan filed by Debtor CHC Group Ltd., held on February 13, 2017.

12. Attached as **Exhibit J** is a true and correct copy of excerpts from the Transcript of the Confirmation Hearing for the Amended Chapter 11 Plan filed by Debtor CHC Group Ltd., held on February 14, 2017.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 23, 2017
New York, New York

Martin Flumenbaum

Exhibit A

From: Strain, Eric <estrain@nixonpeabody.com>
Sent: Tuesday, February 14, 2017 6:17 PM
To: Signoracci, Pietro J
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters
Attachments: Bookings 2011-2016 (USA & CHC).xlsx

Pietro,

Corporate Relationship

As explained in the declaration of Michel Gouraud that was filed with Airbus Helicopters, S.A.S.'s ("AH's") motion to dismiss, AH and Airbus Helicopters, Inc. ("AHI") are separate and independent companies, each with its own separate management, employees, facilities, bank accounts and operational control. AH does not own AHI. AH is 95% owned by Airbus Helicopters Holding (France) and 5% by EADS CASA Holding (France). Airbus Helicopters Holding is owned by Airbus Group S.E. (The Netherlands). EADS CASA Holding is owned by Airbus Defence & Space S.A. (Spain), which is owned by Airbus Group S.E. AHI is a subsidiary of Airbus Group, Inc., (Virginia), which is owned by Airbus Group S.E.

AH Sales

I have attached an Excel spreadsheet from which the PDFs came from. Hopefully this takes care of the formatting issues. I am waiting to hear back on your other specific questions.

AHI Sales

"LUH" refers to the UH-72 Lakota helicopter, which is a militarized version of the EC145 sold to the US Army. "PL" refers to "Production Line" and "LAL" refers to "Light Assembly Line." The LUH is produced at the AHI facility in Columbus, Mississippi.

I am still gathering information on the bankruptcy involvement questions.

If additional questions, let me know.

Thank you, Eric

From: Signoracci, Pietro J [mailto:psignoracci@paulweiss.com]
Sent: Tuesday, February 14, 2017 11:59 AM
To: Strain, Eric
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters

Eric,

Please let us know if you've had an opportunity to review the requests in my email below regarding the discovery Airbus has provided, and please let us know if we will be receiving today additional discovery regarding AH's corporate relationship and its involvement in the CHC bankruptcy cases.

Thank you,
Pietro

Pietro J. Signoracci | Associate
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas | New York, NY 10019-6064
(212) 373-3481 (Direct Phone) | (212) 492-0481 (Direct Fax)
psignoracci@paulweiss.com | www.paulweiss.com

From: Signoracci, Pietro J
Sent: Monday, February 13, 2017 12:54 PM
To: 'Strain, Eric' <estrain@nixonpeabody.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; 'George Barber' <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; 'Ortego, Joseph J.' <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; 'Christmas, Robert' <RChristmas@nixonpeabody.com>; 'Shah, Shainee' <sshah@nixonpeabody.com>
Subject: RE: ECN v. Airbus Helicopters

Eric,

We have a few questions/requests regarding the attached documents.

1. AH Sales to USA 2011-2016

   a. The attached chart appears to have cut off some rows from the original document. For example, the subtotals of 2012 sales by each category add up to 115 helicopters, but the line for TOTAL 2012 shows a total of 163 helicopters. (The same is true for 2013, which reports a total of 107 helicopters when the subtotals add up to 64 helicopters). Also, there are no rows showing TOTAL 2014, TOTAL 2015, or TOTAL 2016. Please confirm that there are missing entries and provide a full chart with all rows visible.

   b. Please define “AH-AHD” and confirm that where “AH-AHD” appears in the “FROM” column, that denotes sales to US customers directly from Airbus Helicopters (SAS) in France.

   c. Please define each entry in the REGION column: EBU, EBRG, EBE, etc.

   d. Please explain why certain rows have negative values in the QTY column.

2. AHI Sales 2011-2016

   a. Please define the following entries in the MODEL column: (i) “LUH”, (ii) “PL”, and (iii) “LAL”.

I’m available if you have any questions.

Thank you,
Pietro

Pietro J. Signoracci | Associate
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(212) 373-3481 (Direct Phone) | (212) 492-0481 (Direct Fax)
psignoracci@paulweiss.com | www.paulweiss.com

From: Signoracci, Pietro J
Sent: Friday, February 10, 2017 5:02 PM
To: 'Strain, Eric' <estrain@nixonpeabody.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; George Barber <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; Ortego, Joseph J. <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; Christmas, Robert <RChristmas@nixonpeabody.com>; Shah, Shainee <sshah@nixonpeabody.com>
Subject: RE: ECN v. Airbus Helicopters

Thank you, Eric. Received. We'll look forward to the additional documents and information Monday.

Best,
Pietro

Pietro J. Signoracci | Associate
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psignoracci@paulweiss.com | www.paulweiss.com

From: Strain, Eric [mailto:estrain@nixonpeabody.com]
Sent: Friday, February 10, 2017 4:13 PM
To: Signoracci, Pietro J <psignoracci@paulweiss.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; George Barber <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; Ortego, Joseph J. <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; Christmas, Robert <RChristmas@nixonpeabody.com>; Shah, Shainee <sshah@nixonpeabody.com>
Subject: ECN v. Airbus Helicopters

Pietro,

Aircraft Sales

Attached are:

1. A spreadsheet showing sales by Airbus Helicopters, S.A.S. ("AH") to customers having a US address on the purchase agreement for the years 2011 through 2016. The sales were made by AH to the companies listed under the "From" heading, not the "Customer" heading. Thus, you will see that the sales were made by AH to Airbus Helicopters, Inc. ("AHI"). The "Customer" heading refers to the customers to whom AHI sold and delivered the helicopters in the US.

2. A spreadsheet showing sales by AH to CHC entities.

3. Documents summarizing AHI's sales to customers having US addresses on the purchase agreements. The entries that are blacked out were sales to customers not having US addresses.

Maintenance

1. AH does not perform maintenance in the US.

2. If a Super Puma customer in the US needs a main gearbox overhaul, the overhaul would be done by AH in France (or Helibras in Brazil); AHI does not perform Super Puma main gearbox overhauls.

3. AH, not AHI, would perform retrofit work to bring Super Pumas into compliance with the EASA AD and FAA approved AMOC allowing return to service following the groundings.

Corporate Relationship

I will get this to you on Monday.

Bankruptcy Involvement

I hope to get back to on Monday.

If questions, let me know.

Thank you, Eric

Eric C. Strain
Partner
estrain@nixonpeabody.com
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Exhibit B

ORDER BOOKINGS - AH GROUP

FROM 01/01/2011 TO 31/12/2016

DATE of the CONTRACT in force	FROM	TO			AIRCRAFT	QTY
		REGION	COUNTRY	CUSTOMER	TYPE	
June 2011	AH-AHD	EBRG	USA	BRISTOW	EC225	1
June 2011	AH-AHD	EBRG	USA	BRISTOW	EC225	1
October 2011	AH-AHD	EBRG	USA	WELLS FARGO / OMNI (Portugal)	EC225	2
TOTAL SUPER PUMA / COUGAR						**4**
March 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	4
March 2011	AHI	EBU	USA	Vulcan Flight Inc*	EC145	1
June 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	14
July 2011	AHI	EBU	USA	WEST PENN ALLEGHENY*	EC145	1
August 2011	AHI	EBU	USA	Sanford Health*	EC145	1
August 2011	AHI	EBU	USA	OSF Aviation*	EC145	4
September 2011	AHI	EBU	USA	Heli Transport*	EC145	1
October 2011	AHI	EBU	USA	Duke University Health System Inc*	EC145	2
October 2011	AHI	EBU	USA	Sanford Health*	EC145	2
December 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	39
December 2011	AHI	EBU	USA	University of Utah*	EC145	1
December 2011	AHI	EBU	USA	Metro Aviation INC*	EC145	1
TOTAL H145						**71**
May 2011	AHI	EBU	USA	HMA*	EC135	3
May 2011	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	-1
August 2011	AHI	EBU	USA	Era Helicopters LLC*	EC135	3
October 2011	AHI	EBU	USA	Massachusetts State Police*	EC135	1
November 2011	AHI	EBU	USA	Era Helicopters LLC*	EC135	4
November 2011	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
December 2011	AHI	EBU	USA	REACH, dba Mediplane*	EC135	1
TOTAL H135						**13**
May 2011	AHI	EBU	USA	Air Commander International Ltd*	EC130	1
September 2011	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	3
September 2011	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	7
October 2011	AHI	EBU	USA	Milestone Aviation Group LLC*	EC130	5
TOTAL H130						**16**
January 2011	AHI	EBU	USA	WINCO INC*	AS350 B3	1
January 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
February 2011	AHI	EBU	USA	Extreme Crafts LLC*	AS350 B3	-1
February 2011	AHI	EBU	USA	Helicopter Express Inc*	AS350 B3	-1
February 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B3	1
March 2011	AHI	EBU	USA	Air Medical Resources Group*	H125	3
March 2011	AHI	EBU	USA	Air Commander International Ltd*	H125	1
March 2011	AHI	EBU	USA	BHI Helicopters Inc* / BRAINERD	H125	1
March 2011	AHI	EBU	USA	Spiegel Aviation*	H125	1

April 2011	AHI	EBU	USA	Rotor Aviation Inc*	AS350 B2	1
April 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
May 2011	AHI	EBU	USA	Air Methods Corporation (AMC)*	AS350 B3	4
May 2011	AHI	EBU	USA	DHS/CBP National Air Training Center*	AS350 B3	3
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	H125	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B2	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B2	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
August 2011	AHI	EBU	USA	Kenneth Lian Corp*	AS350 B2	1
August 2011	AHI	EBU	USA	Central Copters Inc*	AS350 B2	1
August 2011	AHI	EBU	USA	The Boeing Company*	AS350 B3	1
August 2011	AHI	EBU	USA	Heli LLC*	AS350 B3	1
August 2011	AHI	EBU	USA	LLOYD HELICOPTERS US INC*	AS350 B3	1
August 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
August 2011	AHI	EBU	USA	Eaglemed LLC*	AS350 B3	1
August 2011	AHI	EBU	USA	Air Medical Resources Group*	H125	2
September 2011	AHI	EBU	USA	Pima Co Sheriff's Department*	AS350 B3	1
September 2011	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	1
November 2011	AHI	EBU	USA	Mountain West Helicopters LLC*	H125	1
December 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
December 2011	AHI	EBU	USA	LA Grant Aviation Inc*	H125	1
December 2011	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	5
December 2011	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
December 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
December 2011	AHI	EBU	USA	RAI LLC*	AS350 B2	2
December 2011	AHI	EBU	USA	Pratte Transportation Inc*	H125	2
TOTAL ECUREUIL I / FENNEC						**54**
October 2011	AHI	EBU	USA	Baltimore Police Department*	H120	4
November 2011	AHI	EBU	USA	Icarus Copters LLC*	H120	1
TOTAL COLIBRI						**5**
TOTAL 2011						**163**
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
TOTAL SUPER PUMA / COUGAR						**3**
February 2012	AHI	EBU	USA	Shier Aviation Corporation*	H155	1
July 2012	AHI	EBU	USA	Shands Hospital*	H155	1
November 2012	AHI	EBU	USA	Miami valley*	AS365	1
TOTAL DAUPHIN / PANTHER						**3**
April 2012	AHI	EBU	USA	Metro Aviation INC*	EC145	2
August 2012	AHI	EBU	USA	Dare County*	H145	1
September 2012	AHI	EBU	USA	Speedway Aviation*	EC145	1
September 2012	AHI	EBU	USA	University of Pennsylvania*	EC145	1

September 2012	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	2
November 2012	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	34
November 2012	AHI	EBU	USA	Geisinger Medical Center Attn: Gerald Splitt*	EC145	1
December 2012	AHI	EBU	USA	Boston Medflight*	EC145	1
December 2012	AHI	EBU	USA	Metro Aviation INC*	EC145	1
December 2012	AHI	EBU	USA	Caribbean Buzz LLC*	EC145	1
TOTAL H145						**45**
February 2012	AHI	EBU	USA	Broward County Sheriff's Deptartment*	EC135	1
June 2012	AHI	EBU	USA	CALSTAR*	EC135	2
July 2012	AHI	EBU	USA	Metro Aviation INC*	EC135	1
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	4
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
September 2012	AHI	EBU	USA	Massachusetts State Police*	EC135	1
November 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	CALSTAR*	EC135	2
December 2012	AHI	EBU	USA	HMA*	EC135	2
December 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	3
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	3
TOTAL H135						**28**
February 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	6
February 2012	AHI	EBU	USA	Nevada Helicopter Leasing LLC* / Blue Hawaiian	H130	10
February 2012	AHI	EBU	USA	Second Wind LLC*	H130	1
February 2012	AHI	EBU	USA	Enloe Flightcare*	H130	1
February 2012	AHI	EBU	USA	Air Commander International Ltd*	H130	1
February 2012	AHI	EBU	USA	Laughlin Aviation Inc*	H130	2
February 2012	AHI	EBU	USA	Indiana Helicopters LLC* / N13C LLC	H130	1
March 2012	AH-AHD	EBE	USA	Highland Copter LLC / M. LAIDLAW	EC130	1
March 2012	AHI	EBU	USA	Modern Industrial Services Inc*	EC130	1
March 2012	AHI	EBU	USA	CNH LLC*	EC130	-1
April 2012	AHI	EBU	USA	EC 130 LLC*	EC130	1
May 2012	AHI	EBU	USA	Helicopter Flight Services*	H130	1
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	EC130	2
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	2
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	H130	2
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC130	-4
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	3
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	7
December 2012	AHI	EBU	USA	Memphis Medical Center*	EC130	1
TOTAL H130						**42**
February 2012	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
February 2012	AHI	EBU	USA	Cathexis Oil and Gas LLC*	H125	1

February 2012	AHI	EBU	USA	Texas DPS*	H125	1
April 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
April 2012	AHI	EBU	USA	Chase Farms*	H125	1
May 2012	AHI	EBU	USA	Elling Halvorson Inc*	H125	1
June 2012	AHI	EBU	USA	Elling Halvorson Inc*	H125	2
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	2
June 2012	AHI	EBU	USA	State of Utah*	H125	1
June 2012	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	1
June 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	2
August 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
August 2012	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
August 2012	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	2
August 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
August 2012	AHI	EBU	USA	Eaglemed LLC*	H125	1
August 2012	AHI	EBU	USA	AUSTIN POLICE DEPARTMENT*	H125	1
September 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
October 2012	AHI	EBU	USA	Alaska DPS*	H125	1
November 2012	AHI	EBU	USA	Bear Defense Services*	AS350 B2	1
November 2012	AHI	EBU	USA	Brevard County Mosquito Control*	H125	2
November 2012	AHI	EBU	USA	Happyheight Inc*	AS350 B2	1
December 2012	AHI	EBU	USA	NiSource Corporate Services Company*	AS350 B2	1
December 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	2
December 2012	AHI	EBU	USA	Reeder Flying service*	H125	1
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	2
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	4
December 2012	AHI	EBU	USA	Oklahoma DPS*	H125	1
TOTAL ECUREUIL I / FENNEC						**42**
TOTAL 2012						**163**
December 2013	AHI	EBU	USA	CHI Aviation*	H175	1
TOTAL H175						**1**
October 2013	AHI	EBU	USA	Helicopter Exchange Ltd*	H155	1
TOTAL DAUPHIN / PANTHER						**1**
July 2013	AHI	EBU	USA	Speedway Aviation*	EC145	-1
August 2013	AHI	EBU	USA	Boston Medflight*	EC145	1
August 2013	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	1
November 2013	AHI	EBU	USA	Air Commander International Ltd*	EC145	1
December 2013	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	6
TOTAL H145						**8**
January 2013	AHI	EBU	USA	WASHINGTON CORP*	EC135	1
February 2013	AHI	EBU	USA	Midwest Medical Transport Company*	EC135	1
February 2013	AHI	EBU	USA	Valkyrie*	EC135	1
March 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
April 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
April 2013	AHI	EBU	USA	Tentacle Corp*	EC135	2
April 2013	AHI	EBU	USA	CALSTAR*	EC135	1
June 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1

July 2013	AHI	EBU	USA	Healthnet Aeromadical Services*	EC135	1
August 2013	AHI	EBU	USA	CALSTAR*	EC135	1
September 2013	AHI	EBU	USA	Massachusetts State Police*	EC135	1
December 2013	AHI	EBU	USA	IHL Acquisition*	EC135	2
TOTAL H135						**14**
January 2013	AHI	EBU	USA	Advantage Systems Inc*	EC130	1
August 2013	AHI	EBU	USA	Sundance Helicopters Inc*	H130	4
August 2013	AHI	EBU	USA	DBD Properties LLC*	H130	1
November 2013	AHI	EBU	USA	Elling Halvorson Inc*	H130	4
November 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	1
November 2013	AHI	EBU	USA	Sundance Helicopters Inc*	H130	16
December 2013	AHI	EBU	USA	Air Commander International Ltd*	H130	1
December 2013	AHI	EBU	USA	Air Commander International Ltd*	H130	1
TOTAL H130						**29**
January 2013	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	1
February 2013	AHI	EBU	USA	MacNeil Aviation LLC*	H125	1
February 2013	AHI	EBU	USA	Timberline Helicopters Inc*	H125	1
March 2013	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
April 2013	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	1
April 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	2
April 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	4
April 2013	AHI	EBU	USA	Air Medical Resources Group*	H125	7
May 2013	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
May 2013	AHI	EBU	USA	Elling Halvorson Inc*	H125	2
June 2013	AHI	EBU	USA	Alaska DPS*	H125	1
June 2013	AHI	EBU	USA	Commonwealth of Pennsylvania*	AS350 B2	1
July 2013	AHI	EBU	USA	PHI Air Medical*	H125	6
July 2013	AHI	EBU	USA	BHI Helicopters Inc*	H125	1
August 2013	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	-2
August 2013	AHI	EBU	USA	Meridian Consulting Company*	AS350 B2	1
August 2013	AHI	EBU	USA	Seminole County Sheriff's Office*	H125	1
September 2013	AHI	EBU	USA	Central Copters Inc*	H125	1
September 2013	AHI	EBU	USA	City of Philadelphia*	AS350 B2	1
September 2013	AHI	EBU	USA	Seminole Tribe of Florida*	H125	1
September 2013	AHI	EBU	USA	City of Tulsa*	AS350 B2	1
September 2013	AHI	EBU	USA	Meridian Consulting Company*	AS350 B2	1
October 2013	AHI	EBU	USA	Island Helicopter Kauai*	AS350 B2	1
October 2013	AHI	EBU	USA	Reeder Flying service*	H125	1
October 2013	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
November 2013	AHI	EBU	USA	Elling Halvorson Inc*	H125	3
November 2013	AHI	EBU	USA	Oklahoma DPS*	H125	2
November 2013	AHI	EBU	USA	University of Miami*	H125	1
December 2013	AHI	EBU	USA	Mississippi DPS*	H125	1
December 2013	AHI	EBU	USA	LAG AVIATION*	H125	1
December 2013	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
December 2013	AHI	EBU	USA	Caribbean Helicorp Inc*	H125	1
December 2013	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
December 2013	AHI	EBU	USA	Air Medical Resources Group*	H125	3
TOTAL ECUREUIL I / FENNEC						**52**

June 2013	AHI	EBU	USA	City of San Antonio*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2013						**107**
April 2014	AHI	EBU	USA	Macquarie Bank Limited* / PHOENIX	EC225	3
October 2014	AH-AHD	EBRG	USA	BRISTOW	EC225	1
TOTAL SUPER PUMA / COUGAR						**4**
February 2014	AHI	EBU	USA	CHI Aviation*	H175	1
TOTAL H175						**1**
February 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	4
March 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	6
April 2014	AHI	EBU	USA	July 10 LLC*	H145	1
May 2014	AHI	EBU	USA	AVALON CAPITAL GROUP INC*	H145	1
May 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	10
May 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
September 2014	AHI	EBU	USA	Vulcan Flight Inc*	H145	1
October 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	17
November 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	12
November 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	2
November 2014	AHI	EBU	USA	Suffolk County Police Department*	EC145	1
TOTAL H145						**56**
May 2014	AHI	EBU	USA	CALSTAR*	EC135	2
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	-6
November 2014	AHI	EBU	USA	Metro Aviation INC*	EC135	1
TOTAL H135						**-3**
March 2014	AHI	EBU	USA	TUDOR INVESTMENT CORPORATION*	AS355	1
TOTAL ECUREUIL II / FENNEC						**1**
January 2014	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	3
March 2014	AHI	EBU	USA	Memphis Medical Center*	H130	1
April 2014	AHI	EBU	USA	Liautaud Development Group*	H130	1
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	6
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	3
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	6
December 2014	AHI	EBU	USA	Mustang Leasing*	H130	5
TOTAL H130						**25**
January 2014	AHI	EBU	USA	Petr Lukes*	H125	1
February 2014	AHI	EBU	USA	Air Commander International Ltd*	AS350 B2	1
February 2014	AHI	EBU	USA	Elling Halvorson Inc*	H125	3
February 2014	AHI	EBU	USA	Helicopter Express Inc*	H125	3
March 2014	AHI	EBU	USA	Helotex Aviation LLC*	H125	1
March 2014	AHI	EBU	USA	Valion Holdings LLC*	H125	1
March 2014	AHI	EBU	USA	Hillsborough County Sheriff's Office*	AS350 B2	1
May 2014	AHI	EBU	USA	PHI*	H125	1
May 2014	AHI	EBU	USA	Texas Parks & Wildlife*	H125	1
May 2014	AHI	EBU	USA	Eaglemed LLC*	H125	1
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	3
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	-6
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	-2
August 2014	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	3

August 2014	AHI	EBU	USA	Elling Halvorson Inc*	H125	1
August 2014	AHI	EBU	USA	Bear Defense Services*	H125	1
September 2014	AHI	EBU	USA	Eaglemed LLC*	H125	1
September 2014	AHI	EBU	USA	DB Projects LLC*	H125	1
September 2014	AHI	EBU	USA	JR Helicopters LLC*	H125	1
October 2014	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
November 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	1
November 2014	AHI	EBU	USA	The Boeing Company*	H125	1
December 2014	AHI	EBU	USA	Sky High Leasing*	H125	1
December 2014	AHI	EBU	USA	Riverside County Sheriff Department*	H125	2
December 2014	AHI	EBU	USA	LAPD*	H125	1
December 2014	AHI	EBU	USA	Hillsboro Aviation*	H125	1
December 2014	AHI	EBU	USA	Indiana Helicopters LLC*	H125	1
December 2014	AHI	EBU	USA	Helicopter Express Inc*	H125	2
December 2014	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
December 2014	AHI	EBU	USA	COASTAL HELICOPTERS*	H125	1
TOTAL ECUREUIL I / FENNEC						**30**
June 2014	AHI	EBU	USA	Tennessee Valley Authority*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2014						**116**
March 2015	AH-AHD	EBRG	USA	BRISTOW	H175	17
December 2015	AHI	EBU	USA	CHI Aviation*	H175	-1
December 2015	AHI	EBU	USA	CHI Aviation*	H175	-1
TOTAL H175						**15**
February 2015	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	41
March 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
April 2015	AHI	EBU	USA	Metro Aviation INC*	EC145	1
May 2015	AHI	EBU	USA	Tennessee Valley Authority*	EC145	1
June 2015	AHI	EBU	USA	Buckeye Leasing LLC*	EC145	5
July 2015	AHI	EBU	USA	FLIGHT MANAGEMENT LLC*	H145	1
August 2015	AHI	EBU	USA	Air Medical Resources Group*	EC145	2
November 2015	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	12
December 2015	AHI	EBU	USA	Air Medical Resources Group*	EC145	-2
TOTAL H145						**62**
June 2015	AHI	EBU	USA	Stat-Medevac*	H135	2
August 2015	AH-AHD	EBE	USA	AEROHEAD AVIATION	H135	1
September 2015	AHI	EBU	USA	CALSTAR*	H135	3
October 2015	AHI	EBU	USA	CALSTAR*	H135	2
October 2015	AHI	EBU	USA	Air Medical Group Holdings*	H135	6
December 2015	AHI	EBU	USA	Dartmouth Hitchcock*	H135	1
December 2015	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
TOTAL H135						**16**
June 2015	AHI	EBU	USA	Nevada Helicopter Leasing LLC*	H130	1
September 2015	AHI	EBU	USA	Richardson Aviation*	H130	1
November 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	-1
December 2015	AHI	EBU	USA	Air Medical Resources Group*	H130	4
December 2015	AHI	EBU	USA	Ten X Inc*	H130	1
TOTAL H130						**6**

February 2015	AHI	EBU	USA	PETER FENTON*	H125	1
May 2015	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	2
May 2015	AHI	EBU	USA	OHIO STATE HIGHWAY PATROL*	H125	1
July 2015	AHI	EBU	USA	PHI*	H125	2
August 2015	AHI	EBU	USA	ONTARIO POLICE AIR SUPPORT UNIT*	H125	1
August 2015	AHI	EBU	USA	PHI*	H125	2
August 2015	AHI	EBU	USA	Air Medical Resources Group*	H125	3
September 2015	AHI	EBU	USA	LAPD*	H125	1
November 2015	AHI	EBU	USA	PINELLAS SHERIFF'S OFFICE*	AS350 B2	1
November 2015	AHI	EBU	USA	Lee County Sheriff's Office*	H125	1
November 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	1
December 2015	AHI	EBU	USA	Raven Aviation LLC*	AS350 B2	1
December 2015	AHI	EBU	USA	Hillsboro Aviation*	H125	1
December 2015	AHI	EBU	USA	State of Utah*	H125	1
December 2015	AHI	EBU	USA	Air Medical Resources Group*	H125	4
December 2015	AHI	EBU	USA	SG Equipment Finance*	AS350 B2	1
December 2015	AHI	EBU	USA	Helicopter Express Inc*	H125	-2
TOTAL ECUREUIL I / FENNEC						**22**
August 2015	AHI	EBU	USA	City of San Antonio*	H120	1
TOTAL COLIBRI						**1**
TOTAL 2015						**122**
September 2016	AH-AHD	EBRG	USA	BRISTOW	H175	5
TOTAL H175						**5**
March 2016	AHI	EBU	USA	MacNeil Aviation LLC*	H145	1
March 2016	AHI	EBU	USA	Las Vegas Metro Police Department*	H145	1
April 2016	AHI	EBU	USA	JS Leasing* / Dallas Cowboys	H145	1
April 2016	AHI	EBU	USA	Mayo Medical Transport*	EC145	1
April 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
May 2016	AHI	EBU	USA	Han-Mac Holdings International*	H145	1
June 2016	AHI	EBU	USA	Stat-Medevac*	EC145	1
September 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	2
October 2016	AHI	EBU	USA	PHI*	H145	2
December 2016	AHI	EBU	USA	Palantir Technologies*	H145	1
TOTAL H145						**12**
March 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	CALSTAR*	H135	-1
August 2016	AHI	EBU	USA	CALSTAR*	H135	-2
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
December 2016	AHI	EBU	USA	Stat-Medevac*	H135	3
TOTAL H135						**4**
January 2016	AHI	EBU	USA	Lightnin Production Rental*	H130	1
May 2016	AHI	EBU	USA	Air Medical Resources Group*	H130	3
June 2016	AHI	EBU	USA	H&J Aviation LLC*	H130	1
July 2016	AHI	EBU	USA	Memphis Medical Center*	H130	1
October 2016	AHI	EBU	USA	Sundance Helicopters Inc*	H130	-10
October 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	-9

December 2016	AHI	EBU	USA	WFP Aviation*	H130	1
December 2016	AHI	EBU	USA	Palantir Technologies*	H130	1
TOTAL H130						**-11**
February 2016	AHI	EBU	USA	CHI Aviation*	H125	1
February 2016	AHI	EBU	USA	CHI Aviation*	H125	1
March 2016	AHI	EBU	USA	County of Orange Sheriff*	H125	1
March 2016	AHI	EBU	USA	Comanche Maverick Air*	H125	1
March 2016	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	3
April 2016	AHI	EBU	USA	Spurr Mountain*	H125	1
June 2016	AHI	EBU	USA	Miami Dade Police*	AS350 B2	1
August 2016	AHI	EBU	USA	RW Aviation*	H125	1
August 2016	AHI	EBU	USA	LADWP*	H125	2
August 2016	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	-1
September 2016	AHI	EBU	USA	Dement Construction Company*	H125	1
September 2016	AHI	EBU	USA	San Bernardino County Sheriff*	H125	2
October 2016	AHI	EBU	USA	Sky High Leasing*	H125	1
November 2016	AHI	EBU	USA	SG Equipment Finance*	H125	1
November 2016	AHI	EBU	USA	LAPD*	H125	2
November 2016	AHI	EBU	USA	Conrad & Bischoff*	H125	1
December 2016	AHI	EBU	USA	Air Medical Group Holdings*	H125	5
December 2016	AHI	EBU	USA	Studer Fertilizer Inc*	H125	1
December 2016	AHI	EBU	USA	Metro Aviation INC*	H125	1
TOTAL ECUREUIL I / FENNEC						**26**
November 2016	AHI	EBU	USA	Shier Aviation Corporation*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2016						**38**

ORDER BOOKINGS - AH GROUP

FROM 01/01/2011 TO 31/12/2016

DATE of the CONTRACT in force	FROM	TO			AIRCRAFT	QTY
		REGION	COUNTRY	CUSTOMER	TYPE	
February 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
February 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						**5**
TOTAL 2011						**5**
January 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						**7**
TOTAL 2012						**7**
February 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						**5**
TOTAL 2013						**5**
January 2014	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
January 2014	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						**2**
TOTAL 2014						**2**
TOTAL 2015						**0**
TOTAL 2016						**0**

Exhibit C

From: Strain, Eric <estrain@nixonpeabody.com>
Sent: Friday, February 10, 2017 4:13 PM
To: Signoracci, Pietro J
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: ECN v. Airbus Helicopters
Attachments: AH Sales to USA 2011-2016.pdf; AH Sales to CHC 2011-2016.pdf; AHI Sales 2011-2016.pdf

Pietro,

Aircraft Sales

Attached are:

1. A spreadsheet showing sales by Airbus Helicopters, S.A.S. ("AH") to customers having a US address on the purchase agreement for the years 2011 through 2016. The sales were made by AH to the companies listed under the "From" heading, not the "Customer" heading. Thus, you will see that the sales were made by AH to Airbus Helicopters, Inc. ("AHI"). The "Customer" heading refers to the customers to whom AHI sold and delivered the helicopters in the US.

2. A spreadsheet showing sales by AH to CHC entities.

3. Documents summarizing AHI's sales to customers having US addresses on the purchase agreements. The entries that are blacked out were sales to customers not having US addresses.

Maintenance

1. AH does not perform maintenance in the US.

2. If a Super Puma customer in the US needs a main gearbox overhaul, the overhaul would be done by AH in France (or Helibras in Brazil); AHI does not perform Super Puma main gearbox overhauls.

3. AH, not AHI, would perform retrofit work to bring Super Pumas into compliance with the EASA AD and FAA approved AMOC allowing return to service following the groundings.

Corporate Relationship

I will get this to you on Monday.

Bankruptcy Involvement

I hope to get back to on Monday.

If questions, let me know.

Thank you, Eric

Eric C. Strain
Partner
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reproduction of this message by other than the intended recipient is strictly prohibited and may be unlawful. Thank you.

Exhibit D

From: Strain, Eric <estrain@nixonpeabody.com>
Sent: Thursday, February 16, 2017 6:36 PM
To: Signoracci, Pietro J
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters

Pietro,

Please find below answers to your questions, with the names of key people involved.

Please let us know if you have questions.

Thank you, Eric

1. The identity (name, job title, employer, location) of individuals involved in preparing and/or filing AH's proofs of claim.

   Laurent Tagarian, Alain Vigneau, Eric Chartier and Valerie Le-Gall (Airbus Helicopters, S.A.S., Marignane, France)
   Brian Hall and Steve Rossum (Smith Gambrell & Russell LLP, Atlanta, GA)

2. The identity (name, job title, employer, location) of individuals involved in AH's efforts to become a member of the UCC and/or AH's participation as a UCC member.

   Brian Hall, Ron Barab and Steve Rossum (Smith Gambrell & Russell LLP, Atlanta, GA)
   Laurent Tagarian and Alain Vigneau (Airbus Helicopters, S.A.S., Marignane, France)
   Kevin Cabaniss (Airbus Helicopters, Inc., Grand Prairie, Texas)

3. The identity (name, job title, employer, location) of individuals involved in negotiating, preparing, and/or filing the Plan Support Agreement dated as of October 11, 2016 (as amended, restated, or otherwise modified from time to time), by and among the Debtors and the Consenting Creditor Parties (as defined therein).

   Committee Counsel for the UCC and other Committee professionals negotiated and assisted in preparation of the agreement on behalf of unsecured creditors. The identities of Committee Counsel and other Committee professionals are matter of public record. Kramer Levin firm is lead Committee Counsel and Gardere Wynne firm is local counsel. Greenhill and VLC were the other Committee professionals who would have been involved in activities relating to negotiation or preparation of PSA.

4. The identity (name, job title, employer, location) of individuals involved in negotiating, preparing, and/or filing any chapter 11 plan of reorganization of the Debtors (including any appendices, exhibits, schedules, and supplements thereto).

   Same answer as on 3.

5. The identity (name, job title, employer, location) of individuals involved in preparing and/or filing AH's Objection to Element Capital Corp.'s Motion for Order Directing 2004 Examination of Debtors.

Laurent Tagarian and Alain Vigneau (Airbus Helicopters, S.A.S., Marignane, France)
Brian Hall and Jason Bell (Smith Gambrell & Russell LLP, Atlanta, GA)

6. The identity (name, job title, employer, location) of individuals involved in negotiating, preparing, and/or filing (a) the Debtors' Motion for an Order Authorizing the Debtors to Enter Into and Perform Under the 2017 Omnibus Restructure Agreement with AH Regarding Certain of the Debtors' Executory Contracts, and/or (b) the 2017 Omnibus Restructure Agreement with AH.

   Laurent Tagarian and Alain Vigneau (Airbus Helicopters, S.A.S., Marignane, France)
   Brian Hall (Smith Gambrell & Russell LLP, Atlanta, GA)

7. How AH was appointed as a member of the UCC.

   AH was selected by the U.S. Trustee.

8. How Mr. Cabaniss was selected to represent AH on the UCC.

   Mr. Cabaniss was selected based on his proximity to court in which bankruptcy filed, role in Legal department of AH's U.S. affiliate Airbus Helicopters, Inc., and litigation experience.

9. The scope of Mr. Cabaniss's responsibilities as AH's representative on the UCC.

   Attend UCC meetings, which consisted primarily of weekly conference calls, serve as AH's liaison (along with Smith Gambrell) on communications with and from the UCC and its counsel and professionals, to attend proceedings in the bankruptcy as needed, and to cast vote on behalf of AH when votes taken by UCC.

10. The scope of any other responsibilities Mr. Cabaniss has with respect to AH.

    None.

11. The scope of responsibilities of any AH personnel other than Mr. Cabaniss in connection with AH's participation in UCC.

    Laurent Tagarian had responsibilities for AH; specific information about his responsibilities is privileged.

12. The nature of communications and meetings between Mr Cabaniss and AH personnel, including:

    a. The number and dates of trips Mr. Cabaniss has made to Airbus locations in France since 2011, specifying which of those trips concerned AH's involvement in the CHC bankruptcy cases;

       None related to the bankruptcy.

    b. The number and dates of trips AH representatives made to the United States to meet with Mr. Cabaniss since 2011, specifying which of those trips concerned AH's involvement in the CHC bankruptcy cases; and

       Laurent Tagarian and Alain Vigneau came to the U.S. the week of June 27, 2016 in connection with a hearing in the bankruptcy, and Laurent Tagarian met with Mr. Cabaniss on June 28, 2016 in connection with the bankruptcy.

    c. The frequency of conference calls or other meetings between Mr. Cabaniss and AH personnel regarding the CHC bankruptcy cases.

It is estimated there have been between 5 and 6 such calls in total.

13. Whether Mr. Cabaniss recused himself from participation in UCC meetings, discussions, or other activities that related to any claims that the Debtors or other creditors may have against Airbus, and how those claims would be treated in the Plan.

    Yes.

14. Whether Mr. Cabaniss is an AH employee.

    No.

15. Whether Mr. Cabaniss is an AH agent.

    No.

16. Whether Mr. Cabaniss is an AH representative.

    No, except as defined by proxy for purposes of bankruptcy.

17. How Mr. Cabaniss is compensated in his role as AH's representative on the UCC.

    Mr. Cabaniss is not compensated by AH for that role and does not receive additional compensation from AHI for that role.

18. Whether Mr. Cabaniss receives any compensation from AH.

    No.

From: Signoracci, Pietro J [mailto:psignoracci@paulweiss.com]
Sent: Tuesday, February 14, 2017 3:33 PM
To: Strain, Eric
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters

Thanks, Eric.

Pietro J. Signoracci | Associate
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas | New York, NY 10019-6064
(212) 373-3481 (Direct Phone) | (212) 492-0481 (Direct Fax)
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From: Strain, Eric [mailto:estrain@nixonpeabody.com]
Sent: Tuesday, February 14, 2017 6:17 PM
To: Signoracci, Pietro J <psignoracci@paulweiss.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; George Barber <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; Ortego, Joseph J. <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>;

Christmas, Robert <RChristmas@nixonpeabody.com>; Shah, Shainee <sshah@nixonpeabody.com>
Subject: RE: ECN v. Airbus Helicopters

Pietro,

Corporate Relationship

As explained in the declaration of Michel Gouraud that was filed with Airbus Helicopters, S.A.S.'s ("AH's") motion to dismiss, AH and Airbus Helicopters, Inc. ("AHI") are separate and independent companies, each with its own separate management, employees, facilities, bank accounts and operational control. AH does not own AHI. AH is 95% owned by Airbus Helicopters Holding (France) and 5% by EADS CASA Holding (France). Airbus Helicopters Holding is owned by Airbus Group S.E. (The Netherlands). EADS CASA Holding is owned by Airbus Defence & Space S.A. (Spain), which is owned by Airbus Group S.E. AHI is a subsidiary of Airbus Group, Inc., (Virginia), which is owned by Airbus Group S.E.

AH Sales

I have attached an Excel spreadsheet from which the PDFs came from. Hopefully this takes care of the formatting issues. I am waiting to hear back on your other specific questions.

AHI Sales

"LUH" refers to the UH-72 Lakota helicopter, which is a militarized version of the EC145 sold to the US Army. "PL" refers to "Production Line" and "LAL" refers to "Light Assembly Line." The LUH is produced at the AHI facility in Columbus, Mississippi.

I am still gathering information on the bankruptcy involvement questions.

If additional questions, let me know.

Thank you, Eric

From: Signoracci, Pietro J [mailto:psignoracci@paulweiss.com]
Sent: Tuesday, February 14, 2017 11:59 AM
To: Strain, Eric
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters

Eric,

Please let us know if you've had an opportunity to review the requests in my email below regarding the discovery Airbus has provided, and please let us know if we will be receiving today additional discovery regarding AH's corporate relationship and its involvement in the CHC bankruptcy cases.

Thank you,
Pietro

Pietro J. Signoracci | Associate
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From: Signoracci, Pietro J
Sent: Monday, February 13, 2017 12:54 PM
To: 'Strain, Eric' <estrain@nixonpeabody.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; 'George Barber' <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; 'Ortego, Joseph J.' <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; 'Christmas, Robert' <RChristmas@nixonpeabody.com>; 'Shah, Shainee' <sshah@nixonpeabody.com>
Subject: RE: ECN v. Airbus Helicopters

Eric,

We have a few questions/requests regarding the attached documents.

1. AH Sales to USA 2011-2016

   a. The attached chart appears to have cut off some rows from the original document. For example, the subtotals of 2012 sales by each category add up to 115 helicopters, but the line for TOTAL 2012 shows a total of 163 helicopters. (The same is true for 2013, which reports a total of 107 helicopters when the subtotals add up to 64 helicopters). Also, there are no rows showing TOTAL 2014, TOTAL 2015, or TOTAL 2016. Please confirm that there are missing entries and provide a full chart with all rows visible.

   b. Please define “AH-AHD” and confirm that where “AH-AHD” appears in the “FROM” column, that denotes sales to US customers directly from Airbus Helicopters (SAS) in France.

   c. Please define each entry in the REGION column: EBU, EBRG, EBE, etc.

   d. Please explain why certain rows have negative values in the QTY column.

2. AHI Sales 2011-2016

   a. Please define the following entries in the MODEL column: (i) “LUH”, (ii) “PL”, and (iii) “LAL”.

I’m available if you have any questions.

Thank you,
Pietro

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From: Signoracci, Pietro J
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Subject: RE: ECN v. Airbus Helicopters

Thank you, Eric. Received. We'll look forward to the additional documents and information Monday.

Best,
Pietro

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Subject: ECN v. Airbus Helicopters

Pietro,

Aircraft Sales

Attached are:

1. A spreadsheet showing sales by Airbus Helicopters, S.A.S. ("AH") to customers having a US address on the purchase agreement for the years 2011 through 2016. The sales were made by AH to the companies listed under the "From" heading, not the "Customer" heading. Thus, you will see that the sales were made by AH to Airbus Helicopters, Inc. ("AHI"). The "Customer" heading refers to the customers to whom AHI sold and delivered the helicopters in the US.

2. A spreadsheet showing sales by AH to CHC entities.

3. Documents summarizing AHI's sales to customers having US addresses on the purchase agreements. The entries that are blacked out were sales to customers not having US addresses.

Maintenance

1. AH does not perform maintenance in the US.

2. If a Super Puma customer in the US needs a main gearbox overhaul, the overhaul would be done by AH in France (or Helibras in Brazil); AHI does not perform Super Puma main gearbox overhauls.

3. AH, not AHI, would perform retrofit work to bring Super Pumas into compliance with the EASA AD and FAA approved AMOC allowing return to service following the groundings.

Corporate Relationship

I will get this to you on Monday.

Bankruptcy Involvement

I hope to get back to on Monday.

If questions, let me know.

Thank you, Eric

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Exhibit E

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forums

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through simulation or schools

- Work for an aviation regulator or other government agency

HAI HELI-EXPO 2017 Agenda

HELI-EXPO Day 1

MARCH 6, 2017

8:30 — 17:00	Committee Meetings, Forums, Workshops, & More
8:00 — 17:00	HAI Professional Education Courses
19:00 — 19:30	HAI HELI-EXPO Welcome Reception

HELI-EXPO Day 2

MARCH 7, 2017

8:00 – 10:00	HAI Annual Membership Meeting & Breakfast
8:00 — 12:00	Committee Meetings, Forums, Workshops, & More
8:30 — 16:30	HFI Rotor Safety Challenge Sessions
10:30 — 17:00	Exhibit Hall Open

HELI-EXPO Day 3

MARCH 8, 2017

8:00 – 16:30	HFI Rotor Safety Challenge Sessions
8:00 — 17:00	Committee Meetings, Forums, Workshops, & More
10:00— 17:00	Exhibit Hall Open
19:00 — 21:30	HAI Salute to Excellence Awards Dinners

HELI-EXPO Day 4

MARCH 9, 2017

10:00 — 16:00	Exhibit Hall Open
10:00 — 16:00	Committee Meetings, Forums, Workshops, & More

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Exhibit F

HAI Convention News®

AIN PUBLICATIONS

FEB. 26, 2014

WEDNESDAY AINONLINE.COM Anaheim

BARRY AMBROSE

In a choreographed display of lights and music, Bell Helicopter unveiled not one but three full-scale mockups of what the company had been calling its short light single helicopter and now calls the Bell 505 Jet Ranger X. Bell CEO John Garrison said that the new model will be priced at about $1 million to make it price competitive with the Robinson Helicopter R66.

Bell goes back to basics with 505 Jet Ranger X

by Mark Huber

Bell Helicopter has unveiled three refined mock-ups of its new, five-seat "short light single" (SLS) helicopter and officially named the new helicopter the "505 Jet Ranger X." Bell previewed the SLS concept with an announcement and renderings at the 2013 Paris Air Show.

Bell has begun taking orders for the new helicopter at Heli-Expo, but declined to publicly set a price. However, Chuck Evans, Bell director of marketing and sales support for commercial helicopters, said the 505 is designed to "be price competitive" with the $839,000 Robinson R66, a helicopter that has reinvigorated the light single market with nearly 500 delivered since its FAA certification in October 2010. Bell exited the light single market that same year, halting production of its iconic 206 Jet Ranger after 43 years and more than 7,500 delivered, but vowing to return to the market.

Those plans have now taken tangible form. The 505 mock-ups displayed here (Booth No. 4536) feature an unusual level of detail and are fitted in utility, executive/passenger and law-enforcement configurations complete with searchlight and FLIR (forward-looking infrared) camera.

The utility mock-up closely resembles a

Continued on page 29 ▶

LCI orders 39 helicopters valued at $925 million

by James Wynbrandt

Lease Corporation International (LCI) of Dublin, Ireland, announced signing orders for helicopters here at Heli-Expo 2014 worth almost $1 billion: the orders include a contract with AgustaWestland for as many as 18 helicopters valued at more than $280 million and a contract with Airbus Helicopters for as many as 21 new rotorcraft valued at some $645 million. Adding up the new orders and others since its launch in 2012, LCI has ordered more than $1.3 billion worth of rotorcraft.

The Airbus order is for up to 15 EC225e Super Pumas, a new model unveiled yesterday morning, making LCI a launch customer for the utility helicopter, and up to six EC175s. "These particular models will be very attractive to our expanding customer base as they continually demand the latest technology helicopters," said LCI executive chairman Crispin Maunder. "We are very happy to support them by providing quality aircraft together with innovative financing."

The EC175 was EASA certified in January and is expected to enter

Continued on page 29 ▶

BARRY AMBROSE

Guillaume Faury, Airbus Helicopters CEO; Crispin Maunder, LCI chairman; and Michael Platt, LCI CEO, celebrate LCI's mammoth Airbus Helicopters order next to the EC175.

ENSTROM UNVEILS NEW LOW-COST TRAINER

Enstrom Helicopter unveiled a mock-up of a new low-cost, two-seat, piston-powered trainer at Heli-Expo yesterday. The TH-180 promises to lower operating costs and will open up the market for training helicopters.

See Page 29

Milestones

Sikorsky looks back, and ahead
For the Connecticut manufacturer, "technology meets tradition" as the company reflects on its humble beginnings 75 years ago and celebrates its accomplishments–and those of the entire industry. **Page 12**

New Models

Airbus plans new variants
New models are coming, with the European manufacturer planning an extended-range variant of the 225e for the offshore market and a utility version of the Super Puma for missions in hot and high environments. **Page 3**

Safety

NTSB issues two safety alerts
Maintenance procedures and simulator training attracted the attention of the Safety Board, which called for operators to solidify efforts to ensure proper procedures and to incorporate scenario-based sim training. **Page 21**

Avionics

Scott's-Bell 47 to get Sagem glass
As it moves closer to bringing the 47GT closer to production, Scott's-Bell 47 has selected the avionics package for the helicopter, opting for the scalable Sagem ICDS-8A to allow customers to choose only the functions they need. **Page 10**

Engines

Demo diesel mill to fly this year
A modified EC130 powered by a diesel engine is expected to fly this year as part of Europe's Green Rotorcraft integrated technology demonstrator program. The goal of the program is to reduce fuel burn in light singles. **Page 16**

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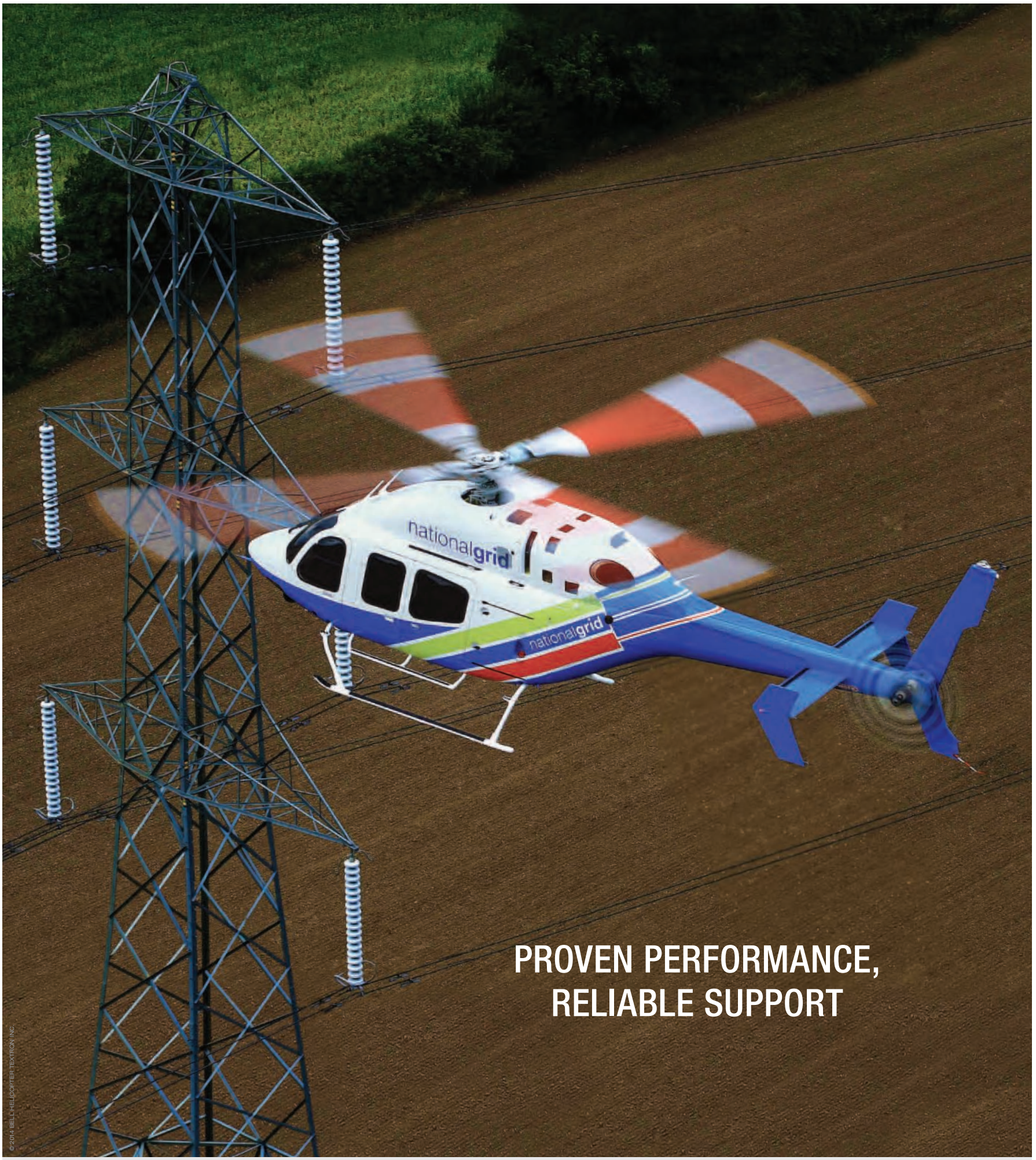

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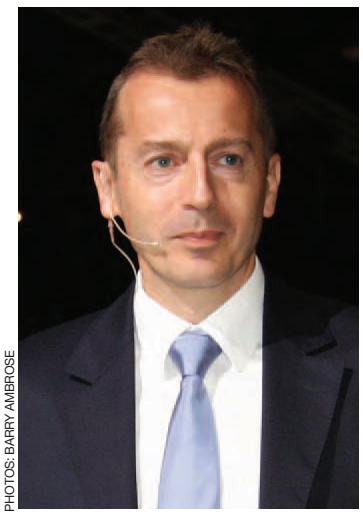
Airbus Helicopters CEO promises better support

by Mark Huber

New Airbus Helicopters CEO Guillaume Faury and the head of its U.S. arm, Marc Paganini, were visibly penitent when discussing the company's traditionally problematic customer service at yesterday's annual company press breakfast here at Heli-Expo. Faury left no doubt that he is committed to focusing more company resources and attention on product support. "It is time for new priorities," he said. Paganini echoed that sentiment, admitting, "We need to do better."

Faury has spent most of his career at Airbus Helicopters in flight test and engineering. He rejoined the company as CEO 10 months ago after serving as vice president of research and development at French automaker Peugeot since 2009.



PHOTOS: BARRY AMBROSE

Guillaume Faury, Airbus Helicopters CEO

While Faury declined to say specifically how much money the company plans to spend rectifying customer service and support issues, he and Paganini unveiled several broad-based initiatives aimed at solving the problem. "We decided very quickly to spend tens of millions of dollars…to increase our supply of parts" and to focus on reducing response times to customer requests, he said. Paganini said that Airbus is also focusing on making web-based customer service portals easier to use.

Faury said the renewed focus on customer service is part of a larger strategy to increase product quality and safety across the board, beginning with initiatives to install flight data and video recorders in its smaller helicopters as standard equipment and to fit cockpit voice recorders in its medium and heavy helicopters.

New Variants Planned

Faury unveiled plans for two new variants of existing products, the 225e and the AS322 C1e, and gave an update of development efforts on the X4 medium twin, now slated for first flight in 2015. The 225e is an extended-range heavy helicopter variant designed primarily for the offshore market. It features new Turbomeca Makila 2B engines, an improved passenger cabin and increased payload and fuel capacity. The 225e will have a range of 300 nm with 10 passengers. Certification is anticipated in 2015. The AS332C1e is a utility variant of the Super Puma designed for missions in high/hot environments. It features the four-axis autopilot and automatic flight control systems from the EC225.

X4 development work to date includes running the new quiet technology, increased fuel efficiency main rotor blades for 150 hours, qualifying the Pratt & Whitney Canada and Turbomeca engines–customers will have a choice as they currently do on the Model 135–and fabricating the first all-composite fuselage structure. First flight of the new X4 is expected in 2015.

While in 2013 Airbus booked orders for only five of its new EC175 medium helicopter, a model aimed primarily at the red-hot offshore energy market, Faury said he expects sales prospects for that helicopter to improve now that EASA certification has been received and with FAA approval anticipated "within the next few months." Several orders for the EC175 are expected to be announced here at Heli-Expo. Faury said Airbus has a "full support package" in place to support EC175 customer operations. That includes location of a level-D simulator proximate to Gulf of Mexico customers, anticipated in 2016.

Overall, Airbus posted revenues of $8.33 billion in 2013, delivering 497 helicopters worldwide, up slightly from 475 in 2012; however, U.S. deliveries declined slightly for the period from 147 to 145. Airbus continues to maintain a 50-percent market share in the U.S. ❑

MILESTONE AVIATION AND SIKORSKY CELEBRATE CONTRACT SIGNING AND FIRST FLIGHT

Milestone Aviation Group (Booth No. 5114) and Sikorsky Aircraft recognized two noteworthy achievements for the companies during opening day of Heli-Expo 2014.

Sikorsky's Kerry Bond joined Milestone chairman and co-founder Richard Santulli in the ceremonial signing of a contract for eight additional S-92 medium-lift helicopters. "I bought my first Sikorsky product in 1983 and developed a relationship with [the company] over many years," recalled Santulli.

Upon signing the contract, Bond quipped that Santulli could "keep the pen," in anticipation of the next order from the company.

The companies also recognized National Helicopter Services Ltd. (NHSL) of Trinidad and Tobago, the lessee of the Sikorsky S-76D that operated the first revenue flight for the model earlier this month. *–R.F.*

Richard Santulli (left), chairman and co-founder of Milestone Aviation, and Carey Bond, Sikorsky Aircraft president of commercial systems and services.

RSG Products and Heli-One team on STCs

Rotorcraft Services Group Products (Booth No. 1206) announced during Heli-Expo 2014 that it is teaming up with Heli-One (Booth No. 1804) to collaborate on, produce, support and even co-market supplemental type certified products for their customers.

Initial STCs available through the partnership include a dual pivoting litter system for the AS350 and a rappel system for Bell 412 and 212 helicopters. Both STC'd products are on display at RSG's booth at Heli-Expo.

The companies promise that quick on the heels of these two STCs will come several others, including a medical interior for the Airbus EC135; a structural medical floor for the MBB-BK117; a fold-up attendant seat for the Airbus AS350; and a Wescam MX-15 surveillance system and universal surveillance gimbal mount for the AS350. *–A.L.*

Backlog's a record, but sales decline at Sikorsky

by Curt Epstein

Last year was a mixed bag for Sikorsky Aircraft, according to company president Mick Maurer, who gave his company's year-end summary presentation yesterday morning. While Sikorsky reached a record backlog of more than $15 billion, it also recorded an 8-percent drop in sales, to $6.3 billion, the decrease driven largely by a drop-off in U.S. government orders on both the OEM side and the aftermarket segment last year.

In the commercial market, the United Technologies subsidiary saw an increase of more than a half-billion dollars year-over-year in top-line growth, with a backlog of more than $2 billion. "A new growth area for us has been China," Maurer said, noting the rotorcraft manufacturer has taken in almost $300 million in orders from Chinese operators over the past year and expects its aircraft to be in service with all three of China's major offshore oil operators. The OEM is using Chinese industry to build the airframe for the S-76D, and the tail for the S-92, and most of the parts that go into the company's light helicopters.

Mick Maurer, Sikorsky Aircraft president, said that the decrease in orders from the U.S. government was the main cause of the company's 8-percent drop in sales last year.

"We certainly believe that the industrialization that we are doing in China is helping us bring sales to China," noted Maurer, who expects the same synergy to grow in India, where Tata produces all of the company's S-92 cabins in Hyderabad.

The company also posted $1 billion in contract sales for its Total Assurance Program, which provides maintenance insurance covering the cost of parts replacement and repair on new Sikorsky aircraft. "We've been the first OEM to get FAA credit based on the lives of parts for using HUMS data to extend the replacement period on some of the parts on the aircraft. [The approval] will allow us to drive the cost of maintenance down," said Maurer.

Last month, Sikorsky's new S-76D made its long-anticipated entry into service. "The early returns are very favorable," said Maurer, noting 2014 will be the year the new medium cabin upgrade begins to make an impact. ❑

Robinson surpasses 11k helo deliveries

by Mark Huber

Kurt Robinson was generally upbeat about the prospects for his family's iconic helicopter company, during yesterday's Heli-Expo press conference. Last year the company delivered its 11,000th helicopter and it will soon deliver its 500th R66 single-engine turbine ship. Production currently stands at two to three R66s, five R44s and one R22 per week.

And that is before the company announced its optional new line of glass-panel avionics offerings earlier this month for all its helicopters. The new avionics feature Aspen and Garmin equipment, as well as the addition of a new electrical system, avionics master switch and full throttle caution light. Robinson called the availability of Garmin 600 and 700 series touchscreen GPS units in his helicopters a "great step forward" for pilot situational awareness and convenience.

Robinson said the company continues to expand its worldwide service network, from 433 last year to 461 so far in 2014 and that the number of R66 approved service centers had grown to 98 and would expand more this year. The company is currently working on certifying float and cargo hook options for the turbine R66.

Kurt Robinson, Robinson Helicopter CEO

Over the past year, Robinson continued to add to the number of certification authorities that have approved the R66, including Canada and Russia, even as the company continues to await final certification from the European Aviation Safety Agency (EASA) for the helicopter. This has proven to be a lengthy and, according to Robinson, extraordinarily expensive process. The latest impediment appears to be a controversy over how to assure fasteners used on the R66 and other helicopters are not subject to hydrogen embrittlement, Robinson said. He said he is hopeful that final certification approval would be received soon and that he "expects to see a surge in sales at that point."

Robinson said that the reentry of Bell into the light single market with its new 505 model announced here Tuesday, far from being predatory competition, would be good for the industry as a whole and the light single market in particular. "For the last five to ten years we haven't seen any R&D, except for Robinson, in this whole category. It's really nice to see. This is a great category. If you can bring on another helicopter that expands the market, that is good for the entire industry." ❑

MD goes on warpath with attack scout 530G

by Amy Laboda

New models, new orders and of course, deliveries are what the excitement is all about at Heli-Expo 2014. MD Helicopters could celebrate a little of all that this week. Company CEO Lynn Tilton unveiled not just the existence of its new MD 530G armed aerial scout helicopter, but also that it is flying and on the fast track to completion in the second quarter, with deliveries slated for the third quarter. The company is now taking orders for the $4- to $5-million single-engine helicopter. With cruise speeds in excess of 130 knots, the MD 530G features increased capacity landing gear supporting the 3,750-pound max takeoff weight. This allows the operator to use the increased useful load for additional range, endurance and weapons. The aircraft will come with Moog's weapons system platform integrated on the assembly line to facilitate lightness, according to Tilton.

Announcing new orders, Tilton estimated that the company will deliver as many as 50 helicopters this year, primarily to military customers in South America and the Middle East. The Bolivian Ministry of the Interior has ordered two MD530F helicopters for use in police and airborne security missions, such as the upcoming world security conference in Santa Cruz, Bolivia. The MD530F is equipped with the 650-shp RR250-C30 engine and longer main rotor blades fine-tuned for hot/high performance, giving the helicopter the ability to hover at altitudes as high as 16,000 feet msl.

The company has also received an order for a MD 500E helicopter from Shandong Qi Xiang General Aviation, marking its first order from mainland China. The aircraft is expected to be used for agricultural spray and utility missions.

On the deliveries front the company handed over a new MD 500E to Bering Air, one of the largest rotary-wing fleet operators in western Alaska. The aircraft, the third MD ship in Bering Air's fleet, is expected to fly more than 500 hours annually, according to the company. ❑

MD Helicopters not only unveiled the MD 530G armed aerial scout helicopter here at Heli-Expo, but also said it is already flying and will be certfied this year.

PHOTOS: MARIANO ROSALES

WAYPOINT LEASING ORDERS 37 AIRBUS HELICOPTERS

Waypoint Leasing Services announced yesterday at Heli-Expo that it is placing orders with Airbus Helicopters for 12 EC225 and 25 EC145T2 rotorcraft. Deliveries will commence this year and continue through 2017. Financial details of the order were not disclosed.

The two companies signed a framework agreement last year that enables Waypoint to coordinate its leasing proposals with Airbus Helicopters to include options such as the OEM's Parts-by-the-Hour (PBH) support services. Waypoint purchased two EC225s last year that are currently leased for offshore oil and gas operations in Australia.

The helicopter leasing space has drawn increasing interest recently, but Waypoint CEO Ed Washecka's leasing experience goes back to 2005, and his team has extensive experience in helicopter operations as well as finance, knowledge that can complement OEMs' advice when it comes to putting helicopters into operation, he said. Waypoint has $375 million in financing from two family funds and an additional $325 million in credit from Credit Suisse, CIT Bank and SunTrust, Washecka said. *–J.W.*

HAI Convention News

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HELICOPTERS

CHC group goes public, will trade as HELI

by Matt Thurber

CHC's oil-and-gas, search-and-rescue and EMS sectors saw a slight increase in revenues in its FY2014, while overall revenues at the company decreased by 1 percent. The decrease was attributed to lower availability of the EC225 fleet and the higher costs needed to return those helicopters to service following imposition of operating restrictions after two of the model ditched in 2012.

CHC Group went public on January 17, with an initial public offering (IPO) of 31,00,000 of its ordinary shares priced at $10 per share. The company, parent of CHC Helicopter, made all of these shares available in the IPO, which raised $310 million. The company's symbol on the New York Stock Exchange is HELI.

Vancouver-based CHC specializes in helicopter support for oil-and-gas companies and government search-and-rescue agencies and helicopter maintenance through its Heli-One division (Booth No. 1804). CHC Helicopter operates about 250 aircraft in about 30 countries, according to the company.

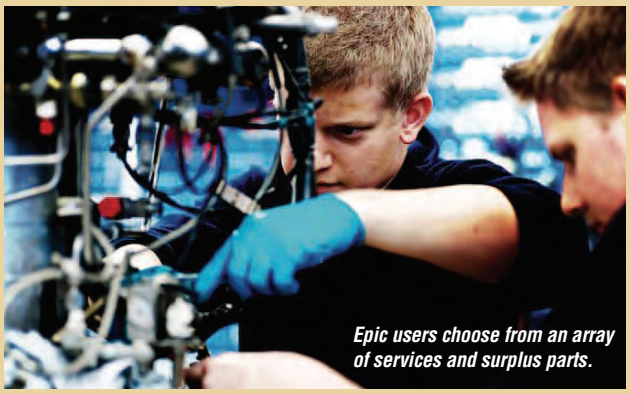
CHC reported a drop in revenue and earnings in its Fiscal Year 2014 second quarter report, with revenue for the quarter at $443 million, down one percent compared to the same period in FY 2013. The company had a net loss of $49 million; net earnings were $7 million during the same period last year. Adjusted net earnings loss was $27 million, compared to adjusted net earnings of $8 million in the same period last year. The revenue drop is attributed to lower availability of the EC225 fleet and the higher costs needed to return those helicopters to service. "EBITDAR (earnings before interest, taxes, depreciation, amortization and aircraft rental costs) was $109 million, down 13 percent," according to CHC, from the previous year's $126 million.

Two EC225 ditchings in 2012 led to operating restrictions on the model, which were lifted after gearbox modifications were incorporated. "I'm proud of the leadership CHC brought to that work, and the ability of our people to minimize disruption to customer operations while those aircraft were suspended from flight during the past year," said CHC president and CEO William Amelio.

During the second fiscal quarter 2014, oil-and-gas, search-and-rescue and EMS flying revenues climbed 1 percent to $408 million. Countries where flying revenue grew include Australia, Ireland, Malaysia, Norway and the Philippines, while Brazil saw "a sales decline… attributable to customers electing to resume EC225 flights more slowly than elsewhere."

Other business highlights include the company signing a two-year extension of an agreement for services to Statoil at bases in Bergen and Florø in Norway, using a fleet of 10 heavy helicopters; the government of Nigeria has approved CHC joint venture partner Atlantic Aviation to import AW139s; in Tanzania, the company received an air operator certificate to fly AW139s and S76C+ helicopters instead of operating based on customer-held permits; CHC ordered nine additional S-92s, with options for another 15; and the company signed an agreement to buy $100 million worth of helicopters from Airbus Helicopters by the end of 2016.

On the maintenance side, Heli-One sales to third-party customers dropped 17 percent to $35 million during the quarter, with EBITDAR down 45 percent to $16 million. According to CHC, "Similar to in Q1, Heli-One's EBITDAR was negatively affected by costs incurred to prepare EC225s to return to service, as well as costs necessary to maximize availability of other CHC aircraft." ❑



Epic users choose from an array of services and surplus parts.

Heli-One's website provides access to two Epic databases, one an inventory of exchange components and the other an inventory of spare parts.

Heli-One Opens New Parts Portals

CHC Helicopters division Heli-One (Booth No. 1804), a global provider of repair and overhaul services for helicopters, now offers overhauled aircraft components and spare parts to other helicopter operators via new customer portals on its website (www.heli-one.com).

Launched in early December last year, Heli-One's Exchange Parts Inventory Channel (Epic) connects users to two searchable databases, one for the company's pool of exchange components and the other for its inventory of surplus parts, which carries nearly 1,900 items. Helicopter models covered include the AgustaWestland AW139; Airbus Helicopters AS350, AS332, AS365, EC120, EC225 and SA315; the Bell 212 and 412 and the Sikorsky S-61 and S-76. The larger exchange components include engines, gearboxes and tailrotor blade assemblies.

"Whether a customer needs an expertly overhauled engine or rapid, cost-effective delivery of minor components in volume, this Epic capability provides a convenient service from a trusted, reliable and specialized global resource," said Jeff Manion, Heli-One vice president of sales, marketing support and global networks.

When looking for an exchange component for a particular model on Epic, users can download a spec sheet on the item, which includes a photograph, its part and serial numbers, time since new and since overhaul, if it is now available or when it will be available and its condition. Contact information (phone and email) for regional sales directors in four global areas is provided.

After selecting an item in the parts sales inventory for possible purchase, users fill out a short online form to send via email to Heli-One. A dedicated representative responds to the inquiry. If the sales representative has certification papers about the component, he or she will provide price and other information immediately. If not, the goal is to obtain this information within 24 hours. For both exchange components and spare parts, as soon as Heli-One receives a purchase order or signed contract, the item is shipped.

Rick Angelo, Heli-One director of strategic marketing, said the goal of Epic is to provide better tools for the company's customers. "If Heli-One is going to be considered a leading helicopter maintenance organization, we have to start providing the tools to make our customers more successful," he said. "Customers have a plethora of choices for parts and services, and we're hoping that if we give them the right tools, then in time they're going to depend on Heli-One more and more."

He said the company's inventories of exchange components and parts are located primarily at its MRO facilities in Vancouver, Canada; Fort Collins, Colo.; Stavanger, Norway; and Rzeszow, Poland. An examination of the downloadable Parts Sales Inventory spreadsheet on the Heli-One website shows numerous parts also located in Australia and The Netherlands.

In addition to MRO services, CHC provides offshore transportation to oil-and-gas companies and flight services to search-and-rescue agencies. CHC is headquartered in Vancouver and operates about 250 aircraft in some 30 countries. *–R.R.P.*

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FAA is considering TCAS II for heli use

by Thierry Dubois

Prompted by industry demand, the FAA is considering approving the installation and use of TCAS II aboard helicopters but is concerned about certification challenges. Major operators have been successfully using TCAS II for several years in regions such as the North Sea.

"Over the past few years, we have received numerous applications for certification of TCAS II installations in rotorcraft," Stephen Barbini, flight analyst, aircraft certification at the FAA's rotorcraft directorate, told attendees at the EASA Rotorcraft Symposium in Cologne, Germany.

He noted that most, if not all, interest in installing TCAS II in rotorcraft is related to offshore operations, which must contend with reduced visibility and dense traffic. As an example, he noted that there are 2,500 flights per day in the Gulf of Mexico.

The system has proven its worth in areas such as Europe, Africa and Trinidad and Tobago, which have several documented reports of collisions avoided thanks to resolution advisories (RAs) provided by TCAS II.

However, despite all the expected and proven benefits, the FAA is wary of dangers and serious limitations stemming from the fact that TCAS II specification requirements are modeled for transport-category airplanes, according to FAA experts.

In particular, TCAS II algorithms require vertical speed of 1,500 feet per minute, which rotorcraft cannot always attain. Barbini noted that "the specification requires that the aircraft attain a rate of climb of 1,500 fpm within five seconds of an RA being annunciated."

He sees this as the greatest challenge to installing TCAS II in rotorcraft. For example, an Airbus Helicopters AS365 N3+ Dauphin, at mtow in ISA conditions, has a maximum vertical speed of 1,321 fpm. A helicopter following an RA without the required rate of climb faces the risk of a midair collision.

Acknowledging Limitations

A research project that evaluates TCAS II in fixed-wing aircraft with performance characteristics similar to helicopters has recently been conducted. In this research, rate of climb is treated as variable, Barbini said. The FAA is currently reviewing the findings of the project.

Another problem is the vertical polarization of the upper directional antenna. It may prevent the system from "seeing" aircraft directly above, Barbini said. Therefore, the helicopter can be commanded, via an RA, to climb vertically into a collision.

The FAA has received numerous requests for certification of TCAS II installations in helicopters, most related to offshore operations, such as in the Gulf of Mexico. TCAS has proven successful in North Sea operations.

The traffic density of the environment in which helicopters operate also provides a significant limitation. TCAS II provides reliable surveillance up to a traffic density of 0.3 aircraft per square nautical mile, Barbini pointed out.

Numerous TCAS II-equipped aircraft operating in near vicinity of each other can saturate systems or even create unnecessary RAs for passing aircraft. In such situations, the solution–albeit less-than-ideal–is to set TCAS II to traffic alert-only. This is what Barbini suggested for news coverage of accidents and sporting events, for example.

He suggested that helicopters might be better suited for TCAS I, which only makes crews aware of nearby traffic. "It uses correct assumptions," Barbini said. The next generation of TCAS, ACAS-X, will address rotorcraft but is projected to enter service in 2025.

Finally, Barbini urged the industry to take the lead, form a working group and develop a method to safely install TCAS II in rotorcraft. ❑

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Columbia set to recycle U.S. military Chinooks

by Amy Laboda

Finding new life for military surplus helicopters is the ultimate in recycling, and Portland, Ore.-based Columbia Helicopters (Booth No. 4706) has everything it needs to recycle the three rugged Boeing CH-47D Chinooks it purchased recently from the U.S. government.

Military surplus aircraft sold to commercial services are restricted in their operations by the FAA, but Columbia Helicopters has acquired the FAA type certificates from Boeing for the 234 Chinook and Vertol 107-II, the two commercial versions of the CH-47D. The company also holds a production certificate that allows it to produce FAA-approved parts for these aircraft.

"We are uniquely positioned to operate and maintain these helicopters," said Stan Wilson, president of Columbia Helicopters. "The aircraft will come into our maintenance facility for refurbishment before [they are put] to work," he said.

Columbia Helicopters announced during Heli-Expo 2014 that it is now an authorized service center for the Honeywell T55-714 engine series used on the CH-47, with a Honeywell-certified turbine engine test cell on site at its Portland facility. ❑

Columbia Helicopters has acquired three U.S. government Boeing CH-47D Chinook helicopters to augment its fleet of six Chinooks and 14 Vertol 107-II helicopters.

NEW OFFICES, NEW WORK FOR KAMAN

At Heli-Expo 2014 Kaman Aerospace Group (Booth No. 4922) announced that it is expanding its reach. The OEM supplier of helicopters, rotor blades and rotary-wing UAVs and other aerospace components has opened new offices at Clemson University's graduate campus in Charleston, S.C. The plan is to recruit talent and put a team of Kaman engineers at the nearby Boeing facility in North Charleston. The team is part of the company's participation in the stress analysis work on Boeing 787 Dreamliner production. Kaman was named Boeing Supplier of the Year in 2013, one of 16 companies to receive the award, which is based on statistical measurements of quality, on-time delivery, post-delivery support, cost and the ability to respond to changing customer requirements.

South Carolina Governor Nikki Haley is excited to see Kaman join the expansion of the aerospace industry in the state. "It speaks volumes for our economic future," she said, commenting, "The aerospace sector is a major driver for our state's economy."

Across the Atlantic the company expects to open a Kaman Specialty Bearings and Engineered Products facility in Hochstadt, Germany, and a tooling manufacturing facility in Lancashire, England, by the end of the first quarter.

All the recruiting and new manufacturing facilities will support new contracts for the company that include a contract to deliver 40 cockpits and lower fuselages for the Bell AH-1A Zulu helicopters; more Boeing CH-47 composite engine inlet screens and tunnel covers; high-speed drive systems and high-performance helicopter bearings; and continued support for the delivery of 10 SH-2G(I) Super Seasprite helicopters, spare parts, flight simulator and logistics support to the New Zealand Ministry of Defense, which was authorized last April. *–A.L.*

Airbus to add FDMs and cockpit imaging

by Thierry Dubois

Airbus Helicopters plans to progressively equip all its models with a cockpit imaging and flight data monitoring (FDM) system, in a bid to improve safety with an affordable system. All 181 AS350 AStar/Ecureuil light singles delivered last year were equipped with the device, developed with Appareo Systems (Booth No. 329). Next in line for the FDM installation are the EC130T2 light single and the EC135 light twin.

The device, known as Vision 1000 in Appareo's product range, records cockpit sounds and images–at a rate of four frames per second–as well as roll, yaw and pitch angles. It is attached above and behind the pilots' heads so the instrument panel, controls and the outside world (through the windshield) are in the camera's field of view.

The system differs from a cockpit voice and flight data recorder (CVFDR), the conventional and expensive "black box" designed to withstand fire, shocks and immersion. A CVFDR is mandatory only for commercial passenger transport in large helicopters. In practice, for Airbus the rule applies only to the AS365/EC155 Dauphin and Super Puma series.

"Beyond the existing regulation, we want to go the extra step, be innovative and offer a new safety standard," Gilles Bruniaux, Airbus Helicopters' v-p for fleet safety, told **AIN**.

Bruniaux provided a performance/cost comparison with a CVFDR, noting, "The new device records fewer parameters and is less resistant but it is still highly informative." Images give information on weather, obstacles, pilot actions and so on, he pointed out. As for price, he maintains that users will find the price point acceptable.

The Vision 1000 can be used as a means of prevention, by monitoring flight data and analyzing the results using a proprietary software program. The idea is to detect possible pilot deviations from procedures by replaying the flight on the ground.

Recognizing that after an accident the device's memory can provide valuable information for investigators, Airbus Helicopters has decided to eventually fit such a recorder in every helicopter it produces, even those that already have CVFDR. "Images can help find or compensate a missing flight parameter," Bruniaux explained.

The Appareo device weighs .66 pound and it is integrated in a single unit and needs just a power cord and a link to the GPS antenna. Retrofit will be available for a price that is understood to be four-digits.

In parallel, Airbus Helicopters intends to expand the installation of CVFDRs to more models. ❑

Scott's-Bell 47 to get Sagem glass cockpit

Scott's-Bell 47 (SB47, Booth No. 7422) has selected the Sagem (Booth No. 2814) ICDS-8A glass cockpit suite as part of the standard avionics package for the new 47GT-6 helicopter.

The Sagem system includes the primary flight display (PFD) and engine monitoring system. Other features include split map/engine screen mode, display of an externally mounted camera, VGA inputs and custom user databases such as display points for the moving map. The system will feature dual glass displays and back-up flight instruments and will also function as an engine indication and crew alerting system (EICAS) with a multifunction display for items such as pilot checklists. A variety of options will be available, including interfaces to GPS and transponders.

SB47 CEO Scott Churchill said his company selected Sagem, in part, because it allows customers to scale the suite to their individual needs and "not burden every customer with the cost and weight of a full-up primary display and navigation system. But with minimal changes and upgrades, the cockpit can easily be converted into a full-up system suitable for operations such as IFR training."

The selection of Sagem is the latest in a series of developments geared at bringing the turbine-powered 47GT-6 closer to production. Late last year, Scott's announced that it had received orders for 38 of the Rolls-Royce RR300-powered helicopter from a diverse customer list, the majority of which are from authorized dealers for exports into Asia/Australasia.

The 47GT-6 has an initial target price of $820,000, and deliveries are anticipated to begin in 2016. Prototype first flight is scheduled for late this year.

Scott's acquired the type certificate from Bell for the Model 47 in 2009 and has taken over factory support and refurbishment, offering a variety of upgrades, for the estimated 1,100 Model 47s still in service worldwide. It recently announced a deal with Lycoming to be the exclusive distributor for that company's new Hi-Dome pistons for the discontinued VO-435 engine, which was a popular choice on the Bell 47. *–M.H.*

The cockpit of the Scott's-Bell 47 helicopter is being modernized with Sagem's ICDS-8A displays.

MARIANO ROSALES

RSG and Ruag partner on missile defense pod

by Kim Rosenlof

Civilian operators that work in combat environments now have an option to equip their helicopters with electronic warfare (EW) devices that can detect incoming missiles and launch chaff and/or flare countermeasures. Rotorcraft Services Group (RSG, Booth No. 1206) recently signed an agreement with Switzerland-based Ruag Schweiz to provide integration and qualification services for Ruag's Integrated Self-Protection System (ISSYS) Plug-on-Device (POD) for use in the civil aviation market.

Based on the Saab Compact Integrated Defensive Aids Suite (CIDAS), the ISSYS-POD consists of up to five missile-approach warning sensors, optional laser and radar warning sensors, an electronic control unit, control display panel, optional threat display and two countermeasure dispensers. Designed as a limited integration system weighing approximately 96 to 130 kilograms, all except 11 kilograms of the ISSYS-POD can be removed from the aircraft when not needed and reinstalled for specific missions by two technicians in approximately 30 minutes.

"The ISSYS-POD is the role fit version of the Saab-proven CIDAS currently in use protecting both civil and military aircraft in sophisticated threat environment around the world," said Fida Waishek, president of RSG AeroDesign. "When the system detects a MANPADS [man-portable surface-to-air missile] launch, it tracks the incoming missile, then uses mixed chaff and flares payload to jam and misdirect the missile's guidance system, causing it to miss the target aircraft. The entire process occurs in few seconds and requires no action on the part of the aircraft crew."

The basic ISSYS-POD system includes four missile-approach warning sensors to provide spatial coverage of 360 degrees azimuth; an additional fifth sensor can be added for full downward-looking coverage. Each sensor uses a dedicated digital signal processor to ensure real-time information processing, enabling the detection and handling of up to 10 threats simultaneously from up to 5 km away.

The system includes one countermeasures dispenser installed on each side of the helicopter. The dispensers can be loaded with one-by one-inch or two- by one-inch pyrotechnical payloads, with the customer determining the mix of chaff and flare. The ISSYS-POD system requires 28 volts DC power from the helicopter and consumes 350 to 500 Watts (with optional sensors) plus an additional 380 Watts while dispensing on both sides.

The ISSYS-POD has been developed to EASA standards and has been installed on several helicopters including the Super Puma, EC225, Mi17 and A109. Installation cost for the system ranges from $1.5 to $2 million depending on the aircraft platform, but unless the countermeasures are actually used, there are few other costs to the system. According to Waishek, some peacekeeping entities are even electing to install the system without the chaff and flare countermeasures.

"The POD is quickly emerging as an easy and economical way to configure aircraft that would not have this type of equipment," said Waishek.

As part of its integration services, RSG will assist customers with qualification for their specific aircraft. ISSYS-POD integrated and qualified solutions also are available for fixed-wing aircraft such as the Cessna Caravan, Twin Otter and Beechcraft King Air. ❑

Vector inks new maintenance agreements

by Curt Epstein

Vector Aerospace has announced several new maintenance agreements for its Helicopter Services-North America (HS-NA) subsidiary. The rotorcraft MRO services company has signed a two-year agreement with Brazilian MRO provider Helipark to provide repair and overhaul support for the Turbomeca Arriel 1 and Rolls-Royce M250 engines. Vector plans to open a new 29,000-sq-ft MRO facility in Jacarei, Brazil this year, as part of an initiative to grow its South American customer base.

The Canadian company also unveiled a five-year, exclusive MRO support contract with Blackcomb Aviation, covering the Vancouver-based helicopter and jet aircraft charter provider's fleet of M250 and Arriel 1 and 2 engines, along with the dynamic components for its Airbus Helicopters AS350, AS355 and EC130s.

Here at the show, Vector revealed that HS-NA now offers a full range of capabilities for those rotorcraft, including 12-year major inspection service. Services include composite, structure and tailboom repair and assembly in addition to upper, lower and vertical stabilizers. "Blackcomb Aviation entrusted Vector Aerospace as its Rolls-Royce, Turbomeca, and [Airbus Helicopters] fleet MRO provider because of the superior quality of service and fast turn-times they provide to their customers," noted Blackcomb president and CEO Jonathan Burke.

Tsunami-damaged Puma

Through the company's Dutch partner Aerotech Holland, HS-NA has inked a four-year deal with the Netherlands Ministry of Defense to service its fleet of GE T700-701C and -701D engines, installed in AH-64D attack helicopters operated by the country's air force. "This subcontract demonstrates HS-NA's certification and capacity to provide quality repair and overhaul on GE engines and reinforces our ability to foster strong relationships through contract collaboration with companies such as Aerotech Holland," said Chris McDowell, vice president of sales and marketing at Vector HS-NA.

Late last year, the company completed the delivery of a fully refurbished Airbus Helicopters AS332L-1 Super Puma that was damaged during the tsunami that hit Japan's Fukushima region in 2011. Ranier Heli-Lift purchased the helicopter shortly after the incident, and HS-NA performed a number of repairs, including a complete airframe rewire requiring more than 62 miles of wire and main landing gear fitting changes with the help of specialists from the manufacturer. A complete 7,500-hour airframe inspection was performed (one of nine major inspections the company conducted on Super Pumas last year) and the aircraft was newly painted inside and out.

"The decision to make this MRO agreement with Vector was based on the outstanding support it has provided other operators, and the timing of this project aligned well with Vector's new AS322L-1 capabilities," said Richard Lerew, Ranier Heli International's executive vice president. "We were extremely pleased to receive the finished product in late December 2013, and the aircraft is now in full service." ❑

MULTI-MISSION MANAGEMENT SYSTEMS MEET SUPER PUMAS THROUGH HELI-ONE RETROFITS

Universal Avionics authorized dealer Heli-One Canada (Booth No. 1804) has noticed an interesting trend among its customers with search-and-rescue (SAR) missions in Airbus AS332 Super Pumas. They are requesting installation of Universal's multi-mission management system (MMMS), which incorporates capabilities included in Universal's SBAS-enabled flight management systems, as well as special interfaces including "drifting target" and "mark on target" functions for SAR operations. The MMMS system also includes NVG compatibility, a must for SAR and other special mission operations.

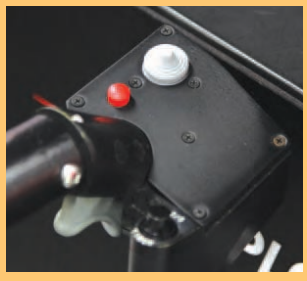
"These modifications were recently installed and are now operational on three CHC aircraft configured for offshore operations," said Alan Stewart, senior manager, design engineering for Heli-One. "The ability for the system to hold up to six canned search patterns frees the flight crew to concentrate on sighting the search object," he continued. "You can't have too many pairs of eyes looking outside when it comes to SAR."

Universal's MMMS is SBAS, European P-RNAV (GNSS) and LPV capable, and includes enhanced fuel-management functions for long missions. The MMMS retrofit provided by Heli-One is also designed to address database support for certain RNAV systems and ADS-B requirements. *–A.L.*

MD 902 EXPLORER'S COLLECTIVE HOSTS UNIVERSAL AVIONICS CURSOR CONTROL

Universal Avionics (Booth No. 4702) has done it: created a way for helicopter pilots to keep their hands on the collective and still have "point and click" cursor control. The avionics manufacturer's new device is a cursor slew hat-switch mounted on the collective of the MD 902 Explorer equipped with the Universal Avionics Next Generation flight deck, which is on display at the MD Helicopters booth (No. 6922).

Grady Dees, director of technical sales for Universal Avionics, is excited about the Next Generation flight deck capabilities. "Flight decks of the future need to provide functionality and safety features while reducing pilot workload," Dees explained. "Giving cursor control to the light-twin helicopter market should revolutionize it," he said. The cursor control shown here isn't the final version, but demonstrates the devices capabilities. *–A.L.*


MARIANO ROSALES

MARIANO ROSALES

The Helicopter Association International board of directors ceremoniously opened Heli-Expo 2014's exhibit halls yesterday morning. Front row (l to r) Gale Wilson, vice chairman; Tony Burson; chairman, Matt Zuccaro, president; Max Lyons, treasurer; Torbjorn Corell, assistant treasurer. Back row: Edward DiCampli; executive v-p and corporate secretary; Christopher Erickson, director; Daniel Schwarzback, director; James Wisecup, director; Lynn Malmstrom, director; and David Bjellos, director.

HAI member meeting highlights mentoring

by Amy Laboda

With his usual straightforward, no-nonsense manner HAI president Matt Zuccaro welcomed Heli-Expo attendees and HAI members to the opening breakfast and annual member meeting on Tuesday morning at the Anaheim Convention Center. Board chairman Tony Burson started off the meeting by focusing on the organization's mentoring and future-focus.

"Our military-to-civilian transition seminar yesterday, presented by Sikorsky's Stacey Sheard, played to a packed room," said Burson. "My challenge to you is to mentor new people into helicopter aviation in 2014," he continued.

He also noted that HAI moved into a new headquarters building in 2013, which has facilities for seminars, meetings and even office space that is available at no cost to visiting HAI members.

The treasurer's report, presented by Max Lyons, HAI treasurer, showed that as of Jan. 31, 2014 the organization was operating at a $1,076,000 surplus, a number that reflects a significant reduction in expenses for the organization.

From there Zuccaro took over with his president's report, noting that the health of the organization is good, membership, standing at 3,558, is strong, and that HAI is hiring. Zuccaro also took a vote for revision of two key bylaws that changed the definition of his title to president and CEO from the current president and COO. This opens the door for HAI to hire a dedicated COO. Both revisions passed on a two-thirds vote of members present.

Zuccaro said Heli-Expo attendance is trending toward 20,000 and that the exhibit hall, with 740 exhibitors and 60 helicopters on display, features more than one million square feet of exhibit space. "This show is completely sold out," he said. He estimated that more than $2 billion in business would take place over the next three days. ❑

Technology meets tradition at Sikorsky

by Rob Finfrock

Sikorsky Aircraft highlighted its past achievements, and their influence on the company's current direction, in introducing its theme of "Technology Meets Tradition" at Heli-Expo 2014 yesterday.

"Seventy-five years ago, we celebrated the liftoff of the first Sikorsky prototype helicopter, the VS-300," said Sergei Sikorsky, son of aviation pioneer and company founder Igor Sikorsky. "I'm going to give you three short sentences, my father's first three-week impressions of the VS-300. It was a very honest evaluation: 'The vibration was fierce. The control was marginal. Stability was non-existent.'"

Sikorsky obviously resolved those issues, however, and just 25 years later the CH-53 heavy-lift helicopter took to the skies for the first time. "The technology is interesting if you compare [the two helicopters]," Sikorsky added. "The VS-300 barely lifted one pilot; 25 years later the CH-53 would lift 30 to 50 troops as a matter of routine."

Furthermore, the CH-53 offered a full 3,910 horsepower more than the VS-300's diminutive 90 horsepower, and today's CH-53E variant lifts as much as 53,000 pounds compared to its progenitor's 1,000-pound gross weight.

Carey Bond, president of commercial systems and services at Sikorsky, then directed attendees to the helicopters displayed at the company's booth, from the Korean War-era S52-3 to the advanced S-76D corporate helicopter, both sharing space with a mockup of the company's S-97 Raider concept high-speed scout and attack aircraft.

"That aircraft is getting ready at our flight assembly facility in West Palm Beach. We will fly it before the end of the year," Bond added. "Not only do we think we [the S-97] will double the speed of a useful helicopter, you can see the huge jump in technology that [the company's] investment has brought." ❑

Sikorsky Aims To Ease S-76D Transition for New Customers

Hoping to encourage more operators to add its S-76D twin-turbine commercial helicopter to their fleets, Sikorsky Aircraft (Booth No. 2822) announced a new entry into service (EIS) program at Heli-Expo 2014.

S-76 program director Leon Silva said the new EIS program will provide "a robust customer experience" with each S-76D delivery, complete with pilot and maintainer training on the type provided by FlightSafety International. A specialized S-76D fleet service representative will also be available to address customers' needs from the field, and on-site pilot support is also available.

Additionally, Sikorsky's Fleet Management Operations Center (FMOC) will identify potential opportunities for cost and availability improvements to S-76D EIS customers, by combining data from the aircraft's health and usage monitoring system with the client's own maintenance and operations information.

"Understanding how customers use their aircraft enables [the FMOC] to predict parts demand and optimize supply chain and inventory," noted Silva, adding that a similar program has been used to great effect for operators of the company's heavy-lift S-92. *–R.F.*

MARIANO ROSALES

Erickson's Jeff Stein presents the company's 2012-2013 Outstanding Supplier Award to John Koulikas of TactAir Fluid Controls at Heli-Expo 2014.

ERICKSON RECOGNIZES TACTAIR FLUID CONTROLS

Erickson (Booth No. 6422) presented its 2012-2013 Gold Supplier Award Tuesday morning at Heli-Expo 2014 to TactAir Fluid Controls for its work supporting the hydraulic systems on the S-64 Aircrane. "We look for not just the lowest cost [from our suppliers], but also the best value as well. TactAir provides that best value for us," said Jeff Stein, director of materials at Erickson. TactAir customer support manager John Koulikas added, "To be able to support this aircraft for many, many years has been a big thrill and achievement for us." *–R.F.*

COLUMBIA GOES LIVE WITH RAMCO OFFLINE DATA SOLUTION

Ramco Aviation (Booth No. 326) announced Tuesday at Heli-Expo 2014 that longtime customer Columbia Helicopters (Booth 4706) recently began the transition to Ramco's Solution 5.6 integrated suite of maintenance, finance, human resources and payroll tracking software.

The offline capabilities of V5.6 are especially important for Columbia, as the company frequently operates its fleet of twin-rotor, heavy-lift helicopters in remote theaters around the world with limited to no data connectivity. The system allows Columbia field stations to collect and retain important personnel and equipment cycle data on site, for later upload to a field headquarters as able. At zero-connectivity locales the operator can save the information on a data card for later shipment to the central office.

Columbia president Stan Wilson noted that Ramco's software has also helped to "coordinate operations within our company. We found that some people were doing things in ways we didn't know about, and this has helped get everyone operating from the same page."

Columbia is the largest operator of and type-certificate holder for the Model 234 commercial variant of the CH-46 Sea Knight and CH-47 Chinook helicopters. *–R.F.*

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Offshore operator PHI was involved in the development of Sikorsky's rig approach system.

Automated oil rig approach an option for Sikorsky S-92

by Thierry Dubois

Sikorsky S-92 operators can select an automated rig approach system on new helicopters and as a retrofit on existing aircraft. Offshore oil-and-gas specialist PHI in November 2013 began using the rig approach system in operational flights off the coast of Louisiana. The FAA had approved the optional feature on the medium twin in May. The system is designed to decrease workload when the crew is in a critical flight phase.

The S-92's autopilot already had a search-and-rescue (SAR) mode, which could fly the rotorcraft to a point, in an automated way. Sikorsky (Booth No. 2822) design engineers built on this mode to create the new functionality. In addition, the weather radar ensures that the flight path is free of obstacles. "You eliminate manual flying in intermediate stages such as the initial approach fix, final approach fix and descent to the final decision point," said Dan Hunter, director of commercial programs.

As a result, the workload is reduced from 17 pilot-initiated items to only seven. The system can build an approach in 20 seconds and can be activated to fly the approach with a single button. The pilot flying looks for visual cues while the non-flying pilot monitors the approach.

The certification is valid to half a nautical mile visibility, the distance between the target offset point and the rig. Sikorsky expects the system to be approved in weather as low as a 200-foot ceiling and a quarter mile visibility.

Inputs come from, among others, the flight management system, the GPS and the radar altimeter. Wind conditions at the rig are factored in, too. Hunter said SAR mode installation is not a prerequisite for the rig approach option. Also, if an aircraft is already equipped with the SAR mode, it may need upgraded hardware and software.

The bottom line, Sikorsky officials believe, will be safer operations under challenging weather and operating conditions. The system is hoped to add barriers to help prevent controlled flight into terrain accidents. In fact, technology was not the trickiest part of the job; certification was the most challenging. "We spent one year developing the rig approach functionality but it took us one year and a half to convince the authorities," Hunter said. Automated rig approach had never been done before so the FAA had no basis on which to compare it and no set of rules for certification. Sikorsky "wrote the book" on it, working with PHI and the FAA.

The rig approach system is available as an option and can be retrofitted to aircraft already in service. Hunter would not disclose the price, saying only that it is six digits in U.S. dollars.

What about offering rig approach on the S-76D? "We have every intention to have it on the S-76D," Hunter said. It would be available on only the latest version of the 12-seater, however. The avionics architecture on earlier variants, such as the S-76C, would make a retrofit too difficult. ❑

TIGER TUGS DEBUTS NEWEST TUG MODEL

Tiger Tugs Helicopter Transport's newest helicopter mover–the Model 12.0–can handle helicopters weighing up to 12,000 pounds. The Model 12.0 is ideal for handling aircraft such as the Bell 212 and 412 safely and easily, according to the Bend, Ore.-based company.

Tiger Tugs (Booth No. 7616) claims to have developed a new concept for moving helicopters safely and efficiently. "We took a fresh look at the tug market, interviewed users of other tugs, then set out to design a safer and easier-to-use vehicle," the company explained.

The Tiger Tugs wireless remote control system allows the operator to maneuver a helicopter in tight hangar spaces while controlling the tug from any vantage point, according to Tiger Tugs. A single operator can use the tug to move a helicopter, so no additional people are needed to assure rotor blade and airframe clearance.

Tiger Tugs says it has the first true scissor-lift transport on the market. When it is positioned under the helicopter, its cross tubes move straight up and do not translate horizontally, eliminating guesswork about where the saddles will come to rest. *–H.W.*

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Diesel demo engine to fly this year

by Thierry Dubois

The diesel engine research and development project that Airbus Helicopters (formerly Eurocopter) is conducting with racing car engine specialist Teos Powertrain Engineering and engine manufacturer Austro Engine, under Europe's Clean Sky joint technology initiative, has cleared significant milestones. The demonstration engine is now being tested on an iron bird, before the first flight planned for this year on a modified EC120. The stakeholders in the Green Rotorcraft integrated technology demonstrator program hope diesel engines will eventually offer reduced fuel burn on light singles.

The modified EC120 iron bird (which includes an airframe) is located at the Airbus Helicopters factory in Marignane, France. Testing began last November, after extensive engine trials took place on a dedicated test bench earlier last year. No particular difficulty has been encountered since the beginning of the test phase, project officer Sébastien Dubois told **AIN**.

With the iron bird, engineers are assessing the way the diesel engine interacts, in terms of vibration, with the airframe. The engine has been powered up very gradually to avoid any problem, Dubois explained. The process may appear slow but the idea is to avoid surprises such as an unexpected major failure, which could cause several weeks of delay and a serious cost increase, he pointed out. But so far the installation, tests and performance have met expectations. Iron bird testing will continue this quarter.

First Flight This Year

The engine will then be installed on the flight-test aircraft. Modifications for the installation began late last year. Ground trials are planned to begin in the third quarter and the first flight is expected to take place later in 2014. The first flight was previously scheduled for April 2014.

The 440-shp demonstrator is a tradeoff between car racing performance and aviation's safety and durability requirements. Compared to a turboshaft engine, the main benefit of a diesel is its fuel efficiency; Dubois and his partners hope for a 30-percent reduction in fuel burn. But the engine's main shortcoming is its lower power-to-weight ratio. The HIPE AE 440 engine has a total weight (including oil, accessories, etc.) of 528 pounds. For an equivalent level of performance, a turboshaft would weigh between 265 and 285 pounds. However, on a light helicopter, part of the weight penalty is hoped to be recouped thanks to an airframe adapted for that engine and the smaller amount of fuel needed for a given range.

The V8 engine that is being tested is the result of a collaboration between France's Teos and Austria's Austro Engine. The former company designed the core engine. The latter manufacturer focused on components like the Fadec and, above all, airworthiness. ❑

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Air Methods landing in Haiti

by Mark Huber

Haiti Air Ambulance is partnering with Air Methods to bring helicopter EMS service to the poverty-stricken nation on a full-time basis for the first time. Beginning next month, two Air Methods Bell 407s–a primary and a dedicated back-up–will be based at a secure industrial park near the Haitian capital of Port-au-Prince and will be gearing up to fly two missions a day or about 700 hours per year.

Air Methods will assign three pilots and two mechanics, who will rotate in and out of the country. Haiti Air Ambulance (HAA), a New York not-for-profit corporation, is supplying the based medical crews and underwriting all related expenses–estimated at just under $8 million over the first two years–for the entire operation through private donations. Sustained funding is envisioned through anticipated contract work with the United Nations and various private charities and through reimbursement from private insurance. While the Haitian government is cooperating with HAA, it is not providing funding at this time. The medical staff will consist of a medical director, flight nurses and flight paramedics who will be accredited under industry guidelines established by the Commission on Accreditation of Air Medical Transport Systems (CAMTS). When not flying, the medical staff will train Haitian EMS responders.

The helicopters will be equipped with satellite flight tracking, HF radios, and patient monitoring communications as well as a full medical suite including onboard oxygen supply, ventilator, defibrillator and intubation kit. HAA is establishing an EMS communications center, a volunteer network of weather reporters complemented by automated weather stations and online weather cameras and helipads and secured landing zones near or at rural hospitals and clinics throughout the country. This will include soccer fields and open land adjacent to police stations. It is also looking into pre-positioning jet-A fuel at strategic locations as it is currently available only at Port-au-Prince.

The need for helicopter EMS is particularly acute in Haiti due to the lack of surface roads and rural medical care and high rates of poverty and disease. The size of Maryland, Haiti has only 2,500 miles of what could be called roads and a mere 22 percent of them are paved.

Today, 80 percent of Haitians live in poverty and 40 percent are unemployed. Less than half the population has access to clean drinking water, and the average life expectancy is only 54 years. Most people don't get basic immunizations, and both the infant mortality and HIV/AIDS infection rates are the highest outside Africa. Because of the poor road conditions and the shortage of ground ambulances, the acutely ill must be transported, often via truck, to Port-au-Prince, a journey that easily can take several days through mountainous terrain, even though the distance is often less than 150 miles.

If there were ever a location ripe for based air-ambulance service, Haiti is it. That's what flight paramedic Jordan Owen thought back in 2010, when he and thousands of other Americans journeyed to Haiti to help in the wake of a 7.2-magnitude earthquake that killed 250,000, displaced 3 million and has left 400,000 Haitians still living in homeless camps today. Owen took his idea to industry veterans, and a talented team came together to found HAA. Members include established medical charity Medishare, several senior physicians, private philanthropists and a variety of aviation professionals with decades of experience in the helicopter industry and in Haiti. It's been a long journey, Owen told **AIN**. "Haitians deserve equal care and quality of care in their country," he said. "We are going to set a standard similar to that in the U.S. This is going to be a high-profile program." ❑

EUROCOPTER UNVEILS DETAILS OF X4 DESIGN

A new artist rendering of the in-development Eurocopter X4 medium-twin helicopter was released during a presentation made at the EASA Rotorcraft Symposium in Cologne in December, showing design changes made since 2011. A horizontal empennage with a two-level lifting surface is visible on the tailboom, forward of the shrouded tailrotor. The fuselage, aft of the cabin, includes a "skirt," the role of which is still unknown.

The X4's main rotor retains five blades, which seem to draw from the Blue Edge research blades, and have a double-swept design supposed to reduce blade-vortex interaction and noise. The X4, a replacement for the AS365/EC155 Dauphin family, will compete in the 9,000- to 12,000-pound category and will feature two versions.

The first, less advanced version of the helicopter will enter service in 2017. In 2020, the second iteration of the X4 will feature a cockpit with advanced human-machine interface and fly-by-wire controls. Customers will have the choice between two 1,100-shp engine options–the Turbomeca TM800 or the Pratt & Whitney Canada PW210. Messier-Bugatti-Dowty will supply electric brakes *–T.D.*

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Backlog drives Enstrom orders

by Rob Finfrock

Enstrom Helicopters (Booth No. 8842) may not attract the attention of its higher-profile competitors in the civil rotorcraft segment, but the company has proven impressively resilient throughout its long history. Today, the Menominee, Mich.-based manufacturer has found success in overseas markets, a trend that newly named company president Tracy Biegler says began with delivery of the first of 18 turbine 480B helicopters to the Indonesian National Police in 2004.

"Enstrom had never really looked into the training market before," Biegler told **AIN**. "All the pieces were in place, but the company never pursued it. In a sense, the last 10 years have witnessed Enstrom Helicopters finding our niche in the marketplace, and more importantly, adjusting our company's perception as a major player in the industry."

The Indonesian order led to greater interest in Enstrom's product line from the Asia-Pacific region, and soon additional contracts from Japan's Ground Self Defense Force and the Royal Thai Army followed. In December 2013, Enstrom signed a 16-airframe order with Venezuela to establish a training fleet for that country's military.

Order Backlog

Today, Enstrom forecasts a production goal of 40 helicopters in 2014, a 14-ship increase over last year, and the company's order backlog extends into the third quarter of 2015. "Our growth has been pretty incremental, but we've seen some dramatic developments over the last three to four years," Biegler added. "Those orders drove our [$8 million, 70,000-sq-ft] plant expansion announced last year.

"We also have another 10 to 15 helicopters going into China through our ownership sales network," he noted, a welcome benefit from the company's acquisition in early 2013 by Chongqing Helicopter Investment Co. (CQHIC). "At this point, nothing has significantly changed in our ability to manage ourselves," he added. "They recognize they purchased a company with its own operations and expertise. In addition to learning about each other's cultures, we are also helping them understand the aviation business. This company would not be where it is today without the support of our ownership."

The infusion of capital from CQHIC also allowed Enstrom to consider expansion into new market segments, including the introduction of products to fill industry segments that Biegler believes the competition have allowed to stagnate. Enstrom also remains focused on continuing development on its storied product line, comprised of the Lycoming-powered F28F Falcon and 280FX Shark and the Rolls-Royce turbine-equipped 480B.

Biegler also expressed appreciation towards former company president Jerry Mullins, who Biegler succeeded at the beginning of February. He credited Mullins for setting the tone that drives Enstrom's ongoing efforts to expand the company's influence.

"Jerry put in place a high level of integrity and morale throughout our workforce," Biegler concluded. "That attitude continues today at Enstrom Helicopters. This isn't an atmosphere conducive to sitting back and dictating; everyone here rolls up their sleeves, and is asked to go above and beyond." ❑

DawnWolf offers 135 ops software

by Rob Finfrock

Wolf Zon, founder of software provider DawnWolf Technologies, applied lessons learned from his experiences as a charter pilot, operations director and A&P mechanic to develop 135 Air Carrier Management software. Just before Heli-Expo 2014, the software earned FAA approval for 135ACM's use by operators.

"So often companies must deploy the only thing available, unfortunately, often not designed nor developed for their purpose," said Zon, who likened that approach to using a wrecking ball to open a door, versus the custom-cut key that 135ACM offers to unlocking a company's specific needs.

135ACM tracks user-controlled parameters that can be tuned to a specific company or job position. Maintenance operations can use 135ACM to log mechanic duty time and training requirements, for example, while flight departments can track preflight planning information and mission-specific data, including flight log information.

Results are color-coded based on compliance with measured parameters, and aircraft equipped with any one of several satellite transceivers on the market can also automatically upload in-flight metrics into the program in real-time.

"The software is about simplicity, ease of use, accuracy, cost-effectiveness and doing more with less," Zon told **AIN**. "When an aircraft returns from a mission, that information is already automatically in the system, live and continually updating, and accessible through the cloud."

Zon also emphasized the system's weight-and-balance feature, which tracks user entry of weights at each station of a particular aircraft and automatically computes whether the aircraft would be within its CG envelope.

"When a pilot assigns himself to an aircraft, the program loads [the weights] and performs a weight-and-balance calculation for him," he continued. "If [the aircraft is] in CG, the program goes to the following page and an email is sent to the pilot and to operational control. So before he departs, the aircraft is confirmed to be in CG."

The company also continues to develop additional versions of 135ACM, including a 911MCM system for use by EMS providers and air medical carriers. ❑

DART & PALL DEBUT NEW BARRIER FILTER SYSTEM

Canadian helicopter accessory provider Dart Aerospace (Booth No. 6814) announced that in cooperation with Pall Aerospace it has installed and flight-tested the PA100 PureAir engine protection system developed for the Airbus Helicopters AS350 and EC130 family of rotorcraft. The system features Pall's latest PureAir technology and is self-cleaning and virtually maintenance-free, according to the manufacturers.

The system promises a 2-percent gain in engine power over conventional inlet barrier filters, and the developers are currently seeking Canadian supplemental type certificate approval including inadvertent entry into icing conditions, with FAA and EASA authorization to follow.

During testing, which included more than 20 takeoffs and landings, the test helicopter was taken up to 21,000 feet and the system exceeded performance expectations in all areas of flight. "The PureAir system had less impact on engine performance compared to a conventional inlet barrier filter and the new FOD screen also made no perceivable difference to the air flow," noted Dart Aerospace president Mike O'Reilly.

A key feature of the system is its PureAir vortex tube, which works in all weather conditions including ice, snow, heavy rain and salt spray.

"This technology brings advancements in engine protection," said Todd Barnett, Pall Aerospace v-p, global strategic marketing. *–C.E.*

NTSB ISSUES NEW ALERTS ON MAINTENANCE AND SIMULATOR TRAINING

The National Transportation Safety Board (NTSB) issued two new safety alerts at Heli-Expo 2014 covering maintenance procedures (SA-032) and simulator training (SA-031).

Citing several recent maintenance-related accidents, the NTSB called on mechanics to get proper training, use work cards to document all completed maintenance steps, get independent inspection of critical maintenance items, verify that all work is performed in accordance with manufacturer procedures, work with flight check pilots to ensure all checks are completed and review training materials regarding human performance errors triggered by items such as fatigue, pressure and company procedures that are at variance with the manufacturer's guidance.

The NTSB also called for the increased use of simulators and scenario-based training in simulators to improve pilot decision-making skills and better prepare them for various emergencies and challenging flight conditions, including autorotation, NVG missions in low-light conditions, degraded visual conditions and inadvertent IMC encounters. *–M.H.*

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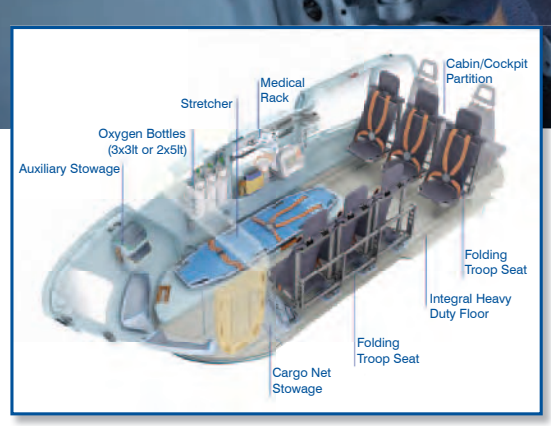

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NEWS CLIPS

MyJSSI Enters New Phase

Jet Support Services (JSSI, Booth No. 1425), which provides hourly cost maintenance programs for a variety of aircraft types, has begun a new phase of improvements to its customer portal MyJSSI. According to Joy Nebel, vice president of client services for JSSI, "Our phase-two redesign incorporates feedback we've received from our customers and should make it easier for them to report flight hours and manage their JSSI contracts."

Enhancements include simplified navigation, a cleaner submit flight hours page, better contacts integration and a new minimum flight hours calculator.

JSSI customers can access MyJSSI from their computers, or through an app on their tablets and smartphones.

Lightspeed Adds FlightLink To Sierra Active Noise Reduction Headset

Lightspeed Aviation (Booth No. 5900) announced that its entry-level Sierra ANR (active noise reduction) headset may now be paired to Lightspeed's proprietary FlightLink app, offering pilots the ability to capture radio transmissions for playback and archiving.

"Sierra has been our primary vehicle for introducing the benefits of premium ANR headsets to student pilots," said Teresa De Mers, Lightspeed executive vice president for sales, marketing and support. "The addition of FlightLink to its capabilities adds a new level of utility to its already exceptional comfort and quiet."

De Mers also noted that FlightLink makes the headset a natural training tool for students by allowing them to record their interactions with ATC. "Together with Sierra, [FlightLink] will enhance the learning experience and could improve the odds of a student's success," she added.

The free FlightLink app is available for the Apple iPad and iPhone, with the Sierra ANR retailing for $600.

Woodward Signs Repair Service Agreement

BBA subsidiary International Governor Services (Booth No. 7333) announced that it has selected Woodward as a licensed repair service facility for its fuel controls, fuel pumps and governors on the Pratt & Whitney Canada PT6 and PW100 and Honeywell TPE331 engines. These engines power a number of Bell, AgustaWestland and Sikorsky helicopters.

"This agreement complements our existing engine repair and overhaul authorizations at [BBA subsidiaries] Dallas Airmotive and H+S Aviation," said Mike McCauley, vice president for business development, BBA Aviation aftermarket services. "Collaborative partnerships are a key element of BBA's long term growth strategy," he said.

NationAir Offers Product Liability Insurance for Aftermarket Parts

Product liability insurance isn't your everyday policy. "Without experience in aviation law, regulations and coverages, generalist insurers don't understand the risks," explained Jaime Benthusen, product liability director for NationAir Aviation Insurance (Booth No. 5105). Benthusen was on hand at Heli-Expo 2014 to introduce the company's product liability coverage and risk assessments for rotor-wing aftermarket parts firms.

The company created its product liability division last year, offering clients priority access to its value-added services, including a contract review and certificate management service. Clients also benefit from preferred rates with NationAir's partners. The new division complements NationAir's diverse portfolio of aviation insurance products.

Mecaer's Bell 429 interior, available as an option on new-build models, features a Silens noise- and vibration-abatement system and hand-stitched leather upholstery.

Italy's Mecaer unveils Bell 429 VVIP interior

Mecaer Aviation Group (MAG) of Borgomanero, Italy, is unveiling at Heli-Expo its VVIP interior concept for the Bell 429, branded as the Bell 429 MAGnificent. A full-scale mockup of the four-place interior is on display at MAG's booth (No. 6438).

The interior features MAG's proprietary Silens noise- and vibration-abatement system and hand-stitched premium leather seats and is compliant with all regulatory standards. The interior will be available as an option for new Bell 429s and may be available as a retrofit in existing aircraft, according to MAG.

The cabin design represents an expansion of MAG's collaboration with Bell Helicopter, having previously created the "Oil and Gas Producers" interior for the Bell 525 Relentless.

MAG is also displaying its proprietary I-FEEL In-Flight Entertainment Enhanced Lounge system, featuring Wi-Fi connectivity, in an AW169 VIP interior mockup. The company operates six completion centers in Italy, the UK, Russia and the U.S. *–J.W.*

VECTOR SHOWS UPGRADED BELL UH-1H COCKPIT

Vector Aerospace Helicopter Services, North America, a subsidiary of Vector Aerospace (Booth No. 5906), has brought a custom-modified integrated cockpit for display at Heli-Expo 2014. The cockpit consists of two Sagem 10-inch multifunction displays (MFDs) and two Sagem 10-inch primary flight displays (PFDs) for right or left seat operations. It is part of Vector Aerospace's Bell Huey UH-1H (civilian Bell 205A) upgrade program.

The PFD and MFD are capable of displaying ship's radar and Globalstar satellite communications and critical weather data such as Nexrad and ADS-B IN text and graphics. The PFD does not offer synthetic vision; however, the MFD will display GPS graphical data from a variety of manufacturers, as well as ship's infrared camera feed, if available.

"We offer options for Stormscope, data recording capabilities, traffic awareness systems display interfaces and an improved fuel management function. Every customer requirement and configuration is different, so pricing depends on what the customer is looking to achieve," John Jongema, UH-1H program manager, Vector Aerospace Helicopter Services, North America, told **AIN**. "Vector has worked with medium Bell customers to bring them the best economical certified solution. The Vector STC integrated cockpit offers the best value for day/night VFR- or IFR-capable operators. We are happy to develop a specific solution for each customer," he said. *–A.L.*

Vector Aerospace has selected 10-inch Sagem displays for its integrated digital cockpit retrofit for the Bell Huey UH-1H.

Avpro goes all in with rotor brokerage

by James Wynbrandt

Since announcing its partnership with Europe's Heli Asset and its new rotorcraft sales and acquisition service at the NBAA Convention last October, Annapolis, Md.-based aircraft brokerage Avpro (Booth No. 1411) is here at Heli-Expo ready to help operators buy and sell VIP- and utility-configured helicopters.

"We're very excited to bring Avpro's 25 years of process, expertise and reputation to the helicopter world," Emmanuel Dupuy, the company's executive sales director, told **AIN**.

Thus far the company has brokered numerous transactions of pre-owned VIP- and utility-configured helicopters, Dupuy said. Deals include the acquisition of three EMS Airbus Helicopters EC135T+s for Avincis and a utility-configured AgustaWestland A109E Power for Turkey's Koçoglu Group. Avpro has several other helicopters under contract, he added.

As with its fixed-wing brokerage business, the company's rotor brokers specialize in aircraft by OEM and model. "Being organized this way allows us to interact with the market more accurately, and as a result provide unparalleled guidance to clients," said Dupuy. "Specializing by model enables our sales agents to track quality/price ratios of every serial number for sale, transaction history and sales pipeline."

While all transactions to date have been on pre-owned helicopters, the company anticipates it will assist clients with new aircraft purchases, as it does with many fixed-wing aircraft customers. Additionally, the rotor division's $100 million line of credit was recently expanded to $120 million, providing capital for acquisitions to facilitate transactions. "We want to tell the world that Avpro is seriously in the helicopter market," Dupuy said. ❑

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Fewer used helicopters sold last year, says JetNet

by Curt Epstein

Aviation industry data provider JetNet has released its year-end statistics for the pre-owned helicopter market, which show that retail sales for used turbine and piston rotorcraft experienced double-digit declines of 11.8 percent and 13.5 percent, respectively, in 2013 compared with the previous year. Turbine helicopters saw an 11.4-percent increase in the number listed for sale year-over-year, with the percentage of the available in-service fleet increasing from 6.1 percent to 6.4 percent, while the average number of days on market declined by 18 days over the previous year, to 414.

According to JetNet, Airbus Helicopters and Bell had the most pre-owned transactions of all the rotorcraft manufacturers but showed the largest decreases as well. While Airbus's rotorcraft products showed 871 pre-owned sales in 2012, that number decreased to 782 in 2013, while the sale of used Bell helicopters declined from 665 to 596 year-over-year.

While starting from a much lower base level of 163 full helicopter (as opposed to fractional) sales in 2012, AgustaWestland demonstrated a significant increase, to 178 pre-owned full sale transactions last year.

Here at the show, JetNet will be demonstrating the latest improvements to its flagship Evolution software suite, which gives users an up-to-the-minute depiction of the entire rotorcraft market. At the close of 2013, the Utica, N.Y. based-company reported nearly 30,000 helicopters in service worldwide, roughly two-thirds of which are turbine powered. The company now tracks 134 civil helicopter models in 184 countries. Visitors to its booth (No. 4500) will have the opportunity to win a bottle of Finger Lakes Ice Wine. ❑

USAIG ENHANCES BENEFITS FOR HELICOPTER OPERATORS

Aviation insurance provider USAIG (Booth No. 4907) has recently enhanced the benefits for its rotorcraft customers. Operators that insure through the company are now eligible for Performance Vector, a safety program that offers a range of programs to helicopter operators. Complimentary training includes human factors for pilots and maintenance technicians, Z-Coach sleep-enhancing strategies and tools as well as reimbursement for line service training. Flight departments can also choose from various training options that help maintain safety management system standards or prepare for advanced safety audits.

Among the options available are Safety Bucks, which offers rebates to operators that train with selected training centers. According to USAIG president and CEO David McKay, the company has distributed more than $5 million in Safety Bucks to help operators lower costs for annual simulator or in-aircraft flight-training proficiency. "In the end, for them and us, safety is the bottom line," he noted. *–C.E.*

EC135 T3/P3 DELIVERIES DELAYED TO 4TH QUARTER THIS YEAR

Deliveries of the Airbus Helicopters EC135T3/P3, an upgraded variant of the EC135 light twin, will begin in the fourth quarter of this year, instead of early 2014 as announced last year, according to an Airbus Helicopters spokesperson.

The new helicopter offers several improvements over the current EC135T2i/P2i, yielding a 66-pound increase in mtow and improved hot/high performance–an additional 440 pounds of payload at about 5,000 feet, ISA+20.

The "P" versions are powered by a pair of Pratt & Whitney Canada PW206B2 turboshafts, while the "T" versions have two Turbomeca Arrius 2B2 engines. *–T.D.*

Annual HFI auction now taking bids online

by Amy Laboda

"It's a great feeling giving away 19 scholarships worth nearly $55,000 to deserving men and women who want to be part of the helicopter industry," said Marty Pociask, who for four years has been vice president and curator of the Helicopter Foundation International (HFI), the non-profit foundation supported by HAI. Pociask is here at Heli-Expo both to run the silent auction, raising funds for next year's scholarships, and to organize the Heritage Display of Helicopters in the exhibit hall.

"There are 60 items in this year's auction, varying in value from $100 to more than $5,000," said Pociask. The bidding is completely online this year at bidding site BiddingforGood.com/HFI. Bidders register a credit card and then are allowed to place their bids. "The online format has allowed us to start the bidding early, on February 17, and run it straight to the end of the show, 4 p.m. PST, on Thursday, February 27. It's a 24/7 auction, too. That really maximizes our ability to raise funds," he continued.

Pociask spoke to us from his post in the main reception hall of the Anaheim Convention Center, where the auction items are posted on a long wall, with several computers ready for bidders to log on and set their bid. Winners will be notified at the auction's closing, and the items will be shipped to them directly from HAI headquarters.

"The format has saved us so many man-hours in labor shipping the items here to California, and, if a bidder is not present at the end of the auction, tracking him down and shipping the item to him, or packing it and taking it back to headquarters," explained Pociask.

Stop by Pociask's HFI desk and check out the donations, then place your bid before you enter the exhibit hall. Then be sure to check your bid on the way out, too. ❑

BARRY AMBROSE

RAIDER IN SEARCH OF A MISSION

While Sikorsky Aircraft is showing a full-scale mockup of its S-97 Raider at Heli-Expo 2014, the first prototype of the compound helicopter is under assembly and expected to fly by the end of this year. The S-97 is based on Sikorsky's X2 demonstrator, which achieved 250 knots in level flight. The company offered the S-97 for the U.S. Army's Armed Aerial Scout replacement program (now ended) and is now viewing the Raider as a contender for the Future Vertical Lift program. ■

FSF expands safety audits to offshore helicopter operators

by Chad Trautvetter

The Flight Safety Foundation (FSF) is highlighting its Basic Aviation Risk Standard (BARS) audit program to rotorcraft operators here at Heli-Expo 2014. It was developed to establish a common safety audit standard that could be applied to "onshore resource sector aviation support activities."

In response to feedback during last year's Heli-Expo, the foundation is looking to include offshore operators. According to FSF managing director Greg Marshall, the BARS audit and training program, initially created for use in the natural resource sector, can enhance additional categories of rotorcraft operations, especially emergency medical service, industrial, charter and sightseeing.

The standard was developed from a risk-based model framed against the actual threats posed. Key components of BARS include courses for onshore and offshore personnel, as well as one about helicopter external load operations for ground personnel. Overall, BARS provides a consistent audit model that allows member companies to share in the audits of participating operators. Findings from BARS audits, especially for aviation operations in remote areas, are already benefitting a much wider community of fixed- and rotary-wing operators, FSF said. Operators interested in the program can contact Marshall at marshall@flightsafety.org.

To date, 25 organizations–including Bristow Helicopters, PHI and EcoCopter–are BARS-registered operators. Marshall said three more operators will be added to these ranks soon. ❑

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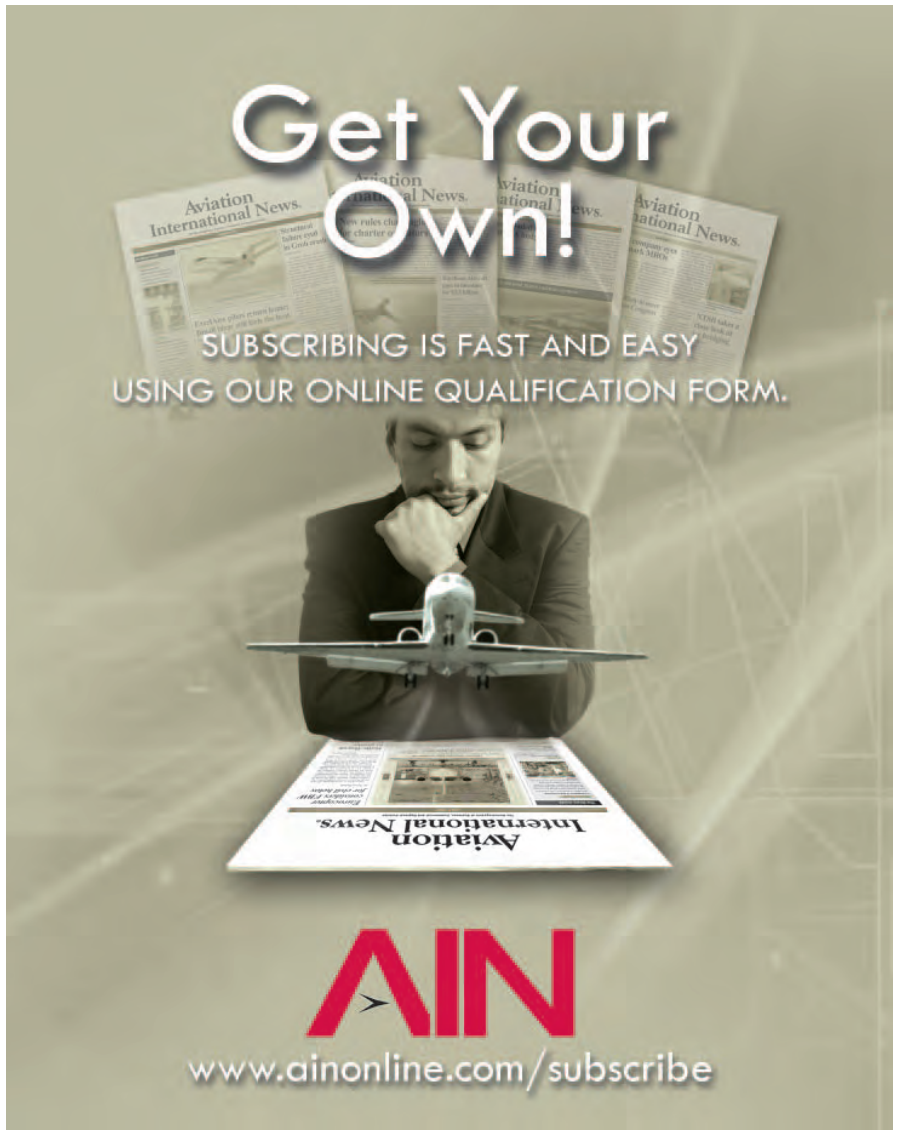

Australia boasts the sixth largest helicopter fleet in the world and the industry is seeing strong growth.

Helicopters on center stage at Rotortech in Australia

by Matt Thurber

The Australia Helicopter Industry Association (AHIA) has announced that the new Rotortech 2014 show will be held from May 24 to 25 at the Novotel Twin Waters Resort in Sunshine Coast in Queensland, Australia. Space is available for 20 small helicopters or 15 medium helicopters at the show site, according to the organizers, and there are 25 display booths for exhibitors in the main conference area, many of which have already been booked. The Rotortech 2014 show is AHIA's first big show since the organization was founded in November 2012. More information is available at www.bladeslapper.com *(see the AHIA thread)*.

Australia currently has about 2,077 helicopters on its register, the sixth largest fleet in the world, according to the AHIA. Since 2008, the fleet has grown an average of 6 percent per year. The current numbers (which likely have changed by the time this issue is published) include 1,301 piston singles, 544 single-engine turbines and 228 multiengine helicopters, for a total of 13.7 percent of the Australian aircraft fleet.

Growth in the helicopter industry is strongest in the northern territories, according to the AHIA, which boast about two-thirds of the 2,077 helicopters in the country. These regions also have more than half of the air operators certificates (AOCs) issued by Australia's Civil Aviation Safety Authority (CASA). Growth of the ranks of helicopter pilots has been strong over the past five years, with helicopter ATPs up 22 percent, to 750, commercial pilots up 11 percent, to 1,678 and private helicopter pilots up significantly, by 46 percent, to 822. "The latter reflects the rapid growth of private helicopter owners; many conduct mustering operations on their properties or use them in business activities," the AHIA noted in the January edition of *Helicopters Australia*, AHIA's e-newsletter.

"Unfortunately, we provide 25 percent of all accidents. This is the result from half our flying involves low-level aerial work, coupled with the high accident rate of the private owners–a problem noted in both [airplane] and helicopter operations."

Some of the issues that the AHIA is addressing this year include CASA's transition to EASA rules. One key area of this effort is CASR Part 61 (flight crew licensing). While that was supposed to take effect last December, CASA has moved the date to Sept. 1, 2014. AHIA is working closely with CASA on the transition. "It has a transition process of three years," according to the AHIA, "requiring a restructure of the training industry. The AHIA is working with CASA to help the Manual of Standards (MoS) line up with CASR Part 61. It is a large project that will not be completed until well into 2014."

Notices of proposed rulemaking are due this year for two key areas, CASR Part 133 (Australian Air Operations–Rotorcraft) and CASR Part 138 (Aerial Work Operations–Rotorcraft). The AHIA is concerned about carriage of aeromedical patients being moved from aerial work, which is the current regulatory structure, to charter. "This triggers a lot of additional compliance requirements. Aerial work operations will also be reclassified in some areas, with a new system of Operation Certificates replacing current AOCs…most requiring CASA's approval." Of more pressing concern, the AHIA added, "[are] the proposed performance standards and their impact on flying operations and various categories of helicopters. CASA's need to seek 'harmonization' with EASA's rules is not understood and the need to have forced landing areas during some flight regimes, especially during takeoff and landing, is now subject to an AHIA working group to educate operators on the intent of the proposed legislation."

Rotortech 2014 promises to be a significant event on the worldwide airshow circuit and a kickoff for growing opportunities in the Australia helicopter market, which is expected to continue growing as energy and mineral resource development firms expand. [Rotortech 2014] "reflects the determination of the executive and growing membership to provide a strong and capable representative service on behalf of the helicopter industry during a period of strong growth," the AHIA said. ❑

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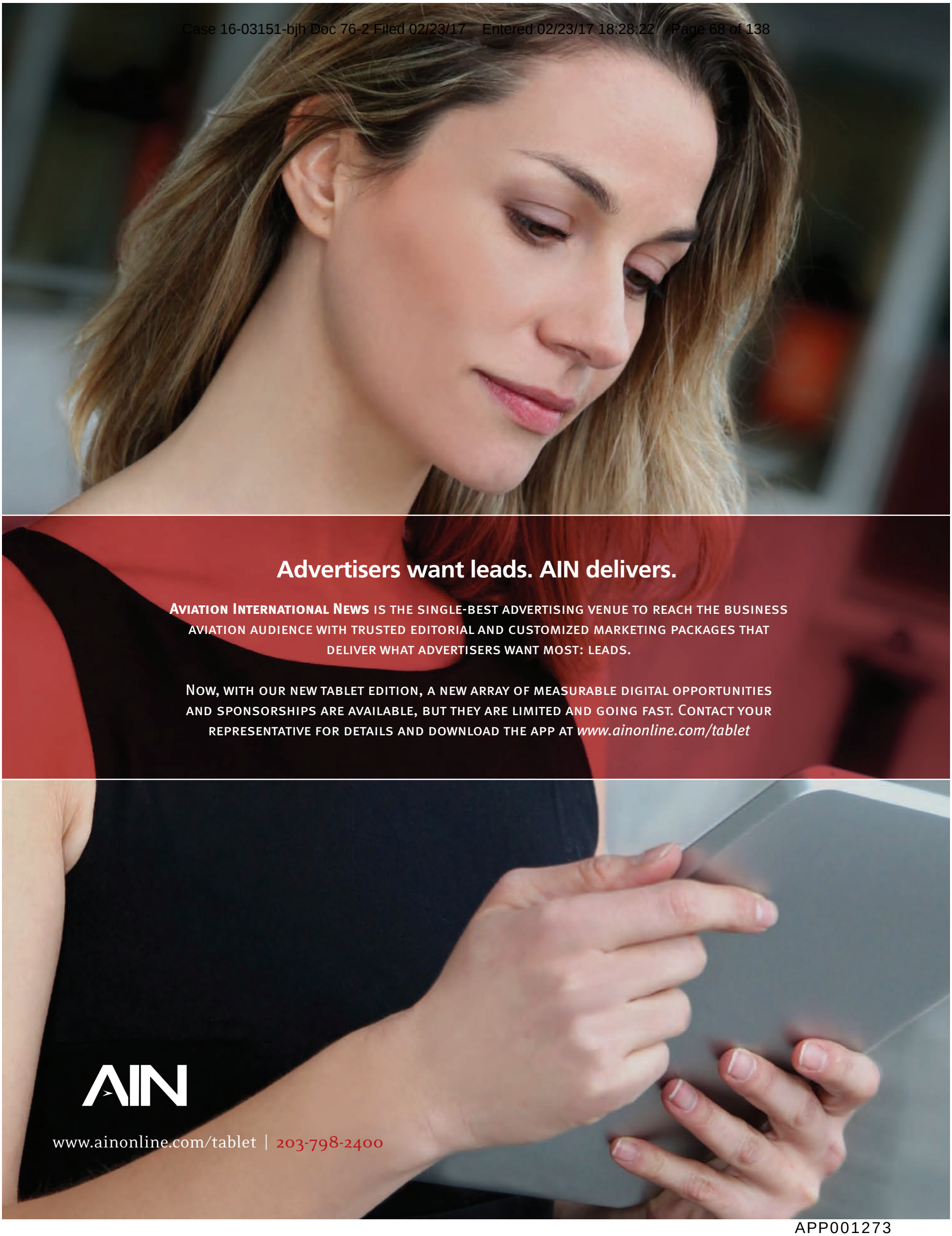


New heliport arrives in Texas

by Curt Epstein

DeSoto Heliport in the Dallas suburb of DeSoto features more than an acre of concrete ramp, hangar space and FBO services. It was expected to open this month.

Set to open this month in the Dallas suburb of DeSoto, Texas, is the nation's newest helicopter facility, DeSoto Heliport, located in the Eagle Business & Industrial Park.

The $5 million, 19-acre facility is jointly owned by the Texas Department of Transportation, the City of DeSoto and the DeSoto Economic Development Corporation.

Sky Helicopters, which also operates the FBO at the Garland/DFW heliport approximately 30 miles away, was awarded a 60-year lease to manage the facility and the company spent approximately 70 percent of the cost of the heliport in building the terminal, hangars and ramp.

The facility includes more than an acre of concrete ramp The 25,000 sq ft of heated hangar space consists of a 10,000-sq-ft hangar, which is sub-divideable in terms of separate hangar and personnel access doors, and a 15,000-sq-ft hangar attached to the 12,000-sq-ft terminal and office complex.

The FBO has a staff of six and is open Monday through Saturday from 8 a.m. to 6 p.m., with Sunday hours to be determined by demand.

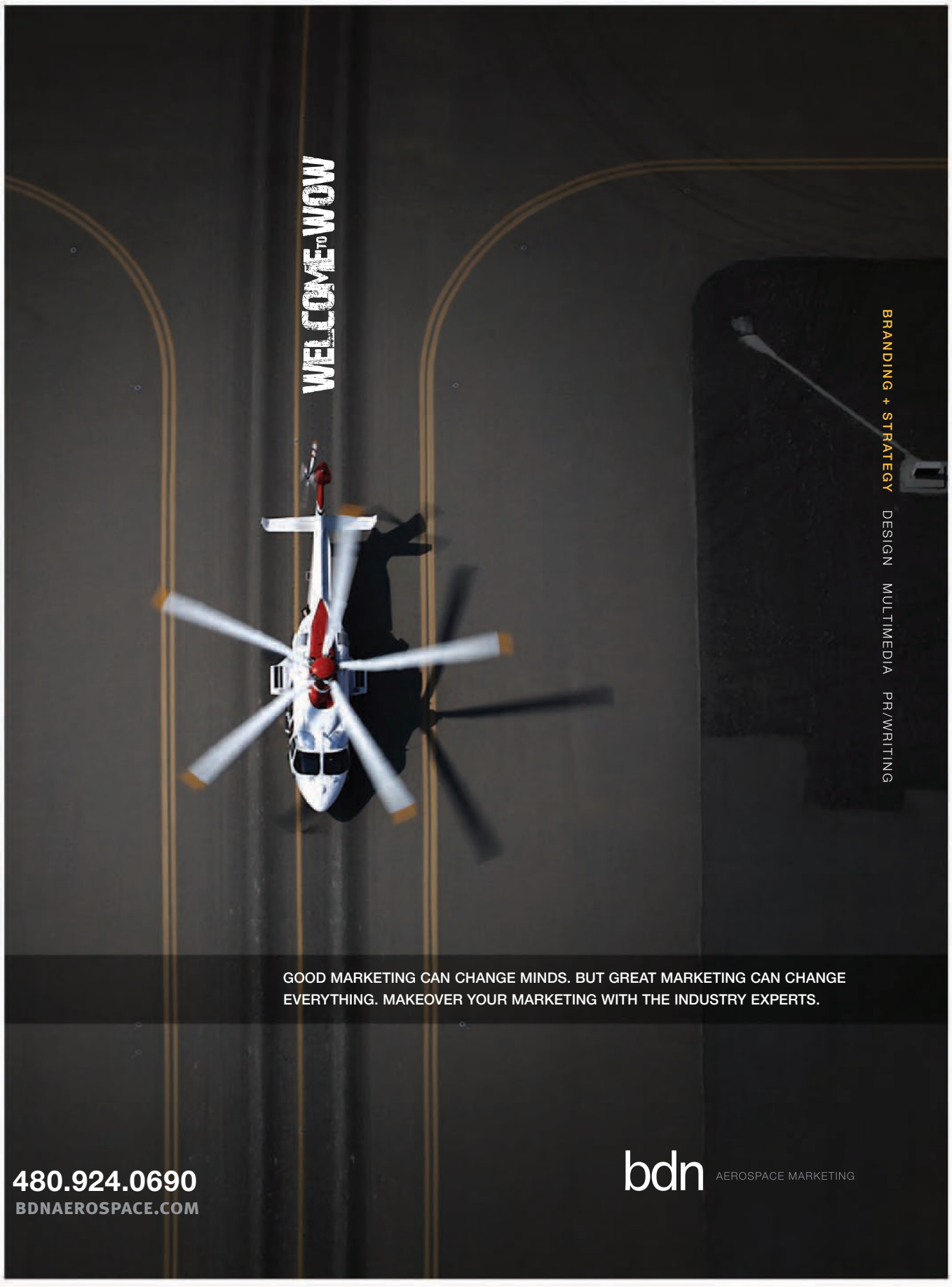
Among its amenities are passenger and pilot lounges, a coffee bar/Internet café, three a/v-equipped conference rooms and 10 offices.

A private keypad entrance will allow tenants after-hours access to the lounges and restrooms. Independent in terms of fuel brand, the facility will offer jet-A and avgas 24 hours a day from a pair of 12,000-gallon self-serve fuel tanks.

Sky Helicopters is a dealer for Robinson Helicopters and will use the facility as another store-front to conduct sales operations and is working to expand its Garland Part 145 maintenance certificate to cover the new location.

Sky Helicopters president Ken Pyatt said his company will operate its Part 141 flight school to provide ab initio and recurrent training at DeSoto, along with its existing contract flying for three of the four news network news organizations in the Dallas-Fort Worth metroplex and for oil and gas surveys.

Pyatt said the continued growth of the DFW area played a role in the establishment of the new facility. "That part of town isn't served at all with heliport traffic; this new place is going to be on the southwest part of it, which puts us between downtown Fort Worth and downtown Dallas," he told **AIN**. "We saw it as having excellent road access for customers that might not necessarily venture to the east side of Dallas." ❑



ENSTROM UNVEILS ITS NEW LOW-COST TRAINER, THE TH-180

Enstrom Helicopter unveiled a mock-up of a new, low-cost, two-seat, piston-powered trainer at Heli-Expo yesterday. The TH-180 is a scaled-down version of the company's popular FX-280 three-seat model. Company officials said the TH-180 should post direct operating costs of $175 per hour and an hourly fuel burn of less than 12 gph. The launch price is $365,000. It will be powered by the 210-hp Lycoming HIO-390 and feature an engine governor and electric clutch switch. First flight is anticipated this summer and certification is targeted for 2015.

Compared with the 280, the TH-180 has more robust landing gear and weighs 500 pounds less, about 2,250 pounds maximum gross weight, said Enstrom CEO Tracy Biegler. "We basically scaled an F model," he said. He called the market for the TH-180 "huge."

Biegler said the that Enstrom's new expanded production plant in Menominee, Mich., has the capacity to build 100 TH-180s per year. The company's new owner, the Chongqing Helicopter Investment Co., (CQHIC) contributed engineering assistance on the pylon and tailcone modeling, he said, adding that setting up an Enstrom production line in China for the Chinese market is a long-term goal of CQHIC and that any such arrangement would involve reassembling Enstrom components there into completed helicopters, provided the process could be done efficiently and safety.

Biegler said that Enstrom (Booth No. 8422) is focused on bringing the TH-180 to market as opposed to a follow-on product for the Model 480, the company's turbine helicopter, at this time. *–M.H.*

MARIANO ROSALES

Tracy Biegler, Enstrom Helicopter CEO, said the TH-180, a scaled-down two-seat version of the three-seat Enstrom FX-280, would have a launch price of $365,000 and direct operating costs of $175 per hour. He called the market for the TH-180 "huge."

LCI

▶ *Continued from page 1*

service by year-end. Certification of the EC225e is targeted for late 2015, with deliveries anticipated to begin in mid-2016. No delivery schedule for LCI's helicopters was announced.

"LCI's order validates our high expectations for the future of the EC175, and we couldn't be happier having LCI as a launch customer for the EC225e," said Airbus Helicopters president Guillaume Faury.

The AgustaWestland order includes up to 14 AW139 intermediate helicopters and up to four AW189 twin-engine models. The helicopters will be delivered from 2014 through 2018 if all options are exercised. LCI already has a contract with AgustaWestland placed in early 2012 worth $400 million that also includes AW169s.

"[AgustaWestland] helicopters are particularly well-suited to the market and are proving to be very popular with our lessees for a variety of roles," said Maunder. "In particular we are pleased about the new super-medium category of helicopters, and our endorsement of the AW189 with the follow-on order underscores our intention to be a major player in this space."

The AW139, AW169 and AW189 represent a new generation of helicopters spanning the four- to eight-ton weight category and share a common cockpit layout, design philosophy and maintenance concept.

"LCI's order for more AW139 and AW189 helicopters highlights both its and the market's recognition that AgustaWestland products offer the best combination of performance and operating costs, whilst providing the very latest safety features," said AgustaWestland CEO Daniele Romiti.

LCI sources indicated that another large helicopter order is imminent, but details were not available yesterday. ❑

Bell 505 Jet Ranger X

▶ *Continued from page 1*

prototype aircraft and is fitted with real main rotor blades, transmission, working flight controls and a Turbomeca Arrius 2R engine (457 shp continuous) with dual-channel Fadec. The 505 also will feature the Garmin G1000H flight deck. Preliminary data calls for the 505 to have a 61-cu-ft flat floor cabin, a cruising speed of 125 knots, a maximum range of 360 nm and a useful load of 1,500 pounds. Bell plans first flight before the end of the year and starting production in 2015 at a new assembly facility being built at the Lafayette, La. regional airport. "We will get this aircraft certified as fast as we can," Evans said, without committing to a specific deadline.

Evans said the utility-configured 505 show mock-up "very closely represents the basic aircraft as it is designed today." From looking at it, Evans said, "people may think we already have a flying aircraft constructed.

"Much like the 525 [super-medium Relentless twin], the 505 has been a very collaborative design with our customer advisory council," Evans said. "They have been involved in this aircraft from the start. They set a pretty high bar for us. They asked for the fully integrated glass cockpit as standard on this model. They also wanted a Fadec-controlled engine for this ship, and that is why we chose the Arrius 2R, it has a dual-channel Fadec with backup. Turbomeca had that and the right shaft horsepower for this helicopter. Our customers also wanted a large cabin with all fully forward-facing seats."

Evans said customers wanted an affordable aircraft, both in terms of acquisition and full life-cycle costs. To that end, Bell will be offering a new mission-critical support package–an hourly maintenance plan–for the 505 and its other products. Details of the plan "are still coming together," Evans said.

The 505 and the larger, 19,300 pound (max gross weight) 525 begin a new series of civil sector product offerings from Bell. While the 525 was primarily developed to take advantage of the burgeoning deepwater oil and gas market, Bell envisions many other uses for the helicopter. At Heli-Expo 2014, the 525 mockup is painted in a generic international coast guard livery and outfitted with search-and-rescue equipment including hoists and an EMS interior Bell developed in cooperation with Air Methods. Bell is continuing to test all the 525 flight instrumentation, fly-by-wire system, flight controls and surfaces and cockpit in its systems integration lab.

"We are flying simulator missions that feed pilot inputs into the fly-by-wire controls and moving the control systems of the aircraft," Evans said. When the pilots are flying in the sim, in the room next to it, the swashplates and all the control surfaces are moving." He said the process matures systems before they are installed in the first flying prototype and also helps build the training syllabus.

Bell still has not begun to take formal orders for the 525 but does "have a lot of interested customers," Evans said. Nor is Bell prepared to set an official price for the 525, but it is widely assumed to be in the $18 to $25 million range.

Bell is also displaying a 429 light twin with wheeled landing gear, a variant that was recently certified by the FAA. "We are seeing growing interest in that aircraft, mainly from international markets," Evans said.

Bell is continuing to appeal the FAA's denial of its request for a Part 27 exemption to increase the 429's maximum allowable gross weight by 500 pounds to 7,500 pounds. Transport Canada granted initial certification on the 429 and it has approved a gross weight exemption for the aircraft as have a list of certification authorities in other countries. The FAA initially refused, citing the 7,000-pound weight limit under Part 27 and the desire to keep design standards harmonized with EASA. Competing manufacturers have repeatedly and persistently objected to the exemption. ❑

BARRY AMBROSE

Bell began taking orders for the 505 Ranger X this week at Heli-Expo 2014, but has not yet announced the new model's price. The 505 mock-ups feature an unusual level of detail and are fitted in utility, executive/passenger and law-enforcement configurations. Bell plans first flight of the 505 before the end of this year.

Turbomeca Takes Bell Commitment Seriously on 505 Jet Ranger X

Olivier Andriès, chairman and CEO of French engine maker Turbomeca, said his company is "honored and delighted" to have its upcoming Arrius 2R turboshaft powerplant selected by Bell Helicopter to power the company's upcoming five-seat short light single, the 505 JetRanger X.

"This is a great moment for Turbomeca and we are proud that the newest member of our Arrius family will power the Bell 505 Jet Ranger X," Andriès said following the unveiling of the SLS mockup and its new model name. "We believe the 2R provides the right combination of power, performance and value, and I pledge our commitment to earning the confidence of both Bell and its worldwide customer base."

The Jet Ranger X marks Turbomeca's first partnership with Bell. Andriès noted that development of the Arrius 2R remains on track, with its first test-stand run of the dual-channel Fadec powerplant scheduled in April. Turbomeca has sold more than 3,000 Arrius engines, with the total fleet accumulating more than 6.6 million flight hours. *–R.F.*

Dallas Avionics showcases TDFM-9000 transceivers

Dallas Avionics (Booth No. 6706) announced the completion of training for Tampa General Hospital pilots and crew on the medical center's Bell 407 equipped with the Technisonic Industries TDFM-7000 transceiver.

TDFM-7000 series transceivers have now been superseded by the TDFM-9000 series, and Dallas Avionics is displaying the TDFM-9000 and -9300 here at Heli-Expo. Both the 7000 and 9000 series transceivers offer modern communication technology including Project 25 common air interface (CAI), P25 trunking and AEDS with P25 over-the-air rekeying. The P25 CAI allows digital communications with backward compatibility to both narrow- and wide-band analog operation, flash upgradeable architecture and built-in audio switching capability that allows operation of multiple RF modules in either "combined" or "separate" transceiver configuration. The TDFM-7000 and -9000 series transceivers feature up to four customized bands and are capable of simultaneous operation on all available bands.

The 9000 series units can store up to 2,000 channels per module versus the 1,050 channels of the -7000 series and feature Motorola's new APX platform rather than its XTS platform as on the 7000 series. Prices for the TDFM-9000 and the TDFM-9300 transceivers range from about $30,000 to $80,000 depending on the modules and options selected. *–J. W.*

Tampa General Hospital pilots have completed training on the Technisonic Industries TDFM-7000 transceiver installed in the hospital's Bell 407.

New STCs for North Flight CVR/FDR

North Flight Data Systems (Booth No. 413) of Shreveport, La. announced here at Heli-Expo that it has received a supplemental type certificate (STC) that adds the Bell 407GX to the list of model 407 series helicopters certified for its CVR/FDR (cockpit voice recorder/flight data recorder) system. It also received STC approval for installation in the Airbus Helicopters AS350B3 and the EC130B4 models.

The North Flight system provides a crash-resistant CVR/FDR that far exceeds the recent ED155 data capture guidelines and enables an operator to record more than 100 engine and airframe parameters as well as six individual audio channels with video recording. The system can record the complete Cobham HeliSas autopilot data stream as well as either analog or digital radar altimeters. An internal attitude heading reference system (AHRS) data stream supplements recorded airframe and engine data. The addition of hook load or other accessory equipment data is easily accommodated.

"Our goal has always been to provide helicopter operators with affordable voice, video and flight data recording equipment that provides the detailed data that was available only on larger aircraft in the past," said company president Jeff Warner. "We have surpassed the level of detail obtained in the large and expensive CVR/FDRs."

Tampa General Hospital has begun using the system on its four new Bell 407GXs, operated by Metro Aviation. Metro Aviation managing director Milton Geltz said the installation of the systems "solidifies our commitment to install a comprehensive system and never compromise safety with partial data solutions." *–J. W.*

NORTHROP GRUMMAN TO SUPPLY NAVIGATION SYSTEMS FOR AW609 TILTROTOR

Northrop Grumman (Booth No. 502) will supply its latest flight information equipment for the AgustaWestland AW609 civil tiltrotor, the company announced at Heli-Expo 2014.

Developed by Northrop Grumman Litef in Germany, the LCR-110 inertial reference system and LCR-300A air data attitude heading reference system will be standard equipment on the AW609, which is now undergoing FAA certification testing. The combined avionics suite will allow AW609 pilots to perform precision required navigation performance (RNP) flight operations.

"This suite of combined equipment provides critical flight control and navigation data to help the aircraft achieve required availability, precision and the highest levels of integrity," said Eckehardt Keip, managing director of Northrop Grumman Litef. "Our products enhance precision navigation operations, improve safety margins, save weight and volume and provide attractive commercial advantages."

In a separate announcement, the company also celebrated the five-year extension of a 2008 contract to supply its LCR-100 AHRS for the Bell 412. Keip described Northrop Grumman Litef's agreement with Bell on the 412 as "one of the cornerstones of our success." *–R.F.*

Conklin & de Decker marks 30 years with data discounts

by Curt Epstein

Aviation industry data provider Conklin & de Decker Associates is celebrating its 30th year in business, and in honor of that milestone is offering discounts on its products here at Heli-Expo. During the three days of the show, attendees visiting the company's booth (No. 3002) can see live demonstrations of the company's family of helicopter operating cost programs and life cycle budgeting tools.

Buyers will receive a 10-percent discount off the price of the company's most popular data products, including the Aircraft Cost Evaluator, the Life Cycle Cost, the Aircraft Performance Comparator, and its recently released Tax Guide for General Aviation. The last contains the latest taxes and fees imposed on general aviation in all 50 states, and it also addresses the sales and use taxes applicable to aircraft sales, ownership, leases, parts and labor. As many states continue to find ways to "enhance their revenues," the guide will provide subscribers with continuous downloadable updates throughout the year through the Conklin & de Decker website.

The company also recently announced that it has acquired the Aircraft Cost Analysis program and software, a user-friendly management tool that helps aviation professionals with the pricing of managed, fractional share, rental, charter and agricultural airplanes and helicopters. Aircraft Cost Analysis was originally developed and supported by Samuel Miller, who will continue to provide support for current program subscribers during the transition.

Here at Heli-Expo 2014, Conklin & de Decker announced that registration for its annual Exploring Aircraft Operating Costs seminar (to be held this year on May 14-15 in Texas) has opened. The company is offering discounts to customers who register early to attend multiple seminars. Attendees who register for all three of the education conferences will receive a 20-percent discount; those who register for two events will receive a 15-percent discount. Show attendees can also register at the booth for a chance to win either an iPad mini or a Google Nexus 7 tablet. ❑

MARIANO ROSALES

HELO TECH FIRM PUTS A FOCUS ON ROTOR BLADES

Los Angeles-headquartered Helicopter Technology Company, manufacturer of main and tailrotor blades for the MD 500 and MD 600 and more is here at Heli-Expo, where representative Yale Pincus holds a portion of a 500D rotor blade that shows the interior aluminum honeycomb structure. The multi-faceted company also is an FAA-certified repair station. ■

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Waypoint Leasing is a world-class helicopter leasing company, with helicopter operating and leasing expertise in more than 20 countries. As former helicopter operators, we understand the difficult fleet management challenges operators face and structure flexible leasing solutions to solve them. We are driven by a passion for rotary wing aviation and a commitment to building long-term partnerships with helicopter operators worldwide.

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Visit us at **Heli-Expo 2014 Booth #6442**

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AW169
I-AWCM
AgustaWestland
It's about your business
Challenging times require superior answers.
AgustaWestland rotorcraft redefine mobility by setting new levels in luxury, comfort, performance and safety. Maximise your time and be where it counts.
Vist us at the Heli-Expo 2014, booth #6937
LEADING THE FUTURE
agustawestland.com
in
YouTube
AgustaWestland
A Finmeccanica Company

Exhibit G

EASA
European Aviation Safety Agency

EHEST
Component of ESSI
European Helicopter Safety Team

IHST
International Helicopter Safety Team

The European Helicopter Safety Team (EHEST)

Michel Masson, EASA, EHEST Secretary
Gilles Bruniaux, Airbus Helicopters, EHEST co-Chair
Stefan Becker, EHAC and REGA, EHEST Communication Leader

www.ehest.org

Your safety is our mission.

An agency of the European Union

1. Achievements

2. Reducing helicopter accident fatalities

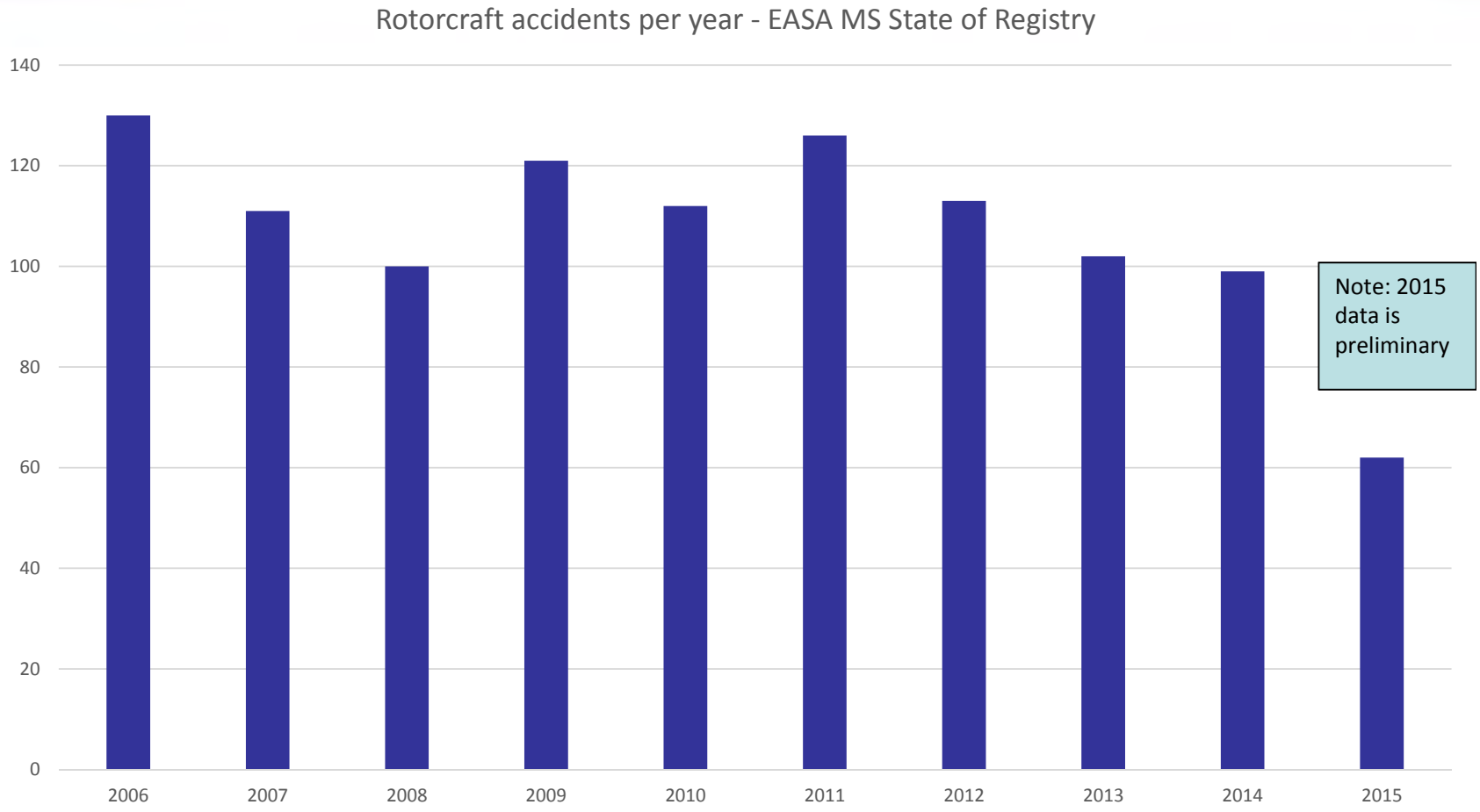
3. Dissemination: Reaching out and involving the community

EHEST Presentation Clip

EASA
AIRBUS HELICOPTERS
EHA
HeliOffshore
Luftfartstilsynet
BHA British Helicopter Association
ENAC Ente Nazionale per l'Aviazione Civile
CHC
dgac
Cranfield University
AIR-GLACIERS Compagnie d'Aviation
elilombarda
Civil Aviation Authority
DLR
AgustaWestland
NLR
ECA European Cockpit Association
Royal Aeronautical Society 1866
inaer fly the future
BFU
rega
TraFi Ilmailu
EHAC European HEMS & Air Ambulance Committee
ONERA The French Aerospace Lab
IAA

Safety Partnership with more than 50 organisations

2006-2015 European accident statistics
All rotorcraft, all operations



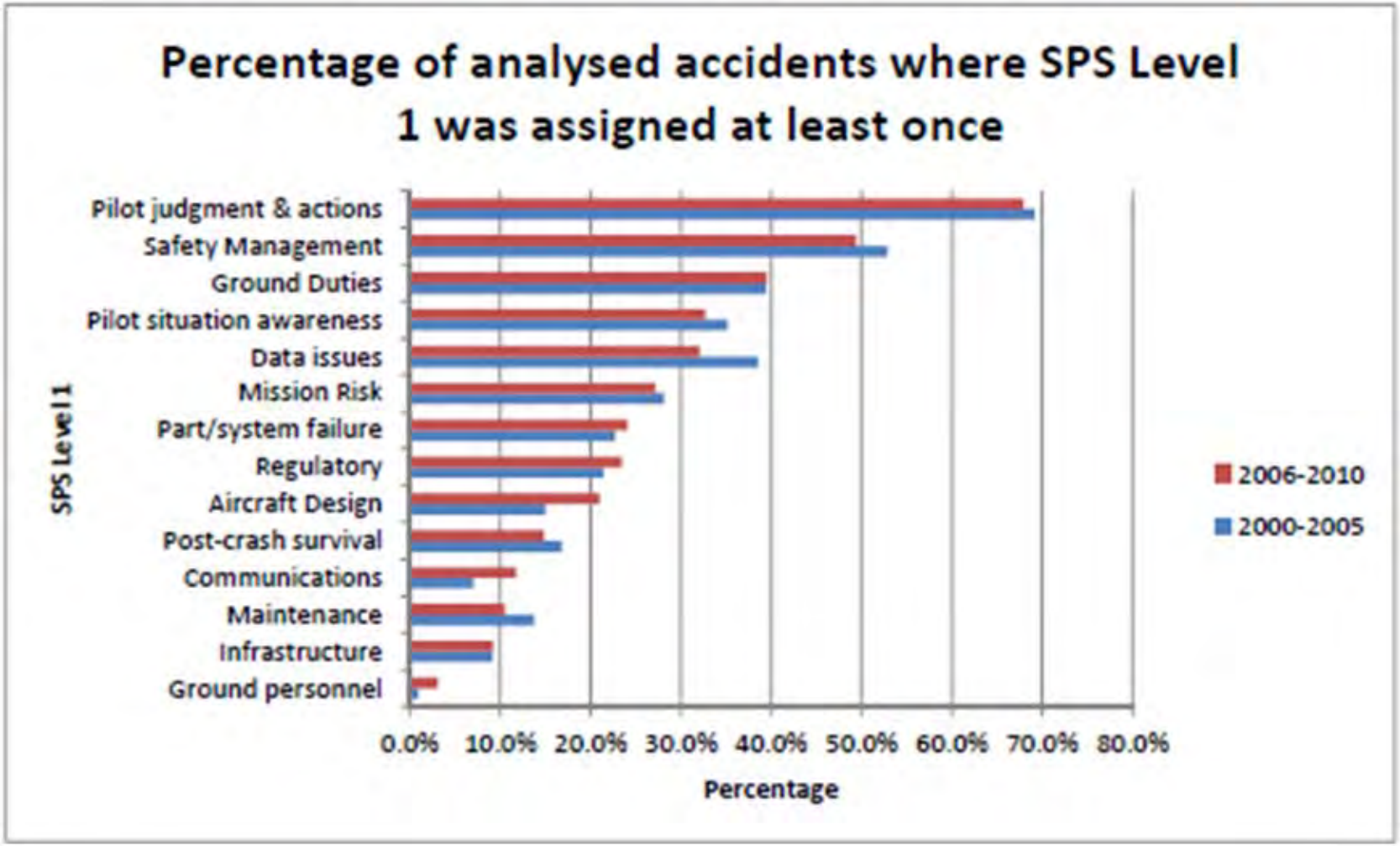
Source: EASA Occurrence Database

EHEST Analysis Reports

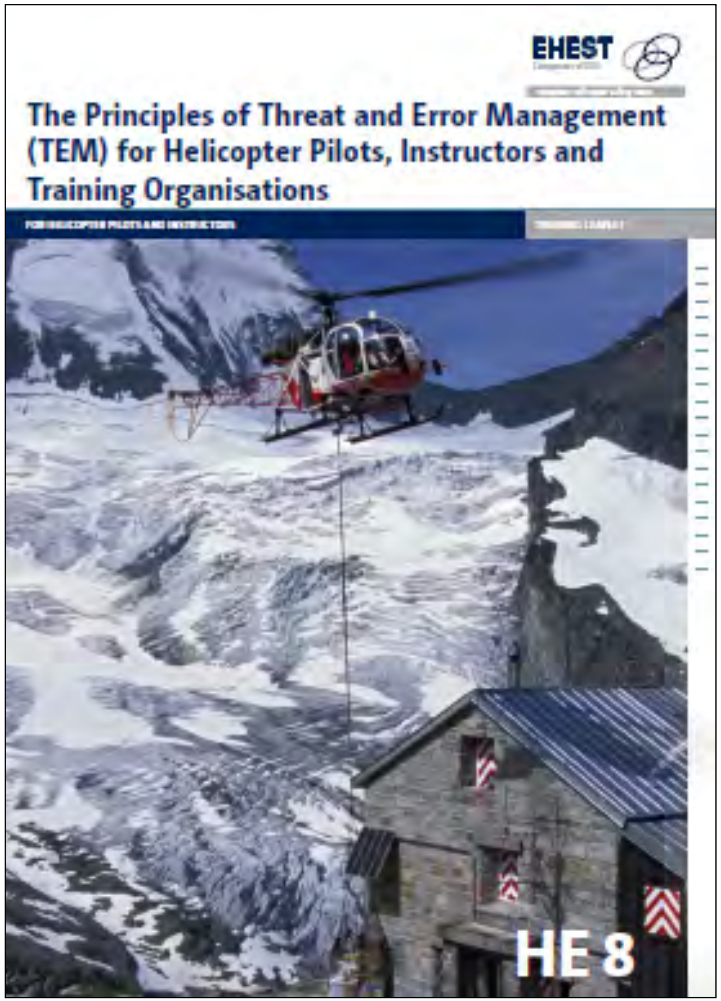
- 2000-2005: 327 accidents analysed
- 2006-2010: 162 accidents analysed

Published Aug 2015

EHEST Analysis Reports

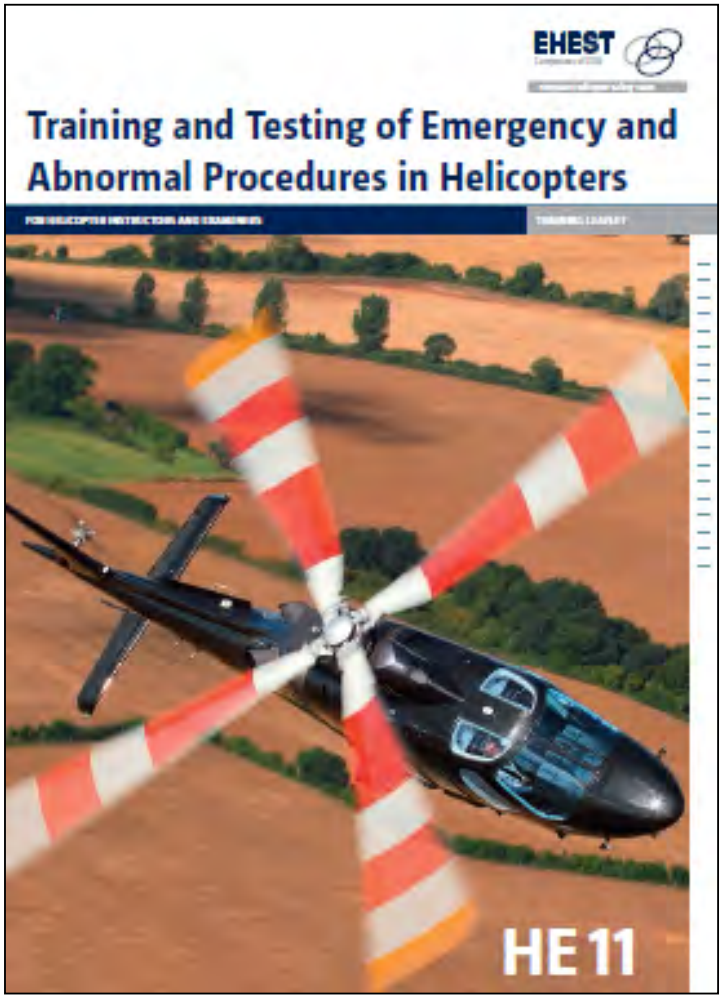


Most Recent Leaflets

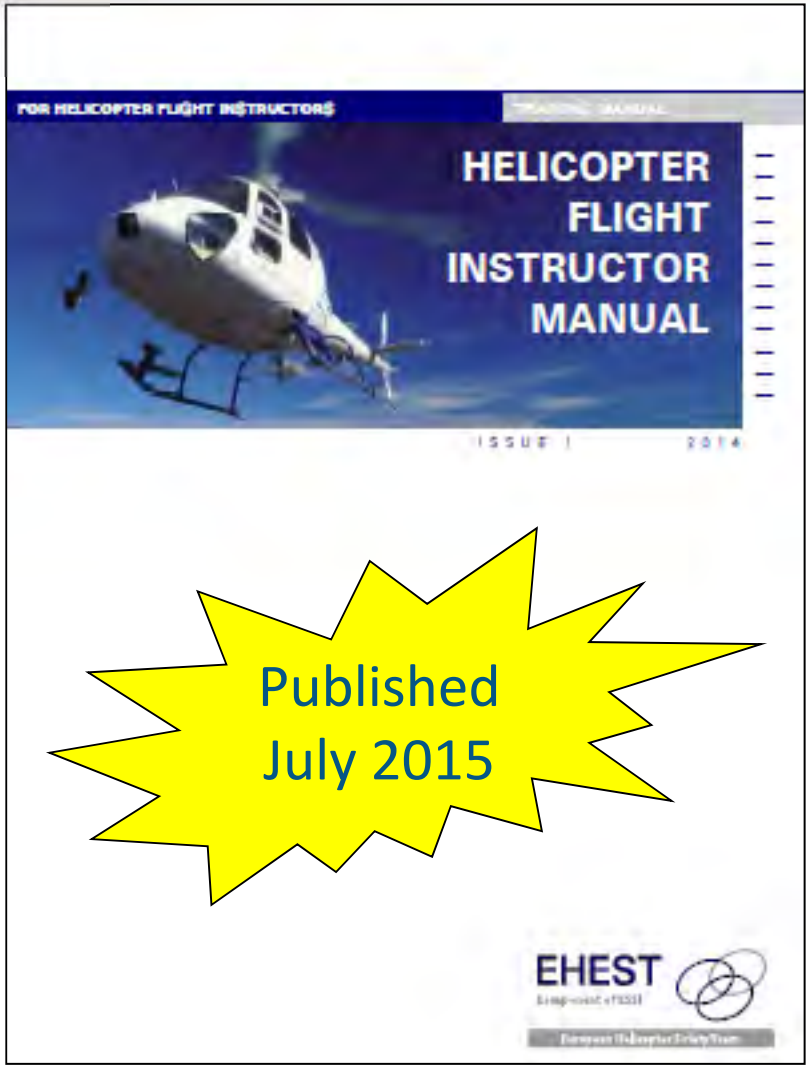


EHEST
Component of ESSI
European Helicopter Safety Team

Most Recent Leaflets



EHEST Flight Instructor Manual



Comprehensive,

138 page document

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Offshore Safety, a priority for Europe

- EASA Annual Safety Review 2014
- European Aviation Safety Plan (EPAS) 2016-2020
- EASA research study Helicopter North Sea Operations Management Current Practices Safety Review
- EASA Rulemaking Programmes 2016-2020
- UK CAA CAP 1145 Safety review of offshore public transport helicopter operations in support of the exploitation of oil and gas
- http://helioffshore.org/priorities/

Actions addressing the prevention of fatal accidents and fatalities

- Safety actions usually address both fatal and non fatal accidents

- Specific actions, which mainly concern:
  - Localisation and Flight Data Recording
  - Crashworthiness
  - Survivability

EASA Rulemaking Tasks

Not an exhaustive list:

- RMT.0271 Recorders for small aircraft
- RMT.0274 ELT installation, location and activation
- RMT.0120 Helicopter ditching and water impact occupant survivability
- RMT.0608 Helicopter gearbox lubrication

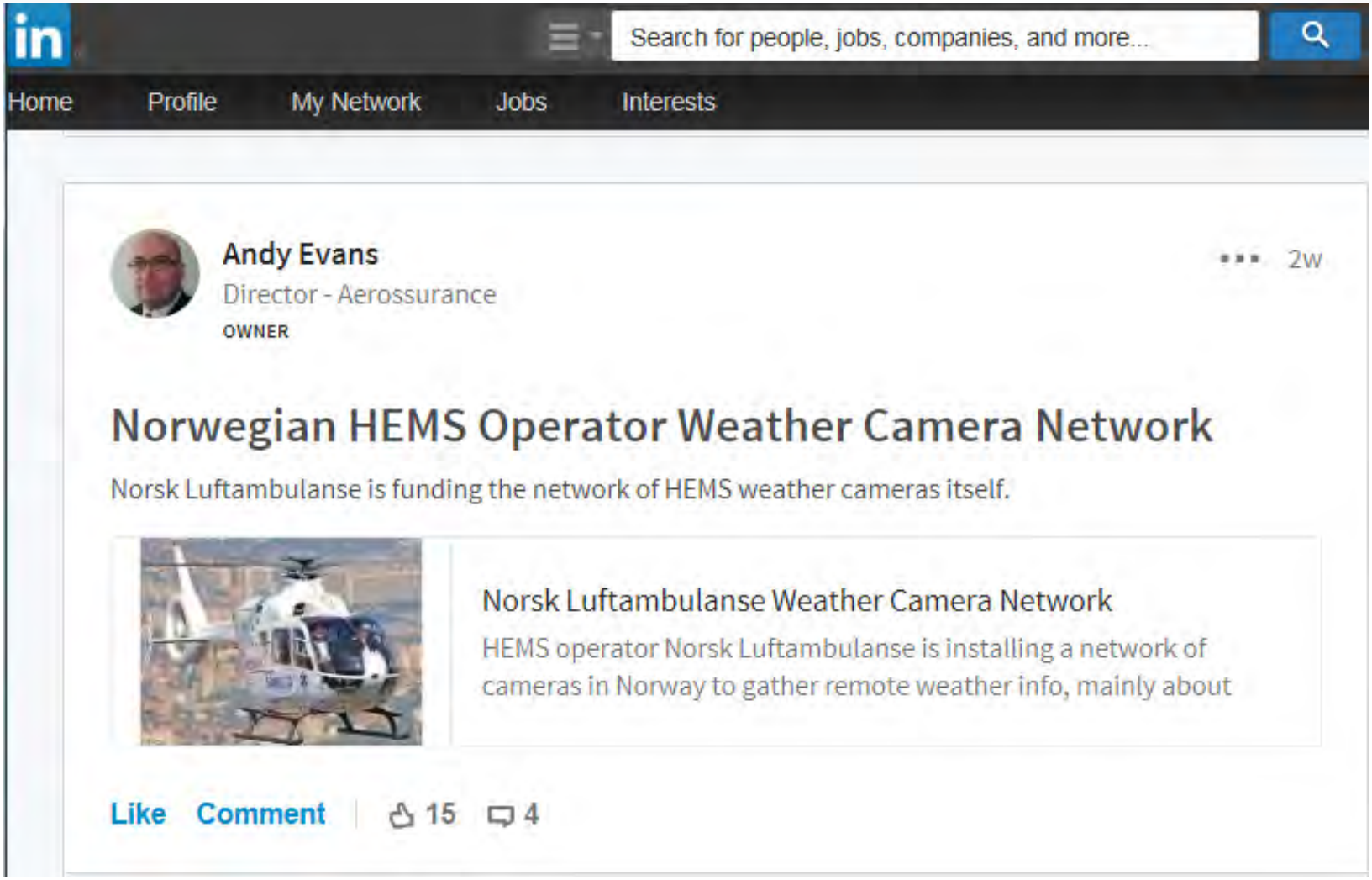
EASA Rulemaking Tasks

- RMT.0496 — FTL requirements for non-commercial operations of complex motor-powered aircraft
- RMT.0318 — Single-engined helicopter operations over hostile environment
- RMT.0325 — HEMS performance and public interest sites

Complemented by:

- SPT.028 — In cooperation with the IHST, promote safety by developing risk awareness and training material

EHEST European Helicopter Safety forum on LinkedIn



Helicopter Safety Day
Dutch example, 16 Oct 2015

NETHERLANDS AEROSPACE CENTRE | DEDICATED TO INNOVATION IN AEROSPACE

nlr Dedicated to innovation in aerospace

Uitnodiging

4e Nederlandse Helikopter Veiligheidsdag

(ON)BEMANDE HELIKOPTEROPERATIES EN VEILIGHEID IN NEDERLAND

In navolging op drie eerdere succesvolle Helikopter Veiligheidsdagen organiseert het Nederlands Lucht- en Ruimtevaartcentrum (NLR) op vrijdag 16 oktober de 4e editie. Dit jaar zal, naast bemande helikopters, aandacht worden besteed aan de zeer snel groeiende markt en operaties van Remotely Piloted Aircraft Systems (RPAS, ook wel drones genoemd). Meer specifiek zal in een interactief deel worden ingegaan op wat er gedaan wordt, en gedaan kan worden, om RPAS en bemande helikopters op een veilige manier het luchtruim in Nederland te laten delen. Daaraan voorafgaand presenteren operators van bemande helikopters en RPAS hun specifieke manier van opereren en wordt ingegaan op incidenten.

Door het organiseren van deze veiligheidsdag brengt het NLR de verschillende belanghebbenden bij elkaar om kennis en ervaringen uit te wisselen en zodoende samen de (onbemande) helikopter veiligheid te versterken. Iedereen die beroepsmatig te maken heeft met helikopters of RPAS wordt van harte uitgenodigd. Specifiek wordt gericht op de doelgroep van RPAS en helikopter operators en vliegers, piloot- en brancheverenigingen, luchtverkeersleiding en overheid.

EASA
European Aviation Safety Agency

EHEST
Component of ESSI
European Helicopter Safety Team

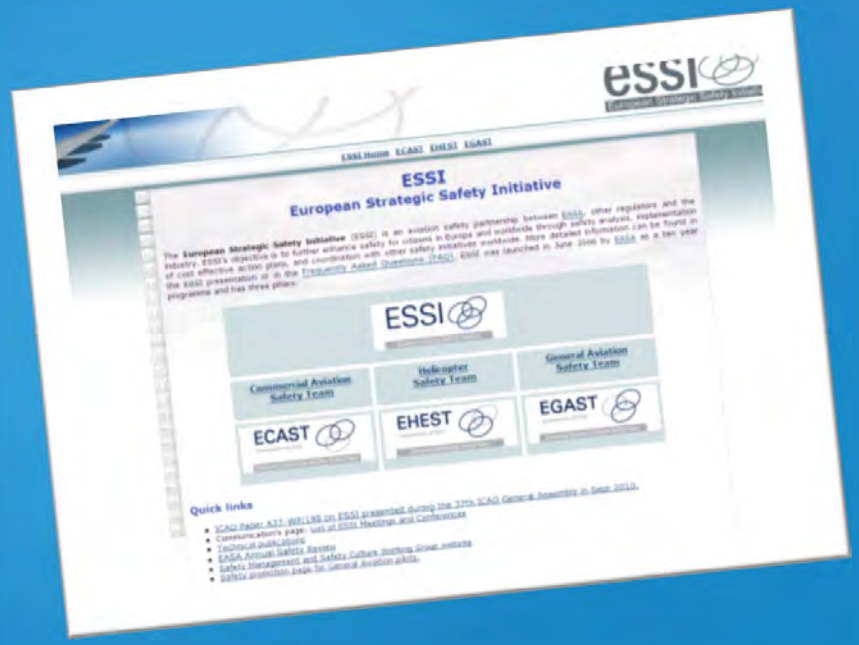
IHST
International Helicopter Safety Team

Thank you!

Questions?

www.ehest.org

www.ihst.org



Your safety is our mission.

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EHEST 2015 events

- CHC Safety & Quality Summit
- Icelandic GA Seminar
- HeliExpo AERO and Heli-Expo UK
- 37 Safety Roadshows by Airbus Helicopters with customers and authorities around the world
- AgustaWestland Oil & Gas Safety Seminar
- Bell Safety Symposium
- EHAC Symposium
- HELITECH Intl. Safety Workshop
- European Rotorcraft Forum (ERF)
- United Nations WFP 7th Global Humanitarian Aviation Conference & Exhibition
- EASA Ninth Rotorcraft Symposium

Exhibit H

Press Release

Heli-Expo 2015

Bristow Group more than triples its H175 orders and secures comprehensive support services agreement with Airbus Helicopters

- Bristow to receive 17 H175 helicopters
- Comprehensive support services agreement also is signed to secure successful operation of rotorcraft
- This is the largest major endorsement for Airbus Helicopters' new super medium-sized rotorcraft

Orlando, Florida, 4 March, 2015 – Bristow Group today raised its total firm orders for Airbus Helicopters' H175 to 17, and also signed a comprehensive support services agreement for its new seven-metric-ton-category rotorcraft.

H175 is the new name of the twin-engine EC175. Airbus Helicopters announced at the Heli-Expo 2015 helicopter industry trade show in Orlando, Florida, the renaming of its products to be aligned with the naming of Airbus products overall.

This significant H175 endorsement was formalized during a signing ceremony on the company's booth. It expands upon Bristow's initial order agreement, announced two years ago.

"I issued a challenge to the industry at Helitech a few months ago," said Jonathan Baliff, president and CEO of Bristow Group. "As Bristow purchases helicopters in larger volumes, we look to partner with aircraft manufacturers who will step up to more comprehensive airline-style purchase and support agreements. We commend Airbus Helicopters for being the first partner to proactively share risk and responsibilities and commit to work closely with Bristow throughout the entire lifecycle of aircraft ownership."

Based in Houston, Texas, Bristow is a leading provider of helicopter services to the worldwide offshore energy industry. Its current inventory of Airbus Helicopters-built rotorcraft includes the lightweight H125 (formerly the AS350), H135 (EC135) and BK117, along with the medium H155 (EC155) and heavy AS332 and H225 (EC225) Super Puma versions.

Deliveries of the H175s will be from October 2016, with these helicopters to be deployed by Bristow on oil and gas airlift duties.

"Airbus Helicopters and Bristow share a long history together, and I am very grateful to open this new chapter in our partnership. Their order underscores the H175's position as a rotorcraft of choice for oil and gas operations, which offers a cost-effective solution with excellent operational performance, passenger comfort and safety," said Airbus Helicopters President Guillaume Faury. "Additionally, the new support services agreement with Bristow further underscores our customer support focus for the highest levels of fleet serviceability, backed by the full resources of Airbus Helicopters across the globe."

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Follow us on Twitter : twitter.com/AirbusHC

Press Release

The H175 is the world's newest super-medium, twin-engine helicopter, bringing new levels of operational flexibility, performance and safety to a full range of mission applications. Since its entry into service for North Sea offshore operations only one week following the first delivery of this helicopter in December 2014, the fleet has performed more than 400 flight hours with availability rates of nearly 90 percent.

The H175 has been certified to the latest airworthiness standards, covering both the rotorcraft and the new Airbus Helicopters-developed Helionix® avionics suite – providing increased safety through reduced pilot workload, enhanced situational awareness, improved flight envelope protection and system redundancy.

The H175 is well suited to a full range of missions, including airlift duties in oil and gas operators, search and rescue, emergency medical services, public services, VIP and executive transport. Its range enables 16 passengers in an oil and gas-configured H175 to be transported up to distances of 140 naut. mi., with the range approaching 200 naut. mi. when 12 passengers are carried. Contributing to the H175's competitive edge is its recommended cruise speed of 150 kts., while the maximum cruise speed exceeds 165 kts. – all achieved at extremely low vibration levels.

About Bristow Group Inc.

Bristow Group Inc. is a leading provider of helicopter services to the worldwide offshore energy industry based on the number of aircraft operated. Through its subsidiaries, affiliates and joint ventures, the company has major transportation operations in the U.S. Gulf of Mexico and the North Sea, and in most of the other major offshore oil and gas producing regions of the world, including Australia, Brazil, Nigeria, Russia and Trinidad. For more information visit the company's website at www.bristowgroup.com.

About Airbus Helicopters

Airbus Helicopters is a division of Airbus Group, a global pioneer in aerospace and defense related services. Airbus Helicopters is the world's No. 1 helicopter manufacturer and employs more than 23,000 people worldwide. With 44 percent market share in civil and parapublic sectors, the company's fleet in service includes some 12,000 helicopters operated by more than 3,000 customers in more than 150 countries. Airbus Helicopters' international presence is marked by its 29 customer centers and participations and its worldwide network of service centers, training facilities, distributors and certified agents. Airbus Helicopters' range of civil and military helicopters is the world's largest; its aircraft account for one third of the worldwide civil and parapublic fleet. The company's chief priority is to ensure the safe operation of its aircraft for the thousands of people who fly more than 3 million hours per year.

Press Release

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Exhibit I

1 IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)
2
In Re:) Case No. 16-31854-bjh-11
3) Dallas, Texas
CHC GROUP LTD., et al.,)
4)
Debtors.) February 13, 2017
5) 9:02 a.m.
_____)
6
TRANSCRIPT OF HEARING ON:
7
[#1633] CONFIRMATION HEARING RE: AMENDED CHAPTER 11 PLAN FILED
8 BY DEBTOR CHC GROUP LTD.

9 [#1090] DEBTORS' FIFTH OMNIBUS MOTION FOR ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO REJECT CERTAIN EQUIPMENT LEASES AND
10 SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

11 [#1314] DEBTORS' SIXTH OMNIBUS MOTION FOR ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO REJECT CERTAIN EQUIPMENT LEASES AND
12 SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

13 [#1406] DEBTORS' SEVENTH OMNIBUS MOTION FOR ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO REJECT CERTAIN EQUIPMENT LEASES AND
14 SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

15 [#1477] DEBTORS' THIRD MOTION FOR ENTRY OF AN ORDER PURSUANT
TO 11 U.S.C. SECTION 1121(D) AND LOCAL RULE 3016-1 EXTENDING
16 THE EXCLUSIVE PERIOD FOR THE FILING OF A CHAPTER 11 PLAN

17 [#1479] MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT TO 11
U.S.C. SECTION 365(A) AND FED. R. BANKR. P. 6006(A) AND
18 9019(A) (I) APPROVING SETTLEMENT AGREEMENT AMONG CERTAIN
DEBTORS, CHC HELICOPTER SUPPORT SERVICES (US) INC., AND
19 SIKORSKY AIRCRAFT CORPORATION AND CERTAIN OF ITS AFFILIATES,
AND (II) AUTHORIZING DEBTORS TO ASSUME CERTAIN EXECUTORY
20 CONTRACTS WITH SIKORSKY AIRCRAFT CORPORATION AND CERTAIN OF
ITS AFFILIATES
21
[#1480] MOTION OF DEBTORS FOR ENTRY OF AN ORDER PURSUANT TO 11
22 U.S.C. SECTIONS 105(A) AND 107(B) AND FED. R. BANKR. P. 9018
AUTHORIZING THE FILING OF CERTAIN INFORMATION UNDER SEAL IN
23 CONNECTION WITH MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT
TO 11 U.S.C. SECTION 365(A) AND FED. R. BANKR. P. 6006(A) AND
24 9019(A) (I) APPROVING SETTLEMENT AGREEMENT AMONG CERTAIN
DEBTORS, CHC HELICOPTER SUPPORT SERVICES (US) INC., AND
25 SIKORSKY AIRCRAFT CORPORATION AND CERTAIN OF ITS AFFILIATES,

1 AND (II) AUTHORIZING DEBTORS TO ASSUME CERTAIN EXECUTORY
CONTRACTS WITH SIKORSKY AIRCRAFT CORPORATION AND CERTAIN OF
2 ITS AFFILIATES

3 [#1481] MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT TO 11
U.S.C. SECTION 365(A) AND FED. R. BANKR. P. 6006(A) AND
4 9019(A) (I) APPROVING SETTLEMENT AGREEMENT AMONG CERTAIN
DEBTORS AND LEONARDO S.P.A. AND (II) AUTHORIZING DEBTORS TO
5 ASSUME CERTAIN EXECUTORY CONTRACTS WITH LEONARDO S.P.A.

6 [#1482] MOTION OF DEBTORS FOR ENTRY OF AN ORDER PURSUANT TO 11
U.S.C SECTIONS 105(A) AND 107(B) AND FED. R. BANKR. P. 9018
7 AUTHORIZING THE FILING OF CERTAIN INFORMATION UNDER SEAL IN
CONNECTION WITH MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT
8 TO 11 U.S.C. SECTION 365(A) AND FED. R. BANKR. P. 6006(A) AND
9019(A) (I) APPROVING SETTLEMENT AGREEMENT AMONG CERTAIN
9 DEBTORS AND LEONARDO S.P.A., AND (II) AUTHORIZING DEBTORS TO
ASSUME CERTAIN EXECUTORY CONTRACTS WITH LEONARDO S.P.A.
10
[#1500] DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105
11 AND 363 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY
PROCEDURE 6004(H) AND 9019 AUTHORIZING THE DEBTORS TO (I)
12 ENTER INTO AND PERFORM UNDER RESTRUCTURING LEASE TERM SHEETS
WITH LOMBARD NORTH CENTRAL PLC WITH RESPECT TO AIRCRAFT WITH
13 MANUFACTURER'S SERIAL NUMBERS 31155, 920034, AND 920127 AND
(II) ENTER INTO AND PERFORM UNDER SETTLEMENT AGREEMENTS WITH
14 LOMBARD NORTH CENTRAL PLC WITH RESPECT TO AIRCRAFT WITH
MANUFACTURER'S SERIAL NUMBERS 2707 AND 760720
15
[#1531] DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105,
16 363 AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF
BANKRUPTCY PROCEDURE 6004(H), 6006 AND 9019 AUTHORIZING THE
17 DEBTORS TO (I) ENTER INTO AND PERFORM UNDER A RESTRUCTURING
LEASE TERM SHEET WITH WAYPOINT LEASING (IRELAND) LIMITED AND
18 (II) ASSUME CERTAIN UNEXPIRED LEASES AND EXECUTORY CONTRACTS
WITH WAYPOINT LEASING (IRELAND) LIMITED AND CERTAIN OF ITS
19 AFFILIATES

20 [#1536] DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105,
363, AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF
21 BANKRUPTCY PROCEDURE 6004(H), 6006, AND 9019 AUTHORIZING THE
DEBTORS TO ENTER INTO AND PERFORM UNDER THE 2017 OMNIBUS
22 RESTRUCTURE AGREEMENT WITH AIRBUS HELICOPTERS (SAS) REGARDING
CERTAIN OF THE DEBTORS' EXECUTORY CONTRACTS
23
[#1538] DEBTORS' MOTION FOR AN ORDER PURSUANT TO 11 U.S.C.
24 SECTIONS 105(A) AND 107(B) AND FED. R. BANKR. P. 9018
AUTHORIZING THE FILING OF CERTAIN INFORMATION UNDER SEAL IN
25 CONNECTION WITH THE DEBTORS' MOTION FOR AN ORDER PURSUANT TO

1 SECTIONS 105, 363, AND 365 OF THE BANKRUPTCY CODE AND FEDERAL
RULES OF BANKRUPTCY PROCEDURE 6004(H), 6006, AND 9019
2 AUTHORIZING THE DEBTORS TO ENTER INTO AND PERFORM UNDER THE
2017 OMNIBUS RESTRUCTURE AGREEMENT WITH AIRBUS HELICOPTERS
3 (SAS) REGARDING CERTAIN OF THE DEBTORS' EXECUTORY CONTRACTS

4 [#1543] DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105,
362, 363 AND 364 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF
5 BANKRUPTCY PROCEDURE 6004(H) AND 9019 AUTHORIZING THE DEBTORS
TO (I) ENTER INTO AND PERFORM UNDER FRAMEWORK AGREEMENTS WITH
6 EXPORT DEVELOPMENT CANADA, LOMBARD NORTH CENTRAL PLC, AND THE
ROYAL BANK OF SCOTLAND PLC WITH RESPECT TO AIRCRAFT WITH
7 MANUFACTURER'S SERIAL NUMBERS 2053, 2067, 2139, 31209, 920051,
920052, AND 920097, (II) OBTAIN POST-PETITION FINANCING IN
8 ACCORDANCE WITH THE LOAN AGREEMENTS ATTACHED TO THE FRAMEWORK
AGREEMENTS, AND (III) ENTER INTO AND PERFORM UNDER SETTLEMENT
9 AGREEMENTS WITH EXPORT DEVELOPMENT CANADA, LOMBARD NORTH
CENTRAL PLC, AND THE ROYAL BANK OF SCOTLAND PLC WITH RESPECT
10 TO AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBERS 2395, 2567,
760687, 760711, 760743 AND 760697
11
EXPEDITED MOTION TO EXTEND TIME TO / MOTION TO DEEM LATE FILED
12 BALLOT AS TIMELY FILED, FILED BY CREDITOR ECN CAPITAL
(AVIATION) CORP. (1626)
13
BEFORE THE HONORABLE BARBARA J. HOUSER
14 CHIEF UNITED STATES BANKRUPTCY COURT

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17

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19

20

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700 West 192nd Street
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New York, NY 10040
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25 TRANSCRIPT PRODUCED BY TRANSCRIPTION SERVICE

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1 MR. FINK: Thank you, Your Honor.
2 THE COURT: Mr. Fink, I was going to say if you now
3 tell me you have no cross.
4 MR. FINK: I might be in trouble at that point, Your
5 Honor?
6 THE COURT: No. No trouble but it would note -- I
7 would be noting some amusement. All right.
8 CROSS-EXAMINATION
9 BY MR. FINK:
10 Q. Morning, Mr. Del Genio.
11 A. Good morning.
12 Q. I'm sure you heard already, but let me introduce myself.
13 My name is Steve Fink and I'm with the Orrick, Herrington
14 firm in New York representing ECN.
15 A. Thank you.
16 Q. Sir, the plan reserves causes of action for the
17 reorganized debtors; does it not?
18 A. It does.
19 Q. And that includes claims that the debtors have, and
20 potential claims, against Airbus arising out of a helicopter
21 crash in Norway in April 2016?
22 A. Yes.
23 Q. Also includes what are sometimes referred to as Chapter 5
24 claims, preference claims, and fraudulent transfer claims?
25 A. Possibly.

1 Q. And why do you say possibly, sir?
2 A. Until they are proven, it's hard for me to say.
3 Q. Let me phrase it slightly differently than maybe the word
4 "claims." To the extent that the debtors' have Chapter 5
5 claims, those claims are riding through under the plan to the
6 reorganized debtors; isn't that right?
7 A. That is correct.
8 Q. And have you done any evaluation of the extent to which
9 the debtors, in fact, do have Chapter 5 claims?
10 A. No.
11 Q. Have you done any valuation of the extent to which the
12 debtors have claims against Airbus?
13 A. No.
14 Q. Have you been involved in conversations about claims that
15 the debtors may have against Airbus?
16 A. Yes.
17 Q. And what conversations are those?
18 A. In conversations that I've had with the company's general
19 counsel about potential claims which, obviously, are
20 confidential.
21 MR. GENENDER: And Your Honor, I'm going to assert a
22 privilege objection to that conversation and any like that,
23 and ask if the Court -- Mr. Del Genio can flag -- give the
24 conversation to both counsel so that I can have an opportunity
25 to object.

1 THE COURT: Mr. Del Genio, Mr. Genender is concerned
2 that he wants to preserve the attorney-client privilege. So,
3 before you go into the substances of any conversation, if you
4 would identify the participants of the conversation so that if
5 he has an objection he can state that objection.
6 THE WITNESS: Okay.
7 Q. Have you --
8 THE COURT: And you did fine there, because you said
9 with general counsel. So --
10 Q. Have you been involved in conversations with anybody
11 other than the debtors' general counsel about Airbus claims?
12 A. No.
13 Q. And just to make sure, you haven't been present for
14 conversations that other people have had on that topic?
15 A. No, I have not.
16 Q. Have you reviewed any writings that discuss potential
17 claims against Airbus?
18 A. No.
19 Q. And what about Chapter 5 claims? Have you discussed
20 Chapter 5 claims with anybody?
21 A. No.
22 Q. Reviewed any writings?
23 A. No.
24 Q. Been present for conversations?
25 A. No.

1 Q. And the -- and why don't we have your declaration in
2 front of you just because some of the things that I might ask
3 you about are there and it would be a shortcut.
4 Your declaration is Exhibit 3.
5 MR. GENENDER: I think there's a notebook in front of
6 the witness but it doesn't have --
7 MR. FINK: Oh.
8 MR. GENENDER: -- the markings.
9 THE COURT: That's fine.
10 MR. FINK: We can navigate that, I think. Thank you,
11 Mr. Genender.
12 Q. Sir, if you were to turn, please, to paragraph 76 of your
13 declaration?
14 A. Yes, I'm there.
15 Q. All right. On the carryover part on page 29, at the top
16 it says, "The proceeds of any such causes of action, if
17 litigated or settled will benefit the debtors and their
18 stakeholders as a whole, including their new equity owners."
19 Do you see that?
20 A. I do.
21 Q. And just to be really clear, when you say the debtors
22 there, you're talking about the reorganized debtors, correct?
23 A. That is correct.
24 Q. Have you formed any view as to what the debtors' claims
25 and potential claims against Airbus are worth?

1 A. I have not.
2 Q. Do you know the helicopter that crashed, I think, that
3 was called a Super Puma; is that right?
4 A. That is correct.
5 Q. Okay. And the debtors had, I think, fifty-six Super
6 Pumas either that they owned or leased as of the petition
7 date; is that right?
8 A. Yeah, I know it was around fifty. I don't have the exact
9 number, but yes.
10 Q. Okay.
11 A. Somewhere in that neighborhood.
12 Q. I think Mr. Fowkes has more details --
13 A. Um-hum.
14 Q. -- so, that's fine.
15 Do you have an understanding of what each one of these
16 helicopters cost?
17 A. New?
18 Q. Yes.
19 A. A new helicopter is probably around twenty million
20 dollars.
21 Q. And after the accident in Norway, that entire fleet of
22 fifty-ish Super Pumas were grounded, right?
23 A. That's correct.
24 Q. By regulators?
25 A. That's correct.

1 Q. And same question about Chapter 5 claims, do you have any
2 view as to the value of Chapter 5 claims that the debtors
3 have?
4 A. I do not.
5 Q. Okay. Take a look, for a moment, at paragraph 42 of your
6 declaration, please? Do you see, starting on the third line,
7 you talk about adequate protection dispute that involved
8 complicated questions about asset value diminution including
9 the impact of the grounding of the debtor's EC225
10 helicopter's?
11 A. Yes.
12 Q. The EC225s, that's one of two model numbers of Airbus
13 helicopters which collectively are referred to as Super Pumas,
14 right?
15 A. That's correct.
16 Q. So, what's the adequate protection dispute you're talking
17 about?
18 A. The adequate protection dispute would be as the
19 helicopters are grounded, how does that affect the value of
20 the business, respective collateral. You had to change the
21 fleet as it related to the aircraft being grounded to provide
22 to the customers, and there was an impact on that.
23 Q. And what was that impact?
24 A. It really depends on what aspect you look at, whether
25 it's the value of those aircraft, or the costs that are

1 incurred in terms of swapping out the aircraft, and the
2 additional time and effort the company had to spend to get
3 that business -- really, to service the customers there.
4 Q. Okay. So, let's take each of those. What was the value
5 of the aircraft?
6 A. Well, the aircraft, right now, I think those values are
7 challenged from what I've seen in terms of appraisals, because
8 they're not flying. So, the market's trying to determine what
9 the value is, and it can be anywhere from parts value to if
10 there's a use for those aircraft in something else besides the
11 oil and gas market, and I think that's a pretty fluid number
12 right now.
13 In terms of the impact on the company, what we said in
14 the business plan is that number from a cash standpoint was
15 about thirty-four million dollars, and its impact on -- we
16 really need a dollar in cash from the EC -- what we call the
17 EC225 impact on the company's business line.
18 Q. And you said that the value of these helicopters is
19 currently -- I don't remember the word that you
20 used -- distress but --
21 A. I said from parts value to a value that if it could be
22 used in another form except for oil and gas because they are
23 grounded for -- in most regions, now, from what I understand.
24 Q. Right. So, the current value of these helicopters is
25 less than it was prior to the crash?

1 A. Yes.
2 Q. Significantly less?
3 A. I would -- based on just appraisal information I've seen,
4 but I would caution you to say that I think that's a pretty
5 fluid market right now until people figure out how they're
6 going to use these helicopters because if they're sitting on
7 the ground they don't have a lot of value.
8 Q. And right now, they're sitting on the ground?
9 A. In most cases, yes.
10 Q. And that's because the regulatory action that was taken
11 in reaction to the crash?
12 A. That's correct.
13 Q. Later in that same paragraph, sir -- we were looking at
14 paragraph 42 -- there's a sentence that carries over, and at
15 the end of that, you talk about "the precise recoverable
16 unencumbered value at each debtor." Do you see that?
17 A. Yes.
18 Q. And what you're talking about there by unencumbered
19 value, you're talking about the value of unencumbered assets;
20 is that right?
21 A. Yes.
22 Q. And that includes these Airbus terms?
23 A. Unencumbered value? There's a big debate in terms of
24 what's encumbered and unencumbered. This plan has to resolve
25 that through a settlement. So, there's lots of different

1 asset categories that people had strong views on which, quite
2 frankly, were never really agreed to, but the settlement of
3 the plan brought them to agreement. So, I can't tell you
4 everyone in this room would agree with me if what I said was
5 encumbered and unencumbered, but I can tell you they agree
6 with the plan is correct.
7 Q. Right. So -- but as of the effective date they'll
8 proceed with a plan, right?
9 A. As of according to the plan.
10 Q. Right.
11 A. Yes.
12 Q. Right, if the plan's confirmed by then.
13 A. Yes.
14 Q. Right. Okay. The unsecured-creditors' committee filed a
15 statement in support of plan confirmation. Is that something
16 that you've seen?
17 A. Yes.
18 Q. Okay.
19 MR. FINK: Your Honor, I'd like to show the document
20 to the witness if I may --
21 THE COURT: You may.
22 MR. FINK: -- and if you'd like a copy, I've got one
23 for you.
24 THE COURT: Please.
25 THE WITNESS: Thank you.

1 THE COURT: Thank you, Mr. Fink.
2 MR. FINK: Your Honor, I don't plan to offer this
3 document into evidence. It's in the court file, and I think
4 the Court can take judicial notice of it, but I do have a
5 couple questions for the witness.
6 THE COURT: Of course.
7 MR. FINK: Let me just find my copy while I've got my
8 notes.
9 THE COURT: No problem.
10 Q. So, if you look at paragraph 7 which begins on page 3, do
11 you see that the creditors' committee statement says that
12 "Contrary to ECN's contentions, both the committee and the
13 debtors spent significant time analyzing all potential
14 unencumbered assets available through unsecured creditors,
15 including various pre-petition causes of action that can be
16 asserted by the debtors against Airbus relating to certain of
17 their aircraft, as well as the risks and costs pertaining to
18 the litigation of bringing such claims." Do you see that?
19 A. I do.
20 Q. You agree with that statement?
21 A. I do.
22 Q. Were there discussions as between the debtors and the
23 creditors' committee?
24 A. Discussions on what?
25 Q. About -- I'm sorry; I hadn't finished the

1 question -- about those unencumbered assets and in particular,
2 the Airbus claims?
3 A. I remember there were discussions between the company's
4 litigation counsel, basically, on the Airbus claims general
5 counsel talked to the Weil litigation team.
6 Weil litigation team, I believe, had conversations -- at
7 least what I was told -- had conversations with the unsecured
8 creditors, but I wasn't involved in those because they were
9 trying to maintain privilege.
10 Q. Well, to the extent -- and I'm going to go very slowly
11 and ask you to go slowly because there's going to be an
12 objection and the Court -- I don't know what the Court will
13 do --
14 A. Fine.
15 Q. -- but were you -- just yes or no -- was there a report
16 given to you on the substance of the communications that were
17 had between counsel for the debtors and counsel for the
18 creditors?
19 A. No.
20 Q. So, you have no information about the substance of those
21 conversations?
22 A. I do not.
23 Q. Okay. So, we avoided the objection.
24 You were not a party to any conversations with the
25 creditors' committee about what those claims were worth?

1 A. I was not.
2 Q. All right. We're going to move on, then, to a different
3 topic.
4 You're familiar with what sometimes is referred to as the
5 good faith requirement for plan confirmation?
6 A. Yes.
7 Q. And I'm not going to ask you about any of your opinions
8 on it; I ask the Court to exclude them, but I just use that as
9 a point of reference to what we're going to be talking about,
10 and I'm going to ask you to look at paragraph 95.
11 A. In my declaration?
12 Q. In your declaration, yes, sir. You there with me, sir?
13 A. I am.
14 Q. Okay. The first sentence talks about my clients'
15 objection, right?
16 A. That's correct.
17 Q. And in particular the fact that we've objected to what
18 you've described here as the preservation certain causes of
19 action for the reorganized debtors?
20 A. That's correct. That's what it says?
21 Q. Right? Yes. That's what it says.
22 And then the introduction to the next sentence you say
23 that "This is a component of the global, integrated settlement
24 underlying the plan," right?
25 A. Yes.

1 Q. Okay. So, that's just to orient us for what my questions
2 are.
3 If you then go to the last sentence of this paragraph,
4 you say that, "Without the settlement, particularly the waiver
5 of the senior secured notes deficiency claim, the recovery
6 available to the general unsecured claims would be
7 substantially smaller than what is provided for under the
8 plan." You see there?
9 A. Yes.
10 Q. So, was this -- was there an express condition in
11 negotiations with creditors' committee or others, we, debtors
12 are going to retain these claims; in exchange, you, creditors'
13 committee, or whoever the counterparty was is going to give us
14 something in return?
15 A. It was a fairly exhaustive negotiation on a variety of
16 points. This was one of the points that were on the table in
17 terms of claims staying in, claims staying out. So, that's
18 why I referred to it as a global resolution. I don't remember
19 this being traded for one specific point that we traded this,
20 and we received that. This was clearly one of the numerous
21 topics that were discussed during the plan negotiations.
22 Q. Do you remember any details of discussions around the
23 retention of these claims as part of those discussions?
24 A. The only thing that I -- one of the things that we did is
25 provide the liquidation value, and PJT provided the valuation.

MR. FINK: Let me ask -- Mr. Genender, is there a --
MR. GENENDER: Third folder?
MR. FINK: -- third binder?
MR. GENENDER: There is. There is.
MR. FINK: Okay, great.
MR. GENENDER: And it should be tab 3 in that binder.
THE COURT: No, 3 was --
MR. GENENDER: Tab 3.
THE WITNESS: Yep. I have it.
MR. GENENDER: Not Exhibit --
THE COURT: What debtor exhibit?
MR. FINK: 5. 5.
THE COURT: Thank you.
MR. GENENDER: He's got a different notebook, Your Honor, so.
THE COURT: Okay. But I want to refer to it by the --
MR. GENENDER: Yes.
THE COURT: -- exhibit number.
Q. You're the helicopters guy?
A. Yes, sir.
Q. All right. Great. So, on the petition date, the debtors had a fleet of fifty-six Super Pumas; is that right?
A. Technically, no.
Q. Why is that?

A. Super Puma is a general description of a number of airbus aircraft, both military and commercial. So, the ones that are covered in here are all Super Pumas, both EC225 and AS332 L2 starts with the Pumas. In addition to that, the company also had AS332s and AS332 Ls in their fleet.
Q. I see. So, actually the debtors had more than fifty-six Super Pumas in their fleet, but not all of them were affected --
A. Correct.
Q. -- by the regulatory shutdown --
A. Correct.
Q. -- after the crash?
A. Correct.
Q. And the reason I made you do that again is you have to wait until I finish talking, just so the court reporter can get your answer.
Okay. So, focusing, then, on the EC225s and the AS332 L2s -- those are the two models that were affected by the regulatory shutdown after the crash, correct?
A. Yes.
Q. The debtors had fifty-six of those two models in their fleet as of the petition date, either that they owned or that they leased, correct?
A. Yes.
Q. And both of those models were grounded by regulators

1 after the crash that occurred in Norway in April 2016?
2 A. Yes.
3 Q. Nine of those fifty-six helicopters were owned by one
4 or -- by the debtors on the petition date, right?
5 A. Yes.
6 Q. And the debtors now own five of them?
7 A. Yes.
8 Q. So, if you can turn your declaration, please, to the
9 chart that appears on page 5 of 10, that number that's in the
10 upper right-hand corner, and I don't want to spend too much
11 time on this, but I'd like you to just explain to me quickly,
12 if you would, what this chart represents by telling us what
13 each of the columns is.
14 A. Sure. It's -- the columns are aircraft type; the MSN,
15 which is the manufacturer's serial number; YOM, which is the
16 year of manufacture; a leased/own column, which describes the
17 type of financing that was on it or the fact that it was
18 owned; who the third-party lessor was; who -- which entity
19 within CHC owned it; the current status of that aircraft; and
20 the effective date of any rejection or abandonment.
21 Q. Okay. And which of these aircraft was the one that was
22 involved in the accident?
23 A. I don't know.
24 Q. Wasn't 2721 the third one here on your chart?
25 A. Oh. Hm.

1 Q. Let me show you something to try to refresh your
2 recollection.
3 MR. FINK: Excuse me one moment, Your Honor.
4 THE COURT: Of course.
5 MR. FINK: Let's see.
6 (Pause)
7 MR. FINK: May I approach both the witness and Your
8 Honor?
9 THE COURT: You may. Thank you.
10 Q. Sir, I've placed in front of you a preliminary report on
11 accident -- I'm not going to read the rest of it because I
12 can't pronounce the name of the place -- from the Accident
13 Investigation Board of Norway. Do you see that there's
14 information there about the serial number?
15 A. Yes.
16 Q. Does that refresh your recollection as to --
17 A. Yes, it does.
18 Q. -- which aircraft? And looking back at your chart, sir,
19 which aircraft was it?
20 A. It was manufacturer's serial number 2721.
21 Q. Okay. And as reflected in the chart in your declaration,
22 that was an aircraft that was on lease by Parilease SAS to CHC
23 Helicopters (Barbados) SRL, correct, sir?
24 A. Correct.
25 Q. And the pilots of the aircraft, where they CHC employees?

1 MR. GENENDER: Your Honor, I'm going to object. This
2 is outside of the scope of his declaration.
3 MR. FINK: Your Honor, I'm trying to --
4 THE COURT: It seems like it is, but --
5 MR. FINK: Yeah.
6 THE COURT: Sustained.
7 MR. FINK: I don't think it's too far. I guess I --
8 I guess I wasn't persuasive on that one.
9 THE COURT: Well, show me where in his declaration
10 that he talks about who the pilots were.
11 MR. FINK: Fair enough, Your Honor.
12 I'm not sure that it's in here, Your Honor. All
13 right, I'll move on.
14 Q. So, looking at the chart, my question to you, and I
15 apologize for having you go through a counting exercise, but
16 I'd like to know how many of these helicopters -- these airbus
17 helicopters that we're looking at were owned or leased by the
18 Barbados SRL entity as of the petition date.
19 A. I think I count twenty-seven.
20 Q. Okay. And I'll just represent for the record, because I
21 know it's hard to do this on the fly, that I counted twenty-
22 two, and that there are a few that are under a Barbados
23 Limited entity, which may be causing a little bit of
24 confusion. But your answer will stand. So --
25 THE COURT: Well, I'd like us to figure out --

MR. FINK: You want us to figure it out, Your Honor?
THE COURT: -- which one is correct. Yes, I would.
MR. FINK: But let me do this -- maybe it's quicker.
Q. Aircraft 2708, sir, is the first one on the chart. That's Barbados SRL?
A. Um-hum.
Q. 2715, also?
A. Yes.
Q. And 2721?
A. Yes.
Q. 2725?
A. Yes.
Q. 2739?
A. Yes.
Q. 2744?
A. Yes,
Q. 2745?
A. Yes.
Q. 2722?
A. Yes.
Q. 2729?
A. Yes.
Q. 2740?
A. Yes.
Q. And 2747?

A. Yes.
Q. All right. So, on this page, we have one, two, three --
THE COURT: Eleven.
MR. FINK: Thank you, Your Honor.
Q. Eleven on this page. On the next page, 2878?
A. Yes.
Q. 2902?
A. Yes.
Q. 2702?
A. Yes.
Q. And 2890?
A. Yes. I'm sorry that I counted the one above the 2 that didn't have the SRL.
Q. Yeah, no, I had the same problem the first time I did. So, all right. So, that's four on this page; do you agree?
A. Yes.
Q. Okay. On the next page, we've got 2911?
A. Yes.
Q. 2675?
A. Yes.
Q. 2395?
A. Yes.
Q. 2467?
A. Yes.
Q. That's another one, two, three four on this page; do you

1 agree?
2 A. Yes.
3 Q. And on the final page, we've got 2474?
4 A. Yes.
5 Q. 2477?
6 A. Yes.
7 Q. 2504?
8 A. Yes.
9 Q. So, that's three on that page?
10 A. Yes.
11 Q. So, we've got eleven plus four plus four plus three. And
12 you agree with me, that's twenty-two?
13 A. Yes.
14 Q. Thank you, sir. And all of the EC225s and AS332 L2s were
15 grounded in the aftermath of the accident, right?
16 A. Yes.
17 Q. And they're still not flying today?
18 A. They're still not flying an oil and gas service, yes.
19 Q. Now, sir, my client, I mentioned earlier, is ECN Capital.
20 Are you familiar with the fact that ECN Capital previously was
21 named Element Capital Corporation?
22 A. Yes.
23 Q. Element Capital Corporation was a lessor of airbus
24 helicopters to certain CHC debtors, correct?
25 A. Yes.

1 Q. And that includes, in particular, the Barbados SRL entity
2 that we've been talking about?
3 A. Yes.
4 Q. Okay. So, if you look on second page of the chart --
5 it's page 6 of 10 of your declaration -- do you see that
6 aircraft 2878 was on lease from Element Capital to Barbados
7 SRL?
8 A. Yes.
9 Q. Okay. And if you look on -- hold on one second because
10 I'm missing it here. If you look on the next page, aircraft
11 2467 --
12 A. Yes.
13 Q. -- was also on lease from Element Capital Corp. to
14 Barbados SRL?
15 A. Yes.
16 Q. And on the next page, there are three more: 2474, 2477,
17 and 2504, all of which were on lease from my client to
18 Barbados SRL, correct, sir?
19 A. Yes.
20 Q. And Barbados SRL also continues to own one EC225
21 outright, correct, sir? And if it makes things easier, if you
22 look at aircraft 2675 on page 7 of 10?
23 A. Yes.
24 THE COURT: I'm sorry. Which one?
25 MR. FINK: 2675. It's on page 7 of 10, a little more

1 than halfway down.
2 THE COURT: Okay.
3 Q. And Mr. Fowkes, what we see there is that in that second
4 to last column, that shows that as being owned?
5 A. Yes.
6 Q. Incidentally, those that were on lease from my client to
7 Barbados SRL, all of those leases were rejected, right?
8 A. Yes.
9 Q. What was the impact on the debtors at the grounding of
10 its fleet of EC225s and AS332 L2s?
11 MR. GENENDER: Your Honor, I'm going to object. Your
12 Honor, it's outside the declaration.
13 MR. FINK: I'm not sure that's right, Your Honor, but
14 please give me a moment.
15 THE COURT: Okay.
16 (Pause)
17 MR. FINK: Well, Your Honor, what I will say is that
18 in our exhibit list, I believe that we reserve the right to
19 call as witnesses anybody who was called by anybody else, and
20 so I call Mr. Fowkes for the limited purposes of these couple
21 of questions.
22 MR. GENENDER: Your Honor, it's our case and his
23 cross is limited to the direct testimony.
24 THE COURT: Well, it is, but do you want to have him
25 call --

MR. GENENDER: Well --
THE COURT: Mr. Fowkes later? Do you disagree that he listed him as a witness on his exhibit list?
MR. GENENDER: I'd have to look at his exhibit list.
THE COURT: And certainly, we can do that, but it seems like he's here, and if he did list him --
MR. GENENDER: We're talking about one question?
THE COURT: I don't know.
MR. FINK: I was going to back to the question in the beginning with the two pilots, and then I'm going to ask a few questions about the impact of the grounding of the fleet.
THE COURT: I assume you have his witness and exhibit list.
MR. GENENDER: Objection. Relevance, number one. And number two, they did not provide a witness list, I'm being told. It's just an exhibit list.
MR. FINK: All right. That may be right, Your Honor, in which case, I guess I'm done.
THE COURT: Seems like you are.
MR. FINK: Seems like I am. All right. I pass the witness, Your Honor.
THE COURT: Very well.
Anyone else have questions for Mr. Fowkes?
Any further redirect?
MR. GENENDER: No, Your Honor.

Exhibit J

1 IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)
2
In Re:) Case No. 16-31854-bjh-11
3) Dallas, Texas
CHC GROUP LTD., et al.,)
4)
Debtors.) February 14, 2017
5) 9:05 a.m.
_____)
6
TRANSCRIPT OF HEARING ON:
7
[#1633] CONFIRMATION HEARING RE: AMENDED CHAPTER 11 PLAN FILED
8 BY DEBTOR CHC GROUP LTD.

9 BEFORE THE HONORABLE BARBARA J. HOUSER
CHIEF UNITED STATES BANKRUPTCY COURT
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20
21 Transcription Services: eScribers, LLC
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25 TRANSCRIPT PRODUCED BY TRANSCRIPTION SERVICE

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19

20 For Secured Notes of CHC: SARAH SALANIC (TELEPHONIC)
LORIN CAPITAL MANAGEMENT
21
22
23
24
25

MR. FINK: I see all of that here, Your Honor.
THE COURT: Okay. And then, if we go to page 7 of Mr. Fowkes' declaration, we see two that were leases, again, rejected, and those were with Milestone Aviation. Top of the page.
MR. FINK: Right, I see one at the top of the page -- oh, you're right there are two there.
THE COURT: Oh, no, no. That's -- excuse me --
MR. FINK: No, that's Barbados Limited.
THE COURT: -- that's Barbados Limited.
MR. FINK: Yes, that's the same as the --
THE COURT: So we got one there.
MR. FINK: Yes.
THE COURT: We then have -- there's four on this page.
MR. FINK: We have 2675 which is currently owned.
THE COURT: And -- well, yes. So --
MR. FINK: We have 2395 which was leased from Lombard North Central PLC rejected.
THE COURT: Correct.
MR. FINK: And 2467 which was leased from my client and rejected.
THE COURT: Correct. So on this page, we have one owned helicopter.
MR. FINK: Correct.

THE COURT: And it's owned by Barbados SRL, right?
MR. FINK: Yes, Your Honor.
THE COURT: Okay. So that is a helicopter for which, under your analysis, Barbados SRL would have product liability claims against Airbus --
MR. FINK: Yes, Your Honor.
THE COURT: -- that are, I take it, identical to what ECN has sued Airbus for in the lawsuit that's pending before me.
MR. FINK: I would expect it would have the same batch of claims, Your Honor.
THE COURT: Okay. And I don't think your hundred million was as hypothetical yesterday as you said it was, because Mr. Flumenbaum, I think, talked last week that for the five aircraft that you have claims for it's a hundred million dollars that you think your damages are.
MR. FINK: Your Honor, it wasn't a hypothetical whether I had that number in the math in the figuring them out. I can actually tell you that wasn't how I arrived at that, but in any event.
THE COURT: Okay. Then, maybe it is just a coincidence, but I think that is the number he threw out as to what he thought those claims were worth. So --
MR. FINK: That's -- yes, well, then maybe you're right.

1 THE COURT: Okay. So we agree that Barbados would
2 have product liability claims on the one owned Airbus for
3 whatever they may be worth.
4 MR. FINK: Sure.
5 THE COURT: Okay. And then if we turn to page 8 of
6 Debtor's Exhibit 5, we have --
7 MR. FINK: I see three more, Your Honor, if I
8 just -- if I may -- 2474 which is leased from my client and
9 rejected; 2477, same, leased from my client and rejected; and
10 2504 also leased from my client and rejected.
11 THE COURT: Correct. And again, the product
12 liability claim consistent with ECN's position is ECN's?
13 MR. FINK: To the extent that that's what Mr.
14 Flumenbaum said, I'm not taking issue with it, Your Honor.
15 THE COURT: Okay. Okay. So where I'm going with
16 this is the comparison -- and I have not worked out the
17 math --
18 MR. FINK: Sure.
19 THE COURT: -- but is the comparison of the aggregate
20 thirty-four million of cash loss -- the cash shortfall, but
21 let me get Mr. Del Genio's exact words -- "the business plan
22 impact from a cash -- in terms of the impact on the company,
23 what we said in the business plan is that number from a cash
24 standpoint was about thirty-four million." He went onto say,
25 "and it's impact, our EBITDAR, and cash from what we call the

Exhibit 3

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.* Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS) Defendant	**Adv. No. 16-03151-bjh**

ORDER GRANTING PLAINTIFF'S MOTION FOR LEAVE TO FILE SECOND SUPPLEMENTAL MEMORANDUM OF LAW IN OPPOSITION TO DEFENDANT'S MOTION TO DISMISS

Came on for consideration the Plaintiff's Motion for Leave to File Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss (the "Motion") filed by counsel for Plaintiff ECN Capital (Aviation) Corp. (the "Movant"). The Court having reviewed the Motion and otherwise being fully informed, is of the opinion that the Motion should be GRANTED. Accordingly, it is therefore:

ORDERED that the Motion is GRANTED; and it is further

ORDERED that the Court hereby authorizes the Movant to file its Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss in the form attached to the Motion as Exhibit 1; and it is further

ORDERED that the Court hereby authorizes the Movant to file the Declaration of Martin Flumenbaum in Support of ECN Capital's Second Supplemental

Memorandum of Law in Opposition to Defendant's Motion to Dismiss in the form attached to the Motion as Exhibit 2.

End of Order

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NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Adv. No. 16-03151-bjh** **Plaintiff's Witness and Exhibit List for February 28, 2017 Hearing on Defendant's <u>Motion To Dismiss</u>**

Plaintiff ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) ("ECN Capital"), by its undersigned attorneys, hereby submits this Witness and Exhibit List for the hearing scheduled for February 28, 2017 at 9:00 a.m. (CST) on Defendant Airbus Helicopters S.A.S.'s Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction and *Forum non Conveniens*.

WITNESS LIST

1. Pietro J. Signoracci;
2. Martin Flumenbaum;
3. Kevin Cabaniss;
4. Michel Gouraud;
5. Anyone designated by any other party; and
6. Rebuttal and impeachment witnesses, as necessary.

EXHIBIT LIST

1. The Declaration of Pietro J. Signoracci, together with Exhibits A through R thereto, filed by ECN Capital as Docket No. 64 in this Adversary Proceeding.
2. The Declaration of Martin Flumenbaum, together with Exhibits A through J thereto, filed by ECN Capital as Docket No. 76-2 in this Adversary Proceeding.
3. Any documents designated as exhibits by another party; and
4. Any exhibits for use on rebuttal or impeachment, as necessary.

Dated: February 23, 2017
New York, New York

Respectfully submitted,

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

By: /s/ *Martin Flumenbaum*

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CERTIFICATE OF SERVICE

I hereby certify that, on February 23, 2017, I caused the foregoing document to be filed with the Court via CM/ECF and served on all parties requesting electronic notification, including the following counsel of record for the Defendant:

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NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Adv. No. 16-03151-bjh** **Plaintiff's Second Supplemental Memorandum of Law in Opposition To Defendant's <u>Motion To Dismiss</u>**

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Plaintiff ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) ("ECN Capital"), by its undersigned attorneys, files this Second Supplemental Memorandum of Law in Opposition to Defendant Airbus Helicopters S.A.S.'s ("Airbus") Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction and *Forum non Conveniens* ("Motion to Dismiss"), to describe the results of jurisdictional discovery and to provide additional authority requested by the Court since Plaintiff filed its Opposition to the Motion to Dismiss (the "MTD Opposition").[1]

PRELIMINARY STATEMENT

ECN Capital adequately alleged in its Complaint that this Court has subject matter jurisdiction over ECN Capital's claims and personal jurisdiction over Airbus for purposes of this Adversary Proceeding. Now, with the benefit of discovery produced by Airbus on jurisdictional issues, together with argument and filings in the Bankruptcy Cases, the record bolsters the Complaint's allegations and proves that this Court has subject matter and personal jurisdiction.

This Court has subject matter jurisdiction over ECN Capital's claims because the claims could conceivably affect the Debtors' estates—as verified by testimony at the plan confirmation hearing in the Bankruptcy Cases and the discovery obtained from Airbus by ECN Capital.

This Court has personal jurisdiction over Airbus because of Airbus's substantial participation in the Bankruptcy Cases before this Court, combined with Airbus's purposeful presence in Texas regarding the very Super Puma helicopters at issue—both of which are verified by the documents and information produced and stipulated to by Airbus.

The jurisdictional discovery from Airbus, together with testimony provided by the Debtors in the Bankruptcy Cases, further demonstrates why this Court should deny Airbus's requests for dismissal on grounds of *forum non conveniens* or for abstention. Airbus's discovery

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the MTD Opposition. All references herein to "¶ __" are to the Complaint.

shows that Airbus sent executives from France to this jurisdiction and coordinated with its U.S. affiliates in order to pursue its interests in litigation in this forum, as well as for the purpose of conducting business in Texas. The Debtors' testimony and the data produced by Airbus regarding Airbus's direct sales of Super Puma helicopters to the Debtors, show that the Debtors have claims for damages against Airbus relating to the same models of Super Puma helicopters at issue in this Adversary Proceeding. Those claims of the Debtors—and thus the rights, liabilities, and value of property of the Debtors—will be directly affected by the outcome of ECN Capital's claims in this Adversary Proceeding. Based on this record, neither dismissal on grounds of *forum non conveniens* nor abstention would be appropriate, and Airbus's attempts to avoid this Court's jurisdiction should be denied.

Numerous precedents support this Court's exercise of its subject matter and personal jurisdiction in this Adversary Proceeding. In similar adversary proceedings, bankruptcy courts have exercised personal jurisdiction over a foreign non-debtor defendant in a non-core proceeding that was related to an underlying bankruptcy case. Additionally, in the analogous context of civil litigation, district courts have found that a claimant submits itself to the personal jurisdiction of the district court in which its claims were filed for all related suits and countersuits—including those pursued by entities that were not parties to the original litigation.

This Court's subject matter and personal jurisdiction is established by the facts in the record and supported by case law. Accordingly, ECN Capital respectfully submits that this Court should exercise its jurisdiction and deny Airbus's Motion to Dismiss.

BACKGROUND[2]

Pleadings and Motions

ECN Capital filed the Complaint against Airbus in this Adversary Proceeding on November 17, 2016, asserting claims against Airbus for defective design and breach of implied warranty of merchantability regarding Airbus's manufacturing, marketing, and sale of the EC225 and the AS332 L2 helicopters. *See* ¶¶ 46–111. The allegations in the Complaint sufficiently demonstrate that ECN Capital's claims "could conceivably have an effect" on the Debtors' estates, and thus are related to the Bankruptcy Cases. *See, e.g.*, ¶¶ 8, 43.[3] The Complaint also sufficiently alleges facts demonstrating this Court's personal jurisdiction over Airbus for the purpose of this Adversary Proceeding. *See, e.g.*, ¶¶ 11, 40.

On January 3, 2017, Airbus filed its Motion to Dismiss [Docket No. 24], asking this Court to hold that it lacked subject matter jurisdiction over ECN Capital's claims or personal jurisdiction over Airbus. In the alternative, the Motion to Dismiss requested that the Court abstain from exercising its jurisdiction or dismiss the Complaint on grounds of *forum non conveniens*. In support of its Motion to Dismiss, Airbus submitted a declaration from its executive, Michel Gouraud, dated December 23, 2016 [Docket No. 26] ("Gouraud Declaration"). The Gouraud Declaration stated that Airbus "does not transact its business in the United States," Gouraud Decl. ¶ 5, that Airbus "does not sell Super Puma helicopters in the United States," *id.* ¶ 9, and that Airbus does not own Airbus Helicopters, Inc. ("AHI"), *id.* ¶ 11.

Also on January 3, 2017, Airbus filed its Motion for Withdrawal of Reference of Adversary Proceeding, and Brief in Support [Docket No. 23] (the "Withdrawal Motion").

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[2] The facts underlying ECN Capital's claims are set forth in the Complaint and in ECN Capital's MTD Opposition. ECN Capital sets forth here the salient facts relating to this Second Supplemental Memorandum of Law in Opposition to the Motion to Dismiss.

[3] As this Court recognized, for purposes of deciding Airbus's Motion to Dismiss, the factual allegations in the Complaint must be taken as true. *See* Transcript of 2/6/2017 H'r'g on Withdrawal Motion ("Tr.") 56:3-7.

On January 27, 2017, ECN Capital filed its MTD Opposition, demonstrating that this Court has personal jurisdiction over Airbus and subject matter jurisdiction to hear ECN Capital's claims against Airbus in the Adversary Proceeding, which are related to the Bankruptcy Cases.

On February 6, 2017, the Court held a hearing on Airbus's Withdrawal Motion (the "February 6 Hearing"). The Court recognized that the Motion to Dismiss raised issues that were intertwined with the Bankruptcy Cases, making it appropriate for the Court to retain the reference at least through the adjudication of the Motion to Dismiss. *See* Tr. 7:5-24; 19:4-9.

Jurisdictional Discovery

On December 30, 2016, ECN Capital served Airbus with ECN Capital's First Request for Production of Documents. On January 23, 2017, ECN Capital served Airbus with notices of depositions for Airbus employees and representatives, and a notice of a subpoena for the deposition of an employee of Airbus's U.S.-based affiliate, AHI. ECN Capital's document requests and deposition notices and subpoena were aimed in part at eliciting information regarding Airbus's presence in the U.S., including in Texas, and its substantial participation in the Bankruptcy Cases. Airbus opposed ECN Capital's discovery requests, filing a motion to stay discovery and a separate motion for a protective order seeking to quash and/or limit ECN Capital's depositions of Airbus or AHI employees. At the February 6 Hearing, the Court ruled that ECN Capital was entitled to discovery on the jurisdictional issues that were the subject of Airbus's Motion to Dismiss. *See* Tr. 36:2-3, 40:2-5.

After the February 6 Hearing, Airbus agreed to produce to ECN Capital documents and information concerning Airbus's presence in the U.S., including in Texas, and its substantial participation in the Bankruptcy Cases. Airbus produced information describing its corporate structure, which revealed that French-based Airbus and its U.S.-based affiliate AHI share the

same ultimate corporate parent, Airbus Group S.E. *See* Ex. A.[4] Airbus provided information regarding sales from 2011 to 2016 of helicopters manufactured by Airbus in France to U.S.-based customers made directly by Airbus. *See* Ex. B. The data show that Airbus directly sold 30 helicopters (each costing millions of dollars) to U.S.-based customers. The majority of this business was directed at Texas—Airbus sold 28 helicopters, including six Super Pumas, to customers headquartered in Texas. *Id.* The data also show that from 2011 to 2016, Airbus indirectly sold 58 Airbus-manufactured helicopters to Texas-based customers through its U.S.-based affiliate distributor AHI. *Id.* Airbus sold another 649 helicopters for AHI to distribute to U.S.-based customers outside of Texas. *Id.* Airbus's sales data also show that Airbus sold 19 Super Pumas to CHC Leasing (Ireland) Limited, one of the Debtors in the Bankruptcy Cases.[5] According to filings in the Bankruptcy Cases, CHC Ireland's business is run by its parent company, CHC Group, Ltd., out of Irving, Texas.[6] Airbus produced discovery regarding its maintenance operations, and revealed that Airbus ships Super Pumas owned by U.S. customers to France in order to perform any necessary main gearbox overhauls. *See* Ex. C.

ECN Capital also requested information from Airbus regarding its participation in the Bankruptcy Cases. *See* Ex. D. Airbus explained that four of its executives—Laurent Tagarian, Alain Vigneau, Eric Chartier and Valerie Le-Gall—based in Marignane, France, worked with U.S. counsel to prepare Airbus's proofs of claim in the Bankruptcy Cases. *Id.* Messrs. Tagarian and Vigneau were involved, together with Airbus's representative Kevin Cabaniss, an employee of AHI, in Airbus's efforts to become a member of the Creditors' Committee. Messrs. Tagarian

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[4] All references herein to "Ex. __" are to the accompanying Declaration of Martin Flumenbaum dated February 23, 2017.

[5] *Id.*; *see* Motion of Debtors for Entry of an Order Waiving the Requirement to File a List of Creditors . . . [16-31854 Docket No. 4] ("First Day Motion") Exhibit A (listing CHC Leasing (Ireland) Limited as a Debtor).

[6] *See* First Day Motion ¶ 6 ("CHC manages its domestic and overseas businesses from Irving, Texas."); *see id.* (defining "CHC" to include "[t]he Debtors, together with their non-debtor affiliates").

and Vigneau traveled from Marignane, France to the U.S. the week of June 27, 2016 in connection with a hearing in the Bankruptcy Cases, and Mr. Tagarian met with Mr. Cabaniss on June 28, 2016 in connection with Airbus's participation in the Bankruptcy Cases. *Id.* Airbus's discovery also revealed that Mr. Tagarian had responsibilities for Airbus "in connection with [Airbus's] participation in the [Creditors' Committee]," but Airbus withheld specific information about Mr. Tagarian's responsibilities on grounds of privilege. *Id.* Airbus noted that Messrs. Tagarian and Vigneau contributed to the preparation of key filings by Airbus in the Bankruptcy Cases, including Airbus's Objection to ECN Capital's Motion for Order Directing 2004 Examination of Debtors and the Debtors' 2017 Omnibus Restructure Agreement with Airbus.

In addition to the jurisdictional discovery produced by Airbus, publicly available sources reveal that Airbus frequently sends executives to the U.S., including to Texas, to attend and present at industry events. For example, Airbus is a Gold Level sponsor of the HAI Heli-Expo, a major helicopter industry event taking place in Dallas, Texas. *See* Ex. E. (CHC is also a Gold Level sponsor of the event. *Id.*) Airbus's logo is prominently featured on the front page of the HAI Heli-Expo website, along with a link to Airbus's webpage that directs visitors to sales and marketing materials for Airbus's helicopters, including the Super Pumas. Airbus regularly sends executives to attend and present at the HAI Heli-Expo in the U.S. For example, in 2014, Airbus's President and CEO Guillaume Faury spoke about Airbus's customer service at a breakfast during the HAI Heli-Expo in Anaheim, California. *See* Ex. F. In 2016, Airbus executive Gilles Bruniaux delivered a presentation regarding helicopter accidents on behalf of Airbus and others at the HAI Heli-Expo in Orlando, Florida. *See* Ex. G. Last year, Mr. Faury, attended the HAI Heli-Expo when it was held in Orlando, Florida. *See* Ex. H. According to a March 4, 2015 press release on Airbus's website, Airbus announced at the Heli-Expo that it had

signed a contract for the sale of helicopters to Bristow Group, a helicopter owner and operator based in Houston, Texas with a fleet of Airbus-manufactured helicopters including multiple Super Pumas. *Id.*

Plan Confirmation Hearing

Further information regarding jurisdictional issues was produced by Airbus and elicited by ECN Capital at the February 13, 2017 Plan Confirmation Hearing ("Confirmation Hearing") held before this Court in the Bankruptcy Proceedings. At the Confirmation Hearing, David W. Fowkes of Seabury Group, restructuring advisors to the Debtors, testified that the Debtors had 56 Super Pumas in their fleet at the time of the 2016 Grounding, nine of which were owned outright by the Debtors at the time and four of which remain owned outright by the Debtors. *See* Ex. I (Confirmation H'r'g Tr.) 197:21–198:7. Mr. Fowkes also testified that CHC Helicopters (Barbados) SRL—the Debtor to which ECN Capital leased the five Super Pumas it owned—owned or leased a total of 22 helicopters impacted by the 2016 Grounding, rejected its leases on all five of ECN Capital's Super Pumas, and continues to own one Super Puma. *Id.* 200:14–205:8. Robert A. Del Genio, CHC's Chief Restructuring Officer, also testified that CHC suffered injury to its business operations of approximately $34 million as a result of the 2016 Grounding, *id.* 108:5–109:17, and that CHC suffered injury to the value of the Super Pumas in its fleet as a result of the 2016 Grounding, but that CHC is unsure of the value of its claims against Airbus arising out of the 2016 Grounding, *id.* 104:11-13, 112:22–114:1.

ARGUMENT

I. This Court's Subject Matter Jurisdiction over ECN Capital's Claims Is Established by the Debtors' Testimony and the Discovery ECN Capital Obtained from Airbus.

The Debtors' testimony at the Confirmation Hearing proved what the Complaint adequately alleged: this Adversary Proceeding is "related to" the Bankruptcy Cases because the outcome of ECN Capital's claims could conceivably impact the rights, liabilities, causes of

action, and/or value of property of the Debtors. The Debtors suffered two types of injury as a result of the 2016 Grounding. *First*, the Debtors were harmed by the detrimental impact to their business, which contributed to their need to reject their leases on the five Super Pumas owned by ECN Capital. The Debtors calculated this harm to be approximately $34 million, *id.* 109:13-15, and this impact also led to a number of creditor proofs of claim filed against the Debtors in the Bankruptcy Cases. *Second*, the Debtors were harmed by the decrease in the value of the 56 helicopters in their fleet, including the four Super Pumas the Debtors continue to own outright. *Id.* 108:5–109:17. While the Debtors could not place a value on these claims, they acknowledged that each helicopter is valued at "around $20 million." *Id.* 107:19-20.

With respect to each of these harms, the outcome of ECN Capital's claims against Airbus likely would impact the Debtors' rights and/or liabilities. If ECN Capital establishes liability against Airbus for the 2016 Grounding, the reorganized Debtors would be able to rely on collateral estoppel to recover from Airbus for the injuries the Debtors incurred as a result of the 2016 Grounding, which recovery would inure to the benefit of the Debtors' creditors by virtue of the equity interests in the reorganized Debtors that such creditors are to receive under the Plan. The Debtors also potentially could offset claims by ECN Capital and other creditors arising out of lease rejections that resulted from the 2016 Grounding. Courts in the Fifth Circuit and elsewhere have found this type of potential impact on a debtor's rights or liabilities to be sufficient to establish "related to" jurisdiction over claims in an adversary proceeding brought by one non-debtor against another non-debtor. *See Passmore* v. *Baylor Health Care Sys.*, 823 F.3d 292, 296 (5th Cir. 2016) (finding "related to" subject matter jurisdiction where outcome of adversary proceeding could lead to claims by other parties impacting the estate); *8300 Newburgh Rd. Partnership* v. *Time Constr., Inc.* (*In re Time Constr., Inc.*), 43 F.3d 1041, 1045 (6th Cir.

1995) (explicitly applying same standard as Fifth Circuit and noting that third-party action was related to bankruptcy because outcome of action would affect value of debtor's property).[7]

Moreover, the discovery that Airbus produced to ECN Capital further substantiates the relatedness of the Adversary Proceeding to the Bankruptcy Cases. Airbus explained that its executives, Laurent Tagarian and Alain Vigneau, were responsible for preparing the proofs of claim Airbus filed against the Debtors in the Bankruptcy Cases—which concerned the same models of Super Pumas at issue in this Adversary Proceeding. Ex. D. Messrs. Tagarian and Vigneau also were responsible for preparing Airbus's objection to ECN Capital's requests for discovery from the Debtors in the Bankruptcy Cases regarding the Super Pumas the Debtors owned or leased, and the potential claims the Debtors might have against Airbus in connection with those Super Pumas. *Id.* Airbus's discovery now proves that Airbus sold 19 Super Pumas directly to the Debtors in the last five years, *see* Ex. B; the Debtors acknowledge that they have suffered harm in connection with those Super Pumas (and other Super Pumas the Debtors leased or owned) as a result of the 2016 Grounding, and the Debtors have claims against Airbus as a result. *See* Ex. I 104:11-13, 112:22–114:1; *see also* Ex. J 48:3-11. The outcome of ECN Capital's claims against Airbus could impact the rights, liabilities, and property value of the Debtors with respect to these Super Pumas. This Court accordingly has "related to" subject matter jurisdiction under § 1334(b) over this Adversary Proceeding.

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[7] *See also In re Canion*, 196 F.3d 579, 586–87 (5th Cir. 1999) (finding "related to" jurisdiction, since the outcome of an adversary proceeding between two non-debtors could have affected the bankruptcy estate at the time the district court referred the case to the bankruptcy court); *In re Mission Bay Ski & Bike, Inc.*, 398 B.R. 250, 253–55 (Bankr. N.D. Ill. 2010) (explaining that while "the Seventh Circuit interprets 'related to' jurisdiction more narrowly than other circuits," "related to" jurisdiction exists "when the non-debtor plaintiff is a creditor in the bankruptcy case and recovery in the action will reduce its claim against the bankruptcy estate"); *In re WorldCom, Inc. Secs. Litig.*, 293 B.R. 308, 323 (Bankr. S.D.N.Y. 2003) (finding "related to" jurisdiction over a claim against defendants connected to the debtor, because of "[t]he potential alteration of the liabilities of the estate and change in the amount available for distribution to other creditors"); *In re Edwards*, 100 B.R. 973, 982 (Bankr. E.D. Tenn. 2001) (finding "related to" jurisdiction over plaintiff's claims against a third-party lender "because of the impact a judgment against the [defendant] could have upon the bankruptcy estate").

II. This Court's Personal Jurisdiction over Airbus Is Established by Airbus's Significant Participation in the Bankruptcy Cases, Combined with Its Substantial Business in the U.S.

Airbus has submitted to this Court's personal jurisdiction through its substantial participation in the Bankruptcy Cases in this forum, where Airbus filed proofs of claim, participated as a member of the Creditors' Committee, and objected to ECN Capital's Motion for an Order Directing 2004 Examination of Debtors. *See* MTD Opp. 2–3, 25–26. The discovery shows that Airbus's actions were directed from France toward this forum, where Airbus availed itself of the benefits and protections of this Court's jurisdiction. Airbus's executives worked with U.S. counsel to prepare the filings in the Bankruptcy Cases. *See* Ex. D. The same Airbus executives traveled to this district to participate in the Bankruptcy Cases, including in connection with the Creditors' Committee meetings. *Id.* Airbus also has directed relevant business into this forum, directly selling hundreds of millions of dollars' worth of Super Pumas and other helicopters to U.S. customers based in this district, and using its U.S.-based affiliate to distribute even more helicopters in this district and to other U.S.-based customers. *See* Ex. B. This evidence—voluntarily produced and stipulated to by Airbus—directly contradicts the statements in the Gouraud Declaration submitted by Airbus in support of its attempt to avoid this Court's jurisdiction. *See* Gouraud Decl. ¶¶ 5, 9.

Courts have exercised personal jurisdiction over a creditor in an adversary proceeding in similar circumstances—where the defendant participated in the bankruptcy case and the claims in the adversary proceeding were related to the facts underlying the bankruptcy cases. *See, e.g.*, *In re LLS America, LLC*, 2012 WL 2564722, *7 (Bankr. E.D. Wash. 2012) (holding that by filing proof of claim and participating in motion practice, claimant submitted to bankruptcy court's jurisdiction for related claims); *Glinka* v. *Abraham and Rose Co. Ltd.*, 199 B.R. 484 (Bankr. D. Vt. 1996) (finding extensive participation in adversary proceeding, coupled with

contacts in relevant forum, sufficient for bankruptcy court to exercise personal jurisdiction over foreign non-debtor defendant); *In re Schwinn Bicycle Co.*, 182 B.R. 526, 531–32 (Bankr. N.D. Ill. 1995) (finding jurisdiction over creditor defendant for adversary proceedings and noting that "[e]stablishing jurisdiction over a party already voluntarily before a court is markedly different from doing so over a party not before it because he or she must first be hailed into court"); *In re Neese*, 12 B.R. 968, 971 (Bankr. W.D. Va. 1981) ("Having filed their proofs of claims in the underlying bankruptcy case, the defendants cannot now deny this Court's personal jurisdiction over them in a proceeding directly related to that case.").[8]

In the highly analogous district court context, courts have expressly held that filing a claim in one lawsuit subjects the claimant to the personal jurisdiction of the court in a subsequent related case, *even if the subsequent case is brought by an entity that was not a party to the first lawsuit.* For example, in *Int'l Transactions, Ltd.* v. *Embotelladora Agral Regionmontana SA de CV*, 277 F. Supp. 2d 654 (N.D. Tex. 2002), the court held that the defendant had purposefully availed itself of the forum court because it had brought two lawsuits in the same district against a third party relating to a dispute arising out of similar facts. 277 F. Supp. 2d at 667–68 ("Voluntarily filing a lawsuit in a jurisdiction is a purposeful availment of the jurisdiction's facilities and can subject a party to personal jurisdiction in another lawsuit when the lawsuits arise from the same general transaction."). That a party has previously chosen to litigate in a court eliminates any claim it has that defending a subsequent case filed in that forum—even if the subsequent case is brought by litigants who were not involved in the first case—would be "unreasonably burdensome." *See Hess* v. *Bumbo Int'l Trust*, 954 F. Supp. 2d 590, 597 (S.D.

[8] While some courts have held that submitting a proof of claim in a bankruptcy case does not subject an entity to general jurisdiction in the forum, those holdings have been limited to situations where "the bankruptcy proceeding was unrelated to" the subsequent action in which personal jurisdiction was challenged. *See Encompass Holdings, Inc.* v. *Daly*, No. C09–1816 BZ, 2010 WL 5088878, at n.9 (N.D. Cal. Dec. 8, 2010).

Tex. 2013) (holding that foreign entity purposefully availed itself of the forum court, for purposes of consumer product liability claim, when it filed litigation against its prior distributor in the federal court in Texas).

District courts outside the Fifth Circuit also have exercised personal jurisdiction over a party because it filed a related suit in the same jurisdiction against a third party. For example, in *Praetorian Specialty Ins. Co.* v. *Auguillard Const. Co.*, 829 F. Supp. 2d 456 (W.D. La. 2010), plaintiffs who filed a suit for permanent injuries suffered in a car accident moved to dismiss for lack of personal jurisdiction a separate action filed against them by a non-party insurer seeking a declaratory judgment recognizing that its insurance policies did not cover the accident. *Id.* at 460–61. The court followed the First Circuit Court of Appeals' analysis from *Gen. Contracting & Trading Co., LLC* v. *Interpole, Inc.*, 940 F.2d 20 (1st Cir. 1991), and held that the plaintiffs "waived objection to or consented to the personal jurisdiction" of the court by electing to file a lawsuit in the same forum arising from the same nucleus of operative facts. *Id.* at 465.[9]

It is well-established law that "the filing of a proof of claim" in a bankruptcy proceeding is "analogous to the filing of a complaint in a civil action." *O'Neill* v. *Cont'l Airlines* (*Matter of Cont'l Airlines*), 928 F.2d 127, 129 (5th Cir. 1991); *see also Simmons* v. *Savell*, (*In re Simmons*),

[9] Courts have continued to apply this principle after the issuance of the Supreme Court's ruling in *Daimler AG* v. *Bauman*, 134 S. Ct. 746 (2014). *Daimler* concerns *general* jurisdiction over a foreign corporation, *see* 134 S. Ct. at 754–58. When a defendant has consented to the personal jurisdiction of a court by filing a separate lawsuit arising from the same general transaction, it has not submitted itself to the court's general jurisdiction, but has rather submitted itself to jurisdiction of that court on the specific transaction at issue. *See Int'l Transactions, Ltd.*, 277 F. Supp. 2d at 667–68 (recognizing that filing a lawsuit voluntary constitutes "purposeful availment" of the jurisdiction in the context of a specific personal jurisdiction analysis). Since *Daimler*, courts have continued to recognize the principle that a defendant consents to the personal jurisdiction of a court when it has availed itself of the court's jurisdiction in a case arising out of similar facts. *See Furnari* v. *Wallpang, Inc.*, 2014 WL 1678419, at *11 (Del. Super. Ct. Apr. 16, 2014) (defendant consented to personal jurisdiction by filing suit on a related matter, since "[a] party may waive personal jurisdiction 'on the ground that the party consented to jurisdiction by submitting itself to a court's jurisdiction by instituting another, related suit'") (quoting *Foster Wheeler Energy Corp.* v. *Metallgesellschaft AG*, 1993 WL 669447, at *1 (D. Del. Jan. 4, 1993)); *New Media Holding Co., LLC* v. *Kagalovsky*, 985 N.Y.S.2d 216, 222 (2014) (finding that defendants "waived the right to challenge personal jurisdiction by freely using the protections of the New York courts when pursuing rights related to the partnership [at issue in the present case]").

765 F.2d 547, 552 (5th Cir. 1985) (stating that "the filing of a proof of claim is tantamount to the filing of a complaint in a civil action").[10]

In *In re Int'l Payment Grp., Inc.*, 2011 WL 5330783 (Bankr. D.S.C. Nov. 3, 2011), a federal bankruptcy court denied a motion to dismiss an adversary proceeding asserting "causes of action unrelated to or far beyond the scope of Defendant's claims against the estate," which was brought by the debtor's trustee against a creditor. *Id.* at *1. The court concluded that a creditor's proof of claim was akin to filing a complaint for the purposes of an adversary proceeding of a non-debtor against a creditor, even though "resolution of Defendant's claim against the estate [would] not result in a resolution of the disputes raised in this lawsuit," and the claims made in the adversary proceeding "dwarf[ed] those involved in any dispute that may arise over allowance of the proof of claim." *Id.* at *2.

District courts exercise personal jurisdiction over parties that have availed themselves of the court in related lawsuits, and claimants submit to bankruptcy courts' personal jurisdiction in the same respect as complainants in civil actions before district courts. Thus, a bankruptcy court also has personal jurisdiction over a creditor in an adversary proceeding brought by a non-debtor, when the non-debtor's claims are sufficiently related to the issues underlying the creditor-defendant's proofs of claim in the bankruptcy cases.

III. The Jurisdictional Discovery Demonstrates That the Court Should Deny Airbus's Requests for *Forum Non Conveniens* Dismissal and Abstention.

The discovery ECN Capital obtained from Airbus further shows that Airbus's attempts to avoid this Court's jurisdiction should be denied.

[10] *See also* U.S. Dep't of Justice, U.S. Attorneys' Manual § 1-188, https://www.justice.gov/usam/civil-resource-manual-188-bankruptcy-jurisdiction-personal-jurisdiction ("[A] foreigner filing a proof of claim submits to the personal jurisdiction of the bankruptcy court because a proof of claim is analogous to a complaint.").

Airbus seeks dismissal on the grounds of *forum non conveniens*, arguing in its Motion to Dismiss that it would be significant cost and burden for Airbus to bring witnesses to Texas and that this Adversary Proceeding has "no connection with Texas or the United States." Am. Br. in Supp. of Mot. to Dismiss 28. The record proves otherwise. Airbus voluntarily sent executives from France to this district for purposes of participating in the Bankruptcy Cases to which this Adversary proceeding is related. *See* Ex. D. And Airbus frequently sends executives to Texas for business purposes, including to attend industry events and to market and sell the very same models of Super Puma helicopters that are at issue here. *See* Ex. E. Further, Airbus sells helicopters to customers based in this district, and Airbus works with AHI—its U.S. affiliate based in Grand Prairie, Texas—to sell and distribute even more helicopters to customers in Texas and throughout the U.S. Along with sending its executives from France to Texas, Airbus's coordination with Mr. Cabaniss of AHI (together with U.S. counsel) for purposes of representing Airbus's interest in the Bankruptcy Cases further ties Airbus to this district and demonstrates Airbus's ability and willingness to appear in this district for legal proceedings. *See* Ex. D.

The discovery ECN Capital has obtained and the Debtors' testimony also support denial of Airbus's request that this Court abstain from exercising the jurisdiction it has to hear the Adversary Proceeding. In its MTD Opposition, ECN Capital set forth the criteria for the Court's consideration of Airbus's abstention request, which include "the degree of relatedness [] of the proceeding to the main bankruptcy case." MTD Opp. 22 (quoting *In re MontCrest*, 2014 WL 6982643, at *7 (Bankr. N.D. Tex. Dec. 9, 2014)). As explained in Section I above, Mr. Del Genio's testimony makes clear that the Debtors were harmed by the 2016 Grounding, which contributed to their need to cancel leases on certain helicopters, including the Super Pumas

owned by ECN Capital that are the subject of ECN Capital's proofs of claim in the Bankruptcy Cases. *See* Ex. I 108:5–109:17. And Airbus's jurisdictional discovery shows that Airbus sold 19 Super Pumas directly to certain of the Debtors, and the Debtors may have product liability or express or implied warranty claims to bring against Airbus with respect to these helicopters (along with others the Debtors owned or leased). *See* Ex. B. Thus, the testimony and discovery prove that the outcome of ECN Capital's claims in this Adversary Proceeding could significantly impact the rights, liabilities, and/or value of property of the Debtors: If ECN Capital establishes liability against Airbus, the Debtors could rely on collateral estoppel to recover significant damages from Airbus, and the Debtors potentially could offset proofs of claims from various creditors to the extent they relate to the Super Pumas. For these reasons and the reasons set forth in ECN Capital's MTD Opposition (pp. 13–16), this Court should deny Airbus's request for abstention.

CONCLUSION

For the foregoing reasons, and the reasons stated in ECN Capital's MTD Opposition and MTD Opposition Supplement, this Court should deny Defendant's Motion to Dismiss the Complaint.

Dated: February 23, 2017
Dallas, Texas

Respectfully submitted,

By: /s/ *Martin Flumenbaum*
Martin Flumenbaum

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CERTIFICATE OF SERVICE

I hereby certify that, on February 23, 2017, I caused the foregoing Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss to be filed with the Court via CM/ECF and served on all parties requesting electronic notification, including the following counsel of record for the Defendant:

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Adv. No. 16-03151-bjh** **Declaration of Martin Flumenbaum in Support of Plaintiff's Second Supplemental Memorandum of Law in Opposition to Defendant's <u>Motion To Dismiss</u>**

I, Martin Flumenbaum, declare, under penalty of perjury, pursuant to 28 U.S.C. § 1746, as follows:

1. I am a partner with the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP, with offices at 1285 Avenue of the Americas, New York, NY 10019, (212) 373-3000, mflumenbaum@paulweiss.com. I have personal knowledge of the facts set forth herein, and could and would testify thereto if called as a witness.

2. This declaration is made in support of Plaintiff ECN Capital (Aviation) Corp.'s (f/k/a Element Capital Corp.) ("ECN Capital") Second Supplemental Memorandum of Law in Opposition to Defendant Airbus Helicopters S.A.S.'s ("Airbus") Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction and *Forum non Conveniens.*

3. Attached as **Exhibit A** is a true and correct copy of an email from Eric Strain to Pietro Signoracci, which includes information regarding Airbus's corporate structure, dated February 14, 2017.

4. Attached as **Exhibit B** is a true and correct copy of an excel spreadsheet, titled "Order Bookings – AH Group, From 01/01/2011 To 31/12/2016," sent via email from Eric Strain to Pietro Signoracci on February 14, 2017.

5. Attached as **Exhibit C** is a true and correct copy of an email from Eric Strain to Pietro Signoracci, which includes information regarding Airbus's maintenance of U.S.-based Super Puma helicopters, dated February 10, 2017.

6. Attached as **Exhibit D** is a true and correct copy of an email from Eric Strain to Pietro Signoracci, which includes information regarding the participation in the Bankruptcy Cases of individuals affiliated with Airbus, dated February 16, 2017.

7. Attached as **Exhibit E** is a true and correct copy of the website for the HAI Heli-Expo, a major helicopter industry event taking place in Dallas, Texas on March 6-9, 2017, http://heliexpo.rotor.org/ (last visited February 22, 2017).

8. Attached as **Exhibit F** is a true and correct copy of an article by Mark Huber for HAI Convention News, Airbus Helicopters CEO Promises Better Support, AIN Publications (Feb. 26, 2014).

9. Attached as **Exhibit G** is a true and correct copy of a presentation, available on the HAI Heli-Expo website, made by Gilles Bruniaux and The European Helicopter Safety Team (EHEST) at the HAI Heli-Expo in Orlando, Florida, http://www.ihst.org/portals/54/symposium/2016/HELI-EXPO%202016%20-20EHEST%20with%20Clip%20Integrated%2023%20Feb%202016.pdf (last visited February 23, 2017).

10. Attached as **Exhibit H** is a true and correct copy of Airbus Press Release, Bristow Group More Than Triples Its H175 Orders and Secures Comprehensive Support Services Agreement With Airbus Helicopters, Airbus Helicopters, http://www.airbushelicopters.com/website/en/press/Bristow-Group-more-than-triples-its-H175-orders-and-secures-comprehensive-support-services-agreement-with-Airbus-Helicopters_1717.html (last visited February 23, 2017).

11. Attached as **Exhibit I** is a true and correct copy of excerpts from the Transcript of the Confirmation Hearing for the Amended Chapter 11 Plan filed by Debtor CHC Group Ltd., held on February 13, 2017.

12. Attached as **Exhibit J** is a true and correct copy of excerpts from the Transcript of the Confirmation Hearing for the Amended Chapter 11 Plan filed by Debtor CHC Group Ltd., held on February 14, 2017.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 23, 2017
New York, New York

Martin Flumenbaum

Exhibit A

From: Strain, Eric <estrain@nixonpeabody.com>
Sent: Tuesday, February 14, 2017 6:17 PM
To: Signoracci, Pietro J
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters
Attachments: Bookings 2011-2016 (USA & CHC).xlsx

Pietro,

Corporate Relationship

As explained in the declaration of Michel Gouraud that was filed with Airbus Helicopters, S.A.S.'s ("AH's") motion to dismiss, AH and Airbus Helicopters, Inc. ("AHI") are separate and independent companies, each with its own separate management, employees, facilities, bank accounts and operational control. AH does not own AHI. AH is 95% owned by Airbus Helicopters Holding (France) and 5% by EADS CASA Holding (France). Airbus Helicopters Holding is owned by Airbus Group S.E. (The Netherlands). EADS CASA Holding is owned by Airbus Defence & Space S.A. (Spain), which is owned by Airbus Group S.E. AHI is a subsidiary of Airbus Group, Inc., (Virginia), which is owned by Airbus Group S.E.

AH Sales

I have attached an Excel spreadsheet from which the PDFs came from. Hopefully this takes care of the formatting issues. I am waiting to hear back on your other specific questions.

AHI Sales

"LUH" refers to the UH-72 Lakota helicopter, which is a militarized version of the EC145 sold to the US Army. "PL" refers to "Production Line" and "LAL" refers to "Light Assembly Line." The LUH is produced at the AHI facility in Columbus, Mississippi.

I am still gathering information on the bankruptcy involvement questions.

If additional questions, let me know.

Thank you, Eric

From: Signoracci, Pietro J [mailto:psignoracci@paulweiss.com]
Sent: Tuesday, February 14, 2017 11:59 AM
To: Strain, Eric
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters

Eric,

Please let us know if you've had an opportunity to review the requests in my email below regarding the discovery Airbus has provided, and please let us know if we will be receiving today additional discovery regarding AH's corporate relationship and its involvement in the CHC bankruptcy cases.

Thank you,
Pietro

Pietro J. Signoracci | Associate
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas | New York, NY 10019-6064
(212) 373-3481 (Direct Phone) | (212) 492-0481 (Direct Fax)
psignoracci@paulweiss.com | www.paulweiss.com

From: Signoracci, Pietro J
Sent: Monday, February 13, 2017 12:54 PM
To: 'Strain, Eric' <estrain@nixonpeabody.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; 'George Barber' <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; 'Ortego, Joseph J.' <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; 'Christmas, Robert' <RChristmas@nixonpeabody.com>; 'Shah, Shainee' <sshah@nixonpeabody.com>
Subject: RE: ECN v. Airbus Helicopters

Eric,

We have a few questions/requests regarding the attached documents.

1. AH Sales to USA 2011-2016

   a. The attached chart appears to have cut off some rows from the original document. For example, the subtotals of 2012 sales by each category add up to 115 helicopters, but the line for TOTAL 2012 shows a total of 163 helicopters. (The same is true for 2013, which reports a total of 107 helicopters when the subtotals add up to 64 helicopters). Also, there are no rows showing TOTAL 2014, TOTAL 2015, or TOTAL 2016. Please confirm that there are missing entries and provide a full chart with all rows visible.

   b. Please define “AH-AHD” and confirm that where “AH-AHD” appears in the “FROM” column, that denotes sales to US customers directly from Airbus Helicopters (SAS) in France.

   c. Please define each entry in the REGION column: EBU, EBRG, EBE, etc.

   d. Please explain why certain rows have negative values in the QTY column.

2. AHI Sales 2011-2016

   a. Please define the following entries in the MODEL column: (i) “LUH”, (ii) “PL”, and (iii) “LAL”.

I’m available if you have any questions.

Thank you,
Pietro

Pietro J. Signoracci | Associate
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1285 Avenue of the Americas | New York, NY 10019-6064

(212) 373-3481 (Direct Phone) | (212) 492-0481 (Direct Fax)
psignoracci@paulweiss.com | www.paulweiss.com

From: Signoracci, Pietro J
Sent: Friday, February 10, 2017 5:02 PM
To: 'Strain, Eric' <estrain@nixonpeabody.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; George Barber <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; Ortego, Joseph J. <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; Christmas, Robert <RChristmas@nixonpeabody.com>; Shah, Shainee <sshah@nixonpeabody.com>
Subject: RE: ECN v. Airbus Helicopters

Thank you, Eric. Received. We'll look forward to the additional documents and information Monday.

Best,
Pietro

Pietro J. Signoracci | Associate
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(212) 373-3481 (Direct Phone) | (212) 492-0481 (Direct Fax)
psignoracci@paulweiss.com | www.paulweiss.com

From: Strain, Eric [mailto:estrain@nixonpeabody.com]
Sent: Friday, February 10, 2017 4:13 PM
To: Signoracci, Pietro J <psignoracci@paulweiss.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; George Barber <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; Ortego, Joseph J. <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; Christmas, Robert <RChristmas@nixonpeabody.com>; Shah, Shainee <sshah@nixonpeabody.com>
Subject: ECN v. Airbus Helicopters

Pietro,

Aircraft Sales

Attached are:

1. A spreadsheet showing sales by Airbus Helicopters, S.A.S. ("AH") to customers having a US address on the purchase agreement for the years 2011 through 2016. The sales were made by AH to the companies listed under the "From" heading, not the "Customer" heading. Thus, you will see that the sales were made by AH to Airbus Helicopters, Inc. ("AHI"). The "Customer" heading refers to the customers to whom AHI sold and delivered the helicopters in the US.

2. A spreadsheet showing sales by AH to CHC entities.

3. Documents summarizing AHI's sales to customers having US addresses on the purchase agreements. The entries that are blacked out were sales to customers not having US addresses.

Maintenance

1. AH does not perform maintenance in the US.

2. If a Super Puma customer in the US needs a main gearbox overhaul, the overhaul would be done by AH in France (or Helibras in Brazil); AHI does not perform Super Puma main gearbox overhauls.

3. AH, not AHI, would perform retrofit work to bring Super Pumas into compliance with the EASA AD and FAA approved AMOC allowing return to service following the groundings.

Corporate Relationship

I will get this to you on Monday.

Bankruptcy Involvement

I hope to get back to on Monday.

If questions, let me know.

Thank you, Eric

Eric C. Strain
Partner
estrain@nixonpeabody.com
T 212-940-3043 | C 415-244-3393 | F 866-741-1485
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Exhibit B

ORDER BOOKINGS - AH GROUP

FROM 01/01/2011 TO 31/12/2016

DATE of the CONTRACT in force	FROM	TO			AIRCRAFT	QTY
		REGION	COUNTRY	CUSTOMER	TYPE	
June 2011	AH-AHD	EBRG	USA	BRISTOW	EC225	1
June 2011	AH-AHD	EBRG	USA	BRISTOW	EC225	1
October 2011	AH-AHD	EBRG	USA	WELLS FARGO / OMNI (Portugal)	EC225	2
TOTAL SUPER PUMA / COUGAR						**4**
March 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	4
March 2011	AHI	EBU	USA	Vulcan Flight Inc*	EC145	1
June 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	14
July 2011	AHI	EBU	USA	WEST PENN ALLEGHENY*	EC145	1
August 2011	AHI	EBU	USA	Sanford Health*	EC145	1
August 2011	AHI	EBU	USA	OSF Aviation*	EC145	4
September 2011	AHI	EBU	USA	Heli Transport*	EC145	1
October 2011	AHI	EBU	USA	Duke University Health System Inc*	EC145	2
October 2011	AHI	EBU	USA	Sanford Health*	EC145	2
December 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	39
December 2011	AHI	EBU	USA	University of Utah*	EC145	1
December 2011	AHI	EBU	USA	Metro Aviation INC*	EC145	1
TOTAL H145						**71**
May 2011	AHI	EBU	USA	HMA*	EC135	3
May 2011	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	-1
August 2011	AHI	EBU	USA	Era Helicopters LLC*	EC135	3
October 2011	AHI	EBU	USA	Massachusetts State Police*	EC135	1
November 2011	AHI	EBU	USA	Era Helicopters LLC*	EC135	4
November 2011	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
December 2011	AHI	EBU	USA	REACH, dba Mediplane*	EC135	1
TOTAL H135						**13**
May 2011	AHI	EBU	USA	Air Commander International Ltd*	EC130	1
September 2011	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	3
September 2011	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	7
October 2011	AHI	EBU	USA	Milestone Aviation Group LLC*	EC130	5
TOTAL H130						**16**
January 2011	AHI	EBU	USA	WINCO INC*	AS350 B3	1
January 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
February 2011	AHI	EBU	USA	Extreme Crafts LLC*	AS350 B3	-1
February 2011	AHI	EBU	USA	Helicopter Express Inc*	AS350 B3	-1
February 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B3	1
March 2011	AHI	EBU	USA	Air Medical Resources Group*	H125	3
March 2011	AHI	EBU	USA	Air Commander International Ltd*	H125	1
March 2011	AHI	EBU	USA	BHI Helicopters Inc* / BRAINERD	H125	1
March 2011	AHI	EBU	USA	Spiegel Aviation*	H125	1

April 2011	AHI	EBU	USA	Rotor Aviation Inc*	AS350 B2	1
April 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
May 2011	AHI	EBU	USA	Air Methods Corporation (AMC)*	AS350 B3	4
May 2011	AHI	EBU	USA	DHS/CBP National Air Training Center*	AS350 B3	3
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	H125	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B2	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B2	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
August 2011	AHI	EBU	USA	Kenneth Lian Corp*	AS350 B2	1
August 2011	AHI	EBU	USA	Central Copters Inc*	AS350 B2	1
August 2011	AHI	EBU	USA	The Boeing Company*	AS350 B3	1
August 2011	AHI	EBU	USA	Heli LLC*	AS350 B3	1
August 2011	AHI	EBU	USA	LLOYD HELICOPTERS US INC*	AS350 B3	1
August 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
August 2011	AHI	EBU	USA	Eaglemed LLC*	AS350 B3	1
August 2011	AHI	EBU	USA	Air Medical Resources Group*	H125	2
September 2011	AHI	EBU	USA	Pima Co Sheriff's Department*	AS350 B3	1
September 2011	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	1
November 2011	AHI	EBU	USA	Mountain West Helicopters LLC*	H125	1
December 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
December 2011	AHI	EBU	USA	LA Grant Aviation Inc*	H125	1
December 2011	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	5
December 2011	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
December 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
December 2011	AHI	EBU	USA	RAI LLC*	AS350 B2	2
December 2011	AHI	EBU	USA	Pratte Transportation Inc*	H125	2
TOTAL ECUREUIL I / FENNEC						**54**
October 2011	AHI	EBU	USA	Baltimore Police Department*	H120	4
November 2011	AHI	EBU	USA	Icarus Copters LLC*	H120	1
TOTAL COLIBRI						**5**
TOTAL 2011						**163**
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
TOTAL SUPER PUMA / COUGAR						**3**
February 2012	AHI	EBU	USA	Shier Aviation Corporation*	H155	1
July 2012	AHI	EBU	USA	Shands Hospital*	H155	1
November 2012	AHI	EBU	USA	Miami valley*	AS365	1
TOTAL DAUPHIN / PANTHER						**3**
April 2012	AHI	EBU	USA	Metro Aviation INC*	EC145	2
August 2012	AHI	EBU	USA	Dare County*	H145	1
September 2012	AHI	EBU	USA	Speedway Aviation*	EC145	1
September 2012	AHI	EBU	USA	University of Pennsylvania*	EC145	1

September 2012	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	2
November 2012	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	34
November 2012	AHI	EBU	USA	Geisinger Medical Center Attn: Gerald Splitt*	EC145	1
December 2012	AHI	EBU	USA	Boston Medflight*	EC145	1
December 2012	AHI	EBU	USA	Metro Aviation INC*	EC145	1
December 2012	AHI	EBU	USA	Caribbean Buzz LLC*	EC145	1
TOTAL H145						**45**
February 2012	AHI	EBU	USA	Broward County Sheriff's Deptartment*	EC135	1
June 2012	AHI	EBU	USA	CALSTAR*	EC135	2
July 2012	AHI	EBU	USA	Metro Aviation INC*	EC135	1
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	4
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
September 2012	AHI	EBU	USA	Massachusetts State Police*	EC135	1
November 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	CALSTAR*	EC135	2
December 2012	AHI	EBU	USA	HMA*	EC135	2
December 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	3
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	3
TOTAL H135						**28**
February 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	6
February 2012	AHI	EBU	USA	Nevada Helicopter Leasing LLC* / Blue Hawaiian	H130	10
February 2012	AHI	EBU	USA	Second Wind LLC*	H130	1
February 2012	AHI	EBU	USA	Enloe Flightcare*	H130	1
February 2012	AHI	EBU	USA	Air Commander International Ltd*	H130	1
February 2012	AHI	EBU	USA	Laughlin Aviation Inc*	H130	2
February 2012	AHI	EBU	USA	Indiana Helicopters LLC* / N13C LLC	H130	1
March 2012	AH-AHD	EBE	USA	Highland Copter LLC / M. LAIDLAW	EC130	1
March 2012	AHI	EBU	USA	Modern Industrial Services Inc*	EC130	1
March 2012	AHI	EBU	USA	CNH LLC*	EC130	-1
April 2012	AHI	EBU	USA	EC 130 LLC*	EC130	1
May 2012	AHI	EBU	USA	Helicopter Flight Services*	H130	1
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	EC130	2
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	2
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	H130	2
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC130	-4
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	3
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	7
December 2012	AHI	EBU	USA	Memphis Medical Center*	EC130	1
TOTAL H130						**42**
February 2012	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
February 2012	AHI	EBU	USA	Cathexis Oil and Gas LLC*	H125	1

February 2012	AHI	EBU	USA	Texas DPS*	H125	1
April 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
April 2012	AHI	EBU	USA	Chase Farms*	H125	1
May 2012	AHI	EBU	USA	Elling Halvorson Inc*	H125	1
June 2012	AHI	EBU	USA	Elling Halvorson Inc*	H125	2
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	2
June 2012	AHI	EBU	USA	State of Utah*	H125	1
June 2012	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	1
June 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	2
August 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
August 2012	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
August 2012	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	2
August 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
August 2012	AHI	EBU	USA	Eaglemed LLC*	H125	1
August 2012	AHI	EBU	USA	AUSTIN POLICE DEPARTMENT*	H125	1
September 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
October 2012	AHI	EBU	USA	Alaska DPS*	H125	1
November 2012	AHI	EBU	USA	Bear Defense Services*	AS350 B2	1
November 2012	AHI	EBU	USA	Brevard County Mosquito Control*	H125	2
November 2012	AHI	EBU	USA	Happyheight Inc*	AS350 B2	1
December 2012	AHI	EBU	USA	NiSource Corporate Services Company*	AS350 B2	1
December 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	2
December 2012	AHI	EBU	USA	Reeder Flying service*	H125	1
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	2
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	4
December 2012	AHI	EBU	USA	Oklahoma DPS*	H125	1
TOTAL ECUREUIL I / FENNEC						**42**
TOTAL 2012						**163**
December 2013	AHI	EBU	USA	CHI Aviation*	H175	1
TOTAL H175						**1**
October 2013	AHI	EBU	USA	Helicopter Exchange Ltd*	H155	1
TOTAL DAUPHIN / PANTHER						**1**
July 2013	AHI	EBU	USA	Speedway Aviation*	EC145	-1
August 2013	AHI	EBU	USA	Boston Medflight*	EC145	1
August 2013	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	1
November 2013	AHI	EBU	USA	Air Commander International Ltd*	EC145	1
December 2013	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	6
TOTAL H145						**8**
January 2013	AHI	EBU	USA	WASHINGTON CORP*	EC135	1
February 2013	AHI	EBU	USA	Midwest Medical Transport Company*	EC135	1
February 2013	AHI	EBU	USA	Valkyrie*	EC135	1
March 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
April 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
April 2013	AHI	EBU	USA	Tentacle Corp*	EC135	2
April 2013	AHI	EBU	USA	CALSTAR*	EC135	1
June 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1

July 2013	AHI	EBU	USA	Healthnet Aeromadical Services*	EC135	1
August 2013	AHI	EBU	USA	CALSTAR*	EC135	1
September 2013	AHI	EBU	USA	Massachusetts State Police*	EC135	1
December 2013	AHI	EBU	USA	IHL Acquisition*	EC135	2
TOTAL H135						**14**
January 2013	AHI	EBU	USA	Advantage Systems Inc*	EC130	1
August 2013	AHI	EBU	USA	Sundance Helicopters Inc*	H130	4
August 2013	AHI	EBU	USA	DBD Properties LLC*	H130	1
November 2013	AHI	EBU	USA	Elling Halvorson Inc*	H130	4
November 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	1
November 2013	AHI	EBU	USA	Sundance Helicopters Inc*	H130	16
December 2013	AHI	EBU	USA	Air Commander International Ltd*	H130	1
December 2013	AHI	EBU	USA	Air Commander International Ltd*	H130	1
TOTAL H130						**29**
January 2013	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	1
February 2013	AHI	EBU	USA	MacNeil Aviation LLC*	H125	1
February 2013	AHI	EBU	USA	Timberline Helicopters Inc*	H125	1
March 2013	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
April 2013	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	1
April 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	2
April 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	4
April 2013	AHI	EBU	USA	Air Medical Resources Group*	H125	7
May 2013	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
May 2013	AHI	EBU	USA	Elling Halvorson Inc*	H125	2
June 2013	AHI	EBU	USA	Alaska DPS*	H125	1
June 2013	AHI	EBU	USA	Commonwealth of Pennsylvania*	AS350 B2	1
July 2013	AHI	EBU	USA	PHI Air Medical*	H125	6
July 2013	AHI	EBU	USA	BHI Helicopters Inc*	H125	1
August 2013	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	-2
August 2013	AHI	EBU	USA	Meridian Consulting Company*	AS350 B2	1
August 2013	AHI	EBU	USA	Seminole County Sheriff's Office*	H125	1
September 2013	AHI	EBU	USA	Central Copters Inc*	H125	1
September 2013	AHI	EBU	USA	City of Philadelphia*	AS350 B2	1
September 2013	AHI	EBU	USA	Seminole Tribe of Florida*	H125	1
September 2013	AHI	EBU	USA	City of Tulsa*	AS350 B2	1
September 2013	AHI	EBU	USA	Meridian Consulting Company*	AS350 B2	1
October 2013	AHI	EBU	USA	Island Helicopter Kauai*	AS350 B2	1
October 2013	AHI	EBU	USA	Reeder Flying service*	H125	1
October 2013	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
November 2013	AHI	EBU	USA	Elling Halvorson Inc*	H125	3
November 2013	AHI	EBU	USA	Oklahoma DPS*	H125	2
November 2013	AHI	EBU	USA	University of Miami*	H125	1
December 2013	AHI	EBU	USA	Mississippi DPS*	H125	1
December 2013	AHI	EBU	USA	LAG AVIATION*	H125	1
December 2013	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
December 2013	AHI	EBU	USA	Caribbean Helicorp Inc*	H125	1
December 2013	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
December 2013	AHI	EBU	USA	Air Medical Resources Group*	H125	3
TOTAL ECUREUIL I / FENNEC						**52**

June 2013	AHI	EBU	USA	City of San Antonio*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2013						**107**
April 2014	AHI	EBU	USA	Macquarie Bank Limited* / PHOENIX	EC225	3
October 2014	AH-AHD	EBRG	USA	BRISTOW	EC225	1
TOTAL SUPER PUMA / COUGAR						**4**
February 2014	AHI	EBU	USA	CHI Aviation*	H175	1
TOTAL H175						**1**
February 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	4
March 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	6
April 2014	AHI	EBU	USA	July 10 LLC*	H145	1
May 2014	AHI	EBU	USA	AVALON CAPITAL GROUP INC*	H145	1
May 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	10
May 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
September 2014	AHI	EBU	USA	Vulcan Flight Inc*	H145	1
October 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	17
November 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	12
November 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	2
November 2014	AHI	EBU	USA	Suffolk County Police Department*	EC145	1
TOTAL H145						**56**
May 2014	AHI	EBU	USA	CALSTAR*	EC135	2
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	-6
November 2014	AHI	EBU	USA	Metro Aviation INC*	EC135	1
TOTAL H135						**-3**
March 2014	AHI	EBU	USA	TUDOR INVESTMENT CORPORATION*	AS355	1
TOTAL ECUREUIL II / FENNEC						**1**
January 2014	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	3
March 2014	AHI	EBU	USA	Memphis Medical Center*	H130	1
April 2014	AHI	EBU	USA	Liautaud Development Group*	H130	1
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	6
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	3
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	6
December 2014	AHI	EBU	USA	Mustang Leasing*	H130	5
TOTAL H130						**25**
January 2014	AHI	EBU	USA	Petr Lukes*	H125	1
February 2014	AHI	EBU	USA	Air Commander International Ltd*	AS350 B2	1
February 2014	AHI	EBU	USA	Elling Halvorson Inc*	H125	3
February 2014	AHI	EBU	USA	Helicopter Express Inc*	H125	3
March 2014	AHI	EBU	USA	Helotex Aviation LLC*	H125	1
March 2014	AHI	EBU	USA	Valion Holdings LLC*	H125	1
March 2014	AHI	EBU	USA	Hillsborough County Sheriff's Office*	AS350 B2	1
May 2014	AHI	EBU	USA	PHI*	H125	1
May 2014	AHI	EBU	USA	Texas Parks & Wildlife*	H125	1
May 2014	AHI	EBU	USA	Eaglemed LLC*	H125	1
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	3
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	-6
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	-2
August 2014	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	3

August 2014	AHI	EBU	USA	Elling Halvorson Inc*	H125	1
August 2014	AHI	EBU	USA	Bear Defense Services*	H125	1
September 2014	AHI	EBU	USA	Eaglemed LLC*	H125	1
September 2014	AHI	EBU	USA	DB Projects LLC*	H125	1
September 2014	AHI	EBU	USA	JR Helicopters LLC*	H125	1
October 2014	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
November 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	1
November 2014	AHI	EBU	USA	The Boeing Company*	H125	1
December 2014	AHI	EBU	USA	Sky High Leasing*	H125	1
December 2014	AHI	EBU	USA	Riverside County Sheriff Department*	H125	2
December 2014	AHI	EBU	USA	LAPD*	H125	1
December 2014	AHI	EBU	USA	Hillsboro Aviation*	H125	1
December 2014	AHI	EBU	USA	Indiana Helicopters LLC*	H125	1
December 2014	AHI	EBU	USA	Helicopter Express Inc*	H125	2
December 2014	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
December 2014	AHI	EBU	USA	COASTAL HELICOPTERS*	H125	1
TOTAL ECUREUIL I / FENNEC						**30**
June 2014	AHI	EBU	USA	Tennessee Valley Authority*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2014						**116**
March 2015	AH-AHD	EBRG	USA	BRISTOW	H175	17
December 2015	AHI	EBU	USA	CHI Aviation*	H175	-1
December 2015	AHI	EBU	USA	CHI Aviation*	H175	-1
TOTAL H175						**15**
February 2015	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	41
March 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
April 2015	AHI	EBU	USA	Metro Aviation INC*	EC145	1
May 2015	AHI	EBU	USA	Tennessee Valley Authority*	EC145	1
June 2015	AHI	EBU	USA	Buckeye Leasing LLC*	EC145	5
July 2015	AHI	EBU	USA	FLIGHT MANAGEMENT LLC*	H145	1
August 2015	AHI	EBU	USA	Air Medical Resources Group*	EC145	2
November 2015	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	12
December 2015	AHI	EBU	USA	Air Medical Resources Group*	EC145	-2
TOTAL H145						**62**
June 2015	AHI	EBU	USA	Stat-Medevac*	H135	2
August 2015	AH-AHD	EBE	USA	AEROHEAD AVIATION	H135	1
September 2015	AHI	EBU	USA	CALSTAR*	H135	3
October 2015	AHI	EBU	USA	CALSTAR*	H135	2
October 2015	AHI	EBU	USA	Air Medical Group Holdings*	H135	6
December 2015	AHI	EBU	USA	Dartmouth Hitchcock*	H135	1
December 2015	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
TOTAL H135						**16**
June 2015	AHI	EBU	USA	Nevada Helicopter Leasing LLC*	H130	1
September 2015	AHI	EBU	USA	Richardson Aviation*	H130	1
November 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	-1
December 2015	AHI	EBU	USA	Air Medical Resources Group*	H130	4
December 2015	AHI	EBU	USA	Ten X Inc*	H130	1
TOTAL H130						**6**

February 2015	AHI	EBU	USA	PETER FENTON*	H125	1
May 2015	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	2
May 2015	AHI	EBU	USA	OHIO STATE HIGHWAY PATROL*	H125	1
July 2015	AHI	EBU	USA	PHI*	H125	2
August 2015	AHI	EBU	USA	ONTARIO POLICE AIR SUPPORT UNIT*	H125	1
August 2015	AHI	EBU	USA	PHI*	H125	2
August 2015	AHI	EBU	USA	Air Medical Resources Group*	H125	3
September 2015	AHI	EBU	USA	LAPD*	H125	1
November 2015	AHI	EBU	USA	PINELLAS SHERIFF'S OFFICE*	AS350 B2	1
November 2015	AHI	EBU	USA	Lee County Sheriff's Office*	H125	1
November 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	1
December 2015	AHI	EBU	USA	Raven Aviation LLC*	AS350 B2	1
December 2015	AHI	EBU	USA	Hillsboro Aviation*	H125	1
December 2015	AHI	EBU	USA	State of Utah*	H125	1
December 2015	AHI	EBU	USA	Air Medical Resources Group*	H125	4
December 2015	AHI	EBU	USA	SG Equipment Finance*	AS350 B2	1
December 2015	AHI	EBU	USA	Helicopter Express Inc*	H125	-2
TOTAL ECUREUIL I / FENNEC						**22**
August 2015	AHI	EBU	USA	City of San Antonio*	H120	1
TOTAL COLIBRI						**1**
TOTAL 2015						**122**
September 2016	AH-AHD	EBRG	USA	BRISTOW	H175	5
TOTAL H175						**5**
March 2016	AHI	EBU	USA	MacNeil Aviation LLC*	H145	1
March 2016	AHI	EBU	USA	Las Vegas Metro Police Department*	H145	1
April 2016	AHI	EBU	USA	JS Leasing* / Dallas Cowboys	H145	1
April 2016	AHI	EBU	USA	Mayo Medical Transport*	EC145	1
April 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
May 2016	AHI	EBU	USA	Han-Mac Holdings International*	H145	1
June 2016	AHI	EBU	USA	Stat-Medevac*	EC145	1
September 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	2
October 2016	AHI	EBU	USA	PHI*	H145	2
December 2016	AHI	EBU	USA	Palantir Technologies*	H145	1
TOTAL H145						**12**
March 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	CALSTAR*	H135	-1
August 2016	AHI	EBU	USA	CALSTAR*	H135	-2
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
December 2016	AHI	EBU	USA	Stat-Medevac*	H135	3
TOTAL H135						**4**
January 2016	AHI	EBU	USA	Lightnin Production Rental*	H130	1
May 2016	AHI	EBU	USA	Air Medical Resources Group*	H130	3
June 2016	AHI	EBU	USA	H&J Aviation LLC*	H130	1
July 2016	AHI	EBU	USA	Memphis Medical Center*	H130	1
October 2016	AHI	EBU	USA	Sundance Helicopters Inc*	H130	-10
October 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	-9

December 2016	AHI	EBU	USA	WFP Aviation*	H130	1
December 2016	AHI	EBU	USA	Palantir Technologies*	H130	1
TOTAL H130						**-11**
February 2016	AHI	EBU	USA	CHI Aviation*	H125	1
February 2016	AHI	EBU	USA	CHI Aviation*	H125	1
March 2016	AHI	EBU	USA	County of Orange Sheriff*	H125	1
March 2016	AHI	EBU	USA	Comanche Maverick Air*	H125	1
March 2016	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	3
April 2016	AHI	EBU	USA	Spurr Mountain*	H125	1
June 2016	AHI	EBU	USA	Miami Dade Police*	AS350 B2	1
August 2016	AHI	EBU	USA	RW Aviation*	H125	1
August 2016	AHI	EBU	USA	LADWP*	H125	2
August 2016	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	-1
September 2016	AHI	EBU	USA	Dement Construction Company*	H125	1
September 2016	AHI	EBU	USA	San Bernardino County Sheriff*	H125	2
October 2016	AHI	EBU	USA	Sky High Leasing*	H125	1
November 2016	AHI	EBU	USA	SG Equipment Finance*	H125	1
November 2016	AHI	EBU	USA	LAPD*	H125	2
November 2016	AHI	EBU	USA	Conrad & Bischoff*	H125	1
December 2016	AHI	EBU	USA	Air Medical Group Holdings*	H125	5
December 2016	AHI	EBU	USA	Studer Fertilizer Inc*	H125	1
December 2016	AHI	EBU	USA	Metro Aviation INC*	H125	1
TOTAL ECUREUIL I / FENNEC						**26**
November 2016	AHI	EBU	USA	Shier Aviation Corporation*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2016						**38**

ORDER BOOKINGS - AH GROUP

FROM 01/01/2011 TO 31/12/2016

DATE of the CONTRACT in force	FROM	TO			AIRCRAFT	QTY
		REGION	COUNTRY	CUSTOMER	TYPE	
February 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
February 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						5
TOTAL 2011						5
January 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						7
TOTAL 2012						7
February 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						5
TOTAL 2013						5
January 2014	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
January 2014	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						2
TOTAL 2014						2
TOTAL 2015						0
TOTAL 2016						0

Exhibit C

From: Strain, Eric <estrain@nixonpeabody.com>
Sent: Friday, February 10, 2017 4:13 PM
To: Signoracci, Pietro J
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: ECN v. Airbus Helicopters
Attachments: AH Sales to USA 2011-2016.pdf; AH Sales to CHC 2011-2016.pdf; AHI Sales 2011-2016.pdf

Pietro,

Aircraft Sales

Attached are:

1. A spreadsheet showing sales by Airbus Helicopters, S.A.S. ("AH") to customers having a US address on the purchase agreement for the years 2011 through 2016. The sales were made by AH to the companies listed under the "From" heading, not the "Customer" heading. Thus, you will see that the sales were made by AH to Airbus Helicopters, Inc. ("AHI"). The "Customer" heading refers to the customers to whom AHI sold and delivered the helicopters in the US.

2. A spreadsheet showing sales by AH to CHC entities.

3. Documents summarizing AHI's sales to customers having US addresses on the purchase agreements. The entries that are blacked out were sales to customers not having US addresses.

Maintenance

1. AH does not perform maintenance in the US.

2. If a Super Puma customer in the US needs a main gearbox overhaul, the overhaul would be done by AH in France (or Helibras in Brazil); AHI does not perform Super Puma main gearbox overhauls.

3. AH, not AHI, would perform retrofit work to bring Super Pumas into compliance with the EASA AD and FAA approved AMOC allowing return to service following the groundings.

Corporate Relationship

I will get this to you on Monday.

Bankruptcy Involvement

I hope to get back to on Monday.

If questions, let me know.

Thank you, Eric

Eric C. Strain
Partner
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reproduction of this message by other than the intended recipient is strictly prohibited and may be unlawful. Thank you.

Exhibit D

From: Strain, Eric <estrain@nixonpeabody.com>
Sent: Thursday, February 16, 2017 6:36 PM
To: Signoracci, Pietro J
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters

Pietro,

Please find below answers to your questions, with the names of key people involved.

Please let us know if you have questions.

Thank you, Eric

1. The identity (name, job title, employer, location) of individuals involved in preparing and/or filing AH's proofs of claim.

   Laurent Tagarian, Alain Vigneau, Eric Chartier and Valerie Le-Gall (Airbus Helicopters, S.A.S., Marignane, France)
   Brian Hall and Steve Rossum (Smith Gambrell & Russell LLP, Atlanta, GA)

2. The identity (name, job title, employer, location) of individuals involved in AH's efforts to become a member of the UCC and/or AH's participation as a UCC member.

   Brian Hall, Ron Barab and Steve Rossum (Smith Gambrell & Russell LLP, Atlanta, GA)
   Laurent Tagarian and Alain Vigneau (Airbus Helicopters, S.A.S., Marignane, France)
   Kevin Cabaniss (Airbus Helicopters, Inc., Grand Prairie, Texas)

3. The identity (name, job title, employer, location) of individuals involved in negotiating, preparing, and/or filing the Plan Support Agreement dated as of October 11, 2016 (as amended, restated, or otherwise modified from time to time), by and among the Debtors and the Consenting Creditor Parties (as defined therein).

   Committee Counsel for the UCC and other Committee professionals negotiated and assisted in preparation of the agreement on behalf of unsecured creditors. The identities of Committee Counsel and other Committee professionals are matter of public record. Kramer Levin firm is lead Committee Counsel and Gardere Wynne firm is local counsel. Greenhill and VLC were the other Committee professionals who would have been involved in activities relating to negotiation or preparation of PSA.

4. The identity (name, job title, employer, location) of individuals involved in negotiating, preparing, and/or filing any chapter 11 plan of reorganization of the Debtors (including any appendices, exhibits, schedules, and supplements thereto).

   Same answer as on 3.

5. The identity (name, job title, employer, location) of individuals involved in preparing and/or filing AH's Objection to Element Capital Corp.'s Motion for Order Directing 2004 Examination of Debtors.

Laurent Tagarian and Alain Vigneau (Airbus Helicopters, S.A.S., Marignane, France)
Brian Hall and Jason Bell (Smith Gambrell & Russell LLP, Atlanta, GA)

6. The identity (name, job title, employer, location) of individuals involved in negotiating, preparing, and/or filing (a) the Debtors' Motion for an Order Authorizing the Debtors to Enter Into and Perform Under the 2017 Omnibus Restructure Agreement with AH Regarding Certain of the Debtors' Executory Contracts, and/or (b) the 2017 Omnibus Restructure Agreement with AH.

   Laurent Tagarian and Alain Vigneau (Airbus Helicopters, S.A.S., Marignane, France)
   Brian Hall (Smith Gambrell & Russell LLP, Atlanta, GA)

7. How AH was appointed as a member of the UCC.

   AH was selected by the U.S. Trustee.

8. How Mr. Cabaniss was selected to represent AH on the UCC.

   Mr. Cabaniss was selected based on his proximity to court in which bankruptcy filed, role in Legal department of AH's U.S. affiliate Airbus Helicopters, Inc., and litigation experience.

9. The scope of Mr. Cabaniss's responsibilities as AH's representative on the UCC.

   Attend UCC meetings, which consisted primarily of weekly conference calls, serve as AH's liaison (along with Smith Gambrell) on communications with and from the UCC and its counsel and professionals, to attend proceedings in the bankruptcy as needed, and to cast vote on behalf of AH when votes taken by UCC.

10. The scope of any other responsibilities Mr. Cabaniss has with respect to AH.

    None.

11. The scope of responsibilities of any AH personnel other than Mr. Cabaniss in connection with AH's participation in UCC.

    Laurent Tagarian had responsibilities for AH; specific information about his responsibilities is privileged.

12. The nature of communications and meetings between Mr Cabaniss and AH personnel, including:

    a. The number and dates of trips Mr. Cabaniss has made to Airbus locations in France since 2011, specifying which of those trips concerned AH's involvement in the CHC bankruptcy cases;

       None related to the bankruptcy.

    b. The number and dates of trips AH representatives made to the United States to meet with Mr. Cabaniss since 2011, specifying which of those trips concerned AH's involvement in the CHC bankruptcy cases; and

       Laurent Tagarian and Alain Vigneau came to the U.S. the week of June 27, 2016 in connection with a hearing in the bankruptcy, and Laurent Tagarian met with Mr. Cabaniss on June 28, 2016 in connection with the bankruptcy.

    c. The frequency of conference calls or other meetings between Mr. Cabaniss and AH personnel regarding the CHC bankruptcy cases.

It is estimated there have been between 5 and 6 such calls in total.

13. Whether Mr. Cabaniss recused himself from participation in UCC meetings, discussions, or other activities that related to any claims that the Debtors or other creditors may have against Airbus, and how those claims would be treated in the Plan.

    Yes.

14. Whether Mr. Cabaniss is an AH employee.

    No.

15. Whether Mr. Cabaniss is an AH agent.

    No.

16. Whether Mr. Cabaniss is an AH representative.

    No, except as defined by proxy for purposes of bankruptcy.

17. How Mr. Cabaniss is compensated in his role as AH's representative on the UCC.

    Mr. Cabaniss is not compensated by AH for that role and does not receive additional compensation from AHI for that role.

18. Whether Mr. Cabaniss receives any compensation from AH.

    No.

From: Signoracci, Pietro J [mailto:psignoracci@paulweiss.com]
Sent: Tuesday, February 14, 2017 3:33 PM
To: Strain, Eric
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters

Thanks, Eric.

Pietro J. Signoracci | Associate
Paul, Weiss, Rifkind, Wharton & Garrison LLP
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From: Strain, Eric [mailto:estrain@nixonpeabody.com]
Sent: Tuesday, February 14, 2017 6:17 PM
To: Signoracci, Pietro J <psignoracci@paulweiss.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; George Barber <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; Ortego, Joseph J. <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>;

Christmas, Robert <RChristmas@nixonpeabody.com>; Shah, Shainee <sshah@nixonpeabody.com>
Subject: RE: ECN v. Airbus Helicopters

Pietro,

Corporate Relationship

As explained in the declaration of Michel Gouraud that was filed with Airbus Helicopters, S.A.S.'s ("AH's") motion to dismiss, AH and Airbus Helicopters, Inc. ("AHI") are separate and independent companies, each with its own separate management, employees, facilities, bank accounts and operational control. AH does not own AHI. AH is 95% owned by Airbus Helicopters Holding (France) and 5% by EADS CASA Holding (France). Airbus Helicopters Holding is owned by Airbus Group S.E. (The Netherlands). EADS CASA Holding is owned by Airbus Defence & Space S.A. (Spain), which is owned by Airbus Group S.E. AHI is a subsidiary of Airbus Group, Inc., (Virginia), which is owned by Airbus Group S.E.

AH Sales

I have attached an Excel spreadsheet from which the PDFs came from. Hopefully this takes care of the formatting issues. I am waiting to hear back on your other specific questions.

AHI Sales

"LUH" refers to the UH-72 Lakota helicopter, which is a militarized version of the EC145 sold to the US Army. "PL" refers to "Production Line" and "LAL" refers to "Light Assembly Line." The LUH is produced at the AHI facility in Columbus, Mississippi.

I am still gathering information on the bankruptcy involvement questions.

If additional questions, let me know.

Thank you, Eric

From: Signoracci, Pietro J [mailto:psignoracci@paulweiss.com]
Sent: Tuesday, February 14, 2017 11:59 AM
To: Strain, Eric
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters

Eric,

Please let us know if you've had an opportunity to review the requests in my email below regarding the discovery Airbus has provided, and please let us know if we will be receiving today additional discovery regarding AH's corporate relationship and its involvement in the CHC bankruptcy cases.

Thank you,
Pietro

Pietro J. Signoracci | Associate
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(212) 373-3481 (Direct Phone) | (212) 492-0481 (Direct Fax)
psignoracci@paulweiss.com | www.paulweiss.com

From: Signoracci, Pietro J
Sent: Monday, February 13, 2017 12:54 PM
To: 'Strain, Eric' <estrain@nixonpeabody.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; 'George Barber' <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; 'Ortego, Joseph J.' <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; 'Christmas, Robert' <RChristmas@nixonpeabody.com>; 'Shah, Shainee' <sshah@nixonpeabody.com>
Subject: RE: ECN v. Airbus Helicopters

Eric,

We have a few questions/requests regarding the attached documents.

1. AH Sales to USA 2011-2016

   a. The attached chart appears to have cut off some rows from the original document. For example, the subtotals of 2012 sales by each category add up to 115 helicopters, but the line for TOTAL 2012 shows a total of 163 helicopters. (The same is true for 2013, which reports a total of 107 helicopters when the subtotals add up to 64 helicopters). Also, there are no rows showing TOTAL 2014, TOTAL 2015, or TOTAL 2016. Please confirm that there are missing entries and provide a full chart with all rows visible.

   b. Please define “AH-AHD” and confirm that where “AH-AHD” appears in the “FROM” column, that denotes sales to US customers directly from Airbus Helicopters (SAS) in France.

   c. Please define each entry in the REGION column: EBU, EBRG, EBE, etc.

   d. Please explain why certain rows have negative values in the QTY column.

2. AHI Sales 2011-2016

   a. Please define the following entries in the MODEL column: (i) “LUH”, (ii) “PL”, and (iii) “LAL”.

I’m available if you have any questions.

Thank you,
Pietro

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Subject: RE: ECN v. Airbus Helicopters

Thank you, Eric. Received. We'll look forward to the additional documents and information Monday.

Best,
Pietro

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Subject: ECN v. Airbus Helicopters

Pietro,

Aircraft Sales

Attached are:

1. A spreadsheet showing sales by Airbus Helicopters, S.A.S. ("AH") to customers having a US address on the purchase agreement for the years 2011 through 2016. The sales were made by AH to the companies listed under the "From" heading, not the "Customer" heading. Thus, you will see that the sales were made by AH to Airbus Helicopters, Inc. ("AHI"). The "Customer" heading refers to the customers to whom AHI sold and delivered the helicopters in the US.

2. A spreadsheet showing sales by AH to CHC entities.

3. Documents summarizing AHI's sales to customers having US addresses on the purchase agreements. The entries that are blacked out were sales to customers not having US addresses.

Maintenance

1. AH does not perform maintenance in the US.

2. If a Super Puma customer in the US needs a main gearbox overhaul, the overhaul would be done by AH in France (or Helibras in Brazil); AHI does not perform Super Puma main gearbox overhauls.

3. AH, not AHI, would perform retrofit work to bring Super Pumas into compliance with the EASA AD and FAA approved AMOC allowing return to service following the groundings.

Corporate Relationship

I will get this to you on Monday.

Bankruptcy Involvement

I hope to get back to on Monday.

If questions, let me know.

Thank you, Eric

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Exhibit E

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- 20,000 industry professionals, including 20% from international destinations
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- 100 education courses, seminars, workshops, and

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- Manufacture or operate helicopters or drones
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- Provide aviation training

forums

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through simulation or schools

- Work for an aviation regulator or other government agency

HAI HELI-EXPO 2017 Agenda

HELI-EXPO Day 1

MARCH 6, 2017

8:30 — 17:00	Committee Meetings, Forums, Workshops, & More
8:00 — 17:00	HAI Professional Education Courses
19:00 — 19:30	HAI HELI-EXPO Welcome Reception

HELI-EXPO Day 2

MARCH 7, 2017

8:00 – 10:00	HAI Annual Membership Meeting & Breakfast
8:00 — 12:00	Committee Meetings, Forums, Workshops, & More
8:30 — 16:30	HFI Rotor Safety Challenge Sessions
10:30 — 17:00	Exhibit Hall Open

HELI-EXPO Day 3

MARCH 8, 2017

8:00 – 16:30	HFI Rotor Safety Challenge Sessions
8:00 — 17:00	Committee Meetings, Forums, Workshops, & More
10:00— 17:00	Exhibit Hall Open
19:00 — 21:30	HAI Salute to Excellence Awards Dinners

HELI-EXPO Day 4

MARCH 9, 2017

10:00 — 16:00	Exhibit Hall Open
10:00 — 16:00	Committee Meetings, Forums, Workshops, & More

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Exhibit F

HAI Convention News®

AIN PUBLICATIONS

FEB. 26, 2014

WEDNESDAY AINONLINE.COM Anaheim

BARRY AMBROSE

In a choreographed display of lights and music, Bell Helicopter unveiled not one but three full-scale mockups of what the company had been calling its short light single helicopter and now calls the Bell 505 Jet Ranger X. Bell CEO John Garrison said that the new model will be priced at about $1 million to make it price competitive with the Robinson Helicopter R66.

Bell goes back to basics with 505 Jet Ranger X

by Mark Huber

Bell Helicopter has unveiled three refined mock-ups of its new, five-seat "short light single" (SLS) helicopter and officially named the new helicopter the "505 Jet Ranger X." Bell previewed the SLS concept with an announcement and renderings at the 2013 Paris Air Show.

Bell has begun taking orders for the new helicopter at Heli-Expo, but declined to publicly set a price. However, Chuck Evans, Bell director of marketing and sales support for commercial helicopters, said the 505 is designed to "be price competitive" with the $839,000 Robinson R66, a helicopter that has reinvigorated the light single market with nearly 500 delivered since its FAA certification in October 2010. Bell exited the light single market that same year, halting production of its iconic 206 Jet Ranger after 43 years and more than 7,500 delivered, but vowing to return to the market.

Those plans have now taken tangible form. The 505 mock-ups displayed here (Booth No. 4536) feature an unusual level of detail and are fitted in utility, executive/passenger and law-enforcement configurations complete with searchlight and FLIR (forward-looking infrared) camera.

The utility mock-up closely resembles a

Continued on page 29 ▶

LCI orders 39 helicopters valued at $925 million

by James Wynbrandt

Lease Corporation International (LCI) of Dublin, Ireland, announced signing orders for helicopters here at Heli-Expo 2014 worth almost $1 billion: the orders include a contract with AgustaWestland for as many as 18 helicopters valued at more than $280 million and a contract with Airbus Helicopters for as many as 21 new rotorcraft valued at some $645 million. Adding up the new orders and others since its launch in 2012, LCI has ordered more than $1.3 billion worth of rotorcraft.

The Airbus order is for up to 15 EC225e Super Pumas, a new model unveiled yesterday morning, making LCI a launch customer for the utility helicopter, and up to six EC175s. "These particular models will be very attractive to our expanding customer base as they continually demand the latest technology helicopters," said LCI executive chairman Crispin Maunder. "We are very happy to support them by providing quality aircraft together with innovative financing."

The EC175 was EASA certified in January and is expected to enter

Continued on page 29 ▶

BARRY AMBROSE

Guillaume Faury, Airbus Helicopters CEO; Crispin Maunder, LCI chairman; and Michael Platt, LCI CEO, celebrate LCI's mammoth Airbus Helicopters order next to the EC175.

ENSTROM UNVEILS NEW LOW-COST TRAINER

Enstrom Helicopter unveiled a mock-up of a new low-cost, two-seat, piston-powered trainer at Heli-Expo yesterday. The TH-180 promises to lower operating costs and will open up the market for training helicopters.

See Page 29

Milestones

Sikorsky looks back, and ahead
For the Connecticut manufacturer, "technology meets tradition" as the company reflects on its humble beginnings 75 years ago and celebrates its accomplishments–and those of the entire industry. **Page 12**

New Models

Airbus plans new variants
New models are coming, with the European manufacturer planning an extended-range variant of the 225e for the offshore market and a utility version of the Super Puma for missions in hot and high environments. **Page 3**

Safety

NTSB issues two safety alerts
Maintenance procedures and simulator training attracted the attention of the Safety Board, which called for operators to solidify efforts to ensure proper procedures and to incorporate scenario-based sim training. **Page 21**

Avionics

Scott's-Bell 47 to get Sagem glass
As it moves closer to bringing the 47GT closer to production, Scott's-Bell 47 has selected the avionics package for the helicopter, opting for the scalable Sagem ICDS-8A to allow customers to choose only the functions they need. **Page 10**

Engines

Demo diesel mill to fly this year
A modified EC130 powered by a diesel engine is expected to fly this year as part of Europe's Green Rotorcraft integrated technology demonstrator program. The goal of the program is to reduce fuel burn in light singles. **Page 16**

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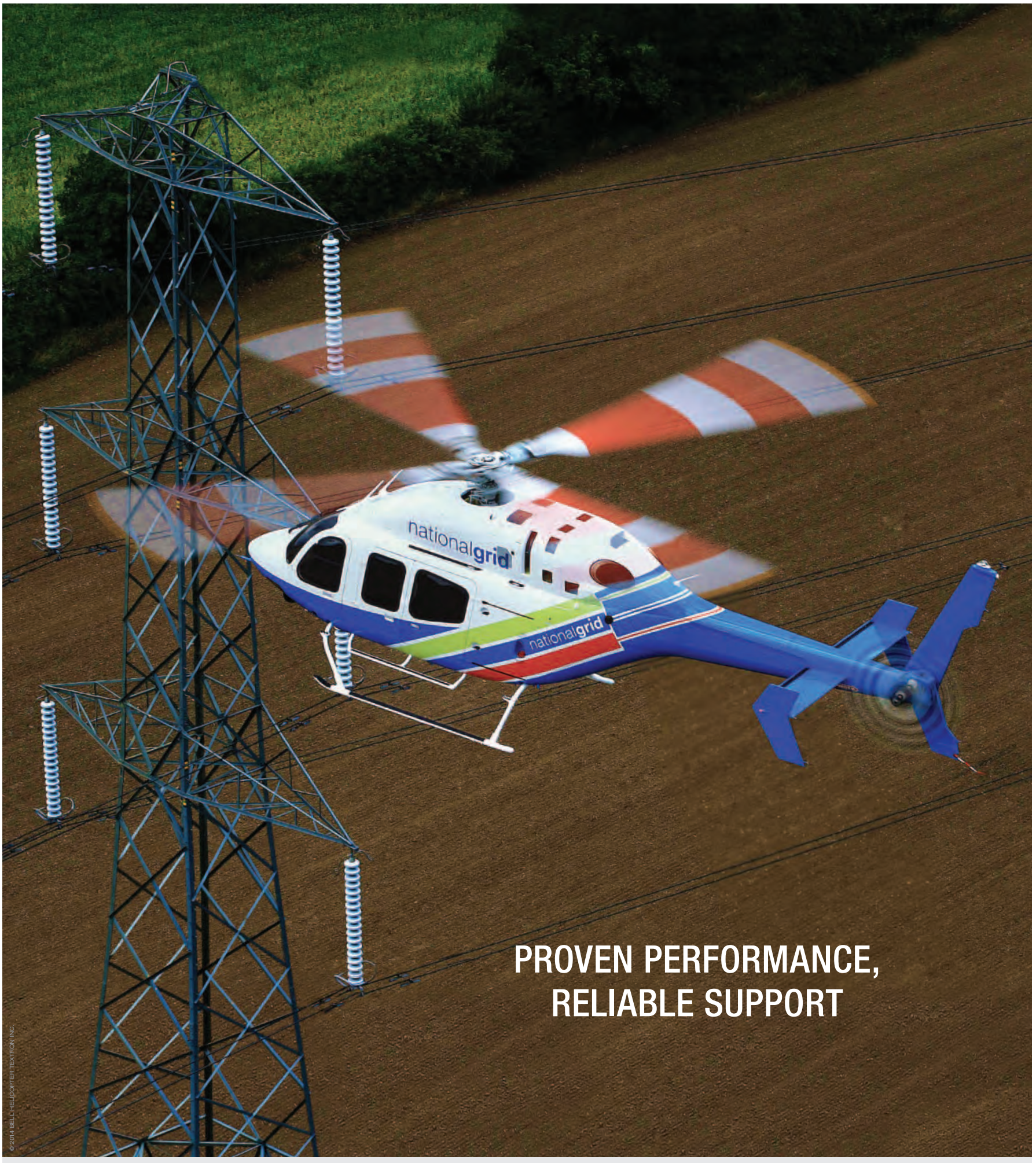

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Airbus Helicopters CEO promises better support

by Mark Huber

New Airbus Helicopters CEO Guillaume Faury and the head of its U.S. arm, Marc Paganini, were visibly penitent when discussing the company's traditionally problematic customer service at yesterday's annual company press breakfast here at Heli-Expo. Faury left no doubt that he is committed to focusing more company resources and attention on product support. "It is time for new priorities," he said. Paganini echoed that sentiment, admitting, "We need to do better."

Faury has spent most of his career at Airbus Helicopters in flight test and engineering. He rejoined the company as CEO 10 months ago after serving as vice president of research and development at French automaker Peugeot since 2009.

PHOTOS: BARRY AMBROSE

Guillaume Faury, Airbus Helicopters CEO

While Faury declined to say specifically how much money the company plans to spend rectifying customer service and support issues, he and Paganini unveiled several broad-based initiatives aimed at solving the problem. "We decided very quickly to spend tens of millions of dollars…to increase our supply of parts" and to focus on reducing response times to customer requests, he said. Paganini said that Airbus is also focusing on making web-based customer service portals easier to use.

Faury said the renewed focus on customer service is part of a larger strategy to increase product quality and safety across the board, beginning with initiatives to install flight data and video recorders in its smaller helicopters as standard equipment and to fit cockpit voice recorders in its medium and heavy helicopters.

New Variants Planned

Faury unveiled plans for two new variants of existing products, the 225e and the AS322 C1e, and gave an update of development efforts on the X4 medium twin, now slated for first flight in 2015. The 225e is an extended-range heavy helicopter variant designed primarily for the offshore market. It features new Turbomeca Makila 2B engines, an improved passenger cabin and increased payload and fuel capacity. The 225e will have a range of 300 nm with 10 passengers. Certification is anticipated in 2015. The AS332C1e is a utility variant of the Super Puma designed for missions in high/hot environments. It features the four-axis autopilot and automatic flight control systems from the EC225.

X4 development work to date includes running the new quiet technology, increased fuel efficiency main rotor blades for 150 hours, qualifying the Pratt & Whitney Canada and Turbomeca engines–customers will have a choice as they currently do on the Model 135–and fabricating the first all-composite fuselage structure. First flight of the new X4 is expected in 2015.

While in 2013 Airbus booked orders for only five of its new EC175 medium helicopter, a model aimed primarily at the red-hot offshore energy market, Faury said he expects sales prospects for that helicopter to improve now that EASA certification has been received and with FAA approval anticipated "within the next few months." Several orders for the EC175 are expected to be announced here at Heli-Expo. Faury said Airbus has a "full support package" in place to support EC175 customer operations. That includes location of a level-D simulator proximate to Gulf of Mexico customers, anticipated in 2016.

Overall, Airbus posted revenues of $8.33 billion in 2013, delivering 497 helicopters worldwide, up slightly from 475 in 2012; however, U.S. deliveries declined slightly for the period from 147 to 145. Airbus continues to maintain a 50-percent market share in the U.S. ❑

MILESTONE AVIATION AND SIKORSKY CELEBRATE CONTRACT SIGNING AND FIRST FLIGHT

Milestone Aviation Group (Booth No. 5114) and Sikorsky Aircraft recognized two noteworthy achievements for the companies during opening day of Heli-Expo 2014.

Sikorsky's Kerry Bond joined Milestone chairman and co-founder Richard Santulli in the ceremonial signing of a contract for eight additional S-92 medium-lift helicopters. "I bought my first Sikorsky product in 1983 and developed a relationship with [the company] over many years," recalled Santulli.

Upon signing the contract, Bond quipped that Santulli could "keep the pen," in anticipation of the next order from the company.

The companies also recognized National Helicopter Services Ltd. (NHSL) of Trinidad and Tobago, the lessee of the Sikorsky S-76D that operated the first revenue flight for the model earlier this month. *–R.F.*

Richard Santulli (left), chairman and co-founder of Milestone Aviation, and Carey Bond, Sikorsky Aircraft president of commercial systems and services.

RSG Products and Heli-One team on STCs

Rotorcraft Services Group Products (Booth No. 1206) announced during Heli-Expo 2014 that it is teaming up with Heli-One (Booth No. 1804) to collaborate on, produce, support and even co-market supplemental type certified products for their customers.

Initial STCs available through the partnership include a dual pivoting litter system for the AS350 and a rappel system for Bell 412 and 212 helicopters. Both STC'd products are on display at RSG's booth at Heli-Expo.

The companies promise that quick on the heels of these two STCs will come several others, including a medical interior for the Airbus EC135; a structural medical floor for the MBB-BK117; a fold-up attendant seat for the Airbus AS350; and a Wescam MX-15 surveillance system and universal surveillance gimbal mount for the AS350. *–A.L.*

Backlog's a record, but sales decline at Sikorsky

by Curt Epstein

Last year was a mixed bag for Sikorsky Aircraft, according to company president Mick Maurer, who gave his company's year-end summary presentation yesterday morning. While Sikorsky reached a record backlog of more than $15 billion, it also recorded an 8-percent drop in sales, to $6.3 billion, the decrease driven largely by a drop-off in U.S. government orders on both the OEM side and the aftermarket segment last year.

In the commercial market, the United Technologies subsidiary saw an increase of more than a half-billion dollars year-over-year in top-line growth, with a backlog of more than $2 billion. "A new growth area for us has been China," Maurer said, noting the rotorcraft manufacturer has taken in almost $300 million in orders from Chinese operators over the past year and expects its aircraft to be in service with all three of China's major offshore oil operators. The OEM is using Chinese industry to build the airframe for the S-76D, and the tail for the S-92, and most of the parts that go into the company's light helicopters.

Mick Maurer, Sikorsky Aircraft president, said that the decrease in orders from the U.S. government was the main cause of the company's 8-percent drop in sales last year.

"We certainly believe that the industrialization that we are doing in China is helping us bring sales to China," noted Maurer, who expects the same synergy to grow in India, where Tata produces all of the company's S-92 cabins in Hyderabad.

The company also posted $1 billion in contract sales for its Total Assurance Program, which provides maintenance insurance covering the cost of parts replacement and repair on new Sikorsky aircraft. "We've been the first OEM to get FAA credit based on the lives of parts for using HUMS data to extend the replacement period on some of the parts on the aircraft. [The approval] will allow us to drive the cost of maintenance down," said Maurer.

Last month, Sikorsky's new S-76D made its long-anticipated entry into service. "The early returns are very favorable," said Maurer, noting 2014 will be the year the new medium cabin upgrade begins to make an impact. ❑

Robinson surpasses 11k helo deliveries

by Mark Huber

Kurt Robinson was generally upbeat about the prospects for his family's iconic helicopter company, during yesterday's Heli-Expo press conference. Last year the company delivered its 11,000th helicopter and it will soon deliver its 500th R66 single-engine turbine ship. Production currently stands at two to three R66s, five R44s and one R22 per week.

And that is before the company announced its optional new line of glass-panel avionics offerings earlier this month for all its helicopters. The new avionics feature Aspen and Garmin equipment, as well as the addition of a new electrical system, avionics master switch and full throttle caution light. Robinson called the availability of Garmin 600 and 700 series touchscreen GPS units in his helicopters a "great step forward" for pilot situational awareness and convenience.

Robinson said the company continues to expand its worldwide service network, from 433 last year to 461 so far in 2014 and that the number of R66 approved service centers had grown to 98 and would expand more this year. The company is currently working on certifying float and cargo hook options for the turbine R66.

Kurt Robinson, Robinson Helicopter CEO

Over the past year, Robinson continued to add to the number of certification authorities that have approved the R66, including Canada and Russia, even as the company continues to await final certification from the European Aviation Safety Agency (EASA) for the helicopter. This has proven to be a lengthy and, according to Robinson, extraordinarily expensive process. The latest impediment appears to be a controversy over how to assure fasteners used on the R66 and other helicopters are not subject to hydrogen embrittlement, Robinson said. He said he is hopeful that final certification approval would be received soon and that he "expects to see a surge in sales at that point."

Robinson said that the reentry of Bell into the light single market with its new 505 model announced here Tuesday, far from being predatory competition, would be good for the industry as a whole and the light single market in particular. "For the last five to ten years we haven't seen any R&D, except for Robinson, in this whole category. It's really nice to see. This is a great category. If you can bring on another helicopter that expands the market, that is good for the entire industry." ❑

MD goes on warpath with attack scout 530G

by Amy Laboda

New models, new orders and of course, deliveries are what the excitement is all about at Heli-Expo 2014. MD Helicopters could celebrate a little of all that this week. Company CEO Lynn Tilton unveiled not just the existence of its new MD 530G armed aerial scout helicopter, but also that it is flying and on the fast track to completion in the second quarter, with deliveries slated for the third quarter. The company is now taking orders for the $4- to $5-million single-engine helicopter. With cruise speeds in excess of 130 knots, the MD 530G features increased capacity landing gear supporting the 3,750-pound max takeoff weight. This allows the operator to use the increased useful load for additional range, endurance and weapons. The aircraft will come with Moog's weapons system platform integrated on the assembly line to facilitate lightness, according to Tilton.

Announcing new orders, Tilton estimated that the company will deliver as many as 50 helicopters this year, primarily to military customers in South America and the Middle East. The Bolivian Ministry of the Interior has ordered two MD530F helicopters for use in police and airborne security missions, such as the upcoming world security conference in Santa Cruz, Bolivia. The MD530F is equipped with the 650-shp RR250-C30 engine and longer main rotor blades fine-tuned for hot/high performance, giving the helicopter the ability to hover at altitudes as high as 16,000 feet msl.

The company has also received an order for a MD 500E helicopter from Shandong Qi Xiang General Aviation, marking its first order from mainland China. The aircraft is expected to be used for agricultural spray and utility missions.

On the deliveries front the company handed over a new MD 500E to Bering Air, one of the largest rotary-wing fleet operators in western Alaska. The aircraft, the third MD ship in Bering Air's fleet, is expected to fly more than 500 hours annually, according to the company. ❑

MD Helicopters not only unveiled the MD 530G armed aerial scout helicopter here at Heli-Expo, but also said it is already flying and will be certfied this year.

PHOTOS: MARIANO ROSALES

WAYPOINT LEASING ORDERS 37 AIRBUS HELICOPTERS

Waypoint Leasing Services announced yesterday at Heli-Expo that it is placing orders with Airbus Helicopters for 12 EC225 and 25 EC145T2 rotorcraft. Deliveries will commence this year and continue through 2017. Financial details of the order were not disclosed.

The two companies signed a framework agreement last year that enables Waypoint to coordinate its leasing proposals with Airbus Helicopters to include options such as the OEM's Parts-by-the-Hour (PBH) support services. Waypoint purchased two EC225s last year that are currently leased for offshore oil and gas operations in Australia.

The helicopter leasing space has drawn increasing interest recently, but Waypoint CEO Ed Washecka's leasing experience goes back to 2005, and his team has extensive experience in helicopter operations as well as finance, knowledge that can complement OEMs' advice when it comes to putting helicopters into operation, he said. Waypoint has $375 million in financing from two family funds and an additional $325 million in credit from Credit Suisse, CIT Bank and SunTrust, Washecka said. *–J.W.*

HAI Convention News

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CHC group goes public, will trade as HELI

by Matt Thurber

CHC's oil-and-gas, search-and-rescue and EMS sectors saw a slight increase in revenues in its FY2014, while overall revenues at the company decreased by 1 percent. The decrease was attributed to lower availability of the EC225 fleet and the higher costs needed to return those helicopters to service following imposition of operating restrictions after two of the model ditched in 2012.

CHC Group went public on January 17, with an initial public offering (IPO) of 31,00,000 of its ordinary shares priced at $10 per share. The company, parent of CHC Helicopter, made all of these shares available in the IPO, which raised $310 million. The company's symbol on the New York Stock Exchange is HELI.

Vancouver-based CHC specializes in helicopter support for oil-and-gas companies and government search-and-rescue agencies and helicopter maintenance through its Heli-One division (Booth No. 1804). CHC Helicopter operates about 250 aircraft in about 30 countries, according to the company.

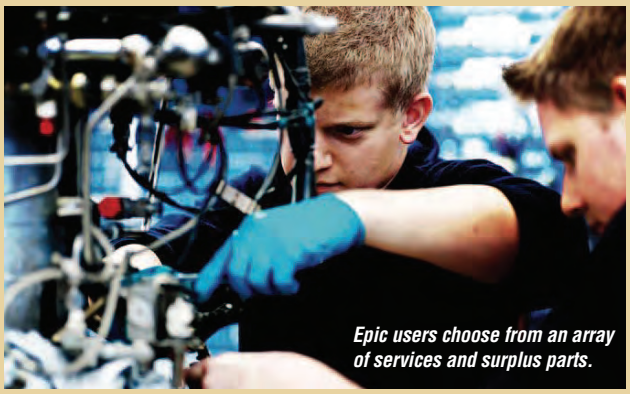
CHC reported a drop in revenue and earnings in its Fiscal Year 2014 second quarter report, with revenue for the quarter at $443 million, down one percent compared to the same period in FY 2013. The company had a net loss of $49 million; net earnings were $7 million during the same period last year. Adjusted net earnings loss was $27 million, compared to adjusted net earnings of $8 million in the same period last year. The revenue drop is attributed to lower availability of the EC225 fleet and the higher costs needed to return those helicopters to service. "EBITDAR (earnings before interest, taxes, depreciation, amortization and aircraft rental costs) was $109 million, down 13 percent," according to CHC, from the previous year's $126 million.

Two EC225 ditchings in 2012 led to operating restrictions on the model, which were lifted after gearbox modifications were incorporated. "I'm proud of the leadership CHC brought to that work, and the ability of our people to minimize disruption to customer operations while those aircraft were suspended from flight during the past year," said CHC president and CEO William Amelio.

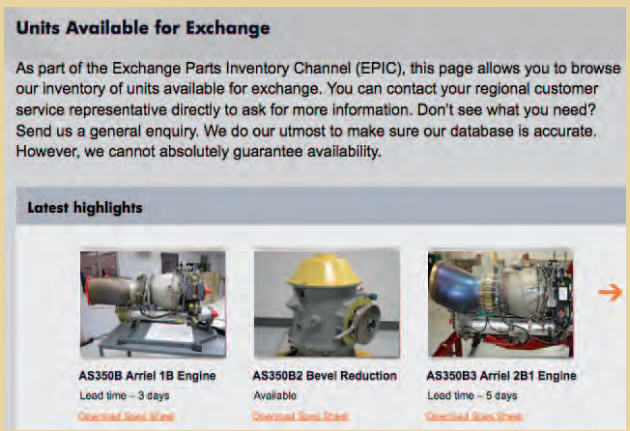
During the second fiscal quarter 2014, oil-and-gas, search-and-rescue and EMS flying revenues climbed 1 percent to $408 million. Countries where flying revenue grew include Australia, Ireland, Malaysia, Norway and the Philippines, while Brazil saw "a sales decline… attributable to customers electing to resume EC225 flights more slowly than elsewhere."

Other business highlights include the company signing a two-year extension of an agreement for services to Statoil at bases in Bergen and Florø in Norway, using a fleet of 10 heavy helicopters; the government of Nigeria has approved CHC joint venture partner Atlantic Aviation to import AW139s; in Tanzania, the company received an air operator certificate to fly AW139s and S76C+ helicopters instead of operating based on customer-held permits; CHC ordered nine additional S-92s, with options for another 15; and the company signed an agreement to buy $100 million worth of helicopters from Airbus Helicopters by the end of 2016.

On the maintenance side, Heli-One sales to third-party customers dropped 17 percent to $35 million during the quarter, with EBITDAR down 45 percent to $16 million. According to CHC, "Similar to in Q1, Heli-One's EBITDAR was negatively affected by costs incurred to prepare EC225s to return to service, as well as costs necessary to maximize availability of other CHC aircraft." ❑



Epic users choose from an array of services and surplus parts.



Heli-One's website provides access to two Epic databases, one an inventory of exchange components and the other an inventory of spare parts.

Heli-One Opens New Parts Portals

CHC Helicopters division Heli-One (Booth No. 1804), a global provider of repair and overhaul services for helicopters, now offers overhauled aircraft components and spare parts to other helicopter operators via new customer portals on its website (www.heli-one.com).

Launched in early December last year, Heli-One's Exchange Parts Inventory Channel (Epic) connects users to two searchable databases, one for the company's pool of exchange components and the other for its inventory of surplus parts, which carries nearly 1,900 items. Helicopter models covered include the AgustaWestland AW139; Airbus Helicopters AS350, AS332, AS365, EC120, EC225 and SA315; the Bell 212 and 412 and the Sikorsky S-61 and S-76. The larger exchange components include engines, gearboxes and tailrotor blade assemblies.

"Whether a customer needs an expertly overhauled engine or rapid, cost-effective delivery of minor components in volume, this Epic capability provides a convenient service from a trusted, reliable and specialized global resource," said Jeff Manion, Heli-One vice president of sales, marketing support and global networks.

When looking for an exchange component for a particular model on Epic, users can download a spec sheet on the item, which includes a photograph, its part and serial numbers, time since new and since overhaul, if it is now available or when it will be available and its condition. Contact information (phone and email) for regional sales directors in four global areas is provided.

After selecting an item in the parts sales inventory for possible purchase, users fill out a short online form to send via email to Heli-One. A dedicated representative responds to the inquiry. If the sales representative has certification papers about the component, he or she will provide price and other information immediately. If not, the goal is to obtain this information within 24 hours. For both exchange components and spare parts, as soon as Heli-One receives a purchase order or signed contract, the item is shipped.

Rick Angelo, Heli-One director of strategic marketing, said the goal of Epic is to provide better tools for the company's customers. "If Heli-One is going to be considered a leading helicopter maintenance organization, we have to start providing the tools to make our customers more successful," he said. "Customers have a plethora of choices for parts and services, and we're hoping that if we give them the right tools, then in time they're going to depend on Heli-One more and more."

He said the company's inventories of exchange components and parts are located primarily at its MRO facilities in Vancouver, Canada; Fort Collins, Colo.; Stavanger, Norway; and Rzeszow, Poland. An examination of the downloadable Parts Sales Inventory spreadsheet on the Heli-One website shows numerous parts also located in Australia and The Netherlands.

In addition to MRO services, CHC provides offshore transportation to oil-and-gas companies and flight services to search-and-rescue agencies. CHC is headquartered in Vancouver and operates about 250 aircraft in some 30 countries. *–R.R.P.*

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FAA is considering TCAS II for heli use

by Thierry Dubois

Prompted by industry demand, the FAA is considering approving the installation and use of TCAS II aboard helicopters but is concerned about certification challenges. Major operators have been successfully using TCAS II for several years in regions such as the North Sea.

"Over the past few years, we have received numerous applications for certification of TCAS II installations in rotorcraft," Stephen Barbini, flight analyst, aircraft certification at the FAA's rotorcraft directorate, told attendees at the EASA Rotorcraft Symposium in Cologne, Germany.

He noted that most, if not all, interest in installing TCAS II in rotorcraft is related to offshore operations, which must contend with reduced visibility and dense traffic. As an example, he noted that there are 2,500 flights per day in the Gulf of Mexico.

The system has proven its worth in areas such as Europe, Africa and Trinidad and Tobago, which have several documented reports of collisions avoided thanks to resolution advisories (RAs) provided by TCAS II.

However, despite all the expected and proven benefits, the FAA is wary of dangers and serious limitations stemming from the fact that TCAS II specification requirements are modeled for transport-category airplanes, according to FAA experts.

In particular, TCAS II algorithms require vertical speed of 1,500 feet per minute, which rotorcraft cannot always attain. Barbini noted that "the specification requires that the aircraft attain a rate of climb of 1,500 fpm within five seconds of an RA being annunciated."

He sees this as the greatest challenge to installing TCAS II in rotorcraft. For example, an Airbus Helicopters AS365 N3+ Dauphin, at mtow in ISA conditions, has a maximum vertical speed of 1,321 fpm. A helicopter following an RA without the required rate of climb faces the risk of a midair collision.

Acknowledging Limitations

A research project that evaluates TCAS II in fixed-wing aircraft with performance characteristics similar to helicopters has recently been conducted. In this research, rate of climb is treated as variable, Barbini said. The FAA is currently reviewing the findings of the project.

Another problem is the vertical polarization of the upper directional antenna. It may prevent the system from "seeing" aircraft directly above, Barbini said. Therefore, the helicopter can be commanded, via an RA, to climb vertically into a collision.

The FAA has received numerous requests for certification of TCAS II installations in helicopters, most related to offshore operations, such as in the Gulf of Mexico. TCAS has proven successful in North Sea operations.

The traffic density of the environment in which helicopters operate also provides a significant limitation. TCAS II provides reliable surveillance up to a traffic density of 0.3 aircraft per square nautical mile, Barbini pointed out.

Numerous TCAS II-equipped aircraft operating in near vicinity of each other can saturate systems or even create unnecessary RAs for passing aircraft. In such situations, the solution–albeit less-than-ideal–is to set TCAS II to traffic alert-only. This is what Barbini suggested for news coverage of accidents and sporting events, for example.

He suggested that helicopters might be better suited for TCAS I, which only makes crews aware of nearby traffic. "It uses correct assumptions," Barbini said. The next generation of TCAS, ACAS-X, will address rotorcraft but is projected to enter service in 2025.

Finally, Barbini urged the industry to take the lead, form a working group and develop a method to safely install TCAS II in rotorcraft. ❑

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Columbia set to recycle U.S. military Chinooks

by Amy Laboda

Finding new life for military surplus helicopters is the ultimate in recycling, and Portland, Ore.-based Columbia Helicopters (Booth No. 4706) has everything it needs to recycle the three rugged Boeing CH-47D Chinooks it purchased recently from the U.S. government.

Military surplus aircraft sold to commercial services are restricted in their operations by the FAA, but Columbia Helicopters has acquired the FAA type certificates from Boeing for the 234 Chinook and Vertol 107-II, the two commercial versions of the CH-47D. The company also holds a production certificate that allows it to produce FAA-approved parts for these aircraft.

"We are uniquely positioned to operate and maintain these helicopters," said Stan Wilson, president of Columbia Helicopters. "The aircraft will come into our maintenance facility for refurbishment before [they are put] to work," he said.

Columbia Helicopters announced during Heli-Expo 2014 that it is now an authorized service center for the Honeywell T55-714 engine series used on the CH-47, with a Honeywell-certified turbine engine test cell on site at its Portland facility. ❑

Columbia Helicopters has acquired three U.S. government Boeing CH-47D Chinook helicopters to augment its fleet of six Chinooks and 14 Vertol 107-II helicopters.

NEW OFFICES, NEW WORK FOR KAMAN

At Heli-Expo 2014 Kaman Aerospace Group (Booth No. 4922) announced that it is expanding its reach. The OEM supplier of helicopters, rotor blades and rotary-wing UAVs and other aerospace components has opened new offices at Clemson University's graduate campus in Charleston, S.C. The plan is to recruit talent and put a team of Kaman engineers at the nearby Boeing facility in North Charleston. The team is part of the company's participation in the stress analysis work on Boeing 787 Dreamliner production. Kaman was named Boeing Supplier of the Year in 2013, one of 16 companies to receive the award, which is based on statistical measurements of quality, on-time delivery, post-delivery support, cost and the ability to respond to changing customer requirements.

South Carolina Governor Nikki Haley is excited to see Kaman join the expansion of the aerospace industry in the state. "It speaks volumes for our economic future," she said, commenting, "The aerospace sector is a major driver for our state's economy."

Across the Atlantic the company expects to open a Kaman Specialty Bearings and Engineered Products facility in Hochstadt, Germany, and a tooling manufacturing facility in Lancashire, England, by the end of the first quarter.

All the recruiting and new manufacturing facilities will support new contracts for the company that include a contract to deliver 40 cockpits and lower fuselages for the Bell AH-1A Zulu helicopters; more Boeing CH-47 composite engine inlet screens and tunnel covers; high-speed drive systems and high-performance helicopter bearings; and continued support for the delivery of 10 SH-2G(I) Super Seasprite helicopters, spare parts, flight simulator and logistics support to the New Zealand Ministry of Defense, which was authorized last April. *–A.L.*

Airbus to add FDMs and cockpit imaging

by Thierry Dubois

Airbus Helicopters plans to progressively equip all its models with a cockpit imaging and flight data monitoring (FDM) system, in a bid to improve safety with an affordable system. All 181 AS350 AStar/Ecureuil light singles delivered last year were equipped with the device, developed with Appareo Systems (Booth No. 329). Next in line for the FDM installation are the EC130T2 light single and the EC135 light twin.

The device, known as Vision 1000 in Appareo's product range, records cockpit sounds and images–at a rate of four frames per second–as well as roll, yaw and pitch angles. It is attached above and behind the pilots' heads so the instrument panel, controls and the outside world (through the windshield) are in the camera's field of view.

The system differs from a cockpit voice and flight data recorder (CVFDR), the conventional and expensive "black box" designed to withstand fire, shocks and immersion. A CVFDR is mandatory only for commercial passenger transport in large helicopters. In practice, for Airbus the rule applies only to the AS365/EC155 Dauphin and Super Puma series.

"Beyond the existing regulation, we want to go the extra step, be innovative and offer a new safety standard," Gilles Bruniaux, Airbus Helicopters' v-p for fleet safety, told **AIN**.

Bruniaux provided a performance/cost comparison with a CVFDR, noting, "The new device records fewer parameters and is less resistant but it is still highly informative." Images give information on weather, obstacles, pilot actions and so on, he pointed out. As for price, he maintains that users will find the price point acceptable.

The Vision 1000 can be used as a means of prevention, by monitoring flight data and analyzing the results using a proprietary software program. The idea is to detect possible pilot deviations from procedures by replaying the flight on the ground.

Recognizing that after an accident the device's memory can provide valuable information for investigators, Airbus Helicopters has decided to eventually fit such a recorder in every helicopter it produces, even those that already have CVFDR. "Images can help find or compensate a missing flight parameter," Bruniaux explained.

The Appareo device weighs .66 pound and it is integrated in a single unit and needs just a power cord and a link to the GPS antenna. Retrofit will be available for a price that is understood to be four-digits.

In parallel, Airbus Helicopters intends to expand the installation of CVFDRs to more models. ❑

Scott's-Bell 47 to get Sagem glass cockpit

Scott's-Bell 47 (SB47, Booth No. 7422) has selected the Sagem (Booth No. 2814) ICDS-8A glass cockpit suite as part of the standard avionics package for the new 47GT-6 helicopter.

The Sagem system includes the primary flight display (PFD) and engine monitoring system. Other features include split map/engine screen mode, display of an externally mounted camera, VGA inputs and custom user databases such as display points for the moving map. The system will feature dual glass displays and back-up flight instruments and will also function as an engine indication and crew alerting system (EICAS) with a multifunction display for items such as pilot checklists. A variety of options will be available, including interfaces to GPS and transponders.

SB47 CEO Scott Churchill said his company selected Sagem, in part, because it allows customers to scale the suite to their individual needs and "not burden every customer with the cost and weight of a full-up primary display and navigation system. But with minimal changes and upgrades, the cockpit can easily be converted into a full-up system suitable for operations such as IFR training."

The selection of Sagem is the latest in a series of developments geared at bringing the turbine-powered 47GT-6 closer to production. Late last year, Scott's announced that it had received orders for 38 of the Rolls-Royce RR300-powered helicopter from a diverse customer list, the majority of which are from authorized dealers for exports into Asia/Australasia.

The 47GT-6 has an initial target price of $820,000, and deliveries are anticipated to begin in 2016. Prototype first flight is scheduled for late this year.

Scott's acquired the type certificate from Bell for the Model 47 in 2009 and has taken over factory support and refurbishment, offering a variety of upgrades, for the estimated 1,100 Model 47s still in service worldwide. It recently announced a deal with Lycoming to be the exclusive distributor for that company's new Hi-Dome pistons for the discontinued VO-435 engine, which was a popular choice on the Bell 47. *–M.H.*

The cockpit of the Scott's-Bell 47 helicopter is being modernized with Sagem's ICDS-8A displays.

MARIANO ROSALES

RSG and Ruag partner on missile defense pod

by Kim Rosenlof

Civilian operators that work in combat environments now have an option to equip their helicopters with electronic warfare (EW) devices that can detect incoming missiles and launch chaff and/or flare countermeasures. Rotorcraft Services Group (RSG, Booth No. 1206) recently signed an agreement with Switzerland-based Ruag Schweiz to provide integration and qualification services for Ruag's Integrated Self-Protection System (ISSYS) Plug-on-Device (POD) for use in the civil aviation market.

Based on the Saab Compact Integrated Defensive Aids Suite (CIDAS), the ISSYS-POD consists of up to five missile-approach warning sensors, optional laser and radar warning sensors, an electronic control unit, control display panel, optional threat display and two countermeasure dispensers. Designed as a limited integration system weighing approximately 96 to 130 kilograms, all except 11 kilograms of the ISSYS-POD can be removed from the aircraft when not needed and reinstalled for specific missions by two technicians in approximately 30 minutes.

"The ISSYS-POD is the role fit version of the Saab-proven CIDAS currently in use protecting both civil and military aircraft in sophisticated threat environment around the world," said Fida Waishek, president of RSG AeroDesign. "When the system detects a MANPADS [man-portable surface-to-air missile] launch, it tracks the incoming missile, then uses mixed chaff and flares payload to jam and misdirect the missile's guidance system, causing it to miss the target aircraft. The entire process occurs in few seconds and requires no action on the part of the aircraft crew."

The basic ISSYS-POD system includes four missile-approach warning sensors to provide spatial coverage of 360 degrees azimuth; an additional fifth sensor can be added for full downward-looking coverage. Each sensor uses a dedicated digital signal processor to ensure real-time information processing, enabling the detection and handling of up to 10 threats simultaneously from up to 5 km away.

The system includes one countermeasures dispenser installed on each side of the helicopter. The dispensers can be loaded with one-by one-inch or two- by one-inch pyrotechnical payloads, with the customer determining the mix of chaff and flare. The ISSYS-POD system requires 28 volts DC power from the helicopter and consumes 350 to 500 Watts (with optional sensors) plus an additional 380 Watts while dispensing on both sides.

The ISSYS-POD has been developed to EASA standards and has been installed on several helicopters including the Super Puma, EC225, Mi17 and A109. Installation cost for the system ranges from $1.5 to $2 million depending on the aircraft platform, but unless the countermeasures are actually used, there are few other costs to the system. According to Waishek, some peacekeeping entities are even electing to install the system without the chaff and flare countermeasures.

"The POD is quickly emerging as an easy and economical way to configure aircraft that would not have this type of equipment," said Waishek.

As part of its integration services, RSG will assist customers with qualification for their specific aircraft. ISSYS-POD integrated and qualified solutions also are available for fixed-wing aircraft such as the Cessna Caravan, Twin Otter and Beechcraft King Air. ❑

Vector inks new maintenance agreements

by Curt Epstein

Vector Aerospace has announced several new maintenance agreements for its Helicopter Services-North America (HS-NA) subsidiary. The rotorcraft MRO services company has signed a two-year agreement with Brazilian MRO provider Helipark to provide repair and overhaul support for the Turbomeca Arriel 1 and Rolls-Royce M250 engines. Vector plans to open a new 29,000-sq-ft MRO facility in Jacarei, Brazil this year, as part of an initiative to grow its South American customer base.

The Canadian company also unveiled a five-year, exclusive MRO support contract with Blackcomb Aviation, covering the Vancouver-based helicopter and jet aircraft charter provider's fleet of M250 and Arriel 1 and 2 engines, along with the dynamic components for its Airbus Helicopters AS350, AS355 and EC130s.

Here at the show, Vector revealed that HS-NA now offers a full range of capabilities for those rotorcraft, including 12-year major inspection service. Services include composite, structure and tailboom repair and assembly in addition to upper, lower and vertical stabilizers. "Blackcomb Aviation entrusted Vector Aerospace as its Rolls-Royce, Turbomeca, and [Airbus Helicopters] fleet MRO provider because of the superior quality of service and fast turn-times they provide to their customers," noted Blackcomb president and CEO Jonathan Burke.

Tsunami-damaged Puma

Through the company's Dutch partner Aerotech Holland, HS-NA has inked a four-year deal with the Netherlands Ministry of Defense to service its fleet of GE T700-701C and -701D engines, installed in AH-64D attack helicopters operated by the country's air force. "This subcontract demonstrates HS-NA's certification and capacity to provide quality repair and overhaul on GE engines and reinforces our ability to foster strong relationships through contract collaboration with companies such as Aerotech Holland," said Chris McDowell, vice president of sales and marketing at Vector HS-NA.

Late last year, the company completed the delivery of a fully refurbished Airbus Helicopters AS332L-1 Super Puma that was damaged during the tsunami that hit Japan's Fukushima region in 2011. Ranier Heli-Lift purchased the helicopter shortly after the incident, and HS-NA performed a number of repairs, including a complete airframe rewire requiring more than 62 miles of wire and main landing gear fitting changes with the help of specialists from the manufacturer. A complete 7,500-hour airframe inspection was performed (one of nine major inspections the company conducted on Super Pumas last year) and the aircraft was newly painted inside and out.

"The decision to make this MRO agreement with Vector was based on the outstanding support it has provided other operators, and the timing of this project aligned well with Vector's new AS322L-1 capabilities," said Richard Lerew, Ranier Heli International's executive vice president. "We were extremely pleased to receive the finished product in late December 2013, and the aircraft is now in full service." ❑

MULTI-MISSION MANAGEMENT SYSTEMS MEET SUPER PUMAS THROUGH HELI-ONE RETROFITS

Universal Avionics authorized dealer Heli-One Canada (Booth No. 1804) has noticed an interesting trend among its customers with search-and-rescue (SAR) missions in Airbus AS332 Super Pumas. They are requesting installation of Universal's multi-mission management system (MMMS), which incorporates capabilities included in Universal's SBAS-enabled flight management systems, as well as special interfaces including "drifting target" and "mark on target" functions for SAR operations. The MMMS system also includes NVG compatibility, a must for SAR and other special mission operations.

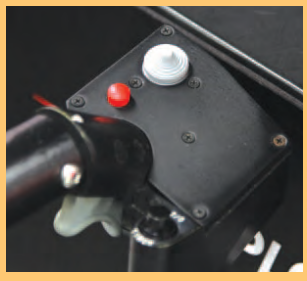
"These modifications were recently installed and are now operational on three CHC aircraft configured for offshore operations," said Alan Stewart, senior manager, design engineering for Heli-One. "The ability for the system to hold up to six canned search patterns frees the flight crew to concentrate on sighting the search object," he continued. "You can't have too many pairs of eyes looking outside when it comes to SAR."

Universal's MMMS is SBAS, European P-RNAV (GNSS) and LPV capable, and includes enhanced fuel-management functions for long missions. The MMMS retrofit provided by Heli-One is also designed to address database support for certain RNAV systems and ADS-B requirements. *–A.L.*

MD 902 EXPLORER'S COLLECTIVE HOSTS UNIVERSAL AVIONICS CURSOR CONTROL

Universal Avionics (Booth No. 4702) has done it: created a way for helicopter pilots to keep their hands on the collective and still have "point and click" cursor control. The avionics manufacturer's new device is a cursor slew hat-switch mounted on the collective of the MD 902 Explorer equipped with the Universal Avionics Next Generation flight deck, which is on display at the MD Helicopters booth (No. 6922).

Grady Dees, director of technical sales for Universal Avionics, is excited about the Next Generation flight deck capabilities. "Flight decks of the future need to provide functionality and safety features while reducing pilot workload," Dees explained. "Giving cursor control to the light-twin helicopter market should revolutionize it," he said. The cursor control shown here isn't the final version, but demonstrates the devices capabilities. *–A.L.*


MARIANO ROSALES

MARIANO ROSALES

The Helicopter Association International board of directors ceremoniously opened Heli-Expo 2014's exhibit halls yesterday morning. Front row (l to r) Gale Wilson, vice chairman; Tony Burson; chairman, Matt Zuccaro, president; Max Lyons, treasurer; Torbjorn Corell, assistant treasurer. Back row: Edward DiCampli; executive v-p and corporate secretary; Christopher Erickson, director; Daniel Schwarzback, director; James Wisecup, director; Lynn Malmstrom, director; and David Bjellos, director.

HAI member meeting highlights mentoring

by Amy Laboda

With his usual straightforward, no-nonsense manner HAI president Matt Zuccaro welcomed Heli-Expo attendees and HAI members to the opening breakfast and annual member meeting on Tuesday morning at the Anaheim Convention Center. Board chairman Tony Burson started off the meeting by focusing on the organization's mentoring and future-focus.

"Our military-to-civilian transition seminar yesterday, presented by Sikorsky's Stacey Sheard, played to a packed room," said Burson. "My challenge to you is to mentor new people into helicopter aviation in 2014," he continued.

He also noted that HAI moved into a new headquarters building in 2013, which has facilities for seminars, meetings and even office space that is available at no cost to visiting HAI members.

The treasurer's report, presented by Max Lyons, HAI treasurer, showed that as of Jan. 31, 2014 the organization was operating at a $1,076,000 surplus, a number that reflects a significant reduction in expenses for the organization.

From there Zuccaro took over with his president's report, noting that the health of the organization is good, membership, standing at 3,558, is strong, and that HAI is hiring. Zuccaro also took a vote for revision of two key bylaws that changed the definition of his title to president and CEO from the current president and COO. This opens the door for HAI to hire a dedicated COO. Both revisions passed on a two-thirds vote of members present.

Zuccaro said Heli-Expo attendance is trending toward 20,000 and that the exhibit hall, with 740 exhibitors and 60 helicopters on display, features more than one million square feet of exhibit space. "This show is completely sold out," he said. He estimated that more than $2 billion in business would take place over the next three days. ❑

Technology meets tradition at Sikorsky

by Rob Finfrock

Sikorsky Aircraft highlighted its past achievements, and their influence on the company's current direction, in introducing its theme of "Technology Meets Tradition" at Heli-Expo 2014 yesterday.

"Seventy-five years ago, we celebrated the liftoff of the first Sikorsky prototype helicopter, the VS-300," said Sergei Sikorsky, son of aviation pioneer and company founder Igor Sikorsky. "I'm going to give you three short sentences, my father's first three-week impressions of the VS-300. It was a very honest evaluation: 'The vibration was fierce. The control was marginal. Stability was non-existent.'"

Sikorsky obviously resolved those issues, however, and just 25 years later the CH-53 heavy-lift helicopter took to the skies for the first time. "The technology is interesting if you compare [the two helicopters]," Sikorsky added. "The VS-300 barely lifted one pilot; 25 years later the CH-53 would lift 30 to 50 troops as a matter of routine."

Furthermore, the CH-53 offered a full 3,910 horsepower more than the VS-300's diminutive 90 horsepower, and today's CH-53E variant lifts as much as 53,000 pounds compared to its progenitor's 1,000-pound gross weight.

Carey Bond, president of commercial systems and services at Sikorsky, then directed attendees to the helicopters displayed at the company's booth, from the Korean War-era S52-3 to the advanced S-76D corporate helicopter, both sharing space with a mockup of the company's S-97 Raider concept high-speed scout and attack aircraft.

"That aircraft is getting ready at our flight assembly facility in West Palm Beach. We will fly it before the end of the year," Bond added. "Not only do we think we [the S-97] will double the speed of a useful helicopter, you can see the huge jump in technology that [the company's] investment has brought." ❑

Sikorsky Aims To Ease S-76D Transition for New Customers

Hoping to encourage more operators to add its S-76D twin-turbine commercial helicopter to their fleets, Sikorsky Aircraft (Booth No. 2822) announced a new entry into service (EIS) program at Heli-Expo 2014.

S-76 program director Leon Silva said the new EIS program will provide "a robust customer experience" with each S-76D delivery, complete with pilot and maintainer training on the type provided by FlightSafety International. A specialized S-76D fleet service representative will also be available to address customers' needs from the field, and on-site pilot support is also available.

Additionally, Sikorsky's Fleet Management Operations Center (FMOC) will identify potential opportunities for cost and availability improvements to S-76D EIS customers, by combining data from the aircraft's health and usage monitoring system with the client's own maintenance and operations information.

"Understanding how customers use their aircraft enables [the FMOC] to predict parts demand and optimize supply chain and inventory," noted Silva, adding that a similar program has been used to great effect for operators of the company's heavy-lift S-92. *–R.F.*

MARIANO ROSALES

Erickson's Jeff Stein presents the company's 2012-2013 Outstanding Supplier Award to John Koulikas of TactAir Fluid Controls at Heli-Expo 2014.

ERICKSON RECOGNIZES TACTAIR FLUID CONTROLS

Erickson (Booth No. 6422) presented its 2012-2013 Gold Supplier Award Tuesday morning at Heli-Expo 2014 to TactAir Fluid Controls for its work supporting the hydraulic systems on the S-64 Aircrane. "We look for not just the lowest cost [from our suppliers], but also the best value as well. TactAir provides that best value for us," said Jeff Stein, director of materials at Erickson. TactAir customer support manager John Koulikas added, "To be able to support this aircraft for many, many years has been a big thrill and achievement for us." *–R.F.*

COLUMBIA GOES LIVE WITH RAMCO OFFLINE DATA SOLUTION

Ramco Aviation (Booth No. 326) announced Tuesday at Heli-Expo 2014 that longtime customer Columbia Helicopters (Booth 4706) recently began the transition to Ramco's Solution 5.6 integrated suite of maintenance, finance, human resources and payroll tracking software.

The offline capabilities of V5.6 are especially important for Columbia, as the company frequently operates its fleet of twin-rotor, heavy-lift helicopters in remote theaters around the world with limited to no data connectivity. The system allows Columbia field stations to collect and retain important personnel and equipment cycle data on site, for later upload to a field headquarters as able. At zero-connectivity locales the operator can save the information on a data card for later shipment to the central office.

Columbia president Stan Wilson noted that Ramco's software has also helped to "coordinate operations within our company. We found that some people were doing things in ways we didn't know about, and this has helped get everyone operating from the same page."

Columbia is the largest operator of and type-certificate holder for the Model 234 commercial variant of the CH-46 Sea Knight and CH-47 Chinook helicopters. *–R.F.*

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Offshore operator PHI was involved in the development of Sikorsky's rig approach system.

Automated oil rig approach an option for Sikorsky S-92

by Thierry Dubois

Sikorsky S-92 operators can select an automated rig approach system on new helicopters and as a retrofit on existing aircraft. Offshore oil-and-gas specialist PHI in November 2013 began using the rig approach system in operational flights off the coast of Louisiana. The FAA had approved the optional feature on the medium twin in May. The system is designed to decrease workload when the crew is in a critical flight phase.

The S-92's autopilot already had a search-and-rescue (SAR) mode, which could fly the rotorcraft to a point, in an automated way. Sikorsky (Booth No. 2822) design engineers built on this mode to create the new functionality. In addition, the weather radar ensures that the flight path is free of obstacles. "You eliminate manual flying in intermediate stages such as the initial approach fix, final approach fix and descent to the final decision point," said Dan Hunter, director of commercial programs.

As a result, the workload is reduced from 17 pilot-initiated items to only seven. The system can build an approach in 20 seconds and can be activated to fly the approach with a single button. The pilot flying looks for visual cues while the non-flying pilot monitors the approach.

The certification is valid to half a nautical mile visibility, the distance between the target offset point and the rig. Sikorsky expects the system to be approved in weather as low as a 200-foot ceiling and a quarter mile visibility.

Inputs come from, among others, the flight management system, the GPS and the radar altimeter. Wind conditions at the rig are factored in, too. Hunter said SAR mode installation is not a prerequisite for the rig approach option. Also, if an aircraft is already equipped with the SAR mode, it may need upgraded hardware and software.

The bottom line, Sikorsky officials believe, will be safer operations under challenging weather and operating conditions. The system is hoped to add barriers to help prevent controlled flight into terrain accidents. In fact, technology was not the trickiest part of the job; certification was the most challenging. "We spent one year developing the rig approach functionality but it took us one year and a half to convince the authorities," Hunter said. Automated rig approach had never been done before so the FAA had no basis on which to compare it and no set of rules for certification. Sikorsky "wrote the book" on it, working with PHI and the FAA.

The rig approach system is available as an option and can be retrofitted to aircraft already in service. Hunter would not disclose the price, saying only that it is six digits in U.S. dollars.

What about offering rig approach on the S-76D? "We have every intention to have it on the S-76D," Hunter said. It would be available on only the latest version of the 12-seater, however. The avionics architecture on earlier variants, such as the S-76C, would make a retrofit too difficult. ❑

TIGER TUGS DEBUTS NEWEST TUG MODEL

Tiger Tugs Helicopter Transport's newest helicopter mover–the Model 12.0–can handle helicopters weighing up to 12,000 pounds. The Model 12.0 is ideal for handling aircraft such as the Bell 212 and 412 safely and easily, according to the Bend, Ore.-based company.

Tiger Tugs (Booth No. 7616) claims to have developed a new concept for moving helicopters safely and efficiently. "We took a fresh look at the tug market, interviewed users of other tugs, then set out to design a safer and easier-to-use vehicle," the company explained.

The Tiger Tugs wireless remote control system allows the operator to maneuver a helicopter in tight hangar spaces while controlling the tug from any vantage point, according to Tiger Tugs. A single operator can use the tug to move a helicopter, so no additional people are needed to assure rotor blade and airframe clearance.

Tiger Tugs says it has the first true scissor-lift transport on the market. When it is positioned under the helicopter, its cross tubes move straight up and do not translate horizontally, eliminating guesswork about where the saddles will come to rest. *–H.W.*

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Diesel demo engine to fly this year

by Thierry Dubois

The diesel engine research and development project that Airbus Helicopters (formerly Eurocopter) is conducting with racing car engine specialist Teos Powertrain Engineering and engine manufacturer Austro Engine, under Europe's Clean Sky joint technology initiative, has cleared significant milestones. The demonstration engine is now being tested on an iron bird, before the first flight planned for this year on a modified EC120. The stakeholders in the Green Rotorcraft integrated technology demonstrator program hope diesel engines will eventually offer reduced fuel burn on light singles.

The modified EC120 iron bird (which includes an airframe) is located at the Airbus Helicopters factory in Marignane, France. Testing began last November, after extensive engine trials took place on a dedicated test bench earlier last year. No particular difficulty has been encountered since the beginning of the test phase, project officer Sébastien Dubois told **AIN**.

With the iron bird, engineers are assessing the way the diesel engine interacts, in terms of vibration, with the airframe. The engine has been powered up very gradually to avoid any problem, Dubois explained. The process may appear slow but the idea is to avoid surprises such as an unexpected major failure, which could cause several weeks of delay and a serious cost increase, he pointed out. But so far the installation, tests and performance have met expectations. Iron bird testing will continue this quarter.

First Flight This Year

The engine will then be installed on the flight-test aircraft. Modifications for the installation began late last year. Ground trials are planned to begin in the third quarter and the first flight is expected to take place later in 2014. The first flight was previously scheduled for April 2014.

The 440-shp demonstrator is a tradeoff between car racing performance and aviation's safety and durability requirements. Compared to a turboshaft engine, the main benefit of a diesel is its fuel efficiency; Dubois and his partners hope for a 30-percent reduction in fuel burn. But the engine's main shortcoming is its lower power-to-weight ratio. The HIPE AE 440 engine has a total weight (including oil, accessories, etc.) of 528 pounds. For an equivalent level of performance, a turboshaft would weigh between 265 and 285 pounds. However, on a light helicopter, part of the weight penalty is hoped to be recouped thanks to an airframe adapted for that engine and the smaller amount of fuel needed for a given range.

The V8 engine that is being tested is the result of a collaboration between France's Teos and Austria's Austro Engine. The former company designed the core engine. The latter manufacturer focused on components like the Fadec and, above all, airworthiness. ❑

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Air Methods landing in Haiti

by Mark Huber

Haiti Air Ambulance is partnering with Air Methods to bring helicopter EMS service to the poverty-stricken nation on a full-time basis for the first time. Beginning next month, two Air Methods Bell 407s–a primary and a dedicated back-up–will be based at a secure industrial park near the Haitian capital of Port-au-Prince and will be gearing up to fly two missions a day or about 700 hours per year.

Air Methods will assign three pilots and two mechanics, who will rotate in and out of the country. Haiti Air Ambulance (HAA), a New York not-for-profit corporation, is supplying the based medical crews and underwriting all related expenses–estimated at just under $8 million over the first two years–for the entire operation through private donations. Sustained funding is envisioned through anticipated contract work with the United Nations and various private charities and through reimbursement from private insurance. While the Haitian government is cooperating with HAA, it is not providing funding at this time. The medical staff will consist of a medical director, flight nurses and flight paramedics who will be accredited under industry guidelines established by the Commission on Accreditation of Air Medical Transport Systems (CAMTS). When not flying, the medical staff will train Haitian EMS responders.

The helicopters will be equipped with satellite flight tracking, HF radios, and patient monitoring communications as well as a full medical suite including onboard oxygen supply, ventilator, defibrillator and intubation kit. HAA is establishing an EMS communications center, a volunteer network of weather reporters complemented by automated weather stations and online weather cameras and helipads and secured landing zones near or at rural hospitals and clinics throughout the country. This will include soccer fields and open land adjacent to police stations. It is also looking into pre-positioning jet-A fuel at strategic locations as it is currently available only at Port-au-Prince.

The need for helicopter EMS is particularly acute in Haiti due to the lack of surface roads and rural medical care and high rates of poverty and disease. The size of Maryland, Haiti has only 2,500 miles of what could be called roads and a mere 22 percent of them are paved.

Today, 80 percent of Haitians live in poverty and 40 percent are unemployed. Less than half the population has access to clean drinking water, and the average life expectancy is only 54 years. Most people don't get basic immunizations, and both the infant mortality and HIV/AIDS infection rates are the highest outside Africa. Because of the poor road conditions and the shortage of ground ambulances, the acutely ill must be transported, often via truck, to Port-au-Prince, a journey that easily can take several days through mountainous terrain, even though the distance is often less than 150 miles.

If there were ever a location ripe for based air-ambulance service, Haiti is it. That's what flight paramedic Jordan Owen thought back in 2010, when he and thousands of other Americans journeyed to Haiti to help in the wake of a 7.2-magnitude earthquake that killed 250,000, displaced 3 million and has left 400,000 Haitians still living in homeless camps today. Owen took his idea to industry veterans, and a talented team came together to found HAA. Members include established medical charity Medishare, several senior physicians, private philanthropists and a variety of aviation professionals with decades of experience in the helicopter industry and in Haiti. It's been a long journey, Owen told **AIN**. "Haitians deserve equal care and quality of care in their country," he said. "We are going to set a standard similar to that in the U.S. This is going to be a high-profile program." ❑

EUROCOPTER UNVEILS DETAILS OF X4 DESIGN

A new artist rendering of the in-development Eurocopter X4 medium-twin helicopter was released during a presentation made at the EASA Rotorcraft Symposium in Cologne in December, showing design changes made since 2011. A horizontal empennage with a two-level lifting surface is visible on the tailboom, forward of the shrouded tailrotor. The fuselage, aft of the cabin, includes a "skirt," the role of which is still unknown.

The X4's main rotor retains five blades, which seem to draw from the Blue Edge research blades, and have a double-swept design supposed to reduce blade-vortex interaction and noise. The X4, a replacement for the AS365/EC155 Dauphin family, will compete in the 9,000- to 12,000-pound category and will feature two versions.

The first, less advanced version of the helicopter will enter service in 2017. In 2020, the second iteration of the X4 will feature a cockpit with advanced human-machine interface and fly-by-wire controls. Customers will have the choice between two 1,100-shp engine options–the Turbomeca TM800 or the Pratt & Whitney Canada PW210. Messier-Bugatti-Dowty will supply electric brakes *–T.D.*

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Backlog drives Enstrom orders

by Rob Finfrock

Enstrom Helicopters (Booth No. 8842) may not attract the attention of its higher-profile competitors in the civil rotorcraft segment, but the company has proven impressively resilient throughout its long history. Today, the Menominee, Mich.-based manufacturer has found success in overseas markets, a trend that newly named company president Tracy Biegler says began with delivery of the first of 18 turbine 480B helicopters to the Indonesian National Police in 2004.

"Enstrom had never really looked into the training market before," Biegler told **AIN**. "All the pieces were in place, but the company never pursued it. In a sense, the last 10 years have witnessed Enstrom Helicopters finding our niche in the marketplace, and more importantly, adjusting our company's perception as a major player in the industry."

The Indonesian order led to greater interest in Enstrom's product line from the Asia-Pacific region, and soon additional contracts from Japan's Ground Self Defense Force and the Royal Thai Army followed. In December 2013, Enstrom signed a 16-airframe order with Venezuela to establish a training fleet for that country's military.

Order Backlog

Today, Enstrom forecasts a production goal of 40 helicopters in 2014, a 14-ship increase over last year, and the company's order backlog extends into the third quarter of 2015. "Our growth has been pretty incremental, but we've seen some dramatic developments over the last three to four years," Biegler added. "Those orders drove our [$8 million, 70,000-sq-ft] plant expansion announced last year.

"We also have another 10 to 15 helicopters going into China through our ownership sales network," he noted, a welcome benefit from the company's acquisition in early 2013 by Chongqing Helicopter Investment Co. (CQHIC). "At this point, nothing has significantly changed in our ability to manage ourselves," he added. "They recognize they purchased a company with its own operations and expertise. In addition to learning about each other's cultures, we are also helping them understand the aviation business. This company would not be where it is today without the support of our ownership."

The infusion of capital from CQHIC also allowed Enstrom to consider expansion into new market segments, including the introduction of products to fill industry segments that Biegler believes the competition have allowed to stagnate. Enstrom also remains focused on continuing development on its storied product line, comprised of the Lycoming-powered F28F Falcon and 280FX Shark and the Rolls-Royce turbine-equipped 480B.

Biegler also expressed appreciation towards former company president Jerry Mullins, who Biegler succeeded at the beginning of February. He credited Mullins for setting the tone that drives Enstrom's ongoing efforts to expand the company's influence.

"Jerry put in place a high level of integrity and morale throughout our workforce," Biegler concluded. "That attitude continues today at Enstrom Helicopters. This isn't an atmosphere conducive to sitting back and dictating; everyone here rolls up their sleeves, and is asked to go above and beyond." ❑

DawnWolf offers 135 ops software

by Rob Finfrock

Wolf Zon, founder of software provider DawnWolf Technologies, applied lessons learned from his experiences as a charter pilot, operations director and A&P mechanic to develop 135 Air Carrier Management software. Just before Heli-Expo 2014, the software earned FAA approval for 135ACM's use by operators.

"So often companies must deploy the only thing available, unfortunately, often not designed nor developed for their purpose," said Zon, who likened that approach to using a wrecking ball to open a door, versus the custom-cut key that 135ACM offers to unlocking a company's specific needs.

135ACM tracks user-controlled parameters that can be tuned to a specific company or job position. Maintenance operations can use 135ACM to log mechanic duty time and training requirements, for example, while flight departments can track preflight planning information and mission-specific data, including flight log information.

Results are color-coded based on compliance with measured parameters, and aircraft equipped with any one of several satellite transceivers on the market can also automatically upload in-flight metrics into the program in real-time.

"The software is about simplicity, ease of use, accuracy, cost-effectiveness and doing more with less," Zon told **AIN**. "When an aircraft returns from a mission, that information is already automatically in the system, live and continually updating, and accessible through the cloud."

Zon also emphasized the system's weight-and-balance feature, which tracks user entry of weights at each station of a particular aircraft and automatically computes whether the aircraft would be within its CG envelope.

"When a pilot assigns himself to an aircraft, the program loads [the weights] and performs a weight-and-balance calculation for him," he continued. "If [the aircraft is] in CG, the program goes to the following page and an email is sent to the pilot and to operational control. So before he departs, the aircraft is confirmed to be in CG."

The company also continues to develop additional versions of 135ACM, including a 911MCM system for use by EMS providers and air medical carriers. ❑

DART & PALL DEBUT NEW BARRIER FILTER SYSTEM

Canadian helicopter accessory provider Dart Aerospace (Booth No. 6814) announced that in cooperation with Pall Aerospace it has installed and flight-tested the PA100 PureAir engine protection system developed for the Airbus Helicopters AS350 and EC130 family of rotorcraft. The system features Pall's latest PureAir technology and is self-cleaning and virtually maintenance-free, according to the manufacturers.

The system promises a 2-percent gain in engine power over conventional inlet barrier filters, and the developers are currently seeking Canadian supplemental type certificate approval including inadvertent entry into icing conditions, with FAA and EASA authorization to follow.

During testing, which included more than 20 takeoffs and landings, the test helicopter was taken up to 21,000 feet and the system exceeded performance expectations in all areas of flight. "The PureAir system had less impact on engine performance compared to a conventional inlet barrier filter and the new FOD screen also made no perceivable difference to the air flow," noted Dart Aerospace president Mike O'Reilly.

A key feature of the system is its PureAir vortex tube, which works in all weather conditions including ice, snow, heavy rain and salt spray.

"This technology brings advancements in engine protection," said Todd Barnett, Pall Aerospace v-p, global strategic marketing. *–C.E.*

NTSB ISSUES NEW ALERTS ON MAINTENANCE AND SIMULATOR TRAINING

The National Transportation Safety Board (NTSB) issued two new safety alerts at Heli-Expo 2014 covering maintenance procedures (SA-032) and simulator training (SA-031).

Citing several recent maintenance-related accidents, the NTSB called on mechanics to get proper training, use work cards to document all completed maintenance steps, get independent inspection of critical maintenance items, verify that all work is performed in accordance with manufacturer procedures, work with flight check pilots to ensure all checks are completed and review training materials regarding human performance errors triggered by items such as fatigue, pressure and company procedures that are at variance with the manufacturer's guidance.

The NTSB also called for the increased use of simulators and scenario-based training in simulators to improve pilot decision-making skills and better prepare them for various emergencies and challenging flight conditions, including autorotation, NVG missions in low-light conditions, degraded visual conditions and inadvertent IMC encounters. *–M.H.*

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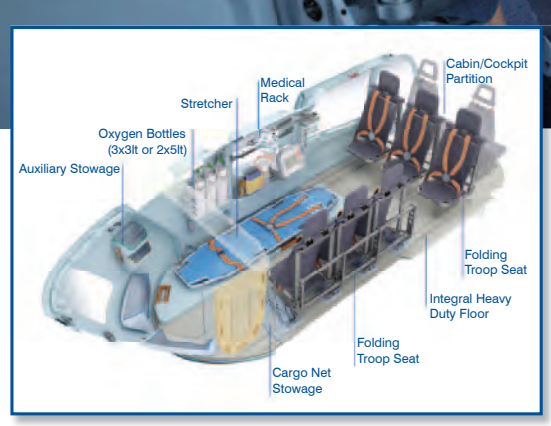

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NEWS CLIPS

MyJSSI Enters New Phase

Jet Support Services (JSSI, Booth No. 1425), which provides hourly cost maintenance programs for a variety of aircraft types, has begun a new phase of improvements to its customer portal MyJSSI. According to Joy Nebel, vice president of client services for JSSI, "Our phase-two redesign incorporates feedback we've received from our customers and should make it easier for them to report flight hours and manage their JSSI contracts."

Enhancements include simplified navigation, a cleaner submit flight hours page, better contacts integration and a new minimum flight hours calculator.

JSSI customers can access MyJSSI from their computers, or through an app on their tablets and smartphones.

Lightspeed Adds FlightLink To Sierra Active Noise Reduction Headset

Lightspeed Aviation (Booth No. 5900) announced that its entry-level Sierra ANR (active noise reduction) headset may now be paired to Lightspeed's proprietary FlightLink app, offering pilots the ability to capture radio transmissions for playback and archiving.

"Sierra has been our primary vehicle for introducing the benefits of premium ANR headsets to student pilots," said Teresa De Mers, Lightspeed executive vice president for sales, marketing and support. "The addition of FlightLink to its capabilities adds a new level of utility to its already exceptional comfort and quiet."

De Mers also noted that FlightLink makes the headset a natural training tool for students by allowing them to record their interactions with ATC. "Together with Sierra, [FlightLink] will enhance the learning experience and could improve the odds of a student's success," she added.

The free FlightLink app is available for the Apple iPad and iPhone, with the Sierra ANR retailing for $600.

Woodward Signs Repair Service Agreement

BBA subsidiary International Governor Services (Booth No. 7333) announced that it has selected Woodward as a licensed repair service facility for its fuel controls, fuel pumps and governors on the Pratt & Whitney Canada PT6 and PW100 and Honeywell TPE331 engines. These engines power a number of Bell, AgustaWestland and Sikorsky helicopters.

"This agreement complements our existing engine repair and overhaul authorizations at [BBA subsidiaries] Dallas Airmotive and H+S Aviation," said Mike McCauley, vice president for business development, BBA Aviation aftermarket services. "Collaborative partnerships are a key element of BBA's long term growth strategy," he said.

NationAir Offers Product Liability Insurance for Aftermarket Parts

Product liability insurance isn't your everyday policy. "Without experience in aviation law, regulations and coverages, generalist insurers don't understand the risks," explained Jaime Benthusen, product liability director for NationAir Aviation Insurance (Booth No. 5105). Benthusen was on hand at Heli-Expo 2014 to introduce the company's product liability coverage and risk assessments for rotor-wing aftermarket parts firms.

The company created its product liability division last year, offering clients priority access to its value-added services, including a contract review and certificate management service. Clients also benefit from preferred rates with NationAir's partners. The new division complements NationAir's diverse portfolio of aviation insurance products.

Mecaer's Bell 429 interior, available as an option on new-build models, features a Silens noise- and vibration-abatement system and hand-stitched leather upholstery.

Italy's Mecaer unveils Bell 429 VVIP interior

Mecaer Aviation Group (MAG) of Borgomanero, Italy, is unveiling at Heli-Expo its VVIP interior concept for the Bell 429, branded as the Bell 429 MAGnificent. A full-scale mockup of the four-place interior is on display at MAG's booth (No. 6438).

The interior features MAG's proprietary Silens noise- and vibration-abatement system and hand-stitched premium leather seats and is compliant with all regulatory standards. The interior will be available as an option for new Bell 429s and may be available as a retrofit in existing aircraft, according to MAG.

The cabin design represents an expansion of MAG's collaboration with Bell Helicopter, having previously created the "Oil and Gas Producers" interior for the Bell 525 Relentless.

MAG is also displaying its proprietary I-FEEL In-Flight Entertainment Enhanced Lounge system, featuring Wi-Fi connectivity, in an AW169 VIP interior mockup. The company operates six completion centers in Italy, the UK, Russia and the U.S. *–J.W.*

VECTOR SHOWS UPGRADED BELL UH-1H COCKPIT

Vector Aerospace Helicopter Services, North America, a subsidiary of Vector Aerospace (Booth No. 5906), has brought a custom-modified integrated cockpit for display at Heli-Expo 2014. The cockpit consists of two Sagem 10-inch multifunction displays (MFDs) and two Sagem 10-inch primary flight displays (PFDs) for right or left seat operations. It is part of Vector Aerospace's Bell Huey UH-1H (civilian Bell 205A) upgrade program.

The PFD and MFD are capable of displaying ship's radar and Globalstar satellite communications and critical weather data such as Nexrad and ADS-B IN text and graphics. The PFD does not offer synthetic vision; however, the MFD will display GPS graphical data from a variety of manufacturers, as well as ship's infrared camera feed, if available.

"We offer options for Stormscope, data recording capabilities, traffic awareness systems display interfaces and an improved fuel management function. Every customer requirement and configuration is different, so pricing depends on what the customer is looking to achieve," John Jongema, UH-1H program manager, Vector Aerospace Helicopter Services, North America, told **AIN**. "Vector has worked with medium Bell customers to bring them the best economical certified solution. The Vector STC integrated cockpit offers the best value for day/night VFR- or IFR-capable operators. We are happy to develop a specific solution for each customer," he said. *–A.L.*

Vector Aerospace has selected 10-inch Sagem displays for its integrated digital cockpit retrofit for the Bell Huey UH-1H.

Avpro goes all in with rotor brokerage

by James Wynbrandt

Since announcing its partnership with Europe's Heli Asset and its new rotorcraft sales and acquisition service at the NBAA Convention last October, Annapolis, Md.-based aircraft brokerage Avpro (Booth No. 1411) is here at Heli-Expo ready to help operators buy and sell VIP- and utility-configured helicopters.

"We're very excited to bring Avpro's 25 years of process, expertise and reputation to the helicopter world," Emmanuel Dupuy, the company's executive sales director, told **AIN**.

Thus far the company has brokered numerous transactions of pre-owned VIP- and utility-configured helicopters, Dupuy said. Deals include the acquisition of three EMS Airbus Helicopters EC135T+s for Avincis and a utility-configured AgustaWestland A109E Power for Turkey's Koçoglu Group. Avpro has several other helicopters under contract, he added.

As with its fixed-wing brokerage business, the company's rotor brokers specialize in aircraft by OEM and model. "Being organized this way allows us to interact with the market more accurately, and as a result provide unparalleled guidance to clients," said Dupuy. "Specializing by model enables our sales agents to track quality/price ratios of every serial number for sale, transaction history and sales pipeline."

While all transactions to date have been on pre-owned helicopters, the company anticipates it will assist clients with new aircraft purchases, as it does with many fixed-wing aircraft customers. Additionally, the rotor division's $100 million line of credit was recently expanded to $120 million, providing capital for acquisitions to facilitate transactions. "We want to tell the world that Avpro is seriously in the helicopter market," Dupuy said. ❑

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Fewer used helicopters sold last year, says JetNet

by Curt Epstein

Aviation industry data provider JetNet has released its year-end statistics for the pre-owned helicopter market, which show that retail sales for used turbine and piston rotorcraft experienced double-digit declines of 11.8 percent and 13.5 percent, respectively, in 2013 compared with the previous year. Turbine helicopters saw an 11.4-percent increase in the number listed for sale year-over-year, with the percentage of the available in-service fleet increasing from 6.1 percent to 6.4 percent, while the average number of days on market declined by 18 days over the previous year, to 414.

According to JetNet, Airbus Helicopters and Bell had the most pre-owned transactions of all the rotorcraft manufacturers but showed the largest decreases as well. While Airbus's rotorcraft products showed 871 pre-owned sales in 2012, that number decreased to 782 in 2013, while the sale of used Bell helicopters declined from 665 to 596 year-over-year.

While starting from a much lower base level of 163 full helicopter (as opposed to fractional) sales in 2012, AgustaWestland demonstrated a significant increase, to 178 pre-owned full sale transactions last year.

Here at the show, JetNet will be demonstrating the latest improvements to its flagship Evolution software suite, which gives users an up-to-the-minute depiction of the entire rotorcraft market. At the close of 2013, the Utica, N.Y. based-company reported nearly 30,000 helicopters in service worldwide, roughly two-thirds of which are turbine powered. The company now tracks 134 civil helicopter models in 184 countries. Visitors to its booth (No. 4500) will have the opportunity to win a bottle of Finger Lakes Ice Wine. ❑

USAIG ENHANCES BENEFITS FOR HELICOPTER OPERATORS

Aviation insurance provider USAIG (Booth No. 4907) has recently enhanced the benefits for its rotorcraft customers. Operators that insure through the company are now eligible for Performance Vector, a safety program that offers a range of programs to helicopter operators. Complimentary training includes human factors for pilots and maintenance technicians, Z-Coach sleep-enhancing strategies and tools as well as reimbursement for line service training. Flight departments can also choose from various training options that help maintain safety management system standards or prepare for advanced safety audits.

Among the options available are Safety Bucks, which offers rebates to operators that train with selected training centers. According to USAIG president and CEO David McKay, the company has distributed more than $5 million in Safety Bucks to help operators lower costs for annual simulator or in-aircraft flight-training proficiency. "In the end, for them and us, safety is the bottom line," he noted. *–C.E.*

EC135 T3/P3 DELIVERIES DELAYED TO 4TH QUARTER THIS YEAR

Deliveries of the Airbus Helicopters EC135T3/P3, an upgraded variant of the EC135 light twin, will begin in the fourth quarter of this year, instead of early 2014 as announced last year, according to an Airbus Helicopters spokesperson.

The new helicopter offers several improvements over the current EC135T2i/P2i, yielding a 66-pound increase in mtow and improved hot/high performance–an additional 440 pounds of payload at about 5,000 feet, ISA+20.

The "P" versions are powered by a pair of Pratt & Whitney Canada PW206B2 turboshafts, while the "T" versions have two Turbomeca Arrius 2B2 engines. *–T.D.*

Annual HFI auction now taking bids online

by Amy Laboda

"It's a great feeling giving away 19 scholarships worth nearly $55,000 to deserving men and women who want to be part of the helicopter industry," said Marty Pociask, who for four years has been vice president and curator of the Helicopter Foundation International (HFI), the non-profit foundation supported by HAI. Pociask is here at Heli-Expo both to run the silent auction, raising funds for next year's scholarships, and to organize the Heritage Display of Helicopters in the exhibit hall.

"There are 60 items in this year's auction, varying in value from $100 to more than $5,000," said Pociask. The bidding is completely online this year at bidding site BiddingforGood.com/HFI. Bidders register a credit card and then are allowed to place their bids. "The online format has allowed us to start the bidding early, on February 17, and run it straight to the end of the show, 4 p.m. PST, on Thursday, February 27. It's a 24/7 auction, too. That really maximizes our ability to raise funds," he continued.

Pociask spoke to us from his post in the main reception hall of the Anaheim Convention Center, where the auction items are posted on a long wall, with several computers ready for bidders to log on and set their bid. Winners will be notified at the auction's closing, and the items will be shipped to them directly from HAI headquarters.

"The format has saved us so many man-hours in labor shipping the items here to California, and, if a bidder is not present at the end of the auction, tracking him down and shipping the item to him, or packing it and taking it back to headquarters," explained Pociask.

Stop by Pociask's HFI desk and check out the donations, then place your bid before you enter the exhibit hall. Then be sure to check your bid on the way out, too. ❑

BARRY AMBROSE

RAIDER IN SEARCH OF A MISSION

While Sikorsky Aircraft is showing a full-scale mockup of its S-97 Raider at Heli-Expo 2014, the first prototype of the compound helicopter is under assembly and expected to fly by the end of this year. The S-97 is based on Sikorsky's X2 demonstrator, which achieved 250 knots in level flight. The company offered the S-97 for the U.S. Army's Armed Aerial Scout replacement program (now ended) and is now viewing the Raider as a contender for the Future Vertical Lift program. ■

FSF expands safety audits to offshore helicopter operators

by Chad Trautvetter

The Flight Safety Foundation (FSF) is highlighting its Basic Aviation Risk Standard (BARS) audit program to rotorcraft operators here at Heli-Expo 2014. It was developed to establish a common safety audit standard that could be applied to "onshore resource sector aviation support activities."

In response to feedback during last year's Heli-Expo, the foundation is looking to include offshore operators. According to FSF managing director Greg Marshall, the BARS audit and training program, initially created for use in the natural resource sector, can enhance additional categories of rotorcraft operations, especially emergency medical service, industrial, charter and sightseeing.

The standard was developed from a risk-based model framed against the actual threats posed. Key components of BARS include courses for onshore and offshore personnel, as well as one about helicopter external load operations for ground personnel. Overall, BARS provides a consistent audit model that allows member companies to share in the audits of participating operators. Findings from BARS audits, especially for aviation operations in remote areas, are already benefitting a much wider community of fixed- and rotary-wing operators, FSF said. Operators interested in the program can contact Marshall at marshall@flightsafety.org.

To date, 25 organizations–including Bristow Helicopters, PHI and EcoCopter–are BARS-registered operators. Marshall said three more operators will be added to these ranks soon. ❑

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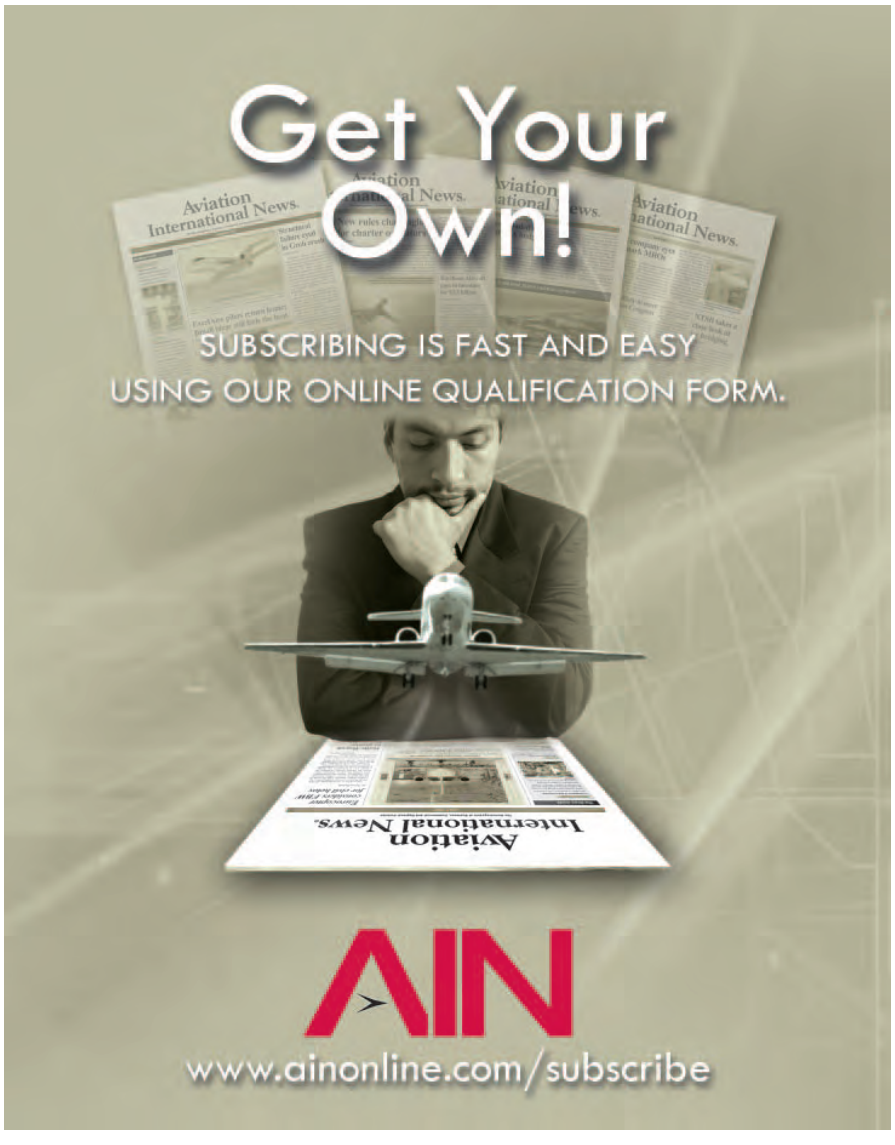

Australia boasts the sixth largest helicopter fleet in the world and the industry is seeing strong growth.

Helicopters on center stage at Rotortech in Australia

by Matt Thurber

The Australia Helicopter Industry Association (AHIA) has announced that the new Rotortech 2014 show will be held from May 24 to 25 at the Novotel Twin Waters Resort in Sunshine Coast in Queensland, Australia. Space is available for 20 small helicopters or 15 medium helicopters at the show site, according to the organizers, and there are 25 display booths for exhibitors in the main conference area, many of which have already been booked. The Rotortech 2014 show is AHIA's first big show since the organization was founded in November 2012. More information is available at www.bladeslapper.com *(see the AHIA thread)*.

Australia currently has about 2,077 helicopters on its register, the sixth largest fleet in the world, according to the AHIA. Since 2008, the fleet has grown an average of 6 percent per year. The current numbers (which likely have changed by the time this issue is published) include 1,301 piston singles, 544 single-engine turbines and 228 multiengine helicopters, for a total of 13.7 percent of the Australian aircraft fleet.

Growth in the helicopter industry is strongest in the northern territories, according to the AHIA, which boast about two-thirds of the 2,077 helicopters in the country. These regions also have more than half of the air operators certificates (AOCs) issued by Australia's Civil Aviation Safety Authority (CASA). Growth of the ranks of helicopter pilots has been strong over the past five years, with helicopter ATPs up 22 percent, to 750, commercial pilots up 11 percent, to 1,678 and private helicopter pilots up significantly, by 46 percent, to 822. "The latter reflects the rapid growth of private helicopter owners; many conduct mustering operations on their properties or use them in business activities," the AHIA noted in the January edition of *Helicopters Australia*, AHIA's e-newsletter.

"Unfortunately, we provide 25 percent of all accidents. This is the result from half our flying involves low-level aerial work, coupled with the high accident rate of the private owners–a problem noted in both [airplane] and helicopter operations."

Some of the issues that the AHIA is addressing this year include CASA's transition to EASA rules. One key area of this effort is CASR Part 61 (flight crew licensing). While that was supposed to take effect last December, CASA has moved the date to Sept. 1, 2014. AHIA is working closely with CASA on the transition. "It has a transition process of three years," according to the AHIA, "requiring a restructure of the training industry. The AHIA is working with CASA to help the Manual of Standards (MoS) line up with CASR Part 61. It is a large project that will not be completed until well into 2014."

Notices of proposed rulemaking are due this year for two key areas, CASR Part 133 (Australian Air Operations–Rotorcraft) and CASR Part 138 (Aerial Work Operations–Rotorcraft). The AHIA is concerned about carriage of aeromedical patients being moved from aerial work, which is the current regulatory structure, to charter. "This triggers a lot of additional compliance requirements. Aerial work operations will also be reclassified in some areas, with a new system of Operation Certificates replacing current AOCs…most requiring CASA's approval." Of more pressing concern, the AHIA added, "[are] the proposed performance standards and their impact on flying operations and various categories of helicopters. CASA's need to seek 'harmonization' with EASA's rules is not understood and the need to have forced landing areas during some flight regimes, especially during takeoff and landing, is now subject to an AHIA working group to educate operators on the intent of the proposed legislation."

Rotortech 2014 promises to be a significant event on the worldwide airshow circuit and a kickoff for growing opportunities in the Australia helicopter market, which is expected to continue growing as energy and mineral resource development firms expand. [Rotortech 2014] "reflects the determination of the executive and growing membership to provide a strong and capable representative service on behalf of the helicopter industry during a period of strong growth," the AHIA said. ❑

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New heliport arrives in Texas

by Curt Epstein

DeSoto Heliport in the Dallas suburb of DeSoto features more than an acre of concrete ramp, hangar space and FBO services. It was expected to open this month.

Set to open this month in the Dallas suburb of DeSoto, Texas, is the nation's newest helicopter facility, DeSoto Heliport, located in the Eagle Business & Industrial Park.

The $5 million, 19-acre facility is jointly owned by the Texas Department of Transportation, the City of DeSoto and the DeSoto Economic Development Corporation.

Sky Helicopters, which also operates the FBO at the Garland/DFW heliport approximately 30 miles away, was awarded a 60-year lease to manage the facility and the company spent approximately 70 percent of the cost of the heliport in building the terminal, hangars and ramp.

The facility includes more than an acre of concrete ramp The 25,000 sq ft of heated hangar space consists of a 10,000-sq-ft hangar, which is sub-divideable in terms of separate hangar and personnel access doors, and a 15,000-sq-ft hangar attached to the 12,000-sq-ft terminal and office complex.

The FBO has a staff of six and is open Monday through Saturday from 8 a.m. to 6 p.m., with Sunday hours to be determined by demand.

Among its amenities are passenger and pilot lounges, a coffee bar/Internet café, three a/v-equipped conference rooms and 10 offices.

A private keypad entrance will allow tenants after-hours access to the lounges and restrooms. Independent in terms of fuel brand, the facility will offer jet-A and avgas 24 hours a day from a pair of 12,000-gallon self-serve fuel tanks.

Sky Helicopters is a dealer for Robinson Helicopters and will use the facility as another store-front to conduct sales operations and is working to expand its Garland Part 145 maintenance certificate to cover the new location.

Sky Helicopters president Ken Pyatt said his company will operate its Part 141 flight school to provide ab initio and recurrent training at DeSoto, along with its existing contract flying for three of the four news network news organizations in the Dallas-Fort Worth metroplex and for oil and gas surveys.

Pyatt said the continued growth of the DFW area played a role in the establishment of the new facility. "That part of town isn't served at all with heliport traffic; this new place is going to be on the southwest part of it, which puts us between downtown Fort Worth and downtown Dallas," he told **AIN**. "We saw it as having excellent road access for customers that might not necessarily venture to the east side of Dallas." ❑

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ENSTROM UNVEILS ITS NEW LOW-COST TRAINER, THE TH-180

Enstrom Helicopter unveiled a mock-up of a new, low-cost, two-seat, piston-powered trainer at Heli-Expo yesterday. The TH-180 is a scaled-down version of the company's popular FX-280 three-seat model. Company officials said the TH-180 should post direct operating costs of $175 per hour and an hourly fuel burn of less than 12 gph. The launch price is $365,000. It will be powered by the 210-hp Lycoming HIO-390 and feature an engine governor and electric clutch switch. First flight is anticipated this summer and certification is targeted for 2015.

Compared with the 280, the TH-180 has more robust landing gear and weighs 500 pounds less, about 2,250 pounds maximum gross weight, said Enstrom CEO Tracy Biegler. "We basically scaled an F model," he said. He called the market for the TH-180 "huge."

Biegler said the that Enstrom's new expanded production plant in Menominee, Mich., has the capacity to build 100 TH-180s per year. The company's new owner, the Chongqing Helicopter Investment Co., (CQHIC) contributed engineering assistance on the pylon and tailcone modeling, he said, adding that setting up an Enstrom production line in China for the Chinese market is a long-term goal of CQHIC and that any such arrangement would involve reassembling Enstrom components there into completed helicopters, provided the process could be done efficiently and safety.

Biegler said that Enstrom (Booth No. 8422) is focused on bringing the TH-180 to market as opposed to a follow-on product for the Model 480, the company's turbine helicopter, at this time. *–M.H.*

MARIANO ROSALES

Tracy Biegler, Enstrom Helicopter CEO, said the TH-180, a scaled-down two-seat version of the three-seat Enstrom FX-280, would have a launch price of $365,000 and direct operating costs of $175 per hour. He called the market for the TH-180 "huge."

LCI

▶ *Continued from page 1*

service by year-end. Certification of the EC225e is targeted for late 2015, with deliveries anticipated to begin in mid-2016. No delivery schedule for LCI's helicopters was announced.

"LCI's order validates our high expectations for the future of the EC175, and we couldn't be happier having LCI as a launch customer for the EC225e," said Airbus Helicopters president Guillaume Faury.

The AgustaWestland order includes up to 14 AW139 intermediate helicopters and up to four AW189 twin-engine models. The helicopters will be delivered from 2014 through 2018 if all options are exercised. LCI already has a contract with AgustaWestland placed in early 2012 worth $400 million that also includes AW169s.

"[AgustaWestland] helicopters are particularly well-suited to the market and are proving to be very popular with our lessees for a variety of roles," said Maunder. "In particular we are pleased about the new super-medium category of helicopters, and our endorsement of the AW189 with the follow-on order underscores our intention to be a major player in this space."

The AW139, AW169 and AW189 represent a new generation of helicopters spanning the four- to eight-ton weight category and share a common cockpit layout, design philosophy and maintenance concept.

"LCI's order for more AW139 and AW189 helicopters highlights both its and the market's recognition that AgustaWestland products offer the best combination of performance and operating costs, whilst providing the very latest safety features," said AgustaWestland CEO Daniele Romiti.

LCI sources indicated that another large helicopter order is imminent, but details were not available yesterday. ❑

Bell 505 Jet Ranger X

▶ *Continued from page 1*

prototype aircraft and is fitted with real main rotor blades, transmission, working flight controls and a Turbomeca Arrius 2R engine (457 shp continuous) with dual-channel Fadec. The 505 also will feature the Garmin G1000H flight deck. Preliminary data calls for the 505 to have a 61-cu-ft flat floor cabin, a cruising speed of 125 knots, a maximum range of 360 nm and a useful load of 1,500 pounds. Bell plans first flight before the end of the year and starting production in 2015 at a new assembly facility being built at the Lafayette, La. regional airport. "We will get this aircraft certified as fast as we can," Evans said, without committing to a specific deadline.

Evans said the utility-configured 505 show mock-up "very closely represents the basic aircraft as it is designed today." From looking at it, Evans said, "people may think we already have a flying aircraft constructed.

"Much like the 525 [super-medium Relentless twin], the 505 has been a very collaborative design with our customer advisory council," Evans said. "They have been involved in this aircraft from the start. They set a pretty high bar for us. They asked for the fully integrated glass cockpit as standard on this model. They also wanted a Fadec-controlled engine for this ship, and that is why we chose the Arrius 2R, it has a dual-channel Fadec with backup. Turbomeca had that and the right shaft horsepower for this helicopter. Our customers also wanted a large cabin with all fully forward-facing seats."

Evans said customers wanted an affordable aircraft, both in terms of acquisition and full life-cycle costs. To that end, Bell will be offering a new mission-critical support package–an hourly maintenance plan–for the 505 and its other products. Details of the plan "are still coming together," Evans said.

The 505 and the larger, 19,300 pound (max gross weight) 525 begin a new series of civil sector product offerings from Bell. While the 525 was primarily developed to take advantage of the burgeoning deepwater oil and gas market, Bell envisions many other uses for the helicopter. At Heli-Expo 2014, the 525 mockup is painted in a generic international coast guard livery and outfitted with search-and-rescue equipment including hoists and an EMS interior Bell developed in cooperation with Air Methods. Bell is continuing to test all the 525 flight instrumentation, fly-by-wire system, flight controls and surfaces and cockpit in its systems integration lab.

"We are flying simulator missions that feed pilot inputs into the fly-by-wire controls and moving the control systems of the aircraft," Evans said. When the pilots are flying in the sim, in the room next to it, the swashplates and all the control surfaces are moving." He said the process matures systems before they are installed in the first flying prototype and also helps build the training syllabus.

Bell still has not begun to take formal orders for the 525 but does "have a lot of interested customers," Evans said. Nor is Bell prepared to set an official price for the 525, but it is widely assumed to be in the $18 to $25 million range.

Bell is also displaying a 429 light twin with wheeled landing gear, a variant that was recently certified by the FAA. "We are seeing growing interest in that aircraft, mainly from international markets," Evans said.

Bell is continuing to appeal the FAA's denial of its request for a Part 27 exemption to increase the 429's maximum allowable gross weight by 500 pounds to 7,500 pounds. Transport Canada granted initial certification on the 429 and it has approved a gross weight exemption for the aircraft as have a list of certification authorities in other countries. The FAA initially refused, citing the 7,000-pound weight limit under Part 27 and the desire to keep design standards harmonized with EASA. Competing manufacturers have repeatedly and persistently objected to the exemption. ❑

BARRY AMBROSE

Bell began taking orders for the 505 Ranger X this week at Heli-Expo 2014, but has not yet announced the new model's price. The 505 mock-ups feature an unusual level of detail and are fitted in utility, executive/passenger and law-enforcement configurations. Bell plans first flight of the 505 before the end of this year.

Turbomeca Takes Bell Commitment Seriously on 505 Jet Ranger X

Olivier Andriès, chairman and CEO of French engine maker Turbomeca, said his company is "honored and delighted" to have its upcoming Arrius 2R turboshaft powerplant selected by Bell Helicopter to power the company's upcoming five-seat short light single, the 505 JetRanger X.

"This is a great moment for Turbomeca and we are proud that the newest member of our Arrius family will power the Bell 505 Jet Ranger X," Andriès said following the unveiling of the SLS mockup and its new model name. "We believe the 2R provides the right combination of power, performance and value, and I pledge our commitment to earning the confidence of both Bell and its worldwide customer base."

The Jet Ranger X marks Turbomeca's first partnership with Bell. Andriès noted that development of the Arrius 2R remains on track, with its first test-stand run of the dual-channel Fadec powerplant scheduled in April. Turbomeca has sold more than 3,000 Arrius engines, with the total fleet accumulating more than 6.6 million flight hours. *–R.F.*

Dallas Avionics showcases TDFM-9000 transceivers

Dallas Avionics (Booth No. 6706) announced the completion of training for Tampa General Hospital pilots and crew on the medical center's Bell 407 equipped with the Technisonic Industries TDFM-7000 transceiver.

TDFM-7000 series transceivers have now been superseded by the TDFM-9000 series, and Dallas Avionics is displaying the TDFM-9000 and -9300 here at Heli-Expo. Both the 7000 and 9000 series transceivers offer modern communication technology including Project 25 common air interface (CAI), P25 trunking and AEDS with P25 over-the-air rekeying. The P25 CAI allows digital communications with backward compatibility to both narrow- and wide-band analog operation, flash upgradeable architecture and built-in audio switching capability that allows operation of multiple RF modules in either "combined" or "separate" transceiver configuration. The TDFM-7000 and -9000 series transceivers feature up to four customized bands and are capable of simultaneous operation on all available bands.

The 9000 series units can store up to 2,000 channels per module versus the 1,050 channels of the -7000 series and feature Motorola's new APX platform rather than its XTS platform as on the 7000 series. Prices for the TDFM-9000 and the TDFM-9300 transceivers range from about $30,000 to $80,000 depending on the modules and options selected. *–J. W.*

Tampa General Hospital pilots have completed training on the Technisonic Industries TDFM-7000 transceiver installed in the hospital's Bell 407.

New STCs for North Flight CVR/FDR

North Flight Data Systems (Booth No. 413) of Shreveport, La. announced here at Heli-Expo that it has received a supplemental type certificate (STC) that adds the Bell 407GX to the list of model 407 series helicopters certified for its CVR/FDR (cockpit voice recorder/flight data recorder) system. It also received STC approval for installation in the Airbus Helicopters AS350B3 and the EC130B4 models.

The North Flight system provides a crash-resistant CVR/FDR that far exceeds the recent ED155 data capture guidelines and enables an operator to record more than 100 engine and airframe parameters as well as six individual audio channels with video recording. The system can record the complete Cobham HeliSas autopilot data stream as well as either analog or digital radar altimeters. An internal attitude heading reference system (AHRS) data stream supplements recorded airframe and engine data. The addition of hook load or other accessory equipment data is easily accommodated.

"Our goal has always been to provide helicopter operators with affordable voice, video and flight data recording equipment that provides the detailed data that was available only on larger aircraft in the past," said company president Jeff Warner. "We have surpassed the level of detail obtained in the large and expensive CVR/FDRs."

Tampa General Hospital has begun using the system on its four new Bell 407GXs, operated by Metro Aviation. Metro Aviation managing director Milton Geltz said the installation of the systems "solidifies our commitment to install a comprehensive system and never compromise safety with partial data solutions." *–J. W.*

NORTHROP GRUMMAN TO SUPPLY NAVIGATION SYSTEMS FOR AW609 TILTROTOR

Northrop Grumman (Booth No. 502) will supply its latest flight information equipment for the AgustaWestland AW609 civil tiltrotor, the company announced at Heli-Expo 2014.

Developed by Northrop Grumman Litef in Germany, the LCR-110 inertial reference system and LCR-300A air data attitude heading reference system will be standard equipment on the AW609, which is now undergoing FAA certification testing. The combined avionics suite will allow AW609 pilots to perform precision required navigation performance (RNP) flight operations.

"This suite of combined equipment provides critical flight control and navigation data to help the aircraft achieve required availability, precision and the highest levels of integrity," said Eckehardt Keip, managing director of Northrop Grumman Litef. "Our products enhance precision navigation operations, improve safety margins, save weight and volume and provide attractive commercial advantages."

In a separate announcement, the company also celebrated the five-year extension of a 2008 contract to supply its LCR-100 AHRS for the Bell 412. Keip described Northrop Grumman Litef's agreement with Bell on the 412 as "one of the cornerstones of our success." *–R.F.*

Conklin & de Decker marks 30 years with data discounts

by Curt Epstein

Aviation industry data provider Conklin & de Decker Associates is celebrating its 30th year in business, and in honor of that milestone is offering discounts on its products here at Heli-Expo. During the three days of the show, attendees visiting the company's booth (No. 3002) can see live demonstrations of the company's family of helicopter operating cost programs and life cycle budgeting tools.

Buyers will receive a 10-percent discount off the price of the company's most popular data products, including the Aircraft Cost Evaluator, the Life Cycle Cost, the Aircraft Performance Comparator, and its recently released Tax Guide for General Aviation. The last contains the latest taxes and fees imposed on general aviation in all 50 states, and it also addresses the sales and use taxes applicable to aircraft sales, ownership, leases, parts and labor. As many states continue to find ways to "enhance their revenues," the guide will provide subscribers with continuous downloadable updates throughout the year through the Conklin & de Decker website.

The company also recently announced that it has acquired the Aircraft Cost Analysis program and software, a user-friendly management tool that helps aviation professionals with the pricing of managed, fractional share, rental, charter and agricultural airplanes and helicopters. Aircraft Cost Analysis was originally developed and supported by Samuel Miller, who will continue to provide support for current program subscribers during the transition.

Here at Heli-Expo 2014, Conklin & de Decker announced that registration for its annual Exploring Aircraft Operating Costs seminar (to be held this year on May 14-15 in Texas) has opened. The company is offering discounts to customers who register early to attend multiple seminars. Attendees who register for all three of the education conferences will receive a 20-percent discount; those who register for two events will receive a 15-percent discount. Show attendees can also register at the booth for a chance to win either an iPad mini or a Google Nexus 7 tablet. ❑

MARIANO ROSALES

HELO TECH FIRM PUTS A FOCUS ON ROTOR BLADES

Los Angeles-headquartered Helicopter Technology Company, manufacturer of main and tailrotor blades for the MD 500 and MD 600 and more is here at Heli-Expo, where representative Yale Pincus holds a portion of a 500D rotor blade that shows the interior aluminum honeycomb structure. The multi-faceted company also is an FAA-certified repair station. ■

Global. Flexible. Proven.

The Waypoint Advantage

Waypoint Leasing

A Global Helicopter Leasing Company

Waypoint Leasing is a world-class helicopter leasing company, with helicopter operating and leasing expertise in more than 20 countries. As former helicopter operators, we understand the difficult fleet management challenges operators face and structure flexible leasing solutions to solve them. We are driven by a passion for rotary wing aviation and a commitment to building long-term partnerships with helicopter operators worldwide.

We put operators first — always.

Visit us at **Heli-Expo 2014 Booth #6442**

waypointleasing.com

AW169
I-AWCM
AgustaWestland
It's about your business
Challenging times require superior answers.
AgustaWestland rotorcraft redefine mobility by setting new levels in luxury, comfort, performance and safety. Maximise your time and be where it counts.
Vist us at the Heli-Expo 2014, booth #6937
LEADING THE FUTURE
agustawestland.com
YouTube
AgustaWestland
A Finmeccanica Company

Exhibit G

EASA
European Aviation Safety Agency

EHEST
Component of ESSI
European Helicopter Safety Team

IHST
International Helicopter Safety Team

The European Helicopter Safety Team (EHEST)

Michel Masson, EASA, EHEST Secretary
Gilles Bruniaux, Airbus Helicopters, EHEST co-Chair
Stefan Becker, EHAC and REGA, EHEST Communication Leader

www.ehest.org

Your safety is our mission.

An agency of the European Union

1. Achievements

2. Reducing helicopter accident fatalities

3. Dissemination: Reaching out and involving the community

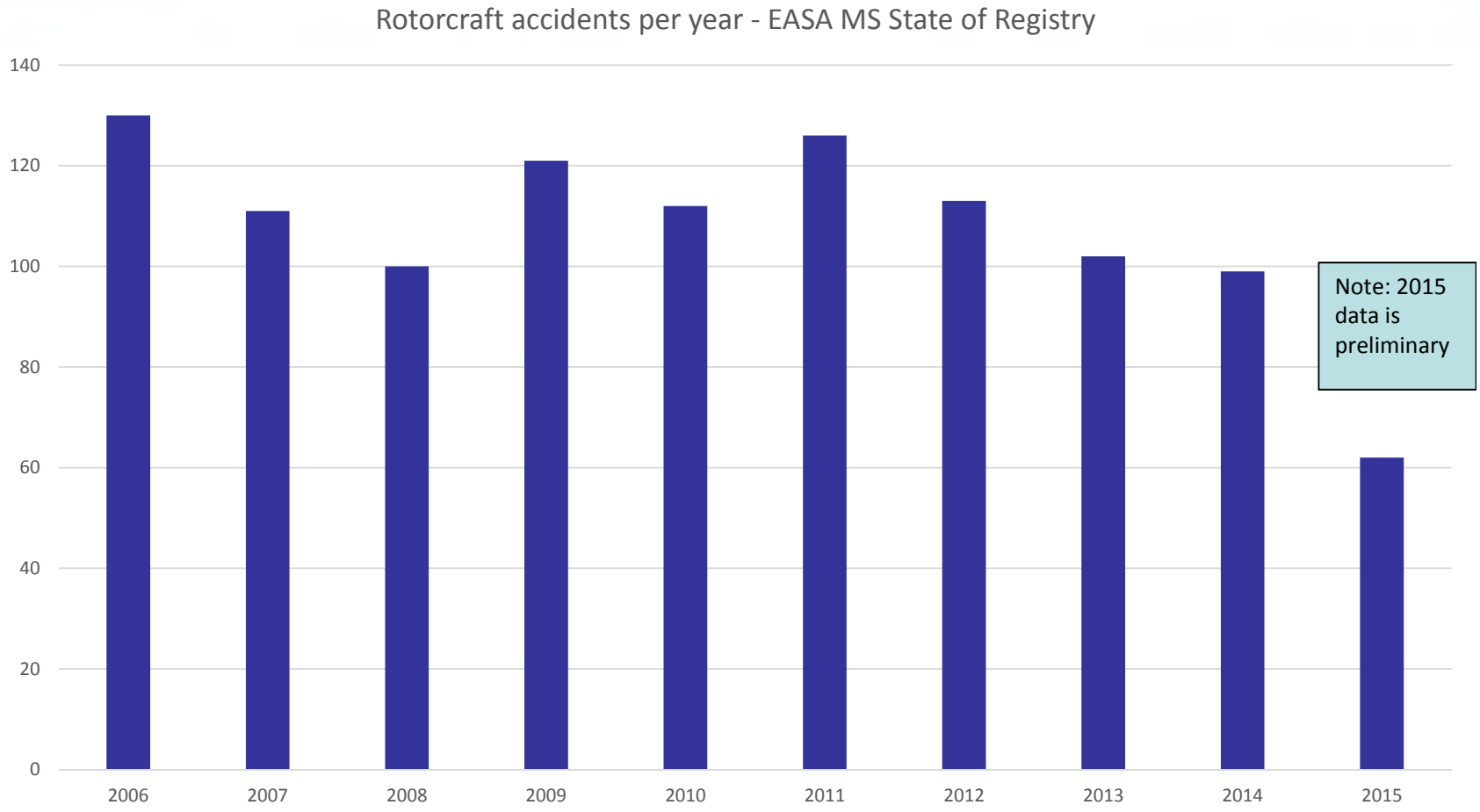
EHEST Presentation Clip

EASA
AIRBUS HELICOPTERS
EHA
HeliOffshore
Luftfartstilsynet
BHA British Helicopter Association
ENAC Ente Nazionale per l'Aviazione Civile
CHC
dgac
Cranfield University
AIR-GLACIERS Compagnie d'Aviation
elilombarda
Civil Aviation Authority
DLR
AgustaWestland
NLR
ECA European Cockpit Association
Royal Aeronautical Society 1866
inaer fly the future
BFU
rega
TraFi Ilmailu
EHAC European HEMS & Air Ambulance Committee
ONERA The French Aerospace Lab
IAA

Safety Partnership with more than 50 organisations

2006-2015 European accident statistics

All rotorcraft, all operations



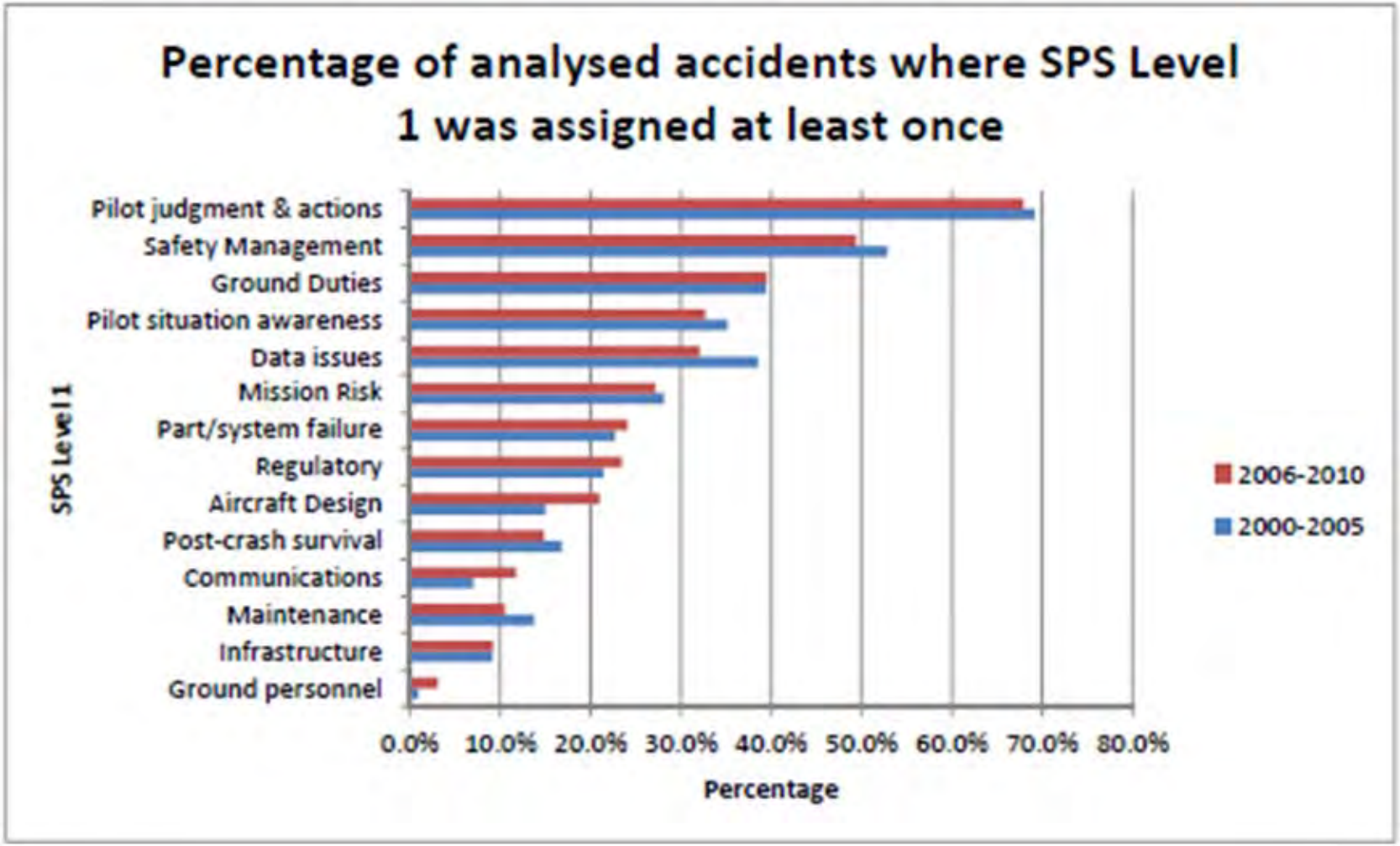
Source: EASA Occurrence Database

EHEST Analysis Reports

- 2000-2005: 327 accidents analysed
- 2006-2010: 162 accidents analysed

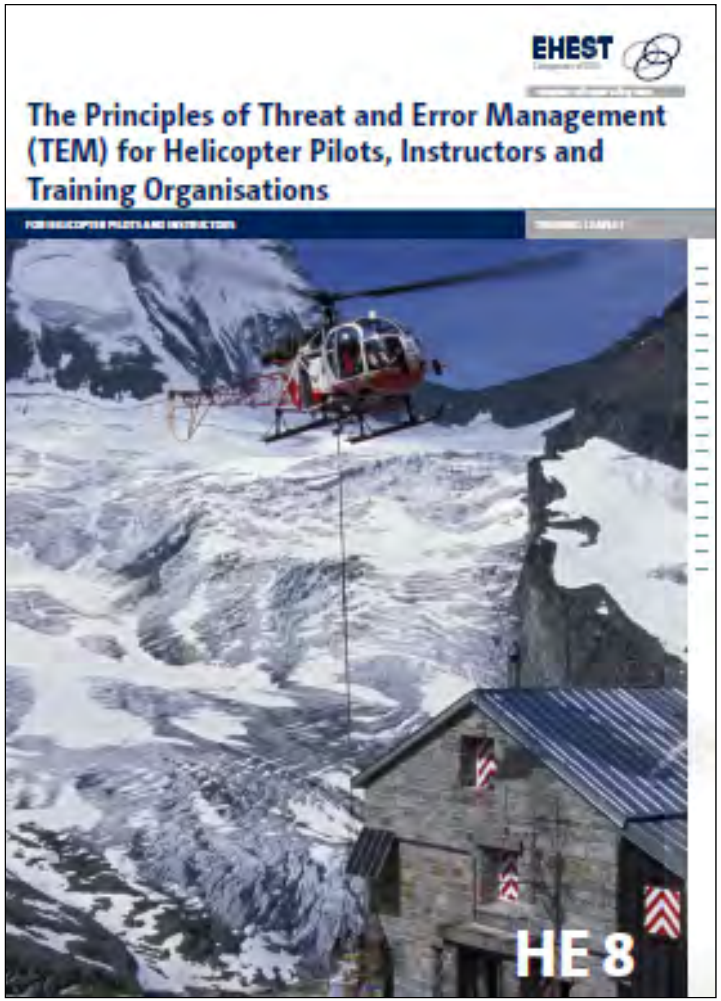
Published Aug 2015

EHEST Analysis Reports



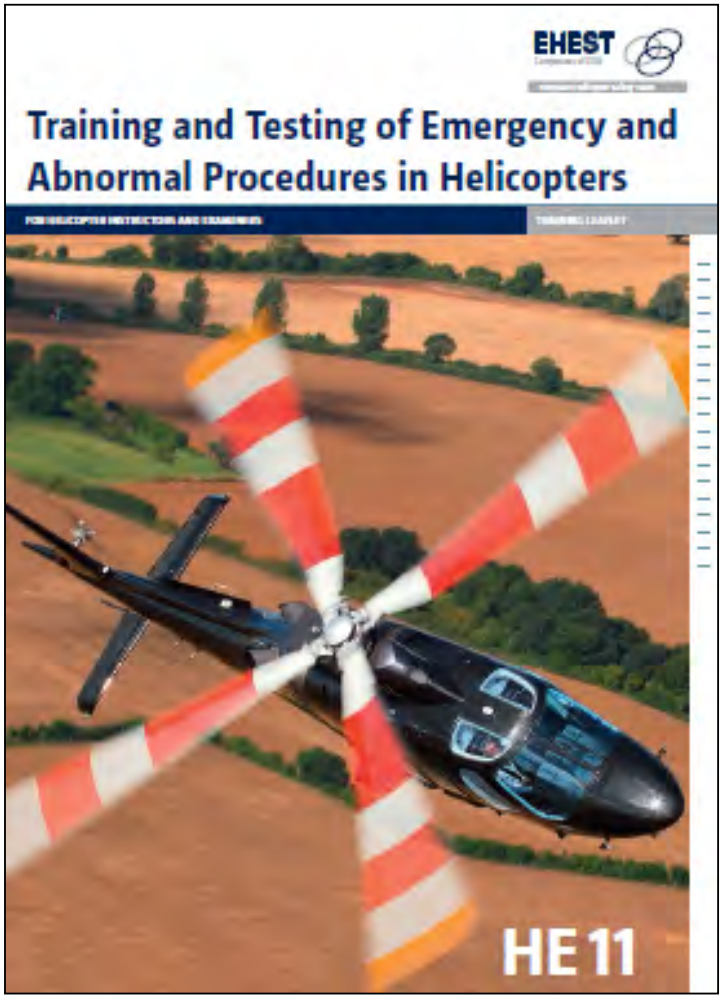
EHEST
Component of ESSI
European Helicopter Safety Team

Most Recent Leaflets

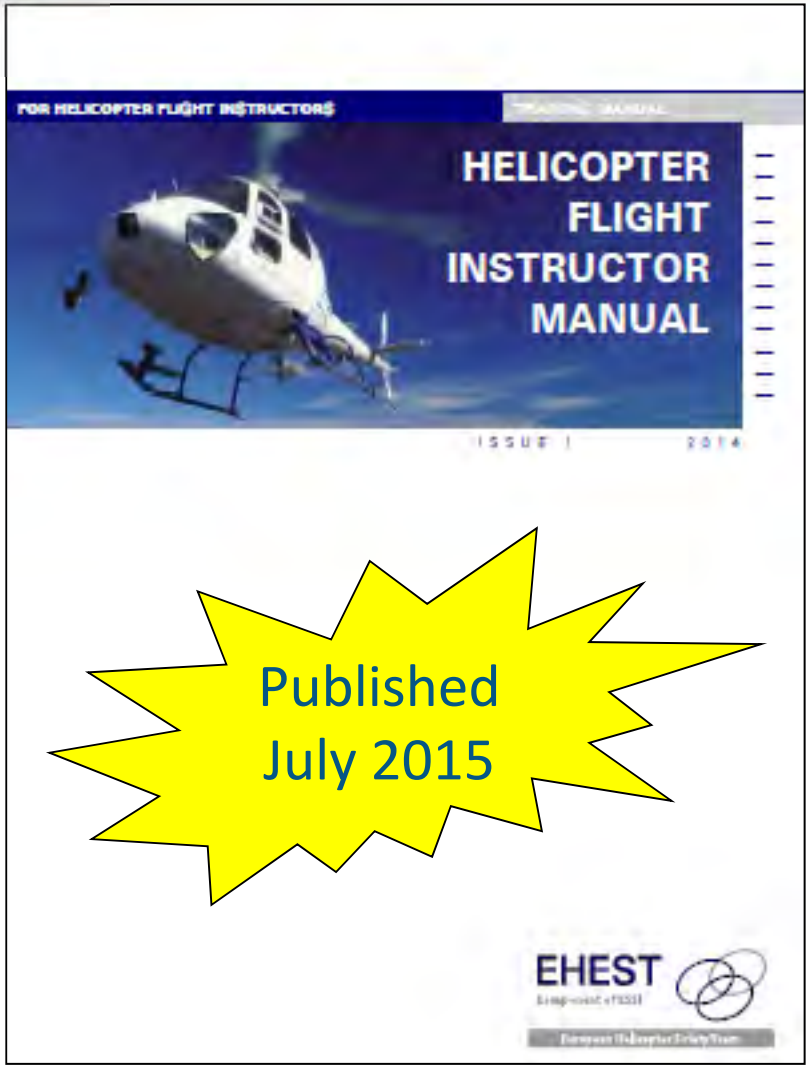


EHEST
Component of ESSI
European Helicopter Safety Team

Most Recent Leaflets



EHEST Flight Instructor Manual



Comprehensive,

138 page document

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Offshore Safety, a priority for Europe

- EASA Annual Safety Review 2014
- European Aviation Safety Plan (EPAS) 2016-2020
- EASA research study Helicopter North Sea Operations Management Current Practices Safety Review
- EASA Rulemaking Programmes 2016-2020
- UK CAA CAP 1145 Safety review of offshore public transport helicopter operations in support of the exploitation of oil and gas
- http://helioffshore.org/priorities/

Actions addressing the prevention of fatal accidents and fatalities

- Safety actions usually address both fatal and non fatal accidents

- Specific actions, which mainly concern:
  - Localisation and Flight Data Recording
  - Crashworthiness
  - Survivability

EASA Rulemaking Tasks

Not an exhaustive list:

- RMT.0271 Recorders for small aircraft
- RMT.0274 ELT installation, location and activation
- RMT.0120 Helicopter ditching and water impact occupant survivability
- RMT.0608 Helicopter gearbox lubrication

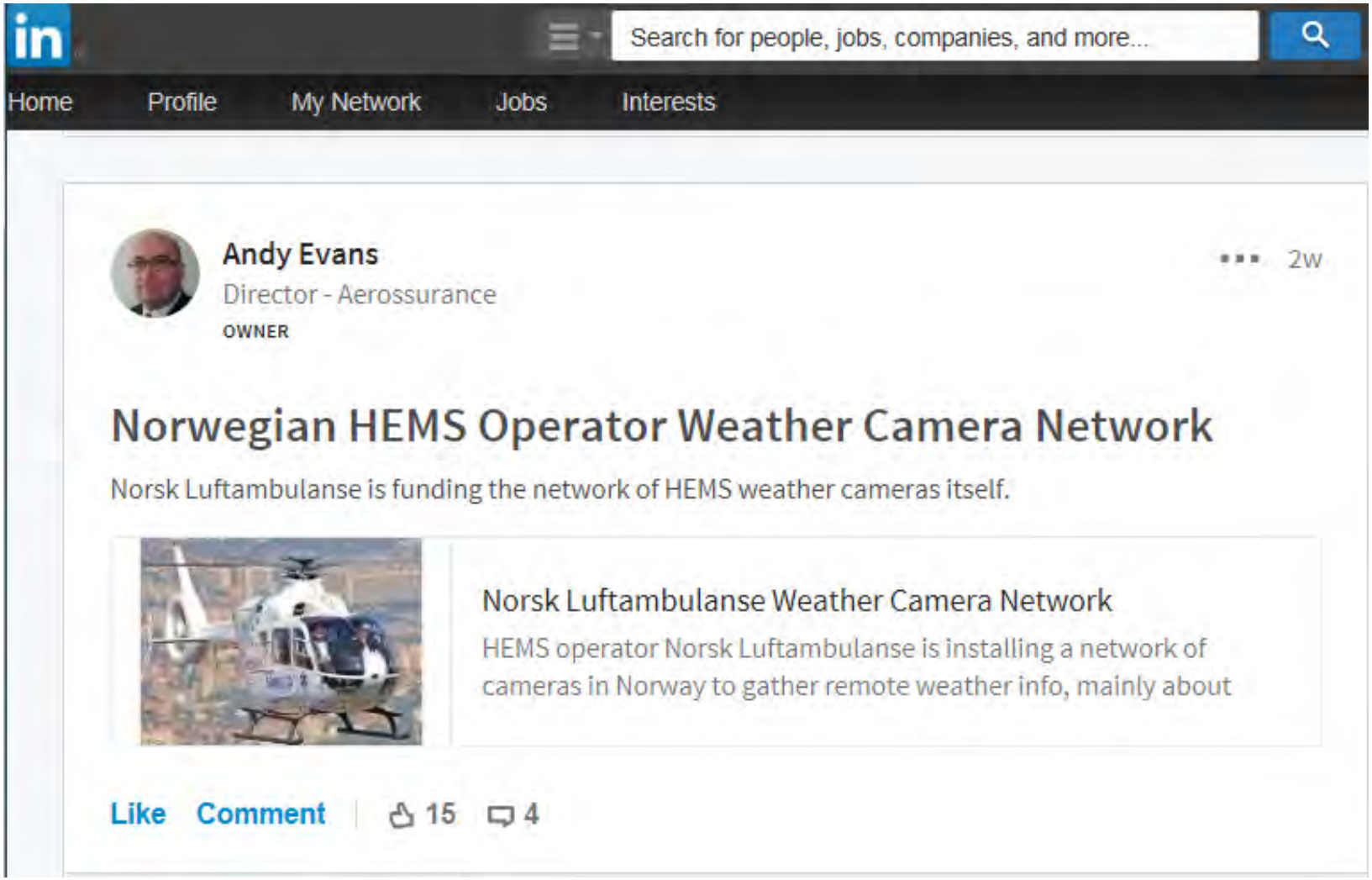
EASA Rulemaking Tasks

- RMT.0496 FTL requirements for non-commercial operations of complex motor-powered aircraft
- RMT.0318 Single-engined helicopter operations over hostile environment
- RMT.0325 HEMS performance and public interest sites

Complemented by:

- SPT.028 In cooperation with the IHST, promote safety by developing risk awareness and training material

EHEST European Helicopter Safety forum on LinkedIn



Helicopter Safety Day
Dutch example, 16 Oct 2015

NETHERLANDS AEROSPACE CENTRE | DEDICATED TO INNOVATION IN AEROSPACE

nlr Dedicated to innovation in aerospace

Uitnodiging

4e Nederlandse Helikopter Veiligheidsdag

(ON)BEMANDE HELIKOPTEROPERATIES EN VEILIGHEID IN NEDERLAND

In navolging op drie eerdere succesvolle Helikopter Veiligheidsdagen organiseert het Nederlands Lucht- en Ruimtevaartcentrum (NLR) op vrijdag 16 oktober de 4e editie. Dit jaar zal, naast bemande helikopters, aandacht worden besteed aan de zeer snel groeiende markt en operaties van Remotely Piloted Aircraft Systems (RPAS, ook wel drones genoemd). Meer specifiek zal in een interactief deel worden ingegaan op wat er gedaan wordt, en gedaan kan worden, om RPAS en bemande helikopters op een veilige manier het luchtruim in Nederland te laten delen. Daaraan voorafgaand presenteren operators van bemande helikopters en RPAS hun specifieke manier van opereren en wordt ingegaan op incidenten.

Door het organiseren van deze veiligheidsdag brengt het NLR de verschillende belanghebbenden bij elkaar om kennis en ervaringen uit te wisselen en zodoende samen de (onbemande) helikopter veiligheid te versterken. Iedereen die beroepsmatig te maken heeft met helikopters of RPAS wordt van harte uitgenodigd. Specifiek wordt gericht op de doelgroep van RPAS en helikopter operators en vliegers, piloot- en brancheverenigingen, luchtverkeersleiding en overheid.

EASA
European Aviation Safety Agency

EHEST
Component of ESSI
European Helicopter Safety Team

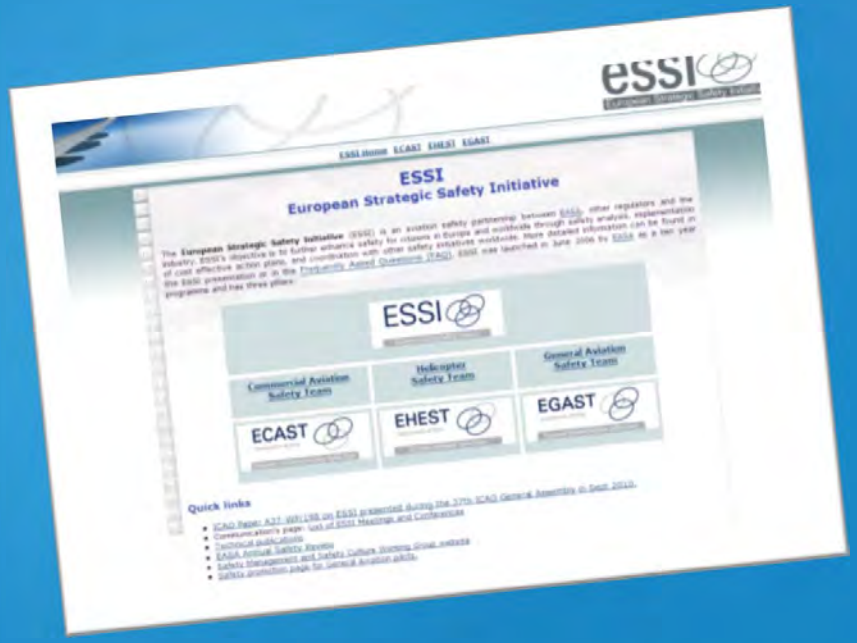
IHST
International Helicopter Safety Team

Thank you!

Questions?

www.ehest.org

www.ihst.org



Your safety is our mission.

An agency of the European Union

EHEST 2015 events

- CHC Safety & Quality Summit
- Icelandic GA Seminar
- HeliExpo AERO and Heli-Expo UK
- 37 Safety Roadshows by Airbus Helicopters with customers and authorities around the world
- AgustaWestland Oil & Gas Safety Seminar
- Bell Safety Symposium
- EHAC Symposium
- HELITECH Intl. Safety Workshop
- European Rotorcraft Forum (ERF)
- United Nations WFP 7th Global Humanitarian Aviation Conference & Exhibition
- EASA Ninth Rotorcraft Symposium

Exhibit H

Press Release

Heli-Expo 2015

Bristow Group more than triples its H175 orders and secures comprehensive support services agreement with Airbus Helicopters

- Bristow to receive 17 H175 helicopters
- Comprehensive support services agreement also is signed to secure successful operation of rotorcraft
- This is the largest major endorsement for Airbus Helicopters' new super medium-sized rotorcraft

Orlando, Florida, 4 March, 2015 – Bristow Group today raised its total firm orders for Airbus Helicopters' H175 to 17, and also signed a comprehensive support services agreement for its new seven-metric-ton-category rotorcraft.

H175 is the new name of the twin-engine EC175. Airbus Helicopters announced at the Heli-Expo 2015 helicopter industry trade show in Orlando, Florida, the renaming of its products to be aligned with the naming of Airbus products overall.

This significant H175 endorsement was formalized during a signing ceremony on the company's booth. It expands upon Bristow's initial order agreement, announced two years ago.

"I issued a challenge to the industry at Helitech a few months ago," said Jonathan Baliff, president and CEO of Bristow Group. "As Bristow purchases helicopters in larger volumes, we look to partner with aircraft manufacturers who will step up to more comprehensive airline-style purchase and support agreements. We commend Airbus Helicopters for being the first partner to proactively share risk and responsibilities and commit to work closely with Bristow throughout the entire lifecycle of aircraft ownership."

Based in Houston, Texas, Bristow is a leading provider of helicopter services to the worldwide offshore energy industry. Its current inventory of Airbus Helicopters-built rotorcraft includes the lightweight H125 (formerly the AS350), H135 (EC135) and BK117, along with the medium H155 (EC155) and heavy AS332 and H225 (EC225) Super Puma versions.

Deliveries of the H175s will be from October 2016, with these helicopters to be deployed by Bristow on oil and gas airlift duties.

"Airbus Helicopters and Bristow share a long history together, and I am very grateful to open this new chapter in our partnership. Their order underscores the H175's position as a rotorcraft of choice for oil and gas operations, which offers a cost-effective solution with excellent operational performance, passenger comfort and safety," said Airbus Helicopters President Guillaume Faury. "Additionally, the new support services agreement with Bristow further underscores our customer support focus for the highest levels of fleet serviceability, backed by the full resources of Airbus Helicopters across the globe."

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Follow us on Twitter : twitter.com/AirbusHC

Press Release

The H175 is the world's newest super-medium, twin-engine helicopter, bringing new levels of operational flexibility, performance and safety to a full range of mission applications. Since its entry into service for North Sea offshore operations only one week following the first delivery of this helicopter in December 2014, the fleet has performed more than 400 flight hours with availability rates of nearly 90 percent.

The H175 has been certified to the latest airworthiness standards, covering both the rotorcraft and the new Airbus Helicopters-developed Helionix® avionics suite – providing increased safety through reduced pilot workload, enhanced situational awareness, improved flight envelope protection and system redundancy.

The H175 is well suited to a full range of missions, including airlift duties in oil and gas operators, search and rescue, emergency medical services, public services, VIP and executive transport. Its range enables 16 passengers in an oil and gas-configured H175 to be transported up to distances of 140 naut. mi., with the range approaching 200 naut. mi. when 12 passengers are carried. Contributing to the H175's competitive edge is its recommended cruise speed of 150 kts., while the maximum cruise speed exceeds 165 kts. – all achieved at extremely low vibration levels.

About Bristow Group Inc.

Bristow Group Inc. is a leading provider of helicopter services to the worldwide offshore energy industry based on the number of aircraft operated. Through its subsidiaries, affiliates and joint ventures, the company has major transportation operations in the U.S. Gulf of Mexico and the North Sea, and in most of the other major offshore oil and gas producing regions of the world, including Australia, Brazil, Nigeria, Russia and Trinidad. For more information visit the company's website at www.bristowgroup.com.

About Airbus Helicopters

Airbus Helicopters is a division of Airbus Group, a global pioneer in aerospace and defense related services. Airbus Helicopters is the world's No. 1 helicopter manufacturer and employs more than 23,000 people worldwide. With 44 percent market share in civil and parapublic sectors, the company's fleet in service includes some 12,000 helicopters operated by more than 3,000 customers in more than 150 countries. Airbus Helicopters' international presence is marked by its 29 customer centers and participations and its worldwide network of service centers, training facilities, distributors and certified agents. Airbus Helicopters' range of civil and military helicopters is the world's largest; its aircraft account for one third of the worldwide civil and parapublic fleet. The company's chief priority is to ensure the safe operation of its aircraft for the thousands of people who fly more than 3 million hours per year.

Press Release

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Exhibit I

1 IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)
2
In Re:) Case No. 16-31854-bjh-11
3) Dallas, Texas
CHC GROUP LTD., et al.,)
4)
Debtors.) February 13, 2017
5) 9:02 a.m.
_____)
6
TRANSCRIPT OF HEARING ON:
7
[#1633] CONFIRMATION HEARING RE: AMENDED CHAPTER 11 PLAN FILED
8 BY DEBTOR CHC GROUP LTD.

9 [#1090] DEBTORS' FIFTH OMNIBUS MOTION FOR ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO REJECT CERTAIN EQUIPMENT LEASES AND
10 SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

11 [#1314] DEBTORS' SIXTH OMNIBUS MOTION FOR ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO REJECT CERTAIN EQUIPMENT LEASES AND
12 SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

13 [#1406] DEBTORS' SEVENTH OMNIBUS MOTION FOR ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO REJECT CERTAIN EQUIPMENT LEASES AND
14 SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

15 [#1477] DEBTORS' THIRD MOTION FOR ENTRY OF AN ORDER PURSUANT
TO 11 U.S.C. SECTION 1121(D) AND LOCAL RULE 3016-1 EXTENDING
16 THE EXCLUSIVE PERIOD FOR THE FILING OF A CHAPTER 11 PLAN

17 [#1479] MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT TO 11
U.S.C. SECTION 365(A) AND FED. R. BANKR. P. 6006(A) AND
18 9019(A) (I) APPROVING SETTLEMENT AGREEMENT AMONG CERTAIN
DEBTORS, CHC HELICOPTER SUPPORT SERVICES (US) INC., AND
19 SIKORSKY AIRCRAFT CORPORATION AND CERTAIN OF ITS AFFILIATES,
AND (II) AUTHORIZING DEBTORS TO ASSUME CERTAIN EXECUTORY
20 CONTRACTS WITH SIKORSKY AIRCRAFT CORPORATION AND CERTAIN OF
ITS AFFILIATES
21
[#1480] MOTION OF DEBTORS FOR ENTRY OF AN ORDER PURSUANT TO 11
22 U.S.C. SECTIONS 105(A) AND 107(B) AND FED. R. BANKR. P. 9018
AUTHORIZING THE FILING OF CERTAIN INFORMATION UNDER SEAL IN
23 CONNECTION WITH MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT
TO 11 U.S.C. SECTION 365(A) AND FED. R. BANKR. P. 6006(A) AND
24 9019(A) (I) APPROVING SETTLEMENT AGREEMENT AMONG CERTAIN
DEBTORS, CHC HELICOPTER SUPPORT SERVICES (US) INC., AND
25 SIKORSKY AIRCRAFT CORPORATION AND CERTAIN OF ITS AFFILIATES,

1 AND (II) AUTHORIZING DEBTORS TO ASSUME CERTAIN EXECUTORY
CONTRACTS WITH SIKORSKY AIRCRAFT CORPORATION AND CERTAIN OF
2 ITS AFFILIATES

3 [#1481] MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT TO 11
U.S.C. SECTION 365(A) AND FED. R. BANKR. P. 6006(A) AND
4 9019(A) (I) APPROVING SETTLEMENT AGREEMENT AMONG CERTAIN
DEBTORS AND LEONARDO S.P.A. AND (II) AUTHORIZING DEBTORS TO
5 ASSUME CERTAIN EXECUTORY CONTRACTS WITH LEONARDO S.P.A.

6 [#1482] MOTION OF DEBTORS FOR ENTRY OF AN ORDER PURSUANT TO 11
U.S.C SECTIONS 105(A) AND 107(B) AND FED. R. BANKR. P. 9018
7 AUTHORIZING THE FILING OF CERTAIN INFORMATION UNDER SEAL IN
CONNECTION WITH MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT
8 TO 11 U.S.C. SECTION 365(A) AND FED. R. BANKR. P. 6006(A) AND
9019(A) (I) APPROVING SETTLEMENT AGREEMENT AMONG CERTAIN
9 DEBTORS AND LEONARDO S.P.A., AND (II) AUTHORIZING DEBTORS TO
ASSUME CERTAIN EXECUTORY CONTRACTS WITH LEONARDO S.P.A.
10
[#1500] DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105
11 AND 363 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY
PROCEDURE 6004(H) AND 9019 AUTHORIZING THE DEBTORS TO (I)
12 ENTER INTO AND PERFORM UNDER RESTRUCTURING LEASE TERM SHEETS
WITH LOMBARD NORTH CENTRAL PLC WITH RESPECT TO AIRCRAFT WITH
13 MANUFACTURER'S SERIAL NUMBERS 31155, 920034, AND 920127 AND
(II) ENTER INTO AND PERFORM UNDER SETTLEMENT AGREEMENTS WITH
14 LOMBARD NORTH CENTRAL PLC WITH RESPECT TO AIRCRAFT WITH
MANUFACTURER'S SERIAL NUMBERS 2707 AND 760720
15
[#1531] DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105,
16 363 AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF
BANKRUPTCY PROCEDURE 6004(H), 6006 AND 9019 AUTHORIZING THE
17 DEBTORS TO (I) ENTER INTO AND PERFORM UNDER A RESTRUCTURING
LEASE TERM SHEET WITH WAYPOINT LEASING (IRELAND) LIMITED AND
18 (II) ASSUME CERTAIN UNEXPIRED LEASES AND EXECUTORY CONTRACTS
WITH WAYPOINT LEASING (IRELAND) LIMITED AND CERTAIN OF ITS
19 AFFILIATES

20 [#1536] DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105,
363, AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF
21 BANKRUPTCY PROCEDURE 6004(H), 6006, AND 9019 AUTHORIZING THE
DEBTORS TO ENTER INTO AND PERFORM UNDER THE 2017 OMNIBUS
22 RESTRUCTURE AGREEMENT WITH AIRBUS HELICOPTERS (SAS) REGARDING
CERTAIN OF THE DEBTORS' EXECUTORY CONTRACTS
23
[#1538] DEBTORS' MOTION FOR AN ORDER PURSUANT TO 11 U.S.C.
24 SECTIONS 105(A) AND 107(B) AND FED. R. BANKR. P. 9018
AUTHORIZING THE FILING OF CERTAIN INFORMATION UNDER SEAL IN
25 CONNECTION WITH THE DEBTORS' MOTION FOR AN ORDER PURSUANT TO

SECTIONS 105, 363, AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(H), 6006, AND 9019 AUTHORIZING THE DEBTORS TO ENTER INTO AND PERFORM UNDER THE 2017 OMNIBUS RESTRUCTURE AGREEMENT WITH AIRBUS HELICOPTERS (SAS) REGARDING CERTAIN OF THE DEBTORS' EXECUTORY CONTRACTS

[#1543] DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105, 362, 363 AND 364 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(H) AND 9019 AUTHORIZING THE DEBTORS TO (I) ENTER INTO AND PERFORM UNDER FRAMEWORK AGREEMENTS WITH EXPORT DEVELOPMENT CANADA, LOMBARD NORTH CENTRAL PLC, AND THE ROYAL BANK OF SCOTLAND PLC WITH RESPECT TO AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBERS 2053, 2067, 2139, 31209, 920051, 920052, AND 920097, (II) OBTAIN POST-PETITION FINANCING IN ACCORDANCE WITH THE LOAN AGREEMENTS ATTACHED TO THE FRAMEWORK AGREEMENTS, AND (III) ENTER INTO AND PERFORM UNDER SETTLEMENT AGREEMENTS WITH EXPORT DEVELOPMENT CANADA, LOMBARD NORTH CENTRAL PLC, AND THE ROYAL BANK OF SCOTLAND PLC WITH RESPECT TO AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBERS 2395, 2567, 760687, 760711, 760743 AND 760697

EXPEDITED MOTION TO EXTEND TIME TO / MOTION TO DEEM LATE FILED BALLOT AS TIMELY FILED, FILED BY CREDITOR ECN CAPITAL (AVIATION) CORP. (1626)

BEFORE THE HONORABLE BARBARA J. HOUSER
CHIEF UNITED STATES BANKRUPTCY COURT

Transcription Services: eScribers, LLC
700 West 192nd Street
Suite #607
New York, NY 10040
(973) 406-2250

PROCEEDINGS RECORDED BY ELECTRONIC SOUND RECORDING.

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1 MR. FINK: Thank you, Your Honor.
2 THE COURT: Mr. Fink, I was going to say if you now
3 tell me you have no cross.
4 MR. FINK: I might be in trouble at that point, Your
5 Honor?
6 THE COURT: No. No trouble but it would note -- I
7 would be noting some amusement. All right.
8 CROSS-EXAMINATION
9 BY MR. FINK:
10 Q. Morning, Mr. Del Genio.
11 A. Good morning.
12 Q. I'm sure you heard already, but let me introduce myself.
13 My name is Steve Fink and I'm with the Orrick, Herrington
14 firm in New York representing ECN.
15 A. Thank you.
16 Q. Sir, the plan reserves causes of action for the
17 reorganized debtors; does it not?
18 A. It does.
19 Q. And that includes claims that the debtors have, and
20 potential claims, against Airbus arising out of a helicopter
21 crash in Norway in April 2016?
22 A. Yes.
23 Q. Also includes what are sometimes referred to as Chapter 5
24 claims, preference claims, and fraudulent transfer claims?
25 A. Possibly.

1 Q. And why do you say possibly, sir?
2 A. Until they are proven, it's hard for me to say.
3 Q. Let me phrase it slightly differently than maybe the word
4 "claims." To the extent that the debtors' have Chapter 5
5 claims, those claims are riding through under the plan to the
6 reorganized debtors; isn't that right?
7 A. That is correct.
8 Q. And have you done any evaluation of the extent to which
9 the debtors, in fact, do have Chapter 5 claims?
10 A. No.
11 Q. Have you done any valuation of the extent to which the
12 debtors have claims against Airbus?
13 A. No.
14 Q. Have you been involved in conversations about claims that
15 the debtors may have against Airbus?
16 A. Yes.
17 Q. And what conversations are those?
18 A. In conversations that I've had with the company's general
19 counsel about potential claims which, obviously, are
20 confidential.
21 MR. GENENDER: And Your Honor, I'm going to assert a
22 privilege objection to that conversation and any like that,
23 and ask if the Court -- Mr. Del Genio can flag -- give the
24 conversation to both counsel so that I can have an opportunity
25 to object.

1 THE COURT: Mr. Del Genio, Mr. Genender is concerned
2 that he wants to preserve the attorney-client privilege. So,
3 before you go into the substances of any conversation, if you
4 would identify the participants of the conversation so that if
5 he has an objection he can state that objection.
6 THE WITNESS: Okay.
7 Q. Have you --
8 THE COURT: And you did fine there, because you said
9 with general counsel. So --
10 Q. Have you been involved in conversations with anybody
11 other than the debtors' general counsel about Airbus claims?
12 A. No.
13 Q. And just to make sure, you haven't been present for
14 conversations that other people have had on that topic?
15 A. No, I have not.
16 Q. Have you reviewed any writings that discuss potential
17 claims against Airbus?
18 A. No.
19 Q. And what about Chapter 5 claims? Have you discussed
20 Chapter 5 claims with anybody?
21 A. No.
22 Q. Reviewed any writings?
23 A. No.
24 Q. Been present for conversations?
25 A. No.

1 Q. And the -- and why don't we have your declaration in
2 front of you just because some of the things that I might ask
3 you about are there and it would be a shortcut.
4 Your declaration is Exhibit 3.
5 MR. GENENDER: I think there's a notebook in front of
6 the witness but it doesn't have --
7 MR. FINK: Oh.
8 MR. GENENDER: -- the markings.
9 THE COURT: That's fine.
10 MR. FINK: We can navigate that, I think. Thank you,
11 Mr. Genender.
12 Q. Sir, if you were to turn, please, to paragraph 76 of your
13 declaration?
14 A. Yes, I'm there.
15 Q. All right. On the carryover part on page 29, at the top
16 it says, "The proceeds of any such causes of action, if
17 litigated or settled will benefit the debtors and their
18 stakeholders as a whole, including their new equity owners."
19 Do you see that?
20 A. I do.
21 Q. And just to be really clear, when you say the debtors
22 there, you're talking about the reorganized debtors, correct?
23 A. That is correct.
24 Q. Have you formed any view as to what the debtors' claims
25 and potential claims against Airbus are worth?

1 A. I have not.
2 Q. Do you know the helicopter that crashed, I think, that
3 was called a Super Puma; is that right?
4 A. That is correct.
5 Q. Okay. And the debtors had, I think, fifty-six Super
6 Pumas either that they owned or leased as of the petition
7 date; is that right?
8 A. Yeah, I know it was around fifty. I don't have the exact
9 number, but yes.
10 Q. Okay.
11 A. Somewhere in that neighborhood.
12 Q. I think Mr. Fowkes has more details --
13 A. Um-hum.
14 Q. -- so, that's fine.
15 Do you have an understanding of what each one of these
16 helicopters cost?
17 A. New?
18 Q. Yes.
19 A. A new helicopter is probably around twenty million
20 dollars.
21 Q. And after the accident in Norway, that entire fleet of
22 fifty-ish Super Pumas were grounded, right?
23 A. That's correct.
24 Q. By regulators?
25 A. That's correct.

1 Q. And same question about Chapter 5 claims, do you have any
2 view as to the value of Chapter 5 claims that the debtors
3 have?
4 A. I do not.
5 Q. Okay. Take a look, for a moment, at paragraph 42 of your
6 declaration, please? Do you see, starting on the third line,
7 you talk about adequate protection dispute that involved
8 complicated questions about asset value diminution including
9 the impact of the grounding of the debtor's EC225
10 helicopter's?
11 A. Yes.
12 Q. The EC225s, that's one of two model numbers of Airbus
13 helicopters which collectively are referred to as Super Pumas,
14 right?
15 A. That's correct.
16 Q. So, what's the adequate protection dispute you're talking
17 about?
18 A. The adequate protection dispute would be as the
19 helicopters are grounded, how does that affect the value of
20 the business, respective collateral. You had to change the
21 fleet as it related to the aircraft being grounded to provide
22 to the customers, and there was an impact on that.
23 Q. And what was that impact?
24 A. It really depends on what aspect you look at, whether
25 it's the value of those aircraft, or the costs that are

1 incurred in terms of swapping out the aircraft, and the
2 additional time and effort the company had to spend to get
3 that business -- really, to service the customers there.
4 Q. Okay. So, let's take each of those. What was the value
5 of the aircraft?
6 A. Well, the aircraft, right now, I think those values are
7 challenged from what I've seen in terms of appraisals, because
8 they're not flying. So, the market's trying to determine what
9 the value is, and it can be anywhere from parts value to if
10 there's a use for those aircraft in something else besides the
11 oil and gas market, and I think that's a pretty fluid number
12 right now.
13 In terms of the impact on the company, what we said in
14 the business plan is that number from a cash standpoint was
15 about thirty-four million dollars, and its impact on -- we
16 really need a dollar in cash from the EC -- what we call the
17 EC225 impact on the company's business line.
18 Q. And you said that the value of these helicopters is
19 currently -- I don't remember the word that you
20 used -- distress but --
21 A. I said from parts value to a value that if it could be
22 used in another form except for oil and gas because they are
23 grounded for -- in most regions, now, from what I understand.
24 Q. Right. So, the current value of these helicopters is
25 less than it was prior to the crash?

1 A. Yes.
2 Q. Significantly less?
3 A. I would -- based on just appraisal information I've seen,
4 but I would caution you to say that I think that's a pretty
5 fluid market right now until people figure out how they're
6 going to use these helicopters because if they're sitting on
7 the ground they don't have a lot of value.
8 Q. And right now, they're sitting on the ground?
9 A. In most cases, yes.
10 Q. And that's because the regulatory action that was taken
11 in reaction to the crash?
12 A. That's correct.
13 Q. Later in that same paragraph, sir -- we were looking at
14 paragraph 42 -- there's a sentence that carries over, and at
15 the end of that, you talk about "the precise recoverable
16 unencumbered value at each debtor." Do you see that?
17 A. Yes.
18 Q. And what you're talking about there by unencumbered
19 value, you're talking about the value of unencumbered assets;
20 is that right?
21 A. Yes.
22 Q. And that includes these Airbus terms?
23 A. Unencumbered value? There's a big debate in terms of
24 what's encumbered and unencumbered. This plan has to resolve
25 that through a settlement. So, there's lots of different

1 asset categories that people had strong views on which, quite
2 frankly, were never really agreed to, but the settlement of
3 the plan brought them to agreement. So, I can't tell you
4 everyone in this room would agree with me if what I said was
5 encumbered and unencumbered, but I can tell you they agree
6 with the plan is correct.
7 Q. Right. So -- but as of the effective date they'll
8 proceed with a plan, right?
9 A. As of according to the plan.
10 Q. Right.
11 A. Yes.
12 Q. Right, if the plan's confirmed by then.
13 A. Yes.
14 Q. Right. Okay. The unsecured-creditors' committee filed a
15 statement in support of plan confirmation. Is that something
16 that you've seen?
17 A. Yes.
18 Q. Okay.
19 MR. FINK: Your Honor, I'd like to show the document
20 to the witness if I may --
21 THE COURT: You may.
22 MR. FINK: -- and if you'd like a copy, I've got one
23 for you.
24 THE COURT: Please.
25 THE WITNESS: Thank you.

1 THE COURT: Thank you, Mr. Fink.
2 MR. FINK: Your Honor, I don't plan to offer this
3 document into evidence. It's in the court file, and I think
4 the Court can take judicial notice of it, but I do have a
5 couple questions for the witness.
6 THE COURT: Of course.
7 MR. FINK: Let me just find my copy while I've got my
8 notes.
9 THE COURT: No problem.
10 Q. So, if you look at paragraph 7 which begins on page 3, do
11 you see that the creditors' committee statement says that
12 "Contrary to ECN's contentions, both the committee and the
13 debtors spent significant time analyzing all potential
14 unencumbered assets available through unsecured creditors,
15 including various pre-petition causes of action that can be
16 asserted by the debtors against Airbus relating to certain of
17 their aircraft, as well as the risks and costs pertaining to
18 the litigation of bringing such claims." Do you see that?
19 A. I do.
20 Q. You agree with that statement?
21 A. I do.
22 Q. Were there discussions as between the debtors and the
23 creditors' committee?
24 A. Discussions on what?
25 Q. About -- I'm sorry; I hadn't finished the

1 question -- about those unencumbered assets and in particular,
2 the Airbus claims?
3 A. I remember there were discussions between the company's
4 litigation counsel, basically, on the Airbus claims general
5 counsel talked to the Weil litigation team.
6 Weil litigation team, I believe, had conversations -- at
7 least what I was told -- had conversations with the unsecured
8 creditors, but I wasn't involved in those because they were
9 trying to maintain privilege.
10 Q. Well, to the extent -- and I'm going to go very slowly
11 and ask you to go slowly because there's going to be an
12 objection and the Court -- I don't know what the Court will
13 do --
14 A. Fine.
15 Q. -- but were you -- just yes or no -- was there a report
16 given to you on the substance of the communications that were
17 had between counsel for the debtors and counsel for the
18 creditors?
19 A. No.
20 Q. So, you have no information about the substance of those
21 conversations?
22 A. I do not.
23 Q. Okay. So, we avoided the objection.
24 You were not a party to any conversations with the
25 creditors' committee about what those claims were worth?

1 A. I was not.
2 Q. All right. We're going to move on, then, to a different
3 topic.
4 You're familiar with what sometimes is referred to as the
5 good faith requirement for plan confirmation?
6 A. Yes.
7 Q. And I'm not going to ask you about any of your opinions
8 on it; I ask the Court to exclude them, but I just use that as
9 a point of reference to what we're going to be talking about,
10 and I'm going to ask you to look at paragraph 95.
11 A. In my declaration?
12 Q. In your declaration, yes, sir. You there with me, sir?
13 A. I am.
14 Q. Okay. The first sentence talks about my clients'
15 objection, right?
16 A. That's correct.
17 Q. And in particular the fact that we've objected to what
18 you've described here as the preservation certain causes of
19 action for the reorganized debtors?
20 A. That's correct. That's what it says?
21 Q. Right? Yes. That's what it says.
22 And then the introduction to the next sentence you say
23 that "This is a component of the global, integrated settlement
24 underlying the plan," right?
25 A. Yes.

1 Q. Okay. So, that's just to orient us for what my questions
2 are.
3 If you then go to the last sentence of this paragraph,
4 you say that, "Without the settlement, particularly the waiver
5 of the senior secured notes deficiency claim, the recovery
6 available to the general unsecured claims would be
7 substantially smaller than what is provided for under the
8 plan." You see there?
9 A. Yes.
10 Q. So, was this -- was there an express condition in
11 negotiations with creditors' committee or others, we, debtors
12 are going to retain these claims; in exchange, you, creditors'
13 committee, or whoever the counterparty was is going to give us
14 something in return?
15 A. It was a fairly exhaustive negotiation on a variety of
16 points. This was one of the points that were on the table in
17 terms of claims staying in, claims staying out. So, that's
18 why I referred to it as a global resolution. I don't remember
19 this being traded for one specific point that we traded this,
20 and we received that. This was clearly one of the numerous
21 topics that were discussed during the plan negotiations.
22 Q. Do you remember any details of discussions around the
23 retention of these claims as part of those discussions?
24 A. The only thing that I -- one of the things that we did is
25 provide the liquidation value, and PJT provided the valuation.

MR. FINK: Let me ask -- Mr. Genender, is there a --
MR. GENENDER: Third folder?
MR. FINK: -- third binder?
MR. GENENDER: There is. There is.
MR. FINK: Okay, great.
MR. GENENDER: And it should be tab 3 in that binder.
THE COURT: No, 3 was --
MR. GENENDER: Tab 3.
THE WITNESS: Yep. I have it.
MR. GENENDER: Not Exhibit --
THE COURT: What debtor exhibit?
MR. FINK: 5. 5.
THE COURT: Thank you.
MR. GENENDER: He's got a different notebook, Your Honor, so.
THE COURT: Okay. But I want to refer to it by the --
MR. GENENDER: Yes.
THE COURT: -- exhibit number.
Q. You're the helicopters guy?
A. Yes, sir.
Q. All right. Great. So, on the petition date, the debtors had a fleet of fifty-six Super Pumas; is that right?
A. Technically, no.
Q. Why is that?

1 A. Super Puma is a general description of a number of airbus
2 aircraft, both military and commercial. So, the ones that are
3 covered in here are all Super Pumas, both EC225 and AS332 L2
4 starts with the Pumas. In addition to that, the company also
5 had AS332s and AS332 Ls in their fleet.
6 Q. I see. So, actually the debtors had more than fifty-six
7 Super Pumas in their fleet, but not all of them were
8 affected --
9 A. Correct.
10 Q. -- by the regulatory shutdown --
11 A. Correct.
12 Q. -- after the crash?
13 A. Correct.
14 Q. And the reason I made you do that again is you have to
15 wait until I finish talking, just so the court reporter can
16 get your answer.
17 Okay. So, focusing, then, on the EC225s and the AS332
18 L2s -- those are the two models that were affected by the
19 regulatory shutdown after the crash, correct?
20 A. Yes.
21 Q. The debtors had fifty-six of those two models in their
22 fleet as of the petition date, either that they owned or that
23 they leased, correct?
24 A. Yes.
25 Q. And both of those models were grounded by regulators

1 after the crash that occurred in Norway in April 2016?
2 A. Yes.
3 Q. Nine of those fifty-six helicopters were owned by one
4 or -- by the debtors on the petition date, right?
5 A. Yes.
6 Q. And the debtors now own five of them?
7 A. Yes.
8 Q. So, if you can turn your declaration, please, to the
9 chart that appears on page 5 of 10, that number that's in the
10 upper right-hand corner, and I don't want to spend too much
11 time on this, but I'd like you to just explain to me quickly,
12 if you would, what this chart represents by telling us what
13 each of the columns is.
14 A. Sure. It's -- the columns are aircraft type; the MSN,
15 which is the manufacturer's serial number; YOM, which is the
16 year of manufacture; a leased/own column, which describes the
17 type of financing that was on it or the fact that it was
18 owned; who the third-party lessor was; who -- which entity
19 within CHC owned it; the current status of that aircraft; and
20 the effective date of any rejection or abandonment.
21 Q. Okay. And which of these aircraft was the one that was
22 involved in the accident?
23 A. I don't know.
24 Q. Wasn't 2721 the third one here on your chart?
25 A. Oh. Hm.

1 Q. Let me show you something to try to refresh your
2 recollection.
3 MR. FINK: Excuse me one moment, Your Honor.
4 THE COURT: Of course.
5 MR. FINK: Let's see.
6 (Pause)
7 MR. FINK: May I approach both the witness and Your
8 Honor?
9 THE COURT: You may. Thank you.
10 Q. Sir, I've placed in front of you a preliminary report on
11 accident -- I'm not going to read the rest of it because I
12 can't pronounce the name of the place -- from the Accident
13 Investigation Board of Norway. Do you see that there's
14 information there about the serial number?
15 A. Yes.
16 Q. Does that refresh your recollection as to --
17 A. Yes, it does.
18 Q. -- which aircraft? And looking back at your chart, sir,
19 which aircraft was it?
20 A. It was manufacturer's serial number 2721.
21 Q. Okay. And as reflected in the chart in your declaration,
22 that was an aircraft that was on lease by Parilease SAS to CHC
23 Helicopters (Barbados) SRL, correct, sir?
24 A. Correct.
25 Q. And the pilots of the aircraft, where they CHC employees?

1 MR. GENENDER: Your Honor, I'm going to object. This
2 is outside of the scope of his declaration.
3 MR. FINK: Your Honor, I'm trying to --
4 THE COURT: It seems like it is, but --
5 MR. FINK: Yeah.
6 THE COURT: Sustained.
7 MR. FINK: I don't think it's too far. I guess I --
8 I guess I wasn't persuasive on that one.
9 THE COURT: Well, show me where in his declaration
10 that he talks about who the pilots were.
11 MR. FINK: Fair enough, Your Honor.
12 I'm not sure that it's in here, Your Honor. All
13 right, I'll move on.
14 Q. So, looking at the chart, my question to you, and I
15 apologize for having you go through a counting exercise, but
16 I'd like to know how many of these helicopters -- these airbus
17 helicopters that we're looking at were owned or leased by the
18 Barbados SRL entity as of the petition date.
19 A. I think I count twenty-seven.
20 Q. Okay. And I'll just represent for the record, because I
21 know it's hard to do this on the fly, that I counted twenty-
22 two, and that there are a few that are under a Barbados
23 Limited entity, which may be causing a little bit of
24 confusion. But your answer will stand. So --
25 THE COURT: Well, I'd like us to figure out --

MR. FINK: You want us to figure it out, Your Honor?
THE COURT: -- which one is correct. Yes, I would.
MR. FINK: But let me do this -- maybe it's quicker.
Q. Aircraft 2708, sir, is the first one on the chart. That's Barbados SRL?
A. Um-hum.
Q. 2715, also?
A. Yes.
Q. And 2721?
A. Yes.
Q. 2725?
A. Yes.
Q. 2739?
A. Yes.
Q. 2744?
A. Yes,
Q. 2745?
A. Yes.
Q. 2722?
A. Yes.
Q. 2729?
A. Yes.
Q. 2740?
A. Yes.
Q. And 2747?

1 A. Yes.
2 Q. All right. So, on this page, we have one, two, three --
3 THE COURT: Eleven.
4 MR. FINK: Thank you, Your Honor.
5 Q. Eleven on this page. On the next page, 2878?
6 A. Yes.
7 Q. 2902?
8 A. Yes.
9 Q. 2702?
10 A. Yes.
11 Q. And 2890?
12 A. Yes. I'm sorry that I counted the one above the 2 that
13 didn't have the SRL.
14 Q. Yeah, no, I had the same problem the first time I did.
15 So, all right. So, that's four on this page; do you agree?
16 A. Yes.
17 Q. Okay. On the next page, we've got 2911?
18 A. Yes.
19 Q. 2675?
20 A. Yes.
21 Q. 2395?
22 A. Yes.
23 Q. 2467?
24 A. Yes.
25 Q. That's another one, two, three four on this page; do you

1 agree?
2 A. Yes.
3 Q. And on the final page, we've got 2474?
4 A. Yes.
5 Q. 2477?
6 A. Yes.
7 Q. 2504?
8 A. Yes.
9 Q. So, that's three on that page?
10 A. Yes.
11 Q. So, we've got eleven plus four plus four plus three. And
12 you agree with me, that's twenty-two?
13 A. Yes.
14 Q. Thank you, sir. And all of the EC225s and AS332 L2s were
15 grounded in the aftermath of the accident, right?
16 A. Yes.
17 Q. And they're still not flying today?
18 A. They're still not flying an oil and gas service, yes.
19 Q. Now, sir, my client, I mentioned earlier, is ECN Capital.
20 Are you familiar with the fact that ECN Capital previously was
21 named Element Capital Corporation?
22 A. Yes.
23 Q. Element Capital Corporation was a lessor of airbus
24 helicopters to certain CHC debtors, correct?
25 A. Yes.

1 Q. And that includes, in particular, the Barbados SRL entity
2 that we've been talking about?
3 A. Yes.
4 Q. Okay. So, if you look on second page of the chart --
5 it's page 6 of 10 of your declaration -- do you see that
6 aircraft 2878 was on lease from Element Capital to Barbados
7 SRL?
8 A. Yes.
9 Q. Okay. And if you look on -- hold on one second because
10 I'm missing it here. If you look on the next page, aircraft
11 2467 --
12 A. Yes.
13 Q. -- was also on lease from Element Capital Corp. to
14 Barbados SRL?
15 A. Yes.
16 Q. And on the next page, there are three more: 2474, 2477,
17 and 2504, all of which were on lease from my client to
18 Barbados SRL, correct, sir?
19 A. Yes.
20 Q. And Barbados SRL also continues to own one EC225
21 outright, correct, sir? And if it makes things easier, if you
22 look at aircraft 2675 on page 7 of 10?
23 A. Yes.
24 THE COURT: I'm sorry. Which one?
25 MR. FINK: 2675. It's on page 7 of 10, a little more

1 than halfway down.
2 THE COURT: Okay.
3 Q. And Mr. Fowkes, what we see there is that in that second
4 to last column, that shows that as being owned?
5 A. Yes.
6 Q. Incidentally, those that were on lease from my client to
7 Barbados SRL, all of those leases were rejected, right?
8 A. Yes.
9 Q. What was the impact on the debtors at the grounding of
10 its fleet of EC225s and AS332 L2s?
11 MR. GENENDER: Your Honor, I'm going to object. Your
12 Honor, it's outside the declaration.
13 MR. FINK: I'm not sure that's right, Your Honor, but
14 please give me a moment.
15 THE COURT: Okay.
16 (Pause)
17 MR. FINK: Well, Your Honor, what I will say is that
18 in our exhibit list, I believe that we reserve the right to
19 call as witnesses anybody who was called by anybody else, and
20 so I call Mr. Fowkes for the limited purposes of these couple
21 of questions.
22 MR. GENENDER: Your Honor, it's our case and his
23 cross is limited to the direct testimony.
24 THE COURT: Well, it is, but do you want to have him
25 call --

1 MR. GENENDER: Well --
2 THE COURT: Mr. Fowkes later? Do you disagree that
3 he listed him as a witness on his exhibit list?
4 MR. GENENDER: I'd have to look at his exhibit list.
5 THE COURT: And certainly, we can do that, but it
6 seems like he's here, and if he did list him --
7 MR. GENENDER: We're talking about one question?
8 THE COURT: I don't know.
9 MR. FINK: I was going to back to the question in the
10 beginning with the two pilots, and then I'm going to ask a few
11 questions about the impact of the grounding of the fleet.
12 THE COURT: I assume you have his witness and exhibit
13 list.
14 MR. GENENDER: Objection. Relevance, number one.
15 And number two, they did not provide a witness list, I'm being
16 told. It's just an exhibit list.
17 MR. FINK: All right. That may be right, Your Honor,
18 in which case, I guess I'm done.
19 THE COURT: Seems like you are.
20 MR. FINK: Seems like I am. All right. I pass the
21 witness, Your Honor.
22 THE COURT: Very well.
23 Anyone else have questions for Mr. Fowkes?
24 Any further redirect?
25 MR. GENENDER: No, Your Honor.

Exhibit J

1 IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)
2
In Re:) Case No. 16-31854-bjh-11
3) Dallas, Texas
CHC GROUP LTD., et al.,)
4)
Debtors.) February 14, 2017
5) 9:05 a.m.
_____)
6
TRANSCRIPT OF HEARING ON:
7
[#1633] CONFIRMATION HEARING RE: AMENDED CHAPTER 11 PLAN FILED
8 BY DEBTOR CHC GROUP LTD.

9 BEFORE THE HONORABLE BARBARA J. HOUSER
CHIEF UNITED STATES BANKRUPTCY COURT
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19

20 For Secured Notes of CHC: SARAH SALANIC (TELEPHONIC)
LORIN CAPITAL MANAGEMENT
21
22
23
24
25

MR. FINK: I see all of that here, Your Honor.

THE COURT: Okay. And then, if we go to page 7 of Mr. Fowkes' declaration, we see two that were leases, again, rejected, and those were with Milestone Aviation. Top of the page.

MR. FINK: Right, I see one at the top of the page -- oh, you're right there are two there.

THE COURT: Oh, no, no. That's -- excuse me --

MR. FINK: No, that's Barbados Limited.

THE COURT: -- that's Barbados Limited.

MR. FINK: Yes, that's the same as the --

THE COURT: So we got one there.

MR. FINK: Yes.

THE COURT: We then have -- there's four on this page.

MR. FINK: We have 2675 which is currently owned.

THE COURT: And -- well, yes. So --

MR. FINK: We have 2395 which was leased from Lombard North Central PLC rejected.

THE COURT: Correct.

MR. FINK: And 2467 which was leased from my client and rejected.

THE COURT: Correct. So on this page, we have one owned helicopter.

MR. FINK: Correct.

1 THE COURT: And it's owned by Barbados SRL, right?
2 MR. FINK: Yes, Your Honor.
3 THE COURT: Okay. So that is a helicopter for which,
4 under your analysis, Barbados SRL would have product liability
5 claims against Airbus --
6 MR. FINK: Yes, Your Honor.
7 THE COURT: -- that are, I take it, identical to what
8 ECN has sued Airbus for in the lawsuit that's pending before
9 me.
10 MR. FINK: I would expect it would have the same
11 batch of claims, Your Honor.
12 THE COURT: Okay. And I don't think your hundred
13 million was as hypothetical yesterday as you said it was,
14 because Mr. Flumenbaum, I think, talked last week that for the
15 five aircraft that you have claims for it's a hundred million
16 dollars that you think your damages are.
17 MR. FINK: Your Honor, it wasn't a hypothetical
18 whether I had that number in the math in the figuring them
19 out. I can actually tell you that wasn't how I arrived at
20 that, but in any event.
21 THE COURT: Okay. Then, maybe it is just a
22 coincidence, but I think that is the number he threw out as to
23 what he thought those claims were worth. So --
24 MR. FINK: That's -- yes, well, then maybe you're
25 right.

1 THE COURT: Okay. So we agree that Barbados would
2 have product liability claims on the one owned Airbus for
3 whatever they may be worth.
4 MR. FINK: Sure.
5 THE COURT: Okay. And then if we turn to page 8 of
6 Debtor's Exhibit 5, we have --
7 MR. FINK: I see three more, Your Honor, if I
8 just -- if I may -- 2474 which is leased from my client and
9 rejected; 2477, same, leased from my client and rejected; and
10 2504 also leased from my client and rejected.
11 THE COURT: Correct. And again, the product
12 liability claim consistent with ECN's position is ECN's?
13 MR. FINK: To the extent that that's what Mr.
14 Flumenbaum said, I'm not taking issue with it, Your Honor.
15 THE COURT: Okay. Okay. So where I'm going with
16 this is the comparison -- and I have not worked out the
17 math --
18 MR. FINK: Sure.
19 THE COURT: -- but is the comparison of the aggregate
20 thirty-four million of cash loss -- the cash shortfall, but
21 let me get Mr. Del Genio's exact words -- "the business plan
22 impact from a cash -- in terms of the impact on the company,
23 what we said in the business plan is that number from a cash
24 standpoint was about thirty-four million." He went onto say,
25 "and it's impact, our EBITDAR, and cash from what we call the

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

In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS SAS, Defendant.	Adv. Pro. No. 16-3151 (BJH)

DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S
WITNESS AND EXHIBIT LIST FOR FEBRUARY 28, 2017 HEARING

COMES NOW, Defendant Airbus Helicopters, S.A.S. ("AH"), and files this, its Witness and Exhibit List in connection with Defendant Airbus Helicopters, S.A.S.'s Motion to Dismiss for

Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of *Forum Non Conveniens* [Doc. 24] scheduled for hearing on **February 28, 2017, at 9:00 A.M. (prevailing Central Time)** (the "Hearing"), and respectfully represents as follows:

WITNESS LIST

AH hereby designates the following individuals who may be called to testify as witnesses, and reserves the right to call anyone listed on any other witness list filed in connection with the Hearing:

1. Michel Gouraud (by Declaration in Support of Defendant Airbus Helicopters S.A.S.'s Motion to Dismiss pursuant to Fed. R. Civ. P. 12(b)(2) [**Doc. 26, App. at pp. 1-4**];
2. Any individual designated by any other party; and
3. Any necessary rebuttal and/or impeachment witnesses.

EXHIBIT LIST

AH hereby designates the following documents, either the originals or true and correct copies of the originals, as documents it may introduce, and AH reserves the right to use any exhibit listed on any other exhibit list filed in connection with the Hearing:

A. Declaration of Michel Gourard in Support of Defendant Airbus Helicopters S.A.S.'s Motion to Dismiss **[Doc. 26, App. at pp. 1-4]**;

B. Supplemental Letter Brief in Support of the Debtors' Chapter 11 Plan Regarding Satisfaction of the Best Interests Test (filed in *In re CHC Group Ltd., et al.*, Case No. 16-31854-bjh, USBC, NDTX) [**Doc. 1732**]

C. Any exhibits designated by any other party; and

D. Any necessary rebuttal and/or impeachment exhibits.

AH reserves the right to amend or supplement this Witness and Exhibit List at any time prior to the Hearing.

Dated: February 24, 2017.

Respectfully submitted,

HIERSCHE, HAYWARD, DRAKELEY
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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on February 24, 2017, a true and correct copy of the above and foregoing document was filed with the court via CM/ECF and served on all parties requesting electronic notification.

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In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS, S.A.S., Defendant.	Adv. Pro. No. 16-3151 (BJH)

DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S REPLY BRIEF IN SUPPORT OF MOTION TO DISMISS FOR LACK OF SUBJECT MATTER AND PERSONAL JURISDICTION, AND *FORUM NON CONVENIENS*

Introduction

Even assuming the truth of the facts asserted by Plaintiff ECN Capital (Aviation) Corp. ("ECN") in its 47 pages of briefing in opposition to Defendant Airbus Helicopters, S.A.S.'s ("AH's") Motion to Dismiss, there are no grounds for this Court to hear this adversary

proceeding as a matter of law. It is not related to the bankruptcy proceeding, and ECN concedes that it involves helicopters manufactured and sold in France to European purchasers that have never been owned or operated in the United States. ECN opposes dismissal based solely on contacts between AH and the United States that are entirely unrelated to ECN's claims, on illusory connections with the bankruptcy proceeding, and on misleading citations to cases that do not support ECN's arguments. The Court should grant AH's Motion to Dismiss.

Argument

A. "Related To" Subject Matter Jurisdiction Does Not Exist

ECN argues that its adversary proceeding could affect the rights, liabilities, claims, and/or property of the CHC Debtors and the administration of their estates because: (1) the CHC Debtors could rely on collateral estoppel in some speculative future lawsuit against AH if ECN prevails in the adversary proceeding; and (2) any recovery by Debtor in that future lawsuit could offset claims by ECN Capital and other creditors arising out of lease rejections that resulted from the 2016 Groundings.[1] [Pl.'s Second Supp. Opp. to Mot. to Dismiss ("Second Opp. Br.") at 8.] These arguments are built on assumptions that are contrary to the record, as the CHC Debtors have advised the Court that they do not intend to pursue such claims in this Court:

> Based on a careful review of the foregoing multitude of factors, including, without limitation, the limited number of remaining owned aircraft, the age of the aircraft, the fact that the debtors do not have products liability claims with respect to leased aircraft, and counsel's assessment of the potential risks associated with any remaining causes of action, the Debtors and their advisors determined in their reasonable judgment that a chapter 7 trustee likely would not purse [sic] Potential Airbus Claims in a liquidation. [Debtors' Supp. Letter, 8, No. 16-31854-bjh11, ECF No. 1732.]

[1] ECN appears to have abandoned its earlier argument made in its first opposition brief that "the outcome of ECN Capital's claims against AH could reduce the Debtors' liability to ECN Capital on its proofs of claim." [Pl.'s Opp. to Mot. to Dismiss ("First Opp. Br.") at 10.] This is not surprising since the two damages at issue are separate and distinct, with ECN seeking damages from the CHC Debtors for rejecting leases for the helicopters, and ECN seeking damages from AH for economic losses from alleged defects in the helicopters.

The CHC Debtors acknowledge that "any litigation against Airbus, which may need to proceed in France or at minimum require analysis of French law, would be hotly contested, lengthy, complicated, and expensive." [*Id.*] Moreover,

> Even if such claims [regarding the impact of the grounding on the Debtors' business] were recoverable by the Debtors . . . there is no evidence in the record to suggest that: (i) the benefit of such recovery would flow to entities where ECN is asserting an objection; or (ii) any value flowing to those entities would be unencumbered and inure to the benefit of the unsecured creditors like ECN. [*Id.* at 8-9.]

In other words, the CHC Debtors themselves see no relationship between their possible future claims against AH and the underlying bankruptcy proceeding.

Despite this, ECN attempts to bootstrap its adversary proceeding to these non-existent CHC Debtors' claims to try to manufacture "related to" jurisdiction. In doing so, ECN also mistakenly assumes that this Court would have post-confirmation jurisdiction, which requires ECN to ignore that after "a debtor's reorganization plan has been confirmed, the debtor's estate, and thus bankruptcy jurisdiction, ceases to exist, other than for matters pertaining to the implementation or execution of the plan." *Bank of La. v. Craig's Stores of Tex., Inc. (In re Craig's Stores of Tex., Inc.)*, 266 F.3d 388, 390-91 (5th Cir. 2001) (dismissing adversary proceeding because "the post-confirmation dispute at issue in this appeal has nothing to do with any obligation created by the debtor's reorganization plan.").

ECN further ignores the fact that even if there are grounds for estoppel in some future lawsuit, such arguments could be made in any court of proper jurisdiction; they need not be made in this Bankruptcy Court.[2] Nor should they be brought here, as there will be no bankruptcy estate to credit any recovery. Rather, any recovery by the reorganized debtors would flow to creditors having equity interests in the re-organized debtors per the confirmation plan. No part

[2] For collateral estoppel to even be a possibility, ECN is assuming that the CHC Debtors would bring identical claims against AH as ECN has brought, even though the circumstances of the CHC Debtors' claims, if any, would involve different facts regarding the transactions for the helicopters. *See Winters v. Diamond Shamrock Chem. Co.*, 149 F.3d 387, 391 (5th Cir. 1998) (collateral estoppel requires identical issues).

of ECN's scenario could have a conceivable effect on the plan's administration sufficient to give this Court "related to" jurisdiction.

ECN's lawsuit is about recovering damages for ECN, period. It has nothing to do with the bankruptcy proceeding, and none of the cases ECN cites find "related to" jurisdiction under such circumstances.[3] By contrast, in *Bass v. Denney (In re Bass)*, 171 F.3d 1016, 1022-23 (5th Cir. 1999), the Fifth Circuit made clear that "related to" jurisdiction does not exist where, as here, "any recovery that might result . . . would not accrue to the estate."[4] *Id.*

B. The Court Should Abstain Even if it Finds "Related To" Jurisdiction

This is not a case like *In re Residential Capital, LLC*, 515 B.R. 52, 67–68 (S.D.N.Y. 2014), cited by ECN, where the debtor's counterclaims could directly benefit the bankruptcy estate because there is no debtor in this adversary. It is more like *In re MontCrest Energy, Inc.*,

---

[3] In *Randall & Blake, Inc. v. Evans (In re Canion)*, 196 F.3d 579, 582 (5th Cir. 1999), the Court found "related to" jurisdiction over a suit brought by a judgment creditor against the debtor's relatives under which the judgment creditor sought to hold the debtor's relatives liable for the judgment against the debtor. Here, by contrast, ECN's suit against AH does not involve the CHC Debtors at all. *Kimpel v. Meyrowitz (In re Meyrowitz)*, Nos. 06-31660-BJH-11, 10-03227, 2010 Bankr. LEXIS 4853, at *17 (N.D. Tex. Dec. 20, 2010) is distinguishable because the party who initiated the adversary proceeding asserted the same claims against the debtor and non-debtors, which meant that, unlike here, recovery against the non-debtors would reduce any recovery from the debtor.

Other cases cited by ECN involved contribution or indemnification rights vis-à-vis the debtor's estate, which is also not at issue here. *Passmore v. Baylor Health Care Sys.*, 823 F.3d 292, 296 (5th Cir. 2016) (stating that if "the Passmores ultimately prevailed in their suit, on a theory of either direct negligence or vicarious liability, the defendants may have contribution or indemnity claims against [the debtor] under Texas law."); *In re WorldCom, Inc. Sec. Litig.*, 293 B.R. 308, 321 (S.D.N.Y. 2003) ("Because the effect of contribution claims on the bankruptcy estate is at the very least 'conceivable,' the NYCERS action is related to the bankruptcy"); *In re Edwards*, 100 B.R. 973, 979-981 (E.D. Tenn. 1989) (claims arose out of lender's alleged participation with debtor in concealing improper release of collateral and had potential impact on estate through claims of contribution or indemnification); *Owens-Ill., Inc. v. Rapid Am. Corp. (In re Celotex Corp.*), 124 F.3d 619, 626 (4th Cir. 1997).

Others found jurisdiction because the proceeding directly impacted the bankruptcy estate, which ECN's claims do not do. *See, e.g., In re Time Const., Inc.*, 43 F.3d 1041, 1044-1045 n.7 (6th Cir. 1995), (bankruptcy court had jurisdiction over action to vacate an arbitration award awarded to a construction company in bankruptcy proceedings because the award was the largest asset of bankruptcy estate); *In re Mission Bay Ski & Bike, Inc.*, 398 B.R. 250, 253 (Bankr. N.D. Ill. 2008) (adversary proceeding between a creditor and a guarantor of the debtor's note which would affect the amount of property available to creditors from the debtor).

[4] ECN also mischaracterizes the cases cited by AH in its Motion to Dismiss as cases "in which the bankruptcy court held that is had 'related to' subject matter jurisdiction." [First Opp. Br. at 11 n. 16 (citing *Barbee v. Colonial Healthcare Ctr., Inc.*, No. 3:03-cv-1658-N, 2004 U.S. Dist LEXIS 4868, at *8-9 (N.D. Tex. March 22, 2004) and *P.O'B. Apollo Tacoma, L.P. v. TJX Cos. v. TJX Cos.*, No. 3:02-cv-0222-H, 2002 U.S. Dist. LEXIS 18702, at *2-5 (N.D. Tex. Oct. 3, 2002)).] AH cited those cases because they affirmed holdings in favor of permissive abstention – they do not support the exercise of "related to" jurisdiction on these facts.

13-41129-DML-7, 2014 WL 6982643, at *7-8 (Bankr. N.D. Tex. Dec. 9, 2014), also cited by ECN, where the court abstained because state law issues predominated, bankruptcy jurisdiction was the sole source of federal jurisdiction, the adversary proceeding had limited connection to the bankruptcy, plaintiffs had demanded a jury trial, and the parties were non-debtors. *See also In re Fort Worth Osteopathic Hosp., Inc.*, 406 B.R. 741, 745-47 (N.D. Tex. 2009) (cited by ECN) ("Notwithstanding, indeed due in part to the very tenuous nature of, any 'related to' jurisdiction [the court] may have, the court believes that it should abstain from hearing the Adversary" because the proceeding involved a state law dispute between non-debtor parties, was only tangentially related to the bankruptcy case, and the estate had requested a jury trial).

Permissive abstention is proper under the twelve factors cited by ECN. This is a non-core proceeding, there is no estate property involved, and recovery will not affect ECN's claims against the estate or have any effect on the efficient administration of the estate (Factors 1, 6, 7). ECN concedes that it involves complex state law aviation product liability claims that are highly technical and can take years to prepare for trial, with discovery taking place in at least two foreign countries, and a lengthy jury trial – all of which pose a burden on the bankruptcy court's docket (Factors 2, 3, 9). Contrary to its assertion that AH is forum shopping, ECN selected this improper forum where "related to" bankruptcy jurisdiction is the only plausible basis for jurisdiction (Factors 5, 10). There are no bankruptcy claims to sever (Factor 8). Finally, this proceeding will end up in the district court anyway because the parties requested a jury trial (Factors 11, 12). The cases cited by ECN do not support its position on abstention, as each involved clearly distinguishable facts.[5]

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[5] *See e.g. Snider v. Sherman*, No. CV-F-03-6605 OWW, 2007 WL 1174441, at *44 (E.D. Cal. Apr. 19, 2007) ("bankruptcy law issues control the essential elements and merits" of the core proceeding); *In re Freeway Foods of Greensboro, Inc.*, 449 B.R. 860, 880 (M.D.N.C. 2011) (most of the allegations in the complaint were identical to those in another matter in the bankruptcy court and it would be more efficient for one court to resolve the matter involving both core and non-core claims); *Hutson v. Bay Harbour Mgmt., L.C.*, No. 1:06CV01037, 2007 WL 1434834, at *1 (M.D.N.C. May 11, 2007) (not discussing abstention at all).

C. ECN Has Not Met Its Burden on Personal Jurisdiction

ECN concedes that AH is not subject to general jurisdiction since AH is not at home in the United States. Yet ECN's arguments for personal jurisdiction would require this Court to exercise general jurisdiction in clear violation of the law, because none of AH's alleged United States contacts are related to ECN's lawsuit.

None of the cases ECN cites support its argument that by filing proofs of claims and participating in the CHC bankruptcy proceeding AH consented to personal jurisdiction as to ECN's unrelated adversary proceeding. ECN's cases involve claims brought by the bankruptcy debtors or estate trustees, not third parties like ECN, and have other distinguishing facts.[6] In fact, ECN has not cited, and AH has not found, any decision where a court has found that filing a proof of claim subjects a creditor to personal jurisdiction for third party claims unrelated to the proof of claim.[7] Such a finding would expose creditors to the general jurisdiction of the bankruptcy court in direct contravention of *Daimler AG v. Bauman*, 134 S. Ct. 746, 761, n.19

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[6] *Secs. Inv. Prot. Corp. v. Bernard L. Madoff Inv.*, 460 B.R. 106, 117 (S.D.N.Y. 2011) (adversary proceeding brought by debtor estate trustee, and issue was not consent to jurisdiction by filing of a proof of claim, but rather contractual forum provision); *In re Deak & Co., Inc.*, 63 B.R. 422, 433 (S.D.N.Y. 1986) (claims brought by the debtor, and defendant failed to object to jurisdiction for over a year); *Glinka v. Abraham and Rose Co. Ltd.*, 199 B.R. 484, 495-97 (Bankr. D. Vt. 1996) (claim by trustee, and the court found that the defendant had waived any jurisdiction objection by intervening in the adversary proceeding, not raising the defense and actively participating in the proceeding for two years, and the proceeding arose directly from defendant's forum contacts); *In re Schwinn Bicycle Co.*, 182 B.R. 526, 530–32 (N.D. Ill. 1995) (proof of claim subjected party to personal jurisdiction in adversary proceeding brought by the Chapter 11 plan committee that represented the estate of the debtor to recover preferential transfers – "The Committee represents the estate for limited purposes of pursuing recoverable transfers in its narrowly-defined role. As such, its preference action is properly viewed as a counterclaim to the proof of claim filed by Reynolds against the estate."); *In re Neese*, 12 B.R. 968, 971 (W.D. Va. 1981) (claim brought by trustee of debtor); *In re Quality Lease & Rental Holdings, LLC*, No. 14-60074, 2016 WL 416961, at *5 (S.D. Tex. Feb. 1, 2016) (filing proof of claim subjected creditor claim by debtor "on issues that are related to the proof of claim" – case also dealt with the issue of the availability of a jury trial, not consent to personal jurisdiction).

[7] In fact, the cases found suggest filing a proof of claim is a consent to jurisdiction in very narrow circumstances. *In re Lehman Bros. Holdings Inc.*, 544 B.R. 16, 36 (Bankr. S.D.N.Y. 2015) (filing a proof of claim represents "submission to the jurisdiction of the Court only with respect to litigation concerning the claims allowance process" and not to litigation by the debtor unrelated to that process); *In re LLS Am., LLC*, No. 09-06194-PCW11, 2012 WL 11860945, at *7 (Bankr. E.D. Wash. July 2, 2012) (adversary proceeding brought by estate trustee and noting that "The *Stern* [*v. Marshall*] opinion generally stands for the proposition that the filing of a proof of claim in bankruptcy is not a consent to personal jurisdiction over claims held by the estate which are unrelated to the bankruptcy law or unrelated to the creditor's claim against the bankruptcy estate."); *see Stern v. Marshall*, 564 U.S. 462, 462 (2011) ("The fact that Pierce filed a proof of claim in the bankruptcy proceeding did not give the Bankruptcy Court the authority to adjudicate Vickie's counterclaim . . . a state tort action that exists without regard to any bankruptcy proceeding.").

(2014) (only in an exceptional case will a defendant be deemed "at home" and subject to general jurisdiction in a place other than its principle place of business or place of incorporation). Even before *Daimler*, courts found that participation in a bankruptcy proceeding does not subject creditors to unrelated claims. *See, e.g, Gulf Ins. Co. v. The Caldor Corp.*, No. 03 CIV. 2894 (LLS), 2006 WL 1586571, *3-4 (S.D.N.Y. 2006) (filing proof of claims and participating in a bankruptcy proceeding, including seeking affirmative relief, did not subject the defendant to the court's personal jurisdiction for a declaratory relief action that arose from matters outside of the bankruptcy proceeding).

Neither *Int'l Transactions, Ltd. v. Embotelladora Agral Regionmontana SA de* CV, nor *Hess v. Bumbo Int'l Trust* are bankruptcy cases, and neither supports ECN's argument. In *Int'l Transactions,* the court found consent to jurisdiction because the defendant had affirmatively filed two separate lawsuits in the forum that were directly related to JAMS proceedings the plaintiff had filed in that forum. 277 F. Supp. 2d 654, 667–68 (N.D. Tex. 2002). In *Hess* the court found general jurisdiction based on the defendant's forum contacts, not its involvement with prior litigation, which was relevant only to the issue of burden on the defendant of litigating in the forum. 954 F. Supp. 2d 590, 593-97 (S.D. Tex. 2013). *Praetorian Specialty Ins. Co. v. Auguillard Const. Co.*, 829 F. Supp. 2d 456 (W.D. La. 2010), and *Gen. Contracting & Trading Co., LLC v. Interpole, Inc.*, 940 F.2d 20 (1st Cir. 1991), are equally irrelevant, as they involved situations where consent was found because the defendant had filed lawsuits in the same forum based on the same operative facts.[8]

ECN makes much of the undisputed fact that AH has business contacts with the United States, including attending trade shows, and that between 2011 and 2016 AH sold hundreds of

[8] ECN's statement that AH has admitted that it is subject to personal jurisdiction in the United States in *Newman v. Airbus Helicopters Inc., et al.*, No. 16-2-26710-6 SEA (Wash. Super. Ct., filed Nov. 1, 2016), ignores the fact that, unlike here, the helicopter entered and crash in the State of Washington where the lawsuit was brought.

helicopters to customers in the United States (the vast majority of which were sold to one customer – Airbus Helicopters, Inc. – an independent distributor located in Texas).[9] While such contacts might establish purposeful availment, they are completely unrelated to ECN's claim over helicopters that were never sold, owned, registered or operated in the United States. These contacts thus cannot satisfy the relatedness requirement for specific jurisdiction. *See, e.g., Prejean v. Sonatrach, Inc.*, 652 F.2d 1260, 1270 (5th Cir. 1981) (no specific jurisdiction over aircraft manufacturer despite substantial activities in forum because they were unrelated to the plaintiff's claim); *Monkton Ins. Servs. v. Ritter*, 768 F.3d 429, 423-33 ("Specific jurisdiction 'focuses on the relationship among the defendant, the forum, and the litigation.'") (quoting *Walden v. Fiore*, 134 S. Ct. 1115, 1121 (2014)).[10]

ECN argument that stream of commerce jurisdiction may be premised on the presence of *other* helicopters that AH sold to *other* customers that have flowed into the United States is directly contrary *Goodyear Dunlop Tires Ops. S.A. v. Brown*, 564 U.S. 915, 930 n. 6 (2011) ("even regularly occurring sales of a product in a State do not justify the exercise of jurisdiction over a claim unrelated to those sales"). There, the Supreme Court declined to find stream of commerce jurisdiction in North Carolina for claims arising from an allegedly defective tire that caused an injury in France based on the presence in the forum of other tires manufactured and distributed by the defendants. *Id.*; *see also Luv n' Care, Ltd. v. Insta-Mix, Inc.*, 438 F.3d 465, 473 (5th Cir. 2006), *cert. denied*, 548 U.S. 904 (2006) (cited by ECN) ("Luv n' care claims

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[9] ECN attempts to portray the fact that AH has sold helicopters to customers located in the United States as contrary to Paragraphs 5 and 9 of the Declaration of Michel Gouraud, which state that AH does not transact business or sell Super Puma helicopters in the United States. Mr. Gouraud explained that AH sells helicopters, including selling ECN's five helicopters, from its place of business in France. Id. at ¶¶ 3, 7. He did not state that AH has no customers in the United States.

[10] Such contacts also do not establish general jurisdiction. *See Martinez v. Aero Caribbean*, 764 F.3d 1062, 1069-70 (9th Cir. 2014) (finding that, after *Daimler*, sales of hundreds of millions of dollars of aircraft to purchaser in California, contracts with component suppliers in California, attendance at trade shows in California, and advertising in California was "plainly insufficient to subject [aircraft manufacturer] to general jurisdiction in California").

infringement from the same bottle that traveled through the stream of commerce from Colorado to Louisiana. This connection between the allegedly infringing product and the forum state is sufficient to confer personal jurisdiction.”).[11]

D. Dismissal on *Forum Non Conveniens* Grounds is Proper

ECN concedes that all of the evidence, including third-party witnesses, related to ECN’s claims against AH are located in Europe or Canada.[12] ECN has also not identified a single interest of the United States in expending its resources or requiring its citizens to act as jurors in this foreign dispute. ECN also does not dispute the authorities favoring dismissal cited in AH’s Motion to Dismiss, including those that have found France to be an adequate, alternative forum.

Instead, ECN makes the offensive argument that the courts of France – the United States’ oldest ally and sister democracy – would be unfair to ECN because the French government has a 10% (and declining) ownership interest in AH’s ultimate parent – but not in AH itself. [First Opp. Br. at 24.] Such arguments have been rejected before. *In re Arbitration between Monegasque De Reassurances S.A.M. v. Nak Naftogaz of Ukraine*, 311 F.3d 488, 499 (2d Cir. 2002) (“It is hardly unusual, considering the number of state-owned business entities throughout the world, for a finding of *forum non conveniens* to be made in favor of the forum of a state whose entity is a party litigant.”) (citing *Forsythe v. Saudi Arabian Airlines Corp.*, 885 F.2d 285 (5th Cir. 1989) (dismissing action against state-owned corporation in favor of Saudi Arabian forum)). Indeed, ECN says nothing about the fact that the Court *In re Air Crash over the Mid-*

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[11] The cases ECN cites confirm that stream of commerce jurisdiction is premised on the specific product at issue being located in the forum. *Verde v. Stoneridge, Inc., et al.*, No. 6:14CV157, 2015 WL 1384373, at *1, 5 (E.D. Tex. March 23, 2015) (defendant’s spring traveled through the stream of commerce and injured plaintiff in Texas – “It is not unfair or unjust to require the manufacturer of a good that is knowingly delivered to a specific state to respond to a lawsuit arising out of defects in the good *in that state*.” (emphasis added)); *Bean Dredging Corp. v. Dredge Tech. Corp.*, 744 F.2d 1081, 1084 (5th Cir. 1984) (“it is not unreasonable to subject [defendant] to suit in one of those States if its allegedly defective merchandise has there been the source of injury to its owners or others.”) (quoting *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 297-98 (1980)).

[12] ECN points out that the FAA’s office in Fort Worth issued an Airworthiness Directive (“AD”) that grounding United States registered Super Puma helicopters following the accident in Norway, but ignores the fact that none of ECN’s aircraft are registered in the United States and thus are not subject to the FAA’s jurisdiction or its AD.

Atlantic on June 1, 2009, 760 F. Supp. 2d 832, 847-848 (N.D. Cal. 2010), dismissed claims brought against Air France and Airbus in favor of litigation in both defendants' home forum of France.[13]

Plaintiff's reliance on *Magnolia Ocean Shipping Corp. v. M/V Marco Azul* is misplaced, as that case involved admiralty jurisdiction, where (unlike in diversity cases) United States courts have jurisdiction over suits between foreigners, and the proceedings had reached an advanced stage, with depositions and extensive hearings having occurred. 1981 A.M.C. 2071, 2075 (E.D. Va. July 2, 1981). Thus, the court found that the "equities of preserving jurisdiction . . . greatly outweigh any relatively minor inconveniences to this Court or any of the parties involved." *Id.* at 2077. This case presents the exact opposite situation, where the inconveniences to the litigants, this Court and its jurors greatly outweigh the retention of tenuous "related to" bankruptcy jurisdiction. The other cases ECN relies upon to argue against dismissal on *forum non conveniens* grounds involved very different circumstances.[14]

Conclusion

ECN's lawsuit has nothing to do with the United States, the bankruptcy proceeding or any contacts between AH and the United States. AH's Motion to Dismiss should be granted.

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[13] As of 2015, the government of France reportedly owned roughly 17% of Air France – KLM. *See* https://en.wikipedia.org/wiki/Air_France%E2%80%93KLM#Ownership.

[14] *Tempur-Pedic Int'l, Inc. v. Go Satellite Inc.*, 758 F. Supp. 2d 366, 381–82 (N.D. Tex. 2010), involved claims brought by American plaintiffs under United States trademark, Lanham Act and Texas state law, where the court found that the United States had an interest in "protecting its federally recognized trademarks and protecting United States consumers from infringing products . . . [because] [t]he complained-of injury to plaintiffs' trade reputation occurred entirely in the United States." Similarly, in *Snaza v. Howard Johnson Franchise Sys., Inc.*, No. 3:07-CV-0495-O, 2008 WL 5383155, at *13 (N.D. Tex. Dec. 24, 2008), the Court found that the magistrate judge had not given due deference to the United States citizen plaintiffs' choice of forum, and found that sources of proof and witnesses would be easier to access if the case remained in the United States because some of the defendants were also located in the United States. This case is more like *Alpine View Co. Ltd. v. Atlas Copco AB*, 205 F.3d 208, 221 (5th Cir. 2000), also cited by ECN, where the court found no abuse discretion when the lower court dismissed claims against the United States subsidiaries of a Swedish parent in part because merits based evidence was located outside the United States. It is unclear why ECN cites to *In re Bernard L. Madoff Inv. Secs. LLC*, 418 B.R. 75, 82 (Bankr. S.D.N.Y. 2009), as that case did not involve *forum non conveniens*.

Dated: February 25, 2017.

Respectfully submitted,

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS, S.A.S., Defendant.	Adv. Pro. No. 16-3151 (BJH)

DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S SUPPLEMENTAL (CORRECTIVE) REPLY BRIEF IN SUPPORT OF MOTION TO DISMISS FOR LACK OF SUBJECT MATTER AND PERSONAL JURISDICTION, AND *FORUM NON CONVENIENS*

TO THE HONORABLE BARBARA J. HOUSER,
CHIEF UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, Defendant Airbus Helicopters, S.A.S. ("AH"), and files this, its Supplemental (Corrective) Reply Brief in Support of Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of *Forum Non Conveniens* and, in support thereof, would respectfully show the Court as follows:

In footnote 6 of Defendant Airbus Helicopters, S.A.S.'s Reply Brief in Support of Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and *Forum Non Conveniens* [Doc. No. 81], AH addresses *Secs. Inv. Prot. Corp. v. Bernard L. Madoff Inv.*, 460 B.R. 106 (S.D.N.Y. 2011), which had been cited by ECN in opposition to AH's Motion to Dismiss. AH noted in its reply brief that case specific jurisdiction in that case was found not based on consent, but on a minimum contacts specific jurisdiction analysis in which the Court found that the fact that the defendant had entered into a contract containing a forum selection clause was significant to the analysis. In fact, the clause was a New York choice of law provision, not a forum selection provision. *Id.* at 117-18. This does not affect the fact that the Court found that the trustee's claim to block the preferential transfer was related to the contract because the funds at issue were subject to the contract, thus giving the defendant reason to expect claims related to the funds to be adjudicated in New York. Participation in the bankruptcy was a secondary consideration in finding jurisdiction.

Dated: February 27, 2017.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on February 25, 2017, a true and correct copy of the Defendant Airbus Helicopters, S.A.S.'s Reply Brief in Support of Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and *Forum Non Conveniens* was filed with the court via CM/ECF and served on all parties requesting electronic notification.

I, the undersigned, hereby certify that on February 27, 2017, a true and correct copy of the above and foregoing document was filed with the court via CM/ECF and served on all parties requesting electronic notification.

/s/ Jason M. Katz
Jason M. Katz

1 IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)
2
In Re:) Case No. 16-31854-bjh
3) Dallas, Texas
CHC GROUP LTD., et al.,)
4)
Debtor.) February 28, 2017
5) 9:49 AM
----------)
6 ECN CAPITAL (AVIATION) CORP.,) Adv. Proc. 16-03151-bjh
)
7 Plaintiff,)
v.)
8)
AIRBUS HELICOPTERS (SAS),)
9)
Defendant.)
10 ----------)

11 TRANSCRIPT OF HEARING ON

12 MOTION TO DISMISS ADVERSARY PROCEEDING FOR LACK OF SUBJECT
MATTER AND PERSONAL JURISDICTION AND ON THE GROUNDS OF FORUM
13 NON CONVENIENS FILED BY DEFENDANT AIRBUS HELICOPTERS (SAS)
(24)
14
BEFORE THE HONORABLE BARBARA J. HOUSER
15
UNITED STATES BANKRUPTCY COURT
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THE COURT: right. When the parties are ready, I'll take appearances here in the court room.

MR. STRAIN: I guess I'll go ahead.

THE COURT: No problem. Please.

MR. STRAIN: Good morning, Your Honor. Eric Strain from Nixon Peabody in New York. I'm here with Jason Katz of the Hiersche firm here locally. With me today also is Joseph Ortego from Nixon Peabody in New York, my partner, and Natalie Sears of Mr. Katz firm.

THE COURT: Excellent.

MR. STRAIN: Thank you.

THE COURT: Thank you very much.

MR. STRAIN: Your Honor, one other point.

THE COURT: Please.

MR. STRAIN: Mr. Katz and I proposed to split up argument; I'll be handling personal jurisdiction and forum non conveniens; he'll be handling subject matter jurisdiction and abstention.

THE COURT: Okay, excellent.

MR. FLUMENBAUM: Good morning, Your Honor. Marty Flumenbaum; Paul, Weiss, Rifkind, Wharton & Garrison, for ECN. With me is my colleague, Pietro Signoracci, and George Barber has already introduced himself --

THE COURT: Indeed.

MR. FLUMENBAUM: -- as our local counsel.

1 THE COURT: Excellent. Thank you.
2 Is it the least bit helpful to the parties if I tell
3 you what I'm thinking about the motions that are before me and
4 give you something to shoot at?
5 MR. STRAIN: Very much so.
6 THE COURT: All right. It's good news and bad news
7 for both of you. My tentative thinking is that I have subject
8 matter jurisdiction. I believe that there is a sufficient
9 connection, given the very broad test for related-to
10 jurisdiction, conceivable effect upon the estate being
11 administered in bankruptcy.
12 I think that potential collateral estoppel effect of
13 findings, with respect to the product liability claims, at
14 least as it relates to the debtor-owned helicopters, and as
15 was pointed out by ECN's counsel, the confirmation hearing
16 record -- and again, I'm assuming what everyone argued about
17 in the briefs will actually become part of this evidentiary
18 record somehow today, and I probably should have waited for
19 you to do that.
20 But, in any event, it's clear that the debtor does
21 still own certain of these Super Pumas; and I think that the
22 collateral estoppel effect of the litigation between ECN and
23 Airbus could resolve certain issues that the debtors would
24 then be bound for, either good news or bad news for the
25 debtor.

1 If ECN wins, presumably, the debtor would seek to use
2 collateral estoppel effect in its favor. No doubt, if Airbus
3 wins on the product liability claims, Airbus would attempt to
4 do the same. That is unquestionably a conceivable effect upon
5 the estate being administered in bankruptcy.
6 I don't really buy the second potential conceivable
7 effect because it's just really vaguely referenced in the
8 paper, and that was sort of a somehow there could be a effect
9 upon the ECN claim here; that one either needs to be better
10 explained.
11 But at least, at the moment, that vague comment that
12 was mentioned briefly at the hearing on the withdrawal of
13 reference, is not terribly persuasive to me; I'm not seeing
14 that effect. But I do see how collateral estoppel could
15 either help the debtor or hurt the debtor later, and I think
16 that is a conceivable effect upon the estate because of the
17 fact that the debtor has, I think, four or five of these same
18 helicopters that were owned -- that are -- remain owned by the
19 debtor, for which they would have these product liability
20 claims.
21 So my tentative view is that I likely have subject
22 matter jurisdiction over the adversary proceeding, because
23 there is a conceivable effect. But at best, it is related-to
24 jurisdiction; and, of course, no one has argued to the
25 contrary. ECN asserted that it was related-to, and obviously

1 Airbus didn't think I had subject matter jurisdiction, but my
2 inclination is to think that I do.
3 I am struggling, though, with personal jurisdiction.
4 I've read everything everybody submitted pretty carefully.
5 And there is a two-pronged test, and there may be sufficient
6 context to satisfy the first prong of specific jurisdiction.
7 But the close nexus second prong, I am unpersuaded exists. It
8 appears to me that ECN's arguments have heavily focused on the
9 first prong of personal jurisdiction. And again, we're not
10 talking about general jurisdiction; we're talking about
11 specific, I think. I don't think -- I think it unlikely that
12 ECN could show general personal jurisdiction.
13 So I think we're focused on specific personal
14 jurisdiction, which is a two-pronged test. Perhaps the first
15 prong is satisfied; I am unpersuaded that the second prong can
16 be established.
17 Abstention: even assuming that I become persuaded
18 about personal jurisdiction, I am inclined to abstain. I
19 don't see a reason for this Court, and of course when I say
20 this Court, I'm really talking about my good friends upstairs,
21 since I would not be permitted to try this case in any event;
22 the parties have not consented to me trying this case.
23 And, in fact, we had the motion to withdraw the
24 reference to the district court, pending that my report and
25 recommendation has not been submitted, because I wanted to

1 hear this first, and then basically submit a report and
2 recommendation on the withdrawal of reference and the motion
3 to dismiss simultaneously.
4 There's eleven factors for permissive abstention,
5 which is, of course, what this would be. And at least, from
6 my perspective, most all of those factors weigh in favor of
7 abstention. The effect, or lack thereof, on the efficient
8 administration of the estate, if the Court decides to remand
9 or abstain, there's no effect on the efficient administration
10 of this estate if I abstain. The debtor is hoping to obtain
11 confirmation of a plan; the debtor hopes to emerge from
12 bankruptcy expeditiously. And this litigation just isn't
13 going to have any effect on that at all.
14 The debtor is retaining its claims against Airbus
15 under the plan; if that plan is confirmed, those claims will
16 be adjudicated between the debtor and Airbus later, if the
17 debtor so chooses; and by debtor, I mean reorganized debtor,
18 assuming the plan is confirmed. But it is clear to me that
19 the debtor has no intention of attempting to prosecute those
20 claims here, in this Court, or any time soon.
21 So it appears to me that there is no effect on the
22 administration of the estate; and therefore, that factor
23 weighs in favor of abstention.
24 The extent to which state law issues predominate over
25 bankruptcy issues, I think we can all agree there is not a

1 single bankruptcy issue in sight in this adversary proceeding.
2 So we either have state law issues or foreign law issues
3 between the parties. So, again, that weighs in favor of
4 abstention, given that the basis for jurisdiction is related-
5 to jurisdiction.
6 The difficult or unsettled nature of applicable law,
7 to be honest, I think this one weighs in favor of abstention,
8 but only slightly; and it's a little hard for me to know. But
9 obviously, we have products liability issues, the extent to
10 which those are unsettled at this point, under the law, is
11 unclear to me; the lawsuit is in its infancy.
12 But to the extent foreign law applies, again, that
13 will at least be novel, not necessarily difficult; and
14 certainly, I don't think either I or my colleagues on the
15 fifteenth floor are incapable of understanding difficult
16 issues; trust me. But, I do think that, at this point, that
17 is either neutral or slightly in favor of abstention.
18 Four, the presence of a related proceeding commenced
19 in state court or other non-bankruptcy proceeding; that simply
20 doesn't apply; there is no other proceeding pending anywhere.
21 Five, the jurisdictional basis, if any, other than
22 1334, at least there is no other jurisdictional basis alleged,
23 except perhaps, supplemental jurisdiction, which doesn't
24 really work in the Fifth Circuit.
25 So I believe this is a lawsuit that is brought in the

1 Northern District of Texas on the basis of related-to
2 jurisdiction. So that would weigh in favor of abstention,
3 because if it's only here, as a result of the bankruptcy case
4 of CHC, and it has really no effect upon the efficient
5 administration of the estate, the Court sees no reason why
6 there would be a need to retain this and decide this here.
7 The degree of relatedness or remoteness of the
8 proceeding to the main bankruptcy case, similar to the
9 analysis of factor one, this is pretty remote to the main
10 bankruptcy case; ECN has not asserted these claims. It's my
11 impression from what the debtor has advised previously that it
12 is in discussions with Airbus, with respect to these claims,
13 and other Airbus issues that affect the business of the
14 debtors.
15 But again, from the Court's perspective, it appears
16 that these Airbus claims are the tail wagging the bankruptcy
17 dog, from CHC's perspective. It did not file the bankruptcy
18 to address these claims; it filed the bankruptcy for business
19 reasons. It obviously had a debt load that it was unable to
20 manage. And under the plan, much of that debt will be
21 converted to equity assuming that the plan is confirmed.
22 So it appears to me that this lawsuit has very little
23 direct impact upon the estate, other than the potential
24 collateral estoppel effect of rulings that may be made, with
25 respect to the debtor's owned aircraft and product liability

1 claims, similar to those that ECN has asserted against Airbus
2 here, are ultimately asserted by the debtors.
3 Number seven, the substance rather than the form of
4 an asserted core proceeding; there is no asserted core
5 proceeding. So that factor simply doesn't apply.
6 The feasibility of severing state law claims from
7 core bankruptcy matters to allow judgments to be entered in
8 state court, with enforcement left to the bankruptcy court;
9 again, that factor really doesn't apply, because there is no
10 core matter asserted here; so there's nothing to sever. These
11 are all non-bankruptcy law claims. And from this Court's
12 perspective, they probably can be better adjudicated
13 elsewhere.
14 The burden on the Court's docket, I will tell you
15 that the district court docket here is difficult at the
16 moment, as I understand it; we are shorthanded in the Northern
17 District of Texas at the district court level. There are
18 several vacancies that have not been filled.
19 And, as I understand it, from my district judge
20 colleagues, their docket is really quite busy. I'm not going
21 to say that this case would break the back of the district
22 court, by any means. But I do think, from what I understand,
23 that given the judge vacancies that have not been filled, my
24 colleagues are feeling the stress of their existing docket.
25 And adding to it, unless there's a good reason to, is

1 certainly not something that I think is necessarily
2 appropriate.
3 The likelihood that the commencement of the
4 proceeding in the bankruptcy court involves forum shopping by
5 one of the parties, I'm always a little hesitant to find forum
6 shopping, so I won't do it here. But I do think that
7 there -- the plaintiff may be finding a forum that it thought
8 would be helpful to it.
9 But again, I'm not prepared to base my ruling on a
10 finding of forum shopping; there is simply not enough evidence
11 in the record. But the case has such little direct relevance
12 to this bankruptcy case that it appears to me that there might
13 be some forum shopping going on.
14 Number eleven, last but not least, the existence of a
15 right to jury trial. Obviously, there are jury trial rights
16 here; they've been demanded. And I can't conduct a jury trial
17 without consent. And frankly, I don't even have consent for
18 me entering a final judgment without a jury. And the
19 existence of the jury trial right was at least a basis for the
20 request for withdrawal of the reference. So that factor would
21 appear to weigh in favor of permissive abstention.
22 So as I tally the scorecard -- and again, these are
23 all tentative rulings subject to you all telling me that I've
24 got it wrong -- it seems like they either don't apply, or they
25 weigh in favor of me abstaining. And when I say me, I will

1 tell you, here's my view of whether it's me abstaining or it's
2 me recommending to a district judge that he or she abstain. I
3 think it's the latter.
4 I think that I must make a recommendation, issue
5 proposed findings and conclusions to the district court;
6 that's because I do have subject matter jurisdiction, in my
7 view. But that subject matter jurisdiction is only related
8 to, the parties have not consented, and thus I cannot enter a
9 final order disposing of the matter.
10 So the better part of valor would be to send it up to
11 the district court, who can have the opportunity to review
12 proposed findings and conclusions; and we'll see what the
13 district court thinks on the basis of that.
14 So to recap -- and I'm not going to go through forum
15 non conveniens, I've taken up enough time right now -- but the
16 bottom line is is I think I probably do have related-to
17 subject matter jurisdiction; I'm concerned that there is no
18 personal jurisdiction over Airbus here, focusing mostly on
19 factor two.
20 And even assuming that I do have personal
21 jurisdiction over Airbus, my analysis of the abstention factor
22 strongly suggests to me that I should abstain and let the
23 parties go litigate this issue, in whatever court of competent
24 jurisdiction exists.
25 So those are my tentative thoughts. So tell me what

I have misanalysed, in whatever order you wish to proceed.

Obviously, Airbus probably goes first, since it's your motion to dismiss.

MR. STRAIN: Thank you, Your Honor. I'll address the personal jurisdiction issue, since that seems to be a source of --

Your Honor, I'm going to offer you the -- one second.

The defendant's exhibits in (indiscernible).

THE COURT: Please.

MR. FLUMENBAUM: Your Honor, with respect to defendant's exhibits, we object to the entry of the letter, dated February 10th of --

THE COURT: Which exhibit is that?

MR. FLUMENBAUM: I believe it's Exhibit 2 or B.

THE COURT: All right.

MR. FLUMENBAUM: That letter is not based on the record in this case; Your Honor has already commented on that. I think Airbus has made it the centerpiece of their reply brief. They quoted the specific paragraph, which Your Honor, I believe, said in open court yesterday was well beyond the record, and that there was no support for that.

THE COURT: Well, let's be clear, what statement?

MR. FLUMENBAUM: It was on page two of their reply brief, they quoted from a February 10th letter from Weil Gotshal that --

1 THE COURT: Okay, but I'm looking at the letter. So,
2 what --
3 MR. FLUMENBAUM: Oh, I'm sorry.
4 THE COURT: No, and that's fine, I didn't make myself
5 clear. So if you could look with the letter --
6 MR. FLUMENBAUM: I --
7 THE COURT: -- what are we concerned about?
8 MR. FLUMENBAUM: There -- the letter that was
9 submitted, this one had to do with -- the letter brief was in
10 response to Your Honor's suggestion --
11 THE COURT: Right.
12 MR. FLUMENBAUM: -- on the issue of the best
13 interest --
14 THE COURT: Um-hum.
15 MR. FLUMENBAUM: -- standard. And they made
16 statements and claims in this letter that were not supported
17 by the record, and that's why we were at a point --
18 THE COURT: Okay, but which one -- what statements
19 are you objecting? Because obviously, the letter is a letter
20 brief that was addressed to the Court, that I believe is --
21 MR. FLUMENBAUM: Well --
22 THE COURT: -- and the top of it suggests, it was
23 filed with the Court.
24 So --
25 MR. FLUMENBAUM: I believe it's hearsay, page eight,

1 in particular, based on a careful review, I believe this is
2 what they cited in their reply brief. Page eight, starting
3 with "based on a careful review," the next paragraph, and the
4 paragraph after that, I think going up to the top of page
5 nine.
6 THE COURT: And your objection is what?
7 MR. FLUMENBAUM: Hearsay and no record to support it.
8 These were statements that were essentially gratuitous, based
9 on the record that Your Honor had developed in the
10 confirmation hearing.
11 THE COURT: Response?
12 MR. STRAIN: Yeah, I think that the response is we
13 haven't actually offered this into evidence; we put it in the
14 court's notebook to take judicial notice of something that's
15 been filed with the Court. It also reflects statements that,
16 I believe, were made during the February 6th hearing by
17 debtor's counsel, at some point, about the nature of their
18 claims.
19 But the point of including this really is the subject
20 matter jurisdiction argument, which Mr. Katz can address, the
21 substance of the purpose of including this. But we haven't
22 actually offered this into evidence. We'd like the Court to
23 take judicial notice of the letter that's been filed.
24 THE COURT: Well, but what's the -- I mean again, you
25 can't avoid the hearsay problem, or the outside the scope of

1 the evidentiary record, that was made at confirmation, by me
2 taking judicial notice of it.
3 MR. STRAIN: I agree, Your Honor. And so
4 the -- that's why we're not offering this into evidence; we've
5 included it as part of our argument. If the Court cannot
6 consider it, we understand that. But we thought since it was
7 presented to the Court, and it did express the debtor's
8 position, with regards to whether it would move forward with
9 claims in the bankruptcy court, we thought it was useful.
10 THE COURT: Well, but the debtor, Mr. Youngman spoke
11 at the last hearing --
12 MR. STRAIN: Yes.
13 THE COURT: -- so I know the debtor's view of this.
14 MR. STRAIN: Yes.
15 THE COURT: Well, he's not offered it, so you can
16 object to any offers --
17 MR. FLUMENBAUM: I thought when I handed you the
18 notebook, he was --
19 THE COURT: As did I.
20 MR. FLUMENBAUM: -- he was offering it.
21 THE COURT: So.
22 MR. FLUMENBAUM: And I want to point out that in
23 Exhibit A, Mr. Genereux's affidavit, Genereux's affidavit,
24 there are two paragraphs that, I believe, Mr. Strain has
25 acknowledged are not accurate, so, which would be paragraph

1 five and paragraph nine of that affidavit.
2 So to the extent that he asked the Court to rely on
3 that, I think the Court should not.
4 MR. STRAIN: Well, I disagree that I disagree with my
5 own client's affidavit. And we can address those few points,
6 as we go through the personal jurisdiction argument, if they
7 are of concern. But the points of these paragraphs --
8 THE COURT: Which paragraphs? I'm sorry.
9 MR. STRAIN: These are paragraphs five, and really
10 what they say, paragraph five and nine of Mr. Genereux's
11 affidavit, the declaration regarding Airbus Helicopter's never
12 moving its offices to the United States, and not being
13 licensed to do business and transacting business in the United
14 States, which I think is the controversial portion of it.
15 And paragraph nine, not selling Super Puma
16 helicopters in the United States.
17 THE COURT: And I take it AH is SAS, Airbus
18 Helicopters, SAS; I see that on the first page.
19 MR. STRAIN: Yes.
20 THE COURT: Okay.
21 MR. STRAIN: And the position we've taken, and this
22 was raised in the opposite seconds, supplemental opposition,
23 and pointed out in our reply brief, our client, AH, does not
24 sell -- doesn't transact his business in the United States; it
25 transacts its business in France. There's no controversy that

1 Airbus Helicopters has customers located in the United States.
2 But when it sells its helicopters, as this declaration points
3 out, it does so from its place of business in France, pursuant
4 to purchase agreements that call for the transaction to occur
5 in France.
6 So, yes, Airbus Helicopters has customers in the
7 United States, there's no dispute as to that; it's where the
8 transactions occur; and those transactions occur in France.
9 So that's why it says "Airbus Helicopters does not transact
10 its business in the United States or sell Super Puma
11 Helicopters in the United States."
12 MR. FLUMENBAUM: Your Honor, as we pointed out in the
13 discovery, that we received from Airbus, and which they
14 stipulated to, there have been direct transactions between SAS
15 and customers in the United States. And indeed, in one of
16 those transactions was announced in the United States at the
17 Heli Expo, just in 2015, with the Chief Executive Officer of
18 Airbus SAS in the United States --
19 THE COURT: Okay, but --
20 MR. FLUMENBAUM: -- signing a contract with Bristow.
21 THE COURT: But that doesn't make the -- I mean, the
22 declaration is admissible at a hearing on a motion to dismiss;
23 you may have evidence that refutes statements in it. But I
24 don't think that makes the affidavit itself inadmissible.
25 MR. FLUMENBAUM: Well, I wasn't suggesting that the

1 whole affidavit, but since Mr. Strain stipulated to the
2 accuracy of the documents, that they gave us, I thought these
3 two paragraphs were clearly inaccurate, based on those
4 documents. I perfectly accept the way Your Honor articulated
5 our position.
6 THE COURT: Fair enough. Then, Exhibit A will be
7 admitted, and we'll address B if we need to.
8 (Declaration of Michael J. Genereux was hereby received
9 into evidence as Defendant's Exhibit A, as of this date.)
10 MR. STRAIN: Thank you, Your Honor.
11 And, with regard to Exhibit A and the transaction of
12 business, that leads us right into the point of personal
13 jurisdiction, which is --
14 THE COURT: Okay, well --
15 MR. STRAIN: -- there's been allegations about Airbus
16 Helicopter's business activities with customers in the United
17 States, its sale of helicopters to customers in the United
18 States, its attendance of trade shows in the United States,
19 its sending employees to the United States to do business, to
20 visit customers, go to trade shows, but none of these are
21 alleged to have anything to do with the claims that we're here
22 to talk about today.
23 For helicopters that, it's undisputed, were sold by
24 Airbus Helicopters in France to customers located in Europe;
25 and those helicopters have never been owned, operated,

1 registered in, or as far as anybody can tell, located in the
2 United States.
3 So when we're talking about what business activities,
4 there can be a dispute as to where those activities take
5 place. There can even be a dispute as to whether Airbus
6 Helicopters transacts business in the United States. But
7 there can't be a dispute as to whether any of that business
8 has anything to do with ECN's product liability causes of
9 action, the helicopters that were designed, manufactured,
10 certified, sold and exist outside of the United States.
11 When I --
12 THE COURT: So, you think prong two -- if I'm hearing
13 you correctly -- the close nexus prong requires that your
14 activities in the United States have got to have led to ECN's
15 product liability claims?
16 MR. STRAIN: Yes, Your Honor. I have my notes from
17 this morning, going over, when Your Honor was giving her
18 tentative views on things, and I was able to cross out a lot
19 of this, because what I really wanted to focus my argument on
20 is exactly that; I say in my notes, "ECN has one half of the
21 specific jurisdiction test, purposeful availment; they have
22 alleged quite a bit to" -- that may satisfy the purposeful
23 availment prong of specific jurisdiction. What they have not
24 alleged is the relatedness requirement.
25 And Your Honor's already expressed her view on that.

1 The three areas that have been focused on are the
2 participation in the bankruptcy proceeding. And we understand
3 Your Honor may find that that participation could give rise to
4 related-to subject matter jurisdiction.
5 But in terms of having a substantial connection to
6 giving rise to the claims of this lawsuit, nothing about the
7 proof of claims or any of the activity that my client has done
8 in this courtroom, was in any way related to product liability
9 claims by ECN, who's for economic loss related to their
10 helicopters.
11 And so, we've looked at all the cases that were cited
12 by ECN, and there were a lot of distinguishing factors; but
13 really what's driving all of them is that those are claims
14 brought by debtors or trustees on matters related to the
15 bankruptcy, whether it's preferential transfers or fraudulent
16 transfers or whatnot, I mean you can go through them, but I
17 think that if the Court has already done that, there's no
18 point in doing so because we couldn't find a case similar to
19 this situation.
20 So -- and even outside of the bankruptcy context,
21 when the focus is put on a party comes into a forum and files
22 a lawsuit, even the cases cited by ECN there are cases where
23 the lawsuit filed was somehow related to an activity in the
24 forum; one was with his JAMS proceeding or some other core
25 facts that made the availment of the forum related to the

1 claims at issue.
2 And then, if we look at, even footnote nine of the
3 second supplemental opposition filed by ECN, they talk about
4 courts have found when a party avails itself of the forum by
5 filing a lawsuit -- and if you want to call a proof of claim a
6 lawsuit, that's fine -- but even in those cases, which are all
7 post-Diamler, which they're talking about, they're all related
8 to the causes of action, which we just don't have here.
9 So in terms of the bankruptcy proceeding, we don't
10 see that that availment of this forum is in any way related to
11 the causes of action.
12 With respect to the business contacts, we've already
13 talked about that, all the activity here at issue, the design
14 and manufacture all arose in France; any warranties that were
15 given were done in France. There's no connection with the
16 United States.
17 And the last point that ECN has made to argue
18 specific jurisdiction is the stream of commerce argument,
19 which even the cases they cite, Faraday, (ph.) Bean Dredging,
20 and Lovencare, (ph.) these are all cases where the product
21 flowed through a distribution system setup -- whether set up
22 or not by the defendant -- but they flowed into the forum
23 cause and injury there; we don't have that here. We don't
24 have these helicopters ever entering the United States.
25 There's some discussion in the papers about the fact

1 that Airbus Helicopters has a distributor here, in Texas, in
2 Grand Prairie. And the fact that it has that distributor is
3 irrelevant when the helicopters we're talking about never
4 flowed through that distributor.
5 So in terms of stream of commerce, where the Court
6 defines stream of commerce jurisdiction here, it would really
7 be contrary to the Goodyear case, that the Supreme Court
8 discussed, and that's in our brief. But just very basically,
9 the accident occurred in France from defective tires in
10 France; the question was, was the presence of similar tires,
11 manufactured by those defendants in the forum, sufficient for
12 the exercise of jurisdiction, and the court said no.
13 And that's what we have here. We have business
14 activity; we have other products, other customers in the
15 United States, none of which are related to the causes of
16 action. And the only way this Court would be able to find
17 personal jurisdiction would be based on purely purposeful
18 availment factors, which would essentially be a watered-down
19 version of general jurisdiction. Because those factors that
20 have been alleged today wouldn't satisfy the general
21 jurisdiction standard after Daimler and in the Fifth Circuit.
22 So, there couldn't possibly be a basis for jurisdiction here
23 without the related Nexus requirement having done that.
24 Thank you, Your Honor.
25 THE COURT: Thank you.

1 Please, Mr. Katz. Am I wrong on subject matter
2 jurisdiction? And it's okay to say yes.
3 MR. KATZ: Your Honor, Jason Katz on behalf of Airbus
4 Helicopters, SAS. Respectfully, Your Honor, as I told you,
5 when we were here on February 6th, I believe that the Court is
6 wrong about that. And it's a close call, there's no doubt
7 about that, because the Court has recognized that it's a broad
8 test, it's conceivable as a very broad term.
9 And I've been doing this a while, and I've read
10 plenty of cases about this topic, and I've been surprised
11 about courts saying bad subject matter jurisdiction. But I
12 just believe that this case goes too far.
13 I was in the lobby this morning, preparing for this
14 hearing. I went back and reviewed Pacor versus Higgins in the
15 Third Circuit. In that case, the court found that this idea
16 of potential liability, that would require an additional
17 lawsuit, should that liability come out of the lawsuit that
18 was before the court, which is too far, it was too remote.
19 And the Third Circuit said let's just -- there is a limit
20 here, so that's just too far; we recognize conceivable effect,
21 but -- and that's, Your Honor, what we have here.
22 I believe that while the Court has accepted this
23 collateral estoppel argument, the facts here are the same as
24 they were in the Pacor case, in the sense that let's assume
25 that ECN, in this case, recovers against Airbus, and then the

1 debtor decides to attempt to use the ruling in this case,
2 that's just another lawsuit, just like in Pacor; that's just
3 not certain enough. It's too speculative; it's too remote.
4 So, Airbus, respectfully, would request that the
5 Court find that subject matter jurisdiction does not exist,
6 because there is a limit to what the conceivable effect would
7 be, and that this Court does have the adjudicative authority
8 to grant the motion to dismiss, based on the lack of subject
9 matter jurisdiction, because we did submit a supplemental
10 brief at the Court's request on that issue, and the --
11 THE COURT: Oh, I agree. If I don't have
12 jurisdiction, there's not a stern implication. I can dismiss
13 the case. But you all were sort of ships passing in the
14 night. You say I can, because you assume I don't have subject
15 matter jurisdiction; ECN says I can't, because they assume I
16 do have subject matter jurisdiction.
17 So whether I can enter a final order seems to turn on
18 the question of do I have subject matter jurisdiction.
19 MR. KATZ: And unfortunately, Your Honor, we did not
20 brief that second issue, which is if the Court finds that you
21 do have subject matter jurisdiction, and you don't have
22 personal jurisdiction, can you then enter an order dismissing
23 it on that basis. And we didn't brief that, Your Honor, and
24 I'm sorry I didn't research that; I apologize for that.
25 THE COURT: No, no apology needed. I'll just tell

1 you -- I mean I'm happy if you want to look at it. My
2 thinking is, if I've got related-to jurisdiction, then 157
3 pretty clear says that I can only enter proposed findings and
4 conclusions absent consent, which I don't have here.
5 MR. KATZ: Right.
6 THE COURT: So it seems like once I get past the do I
7 have subject matter jurisdiction, I'm in the world of proposed
8 findings and conclusions.
9 MR. KATZ: Fair enough, Your Honor. And I don't need
10 to look at it; I would accept the Court's position on that.
11 We just, Airbus respectfully disagrees that this is a proper
12 conceivable effect finding, based on what ECN believes could
13 happen in the future, that what I believe to be based on what
14 the debtor has said, very unlikely. So I'll leave that
15 argument alone; I think we've made the same argument at the
16 February 6th hearing, and just would request that the Court
17 grant the motion to dismiss for lack of subject matter
18 jurisdiction.
19 As it relates to abstention, Your Honor, I believe
20 that the Court's checklist of seven of the eleven factors is
21 very accurate. In fact, a lot of the notes I wrote down in my
22 little checklist and boxes that I wrote in my notes, I had
23 some of the same words that the Court used, and the factors,
24 and don't disagree with any of them, except that maybe that
25 some of them, where the Court said it could be slightly in the

1 keep category or neutral, maybe in my notes I was a little
2 more favorable to my client's position. But I don't think
3 that the Court would --
4 THE COURT: I'm shocked by that.
5 MR. KATZ: But, Your Honor, it's clear that the Court
6 has the discretion under 28 U.S.C. 1334(c)(1) to abstain from
7 hearing this matter, assuming that the Court finds that
8 personal jurisdiction exists, and even going back one step,
9 assuming the Court finds it has subject matter of
10 jurisdiction, Your Honor, Airbus requests that assuming that
11 those two things happen, that the Court exercises discretion.
12 I won't go through each factor, as I have already stated, I
13 agree with the Court's general review and analysis on the
14 factors, and request that the Court abstain from keeping this
15 case here for Judge Cummings to decide.
16 That's all I have, Your Honor. Thank you.
17 THE COURT: Let me ask you a question. I want to go
18 back to your Pacor. I'll be honest; Pacor was decided many,
19 many years ago. And so I haven't read it in a while. But
20 while we've been here, my able law clerk, Ms. Crocker (ph.)
21 has sent me a blurb from it; and we'll go back and reread
22 Pacor, because it appears that that's really the focal point
23 of your argument, is that Pacor's just different.
24 But it appears to me from, at least the quote that's
25 been sent to me, that Pacor may not be so different, or that

1 the basis for the conclusion there, that there wasn't related-
2 to jurisdiction by the Third Circuit, may be different. At
3 least, what I've seen here is, here's the quote "our
4 examination of the Higgins Pacor Manville controversy leads us
5 to conclude that the primary action between Higgins and Pacor
6 would have no effect on the Manville bankruptcy estate, and
7 therefore is not related to bankruptcy within the meaning of
8 section," yeah, it's the precursor, 1471(b).
9 "At best, it is a mere precursor to the potential
10 third party claim for indemnification by Pacor against
11 Manville. Yet the outcome of the Higgins Pacor action would
12 in no way bind Manville, in that it could not determine any
13 rights liabilities or course of action of the debtor."
14 Since Manville is not a party to the Higgins Pacor
15 action, it could be -- it could not be bound by res judicata
16 or collateral estoppel.
17 But here, it does appear to me that collateral
18 estoppel would apply. And again, we have the exact same
19 claim, at least with respect to the four or five owned Super
20 Puma helicopters by CHC.
21 And the distinction that the Third Circuit's drawing
22 in Pacor is that the indemnification claim is a different
23 claim, and it's going to be decided on different issues than
24 the ultimate underlying liability claim between the two non-
25 debtor parties. And that appears to me to be the

1 distinguishing feature of Pacor, again, given the very short
2 period of time I've had to read this; and again, I assure you
3 we'll go back and reread it. But it appears to me, I wanted
4 to hear your take on it, because it appears to me that Pacor
5 is just different. You had an underlying claim that was then
6 going to give rise to indemnification claim against the
7 debtor, and the Court said not close enough, not enough
8 relatedness to the bankruptcy case.
9 Here, we would have the identical product liability
10 claims, at least with respect to four or five of the Super
11 Pumas, the CHC would have against Airbus, that it might be
12 collaterally estopped, one way or the other, by the outcome of
13 this proceeding.
14 MR. KATZ: Right. And Your Honor, so I apologize if
15 I misspoke, but reading it on my iPhone in the lobby, I was --
16 THE COURT: It's about as good as what I'm doing, so.
17 MR. KATZ: -- I was focusing on the part of the
18 opinion that I don't have it in front of me, where the court
19 said that it would require a second piece of litigation. And
20 I understand that if it's a different claim, I get that.
21 But in this case, Airbus's position would be that
22 collateral estoppel is not certain here; and I know the Court
23 just said that oh, it would be the same claim and the same
24 issue, but they're different parties.
25 And so, I think that there can be an argument --

1 THE COURT: Well, that's res judicata. I'm not
2 saying res judicata applies.
3 MR. KATZ: But --
4 THE COURT: The collateral estoppel can apply with
5 different parties, if the issues were -- if the issues are
6 identical, and the issues were -- I'm going to get the
7 language a little bit off -- but substantially litigated by
8 parties who have similar interests.
9 MR. KATZ: Sure. And so, there is no evidence that
10 the claims would be exactly the same. The Court is assuming
11 that it would be the same. We now know, based on the evidence
12 put forth by the debtor, that the debtors have, I believe
13 five -- they own five, at least four or five helicopters.
14 But my point was a little more -- it was a general
15 broad statement that the fact that the debtor could bring the
16 claims in the future, and the fact that they would have to
17 bring another lawsuit, just like I believe the Third Circuit
18 opinion in Pacor said -- and hopefully, I hope I'm not
19 misspeaking, I apologize if I am -- I thought that part of
20 that opinion, and it may have been dicta, but I thought it
21 said the fact that they would have to do those -- bring an
22 additional lawsuit, that that was making it too remote. And
23 that was really the connection I was trying to make, Your
24 Honor.
25 THE COURT: I don't -- again, we'll look at it more

1 closely, but I fear you're reading too much into the opinion.
2 I think the Third Circuit's point was the debtor is not
3 bound --
4 MR. KATZ: Bound by the findings.
5 THE COURT: -- either by collateral estoppel or res
6 judicata, as it relates to a second indemnification claim
7 against the debtor.
8 MR. KATZ: Sure. But Your Honor, Airbus would still
9 take the position that the subject matter jurisdiction is
10 conceivable effect here of the fact that collateral estoppel
11 could occur in the future, it's just not enough. And it's
12 just -- there is a limit, and that limit should be drawn in a
13 case like this.
14 And the fact that the debtor, it's made clear, that
15 they have no intention of bringing these claims --
16 THE COURT: Well, no, no, no. That's not fair.
17 MR. KATZ: -- here.
18 THE COURT: They're not going to bring them --
19 MR. KATZ: Here.
20 THE COURT: -- here.
21 MR. KATZ: And that they --
22 THE COURT: But that doesn't mean they aren't going
23 to bring them.
24 MR. KATZ: But they could; but they also may make a
25 decision that they're not going to. So it's our position or

1 that's just not enough. And obviously, if the Court disagrees
2 with me, I'm sure the Court will --
3 THE COURT: Well, but again, this is helpful. I just
4 fear that you may be misreading Pacor and -- but we'll go back
5 and look at it, because it is the -- it is certainly the
6 predicate decision for many, many, many decisions that follow,
7 both in the Fifth Circuit and many other circuits that have
8 followed Pacor.
9 MR. KATZ: Thank you, Your Honor. May I be excused?
10 THE COURT: You may. Thank you, Mr. Katz.
11 Please.
12 MR. FLUMENBAUM: Good morning, Your Honor.
13 THE COURT: Good morning.
14 MR. FLUMENBAUM: Martin Flumenbaum for ECN. I guess
15 I have the bigger burden today of trying to show you why your
16 initial instincts are, in my view, not appropriate.
17 Let me first start with the related-to jurisdiction,
18 in part because you've agreed with our position on that.
19 THE COURT: Yeah, but be careful. Don't --
20 MR. FLUMENBAUM: All right.
21 THE COURT: -- you may say something that causes me
22 to reconsider.
23 MR. FLUMENBAUM: I do want to cover the one aspect.
24 I think related-to jurisdiction is very clear in this case. I
25 think the collateral estoppel issue is certainly on point. I

1 think when we filed this complaint in November, at that time,
2 the case was moving quickly towards confirmation. But I think
3 jurisdiction occurs at that moment in time.
4 THE COURT: I agree, when it's filed.
5 MR. FLUMENBAUM: And at that moment in time, as we
6 alleged in both our complaint, and as we talked about on
7 February 6th, in addition to the collateral estoppel effect,
8 and the impact that whatever decisions we may get will relate
9 to the reorganized debtor, we also firmly believe that our
10 damages and our claims against the debtor would be effected if
11 we were successful. And I think that would apply, also to
12 other --
13 THE COURT: Then you're going to have drill down.
14 MR. FLUMENBAUM: -- to other --
15 THE COURT: That sounds good, but what does it mean?
16 MR. FLUMENBAUM: It means that part of the value that
17 we've lost because of the grounding and the product defect,
18 has to do with the leases, that we had leased these -- and we
19 had bought them from CHC, and --
20 THE COURT: And leased them back.
21 MR. FLUMENBAUM: -- and leased them back.
22 THE COURT: So there's five --
23 MR. FLUMENBAUM: So --
24 THE COURT: -- lease-rejection claims.
25 MR. FLUMENBAUM: Right. And I think that fact, that

1 I'm going to come back to as to the personal jurisdiction
2 part, because that seems to be ignored --
3 THE COURT: Okay.
4 MR. FLUMENBAUM: -- that our damages occurred, in
5 part, right in this district and through the bankruptcy.
6 THE COURT: Oh, come on, no, no, no.
7 MR. FLUMENBAUM: Well --
8 THE COURT: Rejection gives rise to a prepetition
9 claim. The Code expressly addresses that. So, but you're --
10 MR. FLUMENBAUM: But the --
11 THE COURT: -- nice words, but drill down with me.
12 MR. FLUMENBAUM: Okay.
13 THE COURT: Specifically, what is your claim against
14 the debtor, and how is that -- I mean it's going to be
15 compromised, in theory, at eighty-four million dollars?
16 MR. FLUMENBAUM: Again --
17 THE COURT: And what damage --
18 MR. FLUMENBAUM: -- as to CHC.
19 THE COURT: -- did Airbus -- what damage that you
20 might recover in the Airbus action is going to reduce --
21 MR. FLUMENBAUM: Because we can't --
22 THE COURT: Hang on.
23 MR. FLUMENBAUM: Yep.
24 THE COURT: Let me finish.
25 MR. FLUMENBAUM: Go ahead.

1 THE COURT: -- is going to reduce a potential eighty-
2 four million, ninety-four million, twenty-four million dollar
3 claim that might get allowed in this bankruptcy?
4 MR. FLUMENBAUM: Part of the damages that we will
5 seek from Airbus is our inability -- is a loss of our ability
6 to lease those planes going forward. So we now have gotten
7 them back, we can't lease them to somebody else. So we are
8 damaged in the sense that that lease income that we had
9 expected over the next five years is gone.
10 THE COURT: But why does that -- why are you going to
11 credit that --
12 MR. FLUMENBAUM: Because --
13 THE COURT: -- against your claim in the bankruptcy?
14 MR. FLUMENBAUM: If we recover it on that lease, on
15 that value, I believe it would be -- I would believe the
16 debtor could argue that we didn't lose the eighty-four
17 million, because we were able to mitigate our damages, and
18 deal with it elsewhere.
19 THE COURT: Well, but --
20 MR. FLUMENBAUM: And I think other creditors would
21 have the exact same argument, whose planes were --
22 THE COURT: Okay, I'm not worried about anybody else.
23 MR. FLUMENBAUM: I understand.
24 THE COURT: I'm only worried about you.
25 MR. FLUMENBAUM: All right. But --

1 THE COURT: So, let's stay focused on you, or more
2 accurately, ECN. Okay, but that sounds good, but I just don't
3 buy it.
4 MR. FLUMENBAUM: Oh?
5 THE COURT: I don't think you're going to suggest a
6 nickel credit. The lease rejection damages are for the
7 debtor's breach of the contract. The fact that you are
8 damaged -- so you got your aircraft back, and you now can't
9 re-lease them to someone else, because they've been grounded
10 or they're defective, whatever --
11 MR. FLUMENBAUM: Right.
12 THE COURT: -- that didn't have anything to do with
13 the fact that CHC rejected the lease with you.
14 MR. FLUMENBAUM: I think I would be entitled -- I
15 would be entitled to prove that I had this income stream, that
16 I was supposed to get from CHC; CHC rejected these as part of
17 the bankruptcy, in part, because they couldn't use these
18 aircraft as well.
19 THE COURT: But you're assuming that. There's no
20 evidence in this record.
21 MR. FLUMENBAUM: Well, there is. There is testimony
22 on the very first day that the grounding impacted there.
23 THE COURT: As part of this record, I said. Right?
24 Where is that in this record? And how did that affect the
25 five -- your five helicopters?

MR. FLUMENBAUM: Well --

THE COURT: That testimony was not specific as to your five helicopters or one of the other forty-six or seven or eight that the debtor owned.

MR. FLUMENBAUM: We have -- I should move --

THE COURT: And there's no evidence that --

MR. FLUMENBAUM: I should --

THE COURT: -- suggests that the debtor rejected the ECN leases for any other reason than it no longer needed them.

MR. FLUMENBAUM: Well, one of the reasons why they no longer needed them was because they were damaged.

MR. KATZ: Your Honor, I'm going to object to this note that he's testifying about that in -- this is a 12(b)(1) based on the papers, not any additional evidence anyway, Your Honor.

THE COURT: Well, be careful there, because you've admitted the declaration, so not quite true.

MR. KATZ: In support of the personal jurisdiction, Your Honor.

THE COURT: Right, understand.

MR. KATZ: Okay. The --

THE COURT: But, again, evidence that's before me.

MR. FLUMENBAUM: Your Honor, I believe, before you are the binders of exhibits that we put in through the Signoracci affidavit, and through my affidavit last week. And

I would move that they be taken as part of the evidence in this hearing.

THE COURT: Any objection?

MR. STRAIN: No objection, Your Honor.

THE COURT: The Court will do so.

(Martin Flumenbaum and Pietro Signoracci affidavit was hereby received into evidence as Plaintiff's Exhibit **, as of this date.)

MR. FLUMENBAUM: Thank you.

THE COURT: But where in that --

MR. FLUMENBAUM: I --

THE COURT: -- is there the evidence that you're telling me about?

MR. FLUMENBAUM: I will cite that to you.

THE COURT: Okay.

MR. FLUMENBAUM: I'll ask Mr. Signoracci to find that.

THE COURT: Fair enough.

MR. FLUMENBAUM: But, in any event, I think in terms of related-to jurisdiction, I think we may disagree on that aspect, but I think if you look at the Passmore case, the Baylor medical case, Passmore v. Baylor Medical, where they said there could be related-to jurisdiction based on a potential claim against the third party.

THE COURT: Mr. Flumenbaum, you've tentatively won on

this issue. So --

MR. FLUMENBAUM: Oh, all right.

THE COURT: -- why are we spending so much time on --

MR. FLUMENBAUM: Right.

THE COURT: -- it?

MR. FLUMENBAUM: Let me --

THE COURT: I told you at the outset that I think --

MR. FLUMENBAUM: All right.

THE COURT: -- have related-to jurisdiction --

MR. FLUMENBAUM: I apologize. I --

THE COURT: -- and the big argument that Mr. Katz made is really that Pacor is -- that this case is like Pacor in the conclusion that there wasn't related-to jurisdiction. And I'm fearful that he has misread Pacor.

So, unless you have something to add on the Pacor analysis --

MR. FLUMENBAUM: I would ask Your Honor to look at Passmore, Inray Canyon (ph.), which are two Fifth Circuit, recent Fifth Circuit cases --

THE COURT: And trust me, we have.

MR. FLUMENBAUM: -- which I think -- which support the related-to jurisdiction.

Let me turn to the personal jurisdiction. There are actually -- let me start with the concept of consent, because we believe we have consent jurisdiction, in terms of personal

1 jurisdiction here, which is slightly different than general,
2 and slightly different than specific. The mere participation
3 of Airbus, in this proceeding, gives us personal jurisdiction
4 over Airbus to file related-to claims. I think the law is
5 clear on that, in terms of their active participation in this
6 proceeding.
7 And what we have here is that they voluntarily
8 appeared, they filed proofs of claim, seeking over six million
9 dollars. They voluntarily joined the unsecured creditors.
10 They appointed a Texas resident, Kevin Cabanas, as its
11 representative. We served Mr. Cabanas in Texas with the
12 complaint. There's been no challenge to service of process in
13 this case.
14 So, we think that they participated in the 2004
15 proceeding, which had nothing to do with them, which was
16 between ECN and the debtor; they filed briefs in that case.
17 And they've obviously entered into a settlement and a
18 restructuring agreement with the debtor, in which Airbus will
19 receive recovery, and in which these particular claims, that
20 are similar to ours, are preserved.
21 So, we think that just that, under the law, gives us
22 jurisdiction over Airbus. But there is much more than just
23 this consensual, purposeful activity. And I think it's clear
24 that voluntarily filing a lawsuit in the jurisdiction is
25 purposeful availment of the jurisdiction's facilities, and can

1 subject the party to personal jurisdiction in another lawsuit,
2 when the lawsuits arise from the same general transactions.
3 And, in this case, we believe we meet that standard.
4 And I would refer Your Honor to Schwinn and Blenko, these are
5 some of the cases we assigned in terms of personal
6 jurisdiction.
7 THE COURT: Yeah, but that -- but those cases are
8 different. And we've read them all. Those are all cases
9 where it was the debtor or the trustee asserting claims, not a
10 third party.
11 MR. FLUMENBAUM: Well --
12 THE COURT: You don't have a single third party case,
13 that you cite, where the fact that a creditor filed a proof of
14 claim in a bankruptcy case and participated in the bankruptcy
15 case. I agree that that can give rise to jurisdiction by the
16 debtor or trustee back against that creditor that relates to
17 the proof of claim.
18 But, no offense, the claim filed here doesn't have
19 anything to do with the product's liability claim you're
20 asserting against it.
21 MR. FLUMENBAUM: Well --
22 THE COURT: And again, you didn't cite a single case
23 where the fact that a creditor came in to the bankruptcy case
24 and participated in the bankruptcy case gives rise to some
25 other creditor suing, yet --

1 MR. FLUMENBAUM: It's not some other creditors.
2 Another creditor --
3 THE COURT: Well, it is some other creditor.
4 MR. FLUMENBAUM: -- in the bankruptcy case.
5 THE COURT: Yeah, but on unrelated claims. Debtor
6 doesn't have an interest in your outcome, other than it may
7 get bound by it.
8 MR. FLUMENBAUM: Well --
9 THE COURT: But it has no economic interest in your
10 lawsuit.
11 MR. FLUMENBAUM: Well, but for personal jurisdiction
12 purposes, I don't think the debtor's concern, whether they
13 will file or won't file, is really relevant. I think what is
14 relevant is that CHC is in the middle of the transaction; we
15 purchased these helicopters from CHC, which, as Your Honor
16 knows, operates its businesses from Texas. We leased it back
17 to CHC. CHC had these helicopters in its possession; they
18 purchased them from Airbus, originally.
19 THE COURT: Right.
20 MR. FLUMENBAUM: So --
21 THE COURT: In France, pursuant to documents --
22 MR. FLUMENBAUM: Well --
23 THE COURT: -- that established French laws, the
24 governing --
25 MR. FLUMENBAUM: Well --

THE COURT: -- law, et cetera, et cetera.

MR. FLUMENBAUM: We haven't seen all of those documents, Your Honor. So I can't verify that, and they are not in the record. I do know that in terms of personal --

THE COURT: Which CHC entity purchased your five helicopters and then turned around and sold them to you? Because the answer is --

MR. FLUMENBAUM: I think it was Barbados.

THE COURT: -- it was CHC Barbados --

MR. FLUMENBAUM: Yeah.

THE COURT: -- which is not a Texas corporation --

MR. FLUMENBAUM: It's not a --

THE COURT: -- the parent is in Texas.

MR. FLUMENBAUM: Right, but --

THE COURT: But ECN has many, many, many, many, many subsidiaries, many of which are foreign entities --

MR. FLUMENBAUM: But in this --

THE COURT: -- including Barbados SRL.

MR. FLUMENBAUM: But in this particular case, CHC has acknowledged that it operates its foreign subsidiaries from Texas; it stated so in its initial filings with this Court.

THE COURT: Where is that in my record?

MR. FLUMENBAUM: I (indiscernible). If CHC acknowledged that it operates its -- it is in the record, Your Honor.

THE COURT: Okay.

So --

THE COURT: But, nevertheless, you agree that the CHC entity that bought the five helicopters, and then turned around and sold them to you, is a foreign entity, and that the contractual relationships between Airbus Helicopters, SAS, which is a French entity --

MR. FLUMENBAUM: Correct.

THE COURT: -- and Barbados, all occurred outside the jurisdiction of the United States.

MR. FLUMENBAUM: Well, I don't agree to that because CHC said it directs its operations from Texas. So it may have used its CHC Barbados entity, but I think the decision-making, as to what to buy and not to buy, was done out of Texas.

THE COURT: Okay. You --

MR. FLUMENBAUM: So --

THE COURT: -- think you've got evidence of that?

MR. FLUMENBAUM: I think that's what CHC --

THE COURT: I'll be very anxious --

MR. FLUMENBAUM: -- has admitted.

THE COURT: I'll be very anxious to see that.

MR. FLUMENBAUM: Okay. I will --

Now, again, talking about personal jurisdiction, the documents that we received from Airbus during the short period of discovery that we had -- and I appreciate Your Honor's

1 moving that discovery, and permitting it -- really shows, in
2 addition to what we believe is consensual jurisdiction,
3 specific jurisdiction. They --
4 THE COURT: Okay, so your argument's -- I'm correct,
5 you're not arguing general jurisdiction; you're not arguing
6 that CH -- I mean --
7 MR. FLUMENBAUM: Well --
8 THE COURT: -- that Airbus Helicopters SAS is at-home
9 in the United States?
10 MR. FLUMENBAUM: For purposes of this case, where
11 they purposely avail --
12 THE COURT: No, no, no.
13 MR. FLUMENBAUM: -- of the Texas court to -- nobody
14 forced them to come into this Court --
15 THE COURT: Two different issues: consent, you've
16 covered that; now we're down to the more traditional, general,
17 personal jurisdiction --
18 MR. FLUMENBAUM: Right.
19 THE COURT: -- and specific. You are not alleging
20 general personal jurisdiction, correct?
21 MR. FLUMENBAUM: I don't believe we would have
22 general jurisdiction but for their coming into this Court.
23 THE COURT: Other than consent.
24 MR. FLUMENBAUM: Other than consent. But --
25 THE COURT: Okay, see, I don't think that creates

1 general jurisdiction.
2 MR. FLUMENBAUM: Well --
3 THE COURT: But I hear ya.
4 MR. FLUMENBAUM: Daimler is not -- I've argued the
5 Daimler position from both sides in different matters. But
6 what Daimler says is it sets a standard of -- is an entity at-
7 home in the jurisdiction. And --
8 THE COURT: And the entity is not at home here.
9 MR. FLUMENBAUM: Well --
10 THE COURT: The entity may --
11 MR. FLUMENBAUM: -- the entity --
12 THE COURT: The entity may have come to the United
13 States to file a proof of claim against CHC in these
14 bankruptcy proceedings. But that does not make it at-home for
15 all purposes.
16 MR. FLUMENBAUM: Not for all purposes, but for
17 certainly -- we have evidence, direct evidence, and I want to
18 make sure I have the right data; Airbus sold -- Airbus France
19 sold thirty helicopters to U.S.-based companies directly,
20 twenty-eight, including six Super Pumas, the customer's
21 headquartered in Texas.
22 The data that we've put before you shows that Airbus
23 sold indirectly through its Texas affiliate, AHI, which is a
24 sister company, and a distributor for SAS, another fifty-eight
25 Airbus helicopters to Texas-based entities.

1 THE COURT: Right.
2 MR. FLUMENBAUM: The data shows that --
3 THE COURT: But unless under the Fifth Circuit
4 precedent, Mr. Flumenbaum, unless you have alleged alter ego
5 status between the two sister companies, which you have not,
6 that's not enough to make them at-home for general
7 jurisdiction.
8 MR. FLUMENBAUM: Well, I --
9 THE COURT: The --
10 MR. FLUMENBAUM: We have not alleged --
11 THE COURT: -- Fifth Circuit has so held.
12 MR. FLUMENBAUM: Right, I understand that. But I
13 think the activity, whether or not we've alleged alter ego
14 through AHI, they sold another 649 -- we're talking billions
15 of dollars of sales --
16 THE COURT: But that doesn't make it --
17 MR. FLUMENBAUM: -- to Texas.
18 THE COURT: -- that doesn't make it at-home.
19 MR. FLUMENBAUM: By itself, it might not, but --
20 THE COURT: That's through the affiliate --
21 MR. FLUMENBAUM: -- with coming into this
22 jurisdiction, and seeking the benefits from this jurisdiction,
23 I submit that it is at-home. So, I'm not willing to limit
24 Daimler just to that particular fact.
25 And I think in Daimler there was an issue as to

1 whether the California entity was an alter ego, but it had
2 been abandoned in the lower courts.
3 But, in this case, it's not. We believe that by
4 coming into this jurisdiction and participating as fully as it
5 did by appointing a Texas representative, by -- that we have
6 personal jurisdiction over them. And again, we serve them
7 through their representative in this jurisdiction. So, we
8 have location as well. We didn't serve them through the Hague
9 in France; we served them here, and they've accepted that
10 service.
11 So we believe that -- and they also sold nineteen
12 Super Pumas to CHC, four of which, I believe, CHC still owns.
13 We have evidence of four executives from France coming over
14 here to participate in the bankruptcy proceeding, that they
15 were in court -- two of them were in court, I believe in June,
16 again, all before we filed our complaint here.
17 And, as I said, they were actively involved in the
18 2004 proceedings. Airbus France also participates in
19 activities in the United States -- sales activities in the
20 United States. And we have evidence in our papers about the
21 Heli Expo in Dallas next week, which Airbus France is the gold
22 sponsor for that. Their CEO, as I said before, attended the
23 Orlando Heli Expo last year. And I believe they announced the
24 sale, at that conference, of seventeen helicopters to the
25 Bristow Group of Texas in 2015.

1 So there is direct linkage between our case, which
2 talks about these Super Pumas and other activities of Airbus
3 in the United States. Now, true, we did not buy these
4 aircraft from Airbus in the United States; that is true. But
5 we did get them back from CHC in Texas through the bankruptcy
6 proceeding. The deliveries of these were made in foreign
7 jurisdictions; but that's -- but the order granting
8 us -- giving us back these helicopters, occurred right here in
9 Texas. And so we -- and that's not a order that we can appeal
10 or fight; it's now ours. So now we have to deal with it in
11 Texas.
12 And as --
13 THE COURT: No, you don't have to deal with anything
14 in Texas.
15 MR. FLUMENBAUM: Well, I mean --
16 THE COURT: No offense, the helicopters are outside
17 of Texas.
18 MR. FLUMENBAUM: Correct. But --
19 THE COURT: You got possession of them, wherever they
20 were located, on the date of rejection.
21 MR. FLUMENBAUM: Right.
22 THE COURT: Yes, I signed an --
23 MR. FLUMENBAUM: But all --
24 THE COURT: -- order.
25 MR. FLUMENBAUM: But all that comes out of this Texas

1 proceeding, which Airbus voluntarily participated in.
2 THE COURT: As it relates to the debtor.
3 MR. FLUMENBAUM: Correct, correct. And as it related
4 to us, because they actively involved in our 2004 proceeding.
5 They objected to our discovery.
6 THE COURT: That you filed in the bankruptcy case,
7 and they are --
8 MR. FLUMENBAUM: Correct.
9 THE COURT: -- unquestionably a party in interest in
10 the bankruptcy case.
11 MR. FLUMENBAUM: Right. But --
12 THE COURT: But that doesn't create general
13 jurisdiction.
14 MR. FLUMENBAUM: Well, what it does -- well, I'm sort
15 of merging the arguments for specific and general in this
16 case.
17 THE COURT: Do not do that.
18 MR. FLUMENBAUM: Okay.
19 THE COURT: I've asked you to be very specific.
20 MR. FLUMENBAUM: Well, I -- what I've been saying
21 right now, in terms of the Texas activity, I believe relates
22 to specific jurisdiction.
23 THE COURT: To the first prong.
24 MR. FLUMENBAUM: Right.
25 THE COURT: I don't disagree. And I keep pointing

1 out to you that the problem with your argument is the second
2 prong --
3 MR. FLUMENBAUM: Well --
4 THE COURT: -- which you have not yet even begun to
5 address.
6 MR. FLUMENBAUM: Well, I think what you have -- I
7 thought I've been addressing that, in part, by saying that our
8 cause of action arises out of decisions that are being made in
9 Texas, as a result of the bankruptcy, which relates to these
10 helicopters.
11 THE COURT: No, your cause of action against Airbus
12 is a product liability claim; it doesn't have anything to do
13 with the bankruptcy.
14 MR. FLUMENBAUM: Well, it's -- the reason I own
15 these, again, has to --
16 THE COURT: No, you always --
17 MR. FLUMENBAUM: -- and my damages --
18 THE COURT: -- owned them, sir.
19 MR. FLUMENBAUM: Well, I --
20 THE COURT: They were leased to the debtor.
21 MR. FLUMENBAUM: Right. I bought them in 2013.
22 THE COURT: And, at the time of the crash, you were
23 the proud owner of these five helicopters that you have leased
24 back --
25 MR. FLUMENBAUM: Right. And that --

THE COURT: -- to CHC.

MR. FLUMENBAUM: Right, but I was getting an income from them.

THE COURT: Right.

MR. FLUMENBAUM: And now I'm not getting an income from them.

THE COURT: Okay, but your claim is a products liability claim.

MR. FLUMENBAUM: Well, because I --

THE COURT: It doesn't have anything to do with rejection of the lease.

MR. FLUMENBAUM: Right, it's because of the grounding, that I can't lease it elsewhere, that I can't sell it to other people, that I can't recover the value of, what I believed was, the helicopters --

THE COURT: But --

MR. FLUMENBAUM: -- at the time.

THE COURT: Right, but that didn't have anything to do with CHC.

MR. FLUMENBAUM: Well, I believe CHC -- CHC will be a central witness in this case, because they are the intermediary; CHC maintained these helicopters through 2013.

THE COURT: But that doesn't create jurisdiction against Airbus.

MR. FLUMENBAUM: Well --

THE COURT: They may be Exhibit A.

MR. FLUMENBAUM: The purposeful --

THE COURT: But that doesn't create jurisdiction.

MR. FLUMENBAUM: -- availment gives you jurisdiction, if there's a nexus to the underlying complaint. And I believe there is a nexus to the underlying complaint.

THE COURT: What is it? Because you --

MR. FLUMENBAUM: Well, I --

THE COURT: -- wrote long, long briefs, I read them all really carefully. But you really do not focus on the nexus requirement.

MR. FLUMENBAUM: The nexus is that our claims are based on diminution in value of those helicopters, due to Airbus's negligence, product liability, fraud, et cetera. And the reason I have these damages is as a result, in part, of activities that occurred in Texas, with respect to the bankruptcy of CHC.

THE COURT: Um-hum. I'm sorry; I'm just not seeing it.

MR. FLUMENBAUM: I've lost lease income, which I'm never going to regain back, because of the grounding of these --

THE COURT: There's no evidence of that. Again, I keep asking you for evidence, and you keep turning to your colleague to find it. But --

MR. FLUMENBAUM: Well, I'll give you cites to everything as --

THE COURT: Let's do it now.

MR. FLUMENBAUM: Okay.

THE COURT: Because I'm tired of argument being made on the basis of no record. It's not helpful.

MR. FLUMENBAUM: Exhibit D to the Signoracci declaration, page three, paragraph five.

THE COURT: Let me get there.

MR. FLUMENBAUM: CHC manages --

THE COURT: Hang on. Just let me get there.

So it's tab seven, D?

MR. FLUMENBAUM: Exhibit D, page three, paragraph five.

THE COURT: So this is a motion. This isn't an affidavit.

MR. FLUMENBAUM: I believe it's --

THE COURT: This is just -- this is just lawyer talk.

MR. FLUMENBAUM: I believe it's based on the initial affidavits that were filed with --

THE COURT: Okay, but no, then if you want -- where is the affidavit? A motion is not evidence.

MR. FLUMENBAUM: We've cited, I believe, to it, the Del Genio declaration, which is cited in paragraph six.

THE COURT: Right, but where is it in my record? Is

it somewhere here?

MR. FLUMENBAUM: I am not sure we attached the Del Genio, but --

THE COURT: Then, that's a problem.

MR. FLUMENBAUM: -- I would certainly ask for permission to provide that to the Court.

THE COURT: Okay, but --

MR. FLUMENBAUM: Where we cited to it, it certainly is in the record of the Court.

THE COURT: Well, not in this adversary proceeding, it's not, sir. And you just objected -- well --

MR. FLUMENBAUM: I objected to --

THE COURT: Is it part of your -- the evidence that you submitted in your notebook; anywhere?

MR. FLUMENBAUM: Your Honor, this was attached to the Signoracci declaration, which Your Honor just admitted into evidence, so --

THE COURT: Right, this -- what this?

MR. FLUMENBAUM: This document that was submitted.

THE COURT: This motion, but that's not evidence, sir, that's allegations made by a party, the debtors --

MR. FLUMENBAUM: Right.

THE COURT: -- in a motion filed with the Court.

MR. FLUMENBAUM: Well, I would ask permission --

THE COURT: But that's not evidence.

MR. FLUMENBAUM: -- for the Court to put in the underlying affidavit, that supports this motion. I apologize, if I should have done that, or I thought that this was sufficient --

THE COURT: Any objection?

MR. FLUMENBAUM: -- for purposes of this.

MR. STRAIN: Without having seen it, I -- it's hard to say.

THE COURT: Do you have a copy of the declaration to show me or counsel?

MR. STRAIN: I could also argue why none of this is relevant as a matter of law, which may cut through this, but we -- on my reply, I'll do so.

THE COURT: Well, if you don't have a copy, I don't know what I can look at, so --

MR. FLUMENBAUM: I don't have a copy with me here today. I believe that this was in evidence -- would be in evidence, and the whole statements, the debtor's business, which was taken literally verbatim from the Del Genio affidavit.

THE COURT: How do we know that? You don't even have the affidavit here, Counsel.

MR. FLUMENBAUM: I --

THE COURT: You may be right, but my gosh, to make that statement, without having the declaration here is a

1 little surprising.
2 MR. FLUMENBAUM: We've made that statement in our
3 briefs; it's never been challenged. No one has --
4 THE COURT: It is by me. I don't know if that's what
5 Mr. Del Genio said or not. I fear you're taking his statement
6 out of context.
7 MR. FLUMENBAUM: Well --
8 THE COURT: Or you're reading it extraordinarily
9 broadly.
10 MR. FLUMENBAUM: Well, I'm -- this is what, I
11 believe, he said: "CHC manages its domestic and overseas
12 businesses" --
13 THE COURT: Do not read me the motion. If you have
14 the declaration --
15 MR. FLUMENBAUM: I don't have it.
16 THE COURT: -- I'm happy --
17 MR. FLUMENBAUM: I believe that's what he said.
18 THE COURT: -- to hear it.
19 MR. FLUMENBAUM: And I will find you the cite to the
20 Del Genio affidavit, which is in the bankruptcy proceeding.
21 "Manages domestic and overseas business from Irving, Texas and
22 its sales force from an office in Houston, Texas."
23 THE COURT: Mr. Flumenbaum, I've asked you not to
24 read me from the motion.
25 MR. FLUMENBAUM: Okay.

THE COURT: Unless you can represent to me that that is, in fact, the testimony of Mr. Del Genio -- what the debtor says in a motion, just like what you say in a brief --

MR. FLUMENBAUM: I --

THE COURT: -- isn't evidence.

MR. FLUMENBAUM: I agree. I do not believe this was a disputed issue at all, and if I had thought there was any dispute as to this issue, I would have certainly put in the Del Genio affidavit. And I apologize and I just asked for --

If you look at the declaration of Michael Cox, which was filed last night, in the case, I have not admitted that. He says the same thing --

THE COURT: I --

MR. FLUMENBAUM: -- in his --

THE COURT: Do you have -- I don't have --

MR. FLUMENBAUM: -- affidavit.

THE COURT: Again --

MR. FLUMENBAUM: This was filed, I believe, last night by the debtors.

THE COURT: But for what purpose, and in connection with what?

MR. FLUMENBAUM: It was for order pursuant to sections 105, 363 and 365 --

THE COURT: Okay, but again, is that part of this record?

MR. FLUMENBAUM: No.

THE COURT: Okay.

MR. FLUMENBAUM: But I would ask that I have the ability to put these affidavits in, that support that point. I did not think this was a disputed issue, Your Honor.

THE COURT: Is there objection?

MR. STRAIN: To this document?

THE COURT: Yes.

MR. STRAIN: Again, I haven't seen it, Your Honor.

THE COURT: Why don't you show counsel?

(Pause)

MR. KATZ: Which paragraph, Your Honor, is --

THE COURT: I have no idea. I've never seen it either.

MR. FLUMENBAUM: Your Honor, at a minimum, I would ask you to take judicial notice --

THE COURT: Don't talk while they're trying to read --

MR. FLUMENBAUM: I'm sorry.

THE COURT: -- please. It's hard to read and --

MR. FLUMENBAUM: I'm sorry.

THE COURT: -- listen.

MR. STRAIN: Yeah. Your Honor, we would just object; it's one, untimely, being presented here today, but also irrelevant for reasons that I'll explain --

THE COURT: Well, if you're --

MR. STRAIN: -- given an opportunity.

THE COURT: -- objecting, you need to explain them now.

MR. STRAIN: Oh.

THE COURT: And may I see that before, since I have no idea of what we're talking about?

MR. STRAIN: I actually have no objection to this sentence that counsel would like to put in the record, since that's what he's pointed out as he would like to have.

THE COURT: What sentence?

MR. FLUMENBAUM: May I approach?

THE COURT: What sentence?

UNIDENTIFIED SPEAKER: (Indiscernible).

THE COURT: Okay. Excellent, thank you.

All right, so that sentence from Mr. Cox will be considered part of the record.

(Michael Cox affidavit was hereby received into evidence as Plaintiff's Exhibit **, as of this date.)

MR. FLUMENBAUM: And I'd like permission to put in a similar statement from Mr. Del Genio, which were made at the outset of this --

THE COURT: Well, you don't need --

MR. FLUMENBAUM: -- proceeding.

THE COURT: -- both, do you? I mean, if you have

1 copies here today --
2 MR. FLUMENBAUM: I -- if there's any view by the
3 Court that it makes a difference whether it comes from Mr. Cox
4 or Mr. Del Genio. I don't know Mr. Cox; I don't know Mr. Del
5 Genio. I do know they made representations on behalf of CHC
6 to Your Honor.
7 THE COURT: Okay. Well, I see no reason that we need
8 both.
9 MR. FLUMENBAUM: All right.
10 THE COURT: So, if you're happy with this, and
11 counsel's not objecting, you have this sentence as part of the
12 record.
13 MR. FLUMENBAUM: Thank you.
14 And I believe --
15 (Pause)
16 MR. FLUMENBAUM: Your Honor, I also made a reference
17 to the impact of the grounding on fleet allocations and use of
18 fleet. And if Your Honor looks at Exhibit I, which is part of
19 a public filing by CHC, which was filed with the Securities
20 and Exchange Commission, I believe the date was in July of
21 2016, after the bankruptcy.
22 THE COURT: Well, what -- specifically what?
23 MR. FLUMENBAUM: Page thirteen: "Risk related to our
24 business and industry."
25 THE COURT: At the top of the page?

1 MR. FLUMENBAUM: Yes. That first three paragraphs.
2 "All flights" -- it's entitled "all flights with the aircraft
3 type H225 and AS332L2, have been temporarily grounded, which
4 may cause some material and adverse impact to our financial
5 viability."
6 THE COURT: Right, this is part of the record. But,
7 specifically, what do you --
8 The point I asked you about was your statement that
9 CHC rejected your leases because they were grounded, and I
10 pointed out to you that I don't think there was any evidence
11 of that.
12 MR. FLUMENBAUM: What I believe I said was that I
13 think the record shows that that impacted the decisions by CHC
14 as to which aircraft to reject.
15 THE COURT: Okay, but this doesn't say anything about
16 that.
17 MR. FLUMENBAUM: Well, I have another cite for you
18 then.
19 THE COURT: I mean does it? Help me.
20 MR. FLUMENBAUM: I'm reading this carefully.
21 They talk about "there is uncertainty surrounding
22 H225 and AS332 operations in the foreseeable future."
23 THE COURT: Right, I understand that. But again,
24 that doesn't suggest that's what caused them to reject your
25 five leases.

1 MR. FLUMENBAUM: I said it was a factor, because of
2 their inability to use them.
3 THE COURT: But it doesn't even say that --
4 MR. FLUMENBAUM: I --
5 THE COURT: -- here.
6 MR. FLUMENBAUM: There is another cite, that I think
7 is more precise.
8 THE COURT: Okay.
9 MR. FLUMENBAUM: And I will -- I'm looking for that.
10 If you look at page seventeen of that same document.
11 THE COURT: All right.
12 MR. FLUMENBAUM: "Our profitability is directly
13 related to demand for our helicopter services" --
14 THE COURT: Hang on; I don't know where you are.
15 MR. FLUMENBAUM: Top of page seventeen.
16 THE COURT: Yes. I see it.
17 MR. FLUMENBAUM: "Our services have been
18 significantly restricted due to the grounding of aircraft
19 types H225 and AS332."
20 THE COURT: Okay. But again, that doesn't say
21 anything about why particular leases were rejected.
22 MR. FLUMENBAUM: There's another cite that I have,
23 Your Honor, where I -- where we specifically talk about
24 (indiscernible), where we talk about allocation.
25 I apologize, Your Honor; I didn't realize that those

1 statements were going to be in dispute. And I would have had
2 this at my ready, if I had --
3 THE COURT: No, no problem.
4 MR. FLUMENBAUM: -- had anticipated that.
5 At a May 6th -- I'm citing to the brief, where
6 it's -- see Exhibit H, transcript of 5/6/2016.
7 THE COURT: Exhibit H? What page on the transcript?
8 MR. FLUMENBAUM: It's -- let me see. It's seventeen.
9 THE COURT: Page seventeen?
10 Is that right, page seventeen?
11 MR. FLUMENBAUM: Yes, Your Honor. And the beginning
12 of eighteen.
13 THE COURT: So this is a statement of counsel?
14 MR. FLUMENBAUM: This is a statement of counsel.
15 THE COURT: That's not really evidence.
16 MR. STRAIN: Counsel, which document are we looking
17 at?
18 MR. FLUMENBAUM: I'm looking at Exhibit H, which is
19 the hearing before Your Honor, where I believe Mr. Holtzer
20 reported to the Court about the tragic events in Norway, and
21 then said that "the helicopter has been temporarily grounded
22 in certain jurisdictions; and that has had an impact on our
23 fleet reconfiguration, which is central to our restructuring.
24 Our customers are also assessing the use of the H225 going
25 forward; and we're working with them in that process around

the world. CHC -- for all these reasons, CHC has determined that under these circumstances, it can no longer maintain its current capital structure and its fleet expense level."

THE COURT: Right. But again, that's lawyer talk; that's not evidence.

MR. FLUMENBAUM: That was a representation that was made to you by counsel for CHC.

THE COURT: Okay, but again, Mr. Flumenbaum, you know this as well as I do, that's not evidence. Lawyers tell me all sorts of things as officers of the court. But again, I can't make factual findings on the basis of lawyer talk.

MR. FLUMENBAUM: Well, I would ask you, Your Honor, to take judicial notice of what was said to you, and whether it's an admission by CHC.

THE COURT: Is there an objection to the Court considering this as evidence?

MR. STRAIN: I would think so, Your Honor. I mean, this is not something that's been -- I mean, we don't even know where the basis for this, or any opportunity to challenge it. So yes, there is an objection.

THE COURT: But lawyer talk is just not evidence. The Court never considers what a lawyer says from the podium to be evidence before the Court.

MR. FLUMENBAUM: Well, the document has been admitted by Your Honor.

THE COURT: For whatever it's worth.

MR. FLUMENBAUM: For whatever it's worth.

THE COURT: But it's not worth anything; I'll tell you that now.

MR. FLUMENBAUM: Okay.

THE COURT: Lawyer talk is just lawyer talk.

MR. FLUMENBAUM: I think those were the references that I had.

THE COURT: I mean, Mr. Holtzer has no personal information; anything Mr. Holtzer knows is hearsay, just like anything you tell me would be hearsay. You may firmly believe it, your client may have told it to you, but it's not evidence.

MR. FLUMENBAUM: I think, Your Honor can infer, from the evidence before you, that the grounding of those helicopters would have an impact on decisions by CHC, as to which aircraft to keep and which aircraft to reject. I believe that is a proper inference that Your Honor can make from the evidence that is before you.

Let me -- so, I've talked about personal jurisdiction. I've talked about what I believe are the strong ties to Texas. The fact that the helicopters were purchased from CHC, were purchased by CHC from Airbus; they were purchased from CHC by ECN, that ECN leased the helicopters to CHC. CHC rejected the leases, transferring ownership fully

1 back to CHC.
2 CHC owns the helicopter that crashed in Norway; I
3 think that's also related to our claims. Airbus markets the
4 EC225 and the AS332L helicopters for distribution and services
5 around the world and through the United States, including
6 Texas.
7 And, as I said, Airbus Group owns AH. And Airbus
8 Group also owns, through another entity, Airbus Helicopters
9 Inc., which was a Delaware Corporation headquartered in Texas.
10 So, I think when you take all that into account, and
11 you take into account the fact that Airbus sells these very
12 same helicopters, both directly into Texas, and through its
13 distributor into Texas, that that gives us personal
14 jurisdiction with the extra benefit that we get, because of
15 their consent and their coming here, and because of the fact
16 that we served Airbus in this jurisdiction.
17 So, I think, when you add all those together, we do
18 have specific jurisdiction, and maybe even have general
19 jurisdiction.
20 THE COURT: I'm still struggling, because I think
21 that specific nexus requires that your claims against Airbus,
22 that's the nexus that the cases talk about. And I see no
23 nexus.
24 MR. FLUMENBAUM: Your Honor, let me refer you to the
25 Hess v. Bumbo international case.

1 THE COURT: Okay.
2 MR. FLUMENBAUM: I think that case -- I think there
3 was a -- this was an injury, and I was going to rely on this
4 case also, for when we talk about abstention. I think this
5 was a injury that occurred in Arizona, you got a foreign
6 entity; and they sued in Texas.
7 And again, on specific jurisdiction grounds, they did
8 not have specific jurisdiction, unlike what we believe we do;
9 but the court found that they had general jurisdiction,
10 because of Bumbo, which was a South African entity, I believe,
11 had continuous and systematic commercial contacts with Texas,
12 but its central base for distributing product was in the
13 United States, and in Texas, that they sued their distributor
14 in Texas, and that was a big factor in that. And they also
15 found that Texas has an interest in policing entities that do
16 business in Texas, and that involve product liability claims.
17 So I think the Bumbo International Trust case, I
18 think gives you a case that supports what I've been arguing,
19 in terms of the general jurisdiction point. But I think, in
20 this case, we have both consent jurisdiction; and I think it
21 also gives us general jurisdiction, given the central role
22 that Texas has played in this proceeding.
23 Let me --
24 THE COURT: But the problem there is that case is
25 distinguishable. Bumbo sued its distributor first, and then

later claimed that there was no personal jurisdiction, when it was sued in the same court, and the court --

MR. FLUMENBAUM: By a third party.

THE COURT: Hang on. But the court found that Bumbo had consented its jurisdiction by filing a related lawsuit on its own. All of the suits -- both of the suits related to the same issue, giving rise to the product's liability, which is --

MR. FLUMENBAUM: Well, I --

THE COURT: -- very different.

MR. FLUMENBAUM: -- I think they sued their distributor -- I don't believe they sued their distributor for product liability claims. I may be forgetting Bumbo, but I don't believe that was the --

THE COURT: Okay, but Bumbo sued in the jurisdiction on related issues, and that was the basis of the court concluding that it essentially had waived any personal jurisdiction argument, as I understand it.

MR. FLUMENBAUM: This is the exact same thing that SAS did here.

THE COURT: No.

MR. FLUMENBAUM: They brought a proof of claim --

THE COURT: Against the debtor.

MR. FLUMENBAUM: That's correct. That's the same as the distributor.

THE COURT: No, but that --

MR. FLUMENBAUM: It's the same as the distributor.

THE COURT: It's for different -- that the claim is for goods and services; it's not for a products liability.

MR. FLUMENBAUM: No, but it doesn't have to be the same claim.

THE COURT: Okay.

MR. FLUMENBAUM: I think that's where -- I think that's where we're failing to connect; it doesn't have to be the same claim.

THE COURT: Okay.

MR. FLUMENBAUM: And suing the debtor here is the same as Bumbo suing their distributor in Texas.

But again, the court didn't rely on one factor; it relied on a host of factors, including the voluntary suit, the participation, the continuous contact, the fact that the suits related, involved the same thing, and Texas's interest. And that leads me, really, to the abstention point that I want to get to.

THE COURT: Okay, please.

MR. FLUMENBAUM: Because I think -- I believe that this case should not -- this Court should not abstain, in this case. By abstaining in this case, this Court is saying to ECN that they have to bring suit against Airbus in France.

THE COURT: No, I'm not --

1 MR. FLUMENBAUM: There's no --
2 THE COURT: -- telling you --
3 MR. FLUMENBAUM: -- there's --
4 THE COURT: -- where you have to sue.
5 MR. FLUMENBAUM: I have jurisdiction, assuming I have
6 jurisdiction, we have to assume I have jurisdiction, if Your
7 Honor is reaching the --
8 THE COURT: Um-hum.
9 MR. FLUMENBAUM: -- abstention points. So, I have
10 jurisdiction against them here. I do not believe I could get
11 jurisdiction against Airbus elsewhere in the United States.
12 THE COURT: Okay.
13 MR. FLUMENBAUM: So this is -- most abstention cases
14 have a forum that the court abstains to.
15 THE COURT: Understood. But it's not required.
16 MR. FLUMENBAUM: It's not required. It's not
17 required, because I guess the provision of 1334(c)(12) talks
18 about interest of justice, as opposed to the comity and those
19 state law issues.
20 And I don't believe that abstention, in this case,
21 meets the interests of justice at all. I think, in fact, it's
22 a -- would be an unjust result, because it would require ECN,
23 which has jurisdiction, assuming, in this district, to give up
24 its jurisdiction in this district, and go to Airbus's home
25 court in France.

1 There's no suit in France that we join. We'd have to
2 bring a separate -- there's no arbitration for ECN; they talk
3 about -- we could arbitrate in France, but we don't have an
4 arbitration agreement.
5 THE COURT: I understand.
6 MR. FLUMENBAUM: There's no -- there's nothing
7 there -- we would have to bring suit in France, which does not
8 have the kind of discovery that we have in this country, which
9 does not have the kind of court system; I mean it is a
10 democratic country, but it certainly is unjust for ECN to have
11 to give up the advantages of an American court and an American
12 jurisdiction in this case.
13 As I said, the purpose of abstention is to go to --
14 THE COURT: Well, but --
15 MR. FLUMENBAUM: -- is to go another court, which has
16 some interest in this thing; usually it's the state court, as
17 opposed to a foreign entity.
18 THE COURT: Well, but that's -- I mean, look, let's
19 be blunt; ECN is Canadian, and Airbus SAS is French. You
20 bought helicopters from the debtor.
21 MR. FLUMENBAUM: From CHC, Texas.
22 THE COURT: No; you did not. You bought them from
23 CHC Barbados --
24 MR. FLUMENBAUM: Which is run --
25 THE COURT: -- who had bought them from a French

1 entity. So --
2 MR. FLUMENBAUM: Both decisions being made in Texas.
3 THE COURT: There's no evidence of that. Thank you,
4 but there is no evidence of that. You chose to buy
5 helicopters from a foreign entity, that that foreign entity
6 had purchased from another foreign entity. ECN is a foreign
7 corporation.
8 And again, I hear you, but there is --
9 MR. FLUMENBAUM: We do business --
10 THE COURT: -- the basis of jurisdiction is related
11 to. This is so tangential to the bankruptcy, that to be
12 honest, I think it's an abuse of discretion to keep this case
13 here. I tried to say it nicely before, but this is truly a
14 stretch.
15 Normally, it's a debtor who wants me to keep things;
16 this is a debtor who says we don't care, go away; we are not
17 going to bring these claims in this court, ever. We'll go to
18 France, we'll do -- we'll go someplace else, where we think we
19 have jurisdiction. But even the debtor, who holds identical
20 claims to yours, has no intention of suing in the Northern
21 District of Texas, because this was a bankruptcy case; this
22 was a case designed to resolve an enormous insolvency
23 situation.
24 MR. FLUMENBAUM: I --
25 THE COURT: But that this debtor is hopelessly

1 insolvent, that's why billions of dollars of debt is being
2 converted to equity in this case.
3 And yes, the tragedy in Norway didn't help; but the
4 debtor operates in the oil field services industry, that is in
5 the toilet. And --
6 MR. FLUMENBAUM: For which Texas is a significant
7 area of operations.
8 THE COURT: No -- yeah, but --
9 MR. FLUMENBAUM: Texas has a significant interest in
10 making sure that defective Super Pumas are not sold or flown
11 in Texas.
12 THE COURT: And this one wasn't. The crash was in
13 Norway.
14 MR. FLUMENBAUM: Right.
15 THE COURT: Let us remember.
16 MR. FLUMENBAUM: I -- we understand. But it could
17 have been in Texas.
18 THE COURT: Well, a lot of things could have been,
19 Mr. Flumenbaum.
20 MR. FLUMENBAUM: But, as in Bumbo, the accident
21 occurred in Arizona; that doesn't mean that there wasn't
22 jurisdiction in Texas, and there was no reason for the Texas
23 court to refuse to hear the case and then send it back to
24 Arizona.
25 THE COURT: Okay. But I have broad discretion on

1 this, right?
2 MR. FLUMENBAUM: Of course you do. But what I'm
3 trying to convince Your Honor is that it's an unfair result to
4 abstain.
5 THE COURT: But --
6 MR. FLUMENBAUM: If we have --
7 THE COURT: But why?
8 MR. FLUMENBAUM: Because if we have jurisdiction, if
9 we assume we have jurisdiction, then we should be allowed
10 to --
11 THE COURT: But --
12 MR. FLUMENBAUM: -- do that. If you look --
13 THE COURT: But any time a court permissibly
14 abstains, it's had jurisdiction. And there are --
15 MR. FLUMENBAUM: But, usually --
16 THE COURT: -- thousands of cases --
17 MR. FLUMENBAUM: But usually --
18 THE COURT: -- where courts decide to permissibly
19 abstain.
20 MR. FLUMENBAUM: Yes, but there's usually a court to
21 accept the case, that is --
22 THE COURT: Well, there is a court here. There's not
23 one where it's pending, but there is another court.
24 MR. FLUMENBAUM: There's no pending proceeding.
25 THE COURT: I know, but there is another court to

1 accept jurisdiction.
2 MR. FLUMENBAUM: There --
3 THE COURT: It's in France. At a minimum, it's in
4 France.
5 MR. FLUMENBAUM: So you're -- so, after getting a
6 jurisdiction in the United States --
7 THE COURT: Barely, but yes.
8 MR. FLUMENBAUM: I don't know of any quantum --
9 THE COURT: No, no, no. But let's --
10 MR. FLUMENBAUM: -- that is --
11 THE COURT: -- be candid; it's related to, but it's a
12 tenuous connection.
13 MR. FLUMENBAUM: But we disagree on how tenuous it
14 is.
15 THE COURT: Yes.
16 MR. FLUMENBAUM: We think there's a lot of activity
17 in Texas, that's related.
18 THE COURT: No, no, no.
19 MR. FLUMENBAUM: CHC is going to be a witness. We --
20 THE COURT: But that doesn't create related-to
21 jurisdiction.
22 MR. FLUMENBAUM: No, it doesn't, but we --
23 THE COURT: The fact --
24 MR. FLUMENBAUM: -- think there's a --
25 THE COURT: -- that CHC is going to be a witness.

1 MR. FLUMENBAUM: -- we think there's a lot here.
2 What abstaining essentially does, it negates our ability to
3 choose our forum, which is entitled to some deference, not the
4 full deference, as if we were a Texas entity, but some
5 deference. And it denies us the benefits of a U.S. litigation
6 in connection with this case.
7 And, as I, maybe inarticulately, tried to do, Texas,
8 I think, has a strong interest in this case, being a center
9 for the oil industry, being a center for the flight of these
10 helicopters. I think, as in Bumbo, Texas has an interest in
11 making sure that defective products are not sold here. And
12 there are hundreds of those things that are, in fact, sold
13 here.
14 So, we don't have a state court action. Both parties
15 are creditors, in this proceeding, are here. The result will
16 certainly impact, we believe, the rights and/or property of
17 the reorganized estate, or even the debtor's estate.
18 And when you go to the MontCrest Energy factors, that
19 Your Honor articulated, we have a different view of them,
20 because we have never -- we have argued that -- we believe
21 that there are the four key factors, we think, go against
22 abstention; and that is, there's no related court proceeding,
23 state court proceeding.
24 We believe it's Airbus that's doing the forum
25 shopping, having come in here, and is trying to escape some

1 decisions that it voluntarily made, to litigate in this forum.
2 So we look at that totally differently than Your Honor. And
3 what we were doing, in terms of ECN, was finding where Airbus
4 was -- could be sued, legitimately. We weren't trying to gain
5 an advantage. If we could have sued them in Delaware; they
6 haven't offered Delaware, they haven't offered New York, they
7 haven't offered any other place.
8 THE COURT: Well, they don't have to offer.
9 MR. FLUMENBAUM: They don't. They don't. They
10 obviously don't. But Your Honor should take that into
11 account.
12 THE COURT: Why? What factor does that fit under
13 permissive abstention?
14 MR. FLUMENBAUM: Well, that it's -- I think, when the
15 fact of four, which is not related to a state court
16 proceeding, I think that there's no other court proceeding
17 that this thing should be deferred for; I think that's
18 what's -- the concept is there. And I think, in terms of the
19 bankruptcy, I think CHC is an important witness in the
20 proceeding.
21 THE COURT: But that's not affecting the
22 administration of the estate.
23 MR. FLUMENBAUM: Well, it -- there will be demands on
24 their executives, on their time.
25 And again, the issue should be at the time of when we

filed this complaint.

THE COURT: But they did not spend any time on it --

MR. FLUMENBAUM: Well --

THE COURT: -- yet.

MR. FLUMENBAUM: -- that is because we haven't gotten to --

THE COURT: Well, but --

MR. FLUMENBAUM: -- discovery yet.

THE COURT: I understand.

MR. FLUMENBAUM: But they will be, and we require them to actually --

THE COURT: But it's the efficient administration of the estate.

MR. FLUMENBAUM: I understand that.

THE COURT: By the time you get to discovery, Mr. Flumenbaum, there may well not be a bankruptcy estate. Because --

MR. FLUMENBAUM: May or may not, depending on how --

THE COURT: Right.

MR. FLUMENBAUM: -- how quickly --

THE COURT: We'll know later this week or next week, in all likelihood.

MR. FLUMENBAUM: The unsettled nature, I think Your Honor recognized that that's really a neutral factor of the law.

THE COURT: I -- well --

MR. FLUMENBAUM: This is not -- this is a --

THE COURT: That isn't what I said, but fair enough.

MR. FLUMENBAUM: I thought it was a neutral factor -- I think it's a neutral factor; I think it's a products liability case. Federal courts in this jurisdiction have handled numerous product liability cases.

I think the fact that the reference is going to be withdrawn, also negates some of these other factors. The issue, whether the state law predominates over the bankruptcy issues is irrelevant, because, again, federal courts are used to dealing with state law issues.

THE COURT: To be blunt, no more so than I am.

MR. FLUMENBAUM: Well --

THE COURT: I deal with state law issues every day.

MR. FLUMENBAUM: Your Honor, if I could have you decide a products liability case, I would. If they would --

THE COURT: And I don't care.

MR. FLUMENBAUM: If they --

THE COURT: I mean I don't care about that. But --

MR. FLUMENBAUM: Yeah, but I'm just --

THE COURT: -- the reality is is every federal court decides state law issues --

MR. FLUMENBAUM: Of course.

THE COURT: -- day in and day out.

MR. FLUMENBAUM: Of course. So that's why I don't think that factor really weighs against us; the burden on the bankruptcy court docket, I don't think that factor --

THE COURT: It doesn't say bankruptcy court's docket; it said the court's docket.

MR. FLUMENBAUM: Docket. I had assumed it was the bankruptcy court's docket.

THE COURT: No.

MR. FLUMENBAUM: But even a broader -- this is a case that --

THE COURT: This is not a case I can try.

MR. FLUMENBAUM: Right.

THE COURT: So the burden on the Court's docket is the district court's docket.

MR. FLUMENBAUM: Right. And as we're before a judge in Lubbock, Texas, I've got no indication that their docket in Lubbock is any worse than any other federal --

THE COURT: Why do you think he's hearing a Dallas case?

MR. FLUMENBAUM: Well, because --

THE COURT: Because Dallas is -- the Northern District of --

MR. FLUMENBAUM: -- the Dallas judge is --

THE COURT: -- Texas is very busy --

MR. FLUMENBAUM: Right.

THE COURT: -- right now.

MR. FLUMENBAUM: Right. I understand that.

But, no more so than if we had filed a different case in this district. But my point being --

THE COURT: Well --

MR. FLUMENBAUM: -- my point being that if we have jurisdiction here, I think the abstention argument, especially given the fact that it's not a burden for either party to litigate in this jurisdiction, because both parties have already litigated in this jurisdiction; they came into this jurisdiction voluntarily.

So -- and again, the existence of a jury trial doesn't -- I don't think leads to -- doesn't lead to abstention in this case, because the case is going to be jury-tried in the federal court.

This is not a situation where Airbus has said well, I have another similar case pending in state court in Dallas, why don't you -- why don't you abstain --

THE COURT: Mr. Flumenbaum --

MR. FLUMENBAUM: -- in favor of that?

THE COURT: -- I have allowed you to have a greatly disproportionate amount --

MR. FLUMENBAUM: You certainly have.

THE COURT: -- of the time. But at this point, you're just repeating yourself.

1 MR. FLUMENBAUM: All right.
2 THE COURT: So, if you have something new to add, I'm
3 happy to hear it. But I do think, at this point, you may just
4 be repeating.
5 MR. FLUMENBAUM: I just want to, again, stress that
6 it's no hardship for Airbus to defend here; and the state has
7 an interest -- the state of Texas, I believe, has an
8 independent interest in making sure that unsafe aircrafts are
9 not sold in Texas. And I think that puts us in the Bumbo
10 state.
11 Thank you, Your Honor.
12 THE COURT: Thank you.
13 MR. STRAIN: Your Honor, I'll be brief on personal
14 jurisdiction.
15 THE COURT: All right, please.
16 MR. STRAIN: Your Honor, there's been a lot of talk
17 today about this evidence related to decisions being made in
18 Texas, by the CHC parent company. The issue for personal
19 jurisdiction is Airbus Helicopters' contacts with the forum,
20 not some third party; case law we cited on our opening brief
21 acknowledges that. And when we talk about the filing of the
22 proof of claim, is in a forum that the debtor has chosen; and
23 if that exposes us to purposeful availment for anything, and
24 everything, general jurisdiction, that's not our activity.
25 But more to the point, these helicopters, as Your

1 Honor has made very clear, were sold to U.K. and Irish
2 companies. The fact that some parent company in Texas has
3 made a decision to reject leases, or gone into bankruptcy, and
4 made any type of decisions related to these helicopters, is
5 not contact -- excuse me -- conduct by Airbus Helicopters. It
6 could be deemed purposeful availment; therefore, it's also not
7 conduct, by my client, that could satisfy the relatedness
8 requirement, because the relatedness requirement stems from
9 the purposeful availment.
10 The causes of action must arise from the defendant's
11 contacts with the forum, not a third party, which is why I was
12 suggesting earlier, all of this discussion about this evidence
13 is really not relevant today.
14 Secondly, there are -- Bumbo is pre-Daimler, I'll
15 point that out. And after Daimler, the Fifth Circuit has
16 said, in Moncton, (ph.) it's incredibly difficult to establish
17 general jurisdiction, at any forum other than the place of the
18 corporation and the principal place of business.
19 I don't think we're really talking about general
20 jurisdiction here today; I don't necessarily feel a need to
21 respond. Our briefs address that.
22 If the filing of a proof of claim opened a defendant
23 to general jurisdiction, Daimler would obviously mean nothing,
24 because how could a -- any creditor come into a court to file
25 proof of claim, and seek to protect its rights in a

1 bankruptcy, without exposing itself to worldwide general
2 jurisdiction in that situation. So, I think the chilling
3 effect alone is something to consider. But I don't think the
4 Supreme Court would allow that under Daimler.
5 There was talk about service made on Mr. Cabanas in
6 Texas. And I just want to make sure the record is clear on
7 that, because I don't think it matters, because acceptance of
8 service, or service alone, does not establish personal
9 jurisdiction.
10 And secondly, there was an attempt to serve Mr.
11 Cabanas, but we informed counsel for ECN that we did not think
12 that that was appropriate, because Mr. Cabanas works for a
13 separate and independent company. But we agreed to accept
14 service, and agreed on a response date. So that is not an
15 issue, I think, that plays in to the jurisdictional analysis
16 at all.
17 Those are my points, Your Honor.
18 THE COURT: Thank you.
19 MR. STRAIN: Unless Your Honor has questions.
20 THE COURT: I do not.
21 MR. STRAIN: The only other point I'd like to make is
22 it seemed that the abstention argument, at some points, went
23 into forum non conveniens issues. I'm happy to respond on
24 forum non conveniens, if Your Honor intends to address that.
25 But it didn't appear that that was an issue that we were going

1 to discuss in our argument today.
2 THE COURT: Well, give me your response to --
3 MR. STRAIN: Sure.
4 THE COURT: -- because I agree. Some of the
5 arguments, with respect to permissive abstention, did seem to
6 drift over into forum non conveniens.
7 MR. STRAIN: Okay. I'll just give a very brief
8 statement on forum non conveniens; and Mr. Katz will be
9 addressing the reply on abstention.
10 I just point out that with respect to forum non
11 conveniens, there hasn't been any attempt by ECN to
12 distinguish or dispute any of the many cases cited in our
13 briefs, that would compel -- that would allow the Court, in
14 its discretion, to dismiss this case on forum non conveniens
15 grounds.
16 It seems the real focus, is this treatment unfairly.
17 In the courts of France, there's been some indication that is
18 Airbus Helicopters' ultimate parent company, is owned ten
19 percent by the French government, that that somehow means the
20 courts of France can't be fair. I think that that's kind of
21 like saying the courts of the United States would have to
22 recuse themselves every time the United States government, or
23 an agency thereof, were a defendant in a case. And I think
24 that it's just not an argument that goes anywhere; and we
25 cited case law to that effect.

With regard to the public interest factors, and the private interest factors, look, this is -- everything we've talked about today, all of the evidence, all of the activity, everything has occurred outside of the United States, the place of manufacture, sale, the witnesses, people involved with the maintenance of the helicopters; I mean, we don't concede there's a defect.

And just because there was an accident and the grounding, there'll be umpteen number of depositions of people involved with maintaining these aircraft and all sorts of other activity related to that.

In those, there may be third parties that we don't have the ability to compel here, in Texas, or anywhere in the United States. Meaning, you have a trial primarily by videotape, with respect to third party witnesses, which the Fifth Circuit has said is not something that's ideal.

Lastly, with respect to the country having the biggest interest in this, Your Honor has already mentioned this Court is congested; that's why this case would go up to the Lubbock. Why should jurors of this district hear this case between two foreign parties, involving completely foreign events and activities?

With respect to the cases we cite, there are many that say the country in which an accident occurred, or that has regulatory authority over somebody, or the laws of France,

1 the European Union, should be applied against this case,
2 because that's where the conduct took place, Your Honor.
3 I think the cases that they've cited, Tempurpedic
4 (ph.) and Snaza (ph.) are distinguishable nonbeliefs, (ph.)
5 because they were brought by U.S. citizens, which do get
6 greater deference in the forum non conveniens analysis.
7 Thank you, Your Honor.
8 THE COURT: Thank you very much.
9 Mr. Katz?
10 MR. KATZ: Your Honor, Jason Katz, on behalf of the
11 defendant, Airbus Helicopters SAS, briefly on the abstention.
12 ECN focused on the factor four, and I think the Court's
13 already pointed out that it's not a requirement that there be
14 another place to go, for this Court to tell ECN where the case
15 should go. I'm not going to rehash all the factors. Airbus
16 agrees with the Court on the majority of the factors at the
17 outset of this hearing.
18 There is a twelve-factor, if you look at the
19 MontCrest Energy in case, that ECN's counsel mentioned to the
20 court, the twelve-factor that this Court didn't touch on was
21 the presence in the proceeding of non-debtor parties, and
22 that's what we have here, two non-debtor parties, both foreign
23 entities.
24 And there's nothing else for me to address, because I
25 believe the rest of the abstention argument drifted into forum

1 non conveiens, which I believe my co-counsel has already
2 addressed, Your Honor.
3 That's all I have. Thank you.
4 THE COURT: Thank you, Mr. Katz.
5 All right. Well, the Court appreciates the briefing
6 that's been done; certainly, a lot of effort has gone into
7 this, both by the parties and the Court. So, at this point,
8 from the Court's perspective, the matter is under submission,
9 along with the request to withdraw the reference.
10 And so, we will give it careful thought; and we'll
11 attempt to issue whatever it is that we think we have to
12 issue, whether that be proposed findings or a determination
13 ourselves, as promptly as we can.
14 As you may have figured, from the status conference I
15 held this morning, the -- at the moment, we're a bit
16 encumbered in the main bankruptcy case, in the efforts to see
17 if the debtor's plan can be confirmed or not. And so, to be
18 candid, for the next couple of weeks I fully expect that we
19 will be looking at our other non-CHC-related docket, and be
20 focused mostly on confirmation issues.
21 But we will turn to this just as quickly as we can,
22 and issue our decision, whatever it may be, just as quickly as
23 we can.
24 Are there deadlines? Just refresh my recollection;
25 are there any deadlines that we need to worry about in this

1 case, while these issues are, for lack of a better word, under
2 advisement here?
3 MR. KATZ: Your Honor, Jason Katz, on behalf of
4 Airbus Helicopters SAS, I believe that the Court's prior
5 ruling on the motion to stay the deadlines and the order
6 that's been entered by the Court, actually, that we have a
7 proposed order for the Court to consider, I don't think the
8 order's actually been entered yet, addresses all the pretrial
9 deadlines; and I believe they're stayed until further order of
10 the Court.
11 And the decision by the Court on when to set the
12 trial date is subject to the Court's ruling on the motion to
13 dismiss and motion to withdraw the reference and
14 recommendations for the addition, Judge; so I don't believe
15 there any deadlines the Court needs to deal with at this
16 point, Your Honor.
17 THE COURT: When will that order come in? I don't
18 want to hear from you, Mr. Flumenbaum, but --
19 MR. FLUMENBAUM: I don't think there's any need for
20 another order, Your Honor. I believe that we are basically on
21 hold until --
22 THE COURT: I thought there was an order abating the
23 adversary. Am I misremembering?
24 MR. KATZ: Your Honor, we uploaded the -- the Court
25 had some questions about one of the provisions that was

1 submitted in the initial proposed order. Counsel for Airbus,
2 we addressed that issue and resubmitted the order to the
3 Court. So the Court should have it now.
4 THE COURT: Okay. Well then, we'll look at that
5 order presumably, I'll sign that order. I just wanted to be
6 sure, because obviously, until we rule on this; and frankly it
7 may not make any sense to go further until we know what the
8 district court thinks of this ruling, or proposed ruling; so,
9 we'll look at that.
10 And once we issue -- again, whatever it is we're
11 going to issue, if anyone has any concerns, that we need to be
12 doing something other than keeping the action on hold,
13 obviously file whatever anybody thinks is appropriate. But we
14 will try and get our decision out, and before the district
15 court, in all likelihood, as quickly as possible.
16 But I do alert you that the next -- the first I'm
17 going to be able to turn back to this is probably not until
18 the week of March 20th. That won't mean that there won't be
19 Ms. Crocker working on drafts. But I feel pretty certain this
20 week and next are going to be reasonably tied up with CHC main
21 bankruptcy case matters.
22 And then, as I mentioned previously, I am out the
23 week of the 13th on judicial conference and related
24 activities. So we'll be out of town on court-related
25 requirements.

So, anyway, we will get to this as quickly as we can, and get our decision out just as quickly as we can, so we can keep the lawsuit moving, if the lawsuit is going to remain here. But mostly, I want to get whatever we're going to do to the district court, so that the district judge has the opportunity to review it and either approve or not approve. And we'll go from there.

So, thank you all very much. I appreciate all the effort that's gone into this.

MR. STRAIN: Thank you, Your Honor.

MR. FLUMENBAUM: Thank you, Your Honor.

MR. KATZ: Thank you, Your Honor.

THE COURT: And we are in recess until this afternoon. You're excused.

(Whereupon these proceedings were concluded at 11:54 a.m.)

1 I N D E X

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4 EXHIBITS:

No.	Description	Marked	Admitted
5 PLAINTIFF'S:			
**	Martin Flumenbaum and Pietro Signoracci affidavit		60
6 DEFENDANT'S:			
A	Declaration of Michael J. Genereux		19

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C E R T I F I C A T I O N

I, Elisheva Elbaz, the court approved transcriber, do hereby certify the foregoing is a true and correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

March 5, 2017

ELISHEVA ELBAZ DATE

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Adv. No. 16-03151-bjh** **Plaintiff's Supplemental Memorandum on Post-Hearing Developments Related to Personal <u>Jurisdiction and Abstention</u>**

Plaintiff ECN Capital (Aviation) Corp. ("ECN Capital") files this Supplemental Memorandum to bring to the Court's attention new facts critical to the personal jurisdiction and abstention issues raised in Defendant Airbus Helicopters S.A.S.'s ("Airbus") Motion to Dismiss.[1] These new facts, developed after the Court held argument on the Motion to Dismiss, directly contradict representations Airbus made to the Court in briefing and argument.

BACKGROUND

On January 3, 2017, Airbus filed its Motion to Dismiss asking this Court to hold that it lacked personal jurisdiction over Airbus, or to abstain from exercising its jurisdiction. Airbus also submitted a declaration from its executive, Michel Gouraud (the "Gouraud Declaration"), which stated that: Airbus "does not transact its business in the United States," Gouraud Decl. ¶ 5; Airbus "does not sell Super Puma helicopters in the United States," *id.* ¶ 9; and Airbus Helicopters, Inc. ("AHI") "is a separate and independent company from [Airbus]," *id.* ¶ 11. On February 28, 2017, the Court held a hearing on the Motion to Dismiss (the "MTD Hearing"), during which Airbus's counsel Eric Strain stated that "[Airbus] . . . doesn't transact [] business in the United States," and "when [Airbus] sells its helicopters . . . it does so from its place of business in France."[2]

On November 21, 2016, Era Group Inc. ("Era"), a Texas-based owner of ten EC225s, filed a complaint (the "Era Complaint") in Texas state court against Airbus and AHI alleging that the EC225s were defectively designed.[3] On January 12, 2017, Airbus filed a Special

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in ECN Capital's Opposition to Defendant's Motion to Dismiss [Dkt. No. 63] (the "MTD Opposition").

[2] *See* Tr. of 2/28/2017 H'r'g [Dkt. No. 86] 17:23-24; 18:2-3.

[3] *See* Era Complaint (Ex. M to Declaration of Pietro J. Signoracci in Support of Plaintiff's MTD Opposition dated Jan. 27, 2017 [Dkt. No. 64 Attach. 13]).

Appearance (the "SA") in response to the Era Complaint objecting to personal jurisdiction.[4] Airbus stated: "[Airbus] does not have a place of business in Texas and does not transact business in Texas." SA at 1. Airbus attached to the SA a declaration from Michel Gouraud (the "Era Gouraud Declaration").[5] Mr. Gouraud declared that Airbus "does not sell Super Puma helicopters in Texas," *id.* ¶ 7, and that "[Airbus] and AHI are separate and independent companies," *id.* ¶ 9. Airbus relied on the Era Gouraud Declaration in stating that Airbus: "has never – even temporarily – had offices or operational activities in Texas" and "does not sell Super Puma or any other helicopters in Texas." SA at 2. These statements from the Era Gouraud Declaration are nearly identical to statements in the Gouraud Declaration that Airbus filed in this Adversary Proceeding.

On July 28, 2016, Wells Fargo Bank Northwest, National Association ("Wells Fargo") filed breach of warranty and contract claims in Texas state court against AHI regarding three EC225s Wells Fargo purchased from AHI.[6] On February 7, 2017, Wells Fargo added Airbus as a defendant in its Texas state court case by filing an Amended Petition.[7]

ARGUMENT

New facts have developed regarding Airbus's activities in the U.S., including in Texas, and the ability of Texas courts to exercise personal jurisdiction over Airbus—*specifically with regard to product liability claims concerning Super Pumas purchased through an intermediary*.

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[4] *See* Ex. A (Special Appearance of Defendant Airbus Helicopters, S.A.S. [*Era Group Inc.* v. *Airbus Helicopters Inc. et al.*, DC-16-15017 (Tex. Dist. Ct., filed Nov. 21, 2016) filed on Jan. 12, 2017]). Unless otherwise stated herein, all references herein to "Ex. __" are to the accompanying Declaration of Pietro Signoracci dated March 20, 2017.

[5] *See* Ex. B (Declaration of Michel Gouraud in Support of Defendant Airbus Helicopters, S.A.S.'s Special Appearance [*Era Group Inc.* v. *Airbus Helicopters Inc. et al.*, DC-16-15017 (Tex. Dist. Ct., filed Nov. 21, 2016) filed on Jan. 12, 2017]).

[6] *See* Ex. C (Wells Fargo Complaint [*Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc. et al.*, DC-16-09090 (Tex. Dist. Ct., filed Jul. 28, 2016) filed on Jul. 28, 2016]).

[7] *See* Ex. D (Wells Fargo First Amended Petition [*Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc. et al.*, DC-16-09090 (Tex. Dist. Ct., filed Jul. 28, 2016) filed on Feb. 7, 2017]).

These facts directly contradict representations Airbus made to the Court in its Motion to Dismiss briefing and argument. They also demonstrate that this Court has personal jurisdiction over Airbus, which the Court should exercise here.

The following facts developed since the MTD Hearing:

- On March 17, 2017, Airbus withdrew the Era Gouraud Declaration and the SA and consented to the personal jurisdiction of the state court of Texas in the Era case for product liability claims regarding Super Pumas that were not purchased directly from Airbus.[8]

- On March 8 and 9, 2017, Airbus's CEO Guillaume Faury attended Heli-Expo 2017, an industry event at the Kay Bailey Hutchison Convention Center *in Dallas, Texas*. *Id.* The event was sponsored by Airbus and attended by over 15,000 customers from around the world and in the U.S., including Texas.[9] At the event, Airbus showcased to customers four models of Airbus helicopters.[10]

- On March 10, 2017, Mr. Faury stated that 60 Airbus helicopter orders were placed at the Heli-Expo 2017. *Id.* Airbus further reported that new "VIP customers," such as Dallas Cowboys Owner and CEO Jerry Jones and Texas-based oil business executive Mike Wallace, had "testif[ied] to their satisfaction with [Airbus] products and customer service," based on "their experiences operating Airbus helicopters and working with the [AHI] team." *Id.* Airbus pointed to this customer service, provided by AHI, to assert that Airbus is "[e]ver committed to improving customer satisfaction." *Id.*

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[8] *See* Ex. E (Defendant Airbus Helicopters, S.A.S.'s Notice of Withdrawal of Special Appearance [*Era Group Inc.* v. *Airbus Helicopters Inc. et al.*, DC-16-15017 (Tex. Dist. Ct., filed Nov. 21, 2016) filed on Mar. 17, 2017]).

[9] *See* Ex. F (Hai-Heli-Expo, http://heliexpo.rotor.org/ (last visited Mar. 17, 2017)).

[10] *See* Ex. G (Press Release, Airbus, Airbus Helicopters wraps up a successful Heli-Expo 2017 in Dallas (Mar. 10, 2017), *available at* http://www.airbushelicopters.com/website/en/press/Airbus-Helicopters-wraps-up-a-successful-Heli-Expo-2017-in-Dallas_2100.html).

- On March 8, 2017, Mr. Faury was served directly in the State of Texas, while attending the Heli-Expo at the Kay Bailey Hutchinson Convention Center, with a subpoena to attend a deposition in the Wells Fargo case in Dallas, Texas on April 24, 2017.[11]

These newly available facts directly contradict statements in the Gouraud Declaration and representations Airbus made to this Court in an attempt to avoid this Court's jurisdiction. Mr. Gouraud's statement that AHI "is a separate and independent company from [Airbus]" is directly contradicted by the fact that Airbus and AHI appeared together at the Heli-Expo 2017 to market and sell helicopters and meet with "VIP customers" of Airbus *and* AHI.[12] Mr. Gouraud's statement also is undermined by Airbus's consent to personal jurisdiction in Texas in a case brought by a customer of AHI that did not purchase Super Pumas directly from Airbus. Further, Mr. Gouraud's statement that Airbus "does not transact its business in the United States" is directly contradicted by Airbus's recent press release stating that 60 helicopters were sold by Airbus at the 2017 Heli-Expo in Dallas, Texas.[13] The Gouraud Declaration is the only evidence Airbus has advanced in its attempt to avoid this Court's jurisdiction. The record now makes clear the Gouraud Declaration is contradicted by fact, and it should be ignored.

These new facts also support ECN's well-pleaded allegations that this Court has personal jurisdiction over Airbus, which this Court should exercise. *See Glinka* v. *Abraham and Rose Co. Ltd.*, 199 B.R. 484 (Bankr. D. Vt. 1996) (exercising personal jurisdiction over foreign non-debtor

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[11] *See* Ex. H (Notice of Deposition of Guillaume Faury [*Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc. et al.*, DC-16-09090 (Tex. Dist. Ct., filed Jul. 28, 2016) served on Mar. 8, 2017]).

[12] *See* Ex. B. This is consistent with the information ECN Capital obtained from Airbus regarding its corporate structure, which revealed that French-based Airbus and its U.S.-based affiliate AHI share the same ultimate corporate parent, Airbus Group S.E. *See* Ex. I (E-mail from Eric Strain to Pietro Signoracci (Feb. 14, 2017)).

[13] *See* Exs. B, G. These new sales demonstrate personal jurisdiction especially when viewed in context of the evidence ECN Capital obtained through jurisdictional discovery, which shows that from 2011 to 2016 Airbus directly sold 30 helicopters to U.S.-based customers, including six Super Pumas and 22 other helicopters to customers headquartered in Texas; indirectly sold 58 helicopters to Texas-based customers through its U.S.-based affiliate distributor AHI; and sold another 649 helicopters for AHI to distribute to U.S.-based customers outside of Texas. *See* Ex. J. (Order Bookings – AH Group).

defendant in adversary proceeding in light of defendant's extensive participation in the bankruptcy, coupled with its contacts in the relevant forum). In addition to Airbus's extensive participation in the Bankruptcy Cases, this Court's personal jurisdiction over Airbus is evident from Airbus's strong U.S. and Texas contacts. Airbus sold Super Pumas to a foreign subsidiary of CHC. CHC, which is based in Texas, submitted testimony by declaration in the Bankruptcy Cases acknowledging that it manages its businesses from Irving, Texas—including the business of its foreign subsidiaries.[14] CHC entities subsequently sold those Super Pumas to ECN Capital, entered into leases on the Super Pumas, and rejected the leases of the Super Pumas in Texas in the Bankruptcy Cases. Airbus also has a close strategic relationship with AHI for purposes of marketing and selling Super Pumas to U.S.- and Texas-based customers. Airbus even sent its CEO into this forum last week for the purpose of collaborating with AHI to market and sell Super Pumas to U.S- and Texas-based customers. The strength of Airbus's contacts with this forum is demonstrated by the fact that Airbus conceded personal jurisdiction in Texas state court regarding claims brought by a U.S.-based customer that purchased Super Pumas from AHI.

The same facts that give rise to this Court's personal jurisdiction over Airbus also weigh heavily in favor of this Court exercising its jurisdiction over Airbus, rather than abstaining. Airbus has misrepresented its business contacts in the U.S. and Texas in an effort to avoid this Court's personal jurisdiction and to engage in forum-shopping. Airbus has a substantial presence in the U.S. and Texas—despite its misrepresentations to this Court designed to avoid jurisdiction and shop for a more favorable forum. If this Court is inclined to abstain, it should abstain only on the condition that Airbus consents to personal and subject matter jurisdiction in Texas state court for ECN Capital's claims this case. Since Airbus is now litigating in Texas state court,

[14] *See* Ex. K (Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 1 Petitions and First Day Relief [16-31854 Dkt. No. 13]) ¶ 10.

Airbus cannot credibly claim that it would be costly or burdensome to defend this lawsuit in this jurisdiction, especially after Airbus sent its CEO to this jurisdiction to market and sell Airbus helicopters to customers in the U.S. As a result of its concession of jurisdiction, Airbus will be litigating *in this forum* claims nearly identical to those ECN Capital asserts in this Adversary Proceeding. On this newly developed record, there is no basis for Airbus to complain of costs of litigating the claims in this forum, where jurisdiction lies.

In its Brief in Support of its Motion to Dismiss, Airbus stated that Airbus "structures its transactions by conducting them in France . . . specifically to avoid being subject to the general jurisdiction of courts outside of France." Airbus Br. at 13. While Airbus may wish to "avoid being subject to the general jurisdiction of courts outside of France," it must face the consequences of its actions. The Gouraud Declaration is demonstrably false. Airbus transacts business in this district, avails itself of the courts of this district, sends its executives to this district, and has now conceded jurisdiction in this district regarding claims that Super Puma helicopters were defectively designed. Airbus should not be permitted to escape this Court's jurisdiction, and ECN Capital's appropriate choice of venue.

CONCLUSION

For the foregoing reasons, and the reasons stated in ECN Capital's MTD Opposition, Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss, and Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss, this Court should deny Defendant's Motion to Dismiss the Complaint.

Dated: March 20, 2017
New York, New York

Respectfully submitted,

By: /s/ *Martin Flumenbaum*
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CERTIFICATE OF SERVICE

I hereby certify that, on March 20, 2017, I caused the foregoing Supplemental Memorandum on Post-Hearing Developments Related to Personal Jurisdiction and Abstention to be filed with the Court via CM/ECF and served on all parties requesting electronic notification, including the following counsel of record for the Defendant:

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Adv. No. 16-03151-bjh** **Declaration of Pietro J. Signoracci in Support of Plaintiff's Supplemental Memorandum on Post-Hearing Developments Related to Personal Jurisdiction and Abstention**

I, Pietro J. Signoracci, declare, under penalty of perjury, pursuant to 28 U.S.C. § 1746, as follows:

1. I am an attorney at law associated with the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP, with offices at 1285 Avenue of the Americas, New York, NY 10019, (212) 373-3000, psignoracci@paulweiss.com. I have personal knowledge of the facts set forth herein, and could and would testify thereto if called as a witness.

2. This declaration is made in support of Plaintiff ECN Capital (Aviation) Corp.'s (f/k/a Element Capital Corp.) ("ECN Capital") Supplemental Memorandum on Post-Hearing Developments Related to Personal Jurisdiction and Abstention.

3. Attached as **Exhibit A** is a true and correct copy of the Special Appearance of Defendant Airbus Helicopters, S.A.S. filed in *Era Group Inc.* v. *Airbus Helicopters, Inc. et al.*, DC-16-15017 (Tex. Dist. Ct., Dall. County, filed Nov. 21, 2016) on January 12, 2017.

4. Attached as **Exhibit B** is a true and correct copy of the Declaration of Michel Gouraud in Support of Defendant Airbus Helicopters, S.A.S.'s Special Appearance filed in *Era Group Inc.* v. *Airbus Helicopters, Inc. et al.*, DC-16-15017 (Tex. Dist. Ct., Dall. County, filed Nov. 21, 2016) on January 12, 2017.

5. Attached as **Exhibit C** is a true and correct copy of the Complaint filed in *Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc. et al.*, DC-16-09090 (Tex. Dist. Ct., Dall. County, filed Jul. 28, 2016) on July 28, 2016.

6. Attached as **Exhibit D** is a true and correct copy of the First Amended Petition filed in *Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc. et al.*, DC-16-09090 (Tex. Dist. Ct., Dall. County, filed Jul. 28, 2016) on February 7, 2017.

7. Attached as **Exhibit E** is a true and correct copy of Defendant Airbus Helicopters, S.A.S.'s Notice of Withdrawal of Special Appearance filed in *Era Group Inc.* v. *Airbus Helicopters, Inc. et al.*, DC-16-15017 (Tex. Dist. Ct., filed Nov. 21, 2016) on March 17, 2017.

8. Attached as **Exhibit F** is a true and correct copy of the website for the HAI Heli-Expo, a major helicopter industry event, which occurred in Dallas, Texas, on March 6-9, 2017, http://heliexpo.rotor.org/ (last visited Mar. 17, 2017).

9. Attached as **Exhibit G** is a true and correct copy of Airbus Press Release, Airbus Helicopters Wraps Up a Successful Heli-Expo 2017 in Dallas, dated March 10, 2017.

10. Attached as **Exhibit H** is a true and correct copy of the Notice of Deposition of Guillaume Faury served in *Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc. et al.*, DC-16-09090 (Tex. Dist. Ct., Dall. County, filed Jul. 28, 2016) on March 8, 2017.

11. Attached as **Exhibit I** is a true and correct copy of an email from Eric Strain to Pietro Signoracci, which includes information regarding Airbus's corporate structure, dated February 14, 2017.

12. Attached as **Exhibit J** is a true and correct copy of an excel spreadsheet, titled "Order Bookings – AH Group," sent via email from Eric Strain to Pietro Signoracci on February 14, 2017.

13. Attached as **Exhibit K** is a true and correct copy of the Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 1 Petitions and First Day Relief filed by the Debtors as Docket No. 13 in the Bankruptcy Cases on May 5, 2016.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 20, 2017
New York, New York

Pietro J. Signoracci

CERTIFICATE OF SERVICE

I hereby certify that, on March 20, 2017, I caused the foregoing Declaration of Pietro J. Signoracci to be filed with the Court via CM/ECF and served on all parties requesting electronic notification, including the following counsel of record for the Defendant:

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/s/ Martin Flumenbaum
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Exhibit A

FILED
DALLAS COUNTY
1/12/2017 2:45:04 PM
FELICIA PITRE
DISTRICT CLERK

CAUSE NO. DC-16-15017

ERA GROUP INC., Plaintiff, v. AIRBUS HELICOPTERS, INC. and, AIRBUS HELICOPTERS, S.A.S., Defendants.	IN THE DISTRICT COURT 116TH JUDICIAL DISTRICT DALLAS COUNTY, TEXAS

SPECIAL APPEARANCE OF DEFENDANT AIRBUS HELICOPTERS, S.A.S.

Defendant Airbus Helicopters, S.A.S. ("AH France") makes this special appearance pursuant to TEX. R. CIV. P. 120(a) to object to the Court's exercise of personal jurisdiction over it, and in support thereof would show as follows:

I.
INTRODUCTION

AH France is a French company headquartered in France where it designs, obtains certification of, manufactures and sells helicopters, including a model known as the "Super Puma." AH France does not have a place of business in Texas and does not transact business in Texas. Plaintiff Era Group, Inc. ("Era") alleges that AH France fraudulently induced it to purchase ten Super Puma helicopters that Era claims are defective and do not conform to express and implied warranties. AH France, however, did not sell these helicopters to Era. Instead, AH France sold and delivered the helicopters in France to a separate and independent company, Airbus Helicopters, Inc. ("AH US"), which is incorporated under the laws of the State of Delaware and has its offices in Texas and Mississippi. AH US later sold the helicopters to purchasers having addresses in Louisiana for use outside of Texas.

The essence of Era's claims against AH France is that AH France knew, but failed to disclose, that the main gearboxes in Super Puma helicopters contain defects, and that AH France misrepresented the safety, reliability, and design of the main gearbox. Era asserts that an event involving a Super Puma helicopter in Norway, and subsequent actions taken by certain airworthiness authorities in Europe and other parts of the world, recently revealed this defect to Era. Absent from Era's Petition, however, is any allegation that AH France committed any act in Texas that gave rise to Era's tort claims, which is required for a Texas court to exercise personal jurisdiction over AH France under the Texas long-arm statute, TEX. CIV. PRAC. & REM. CODE § 17.042(2), and the due process minimum contacts requirements of the United States Constitution. Because AH France is not at home in Texas and thus not subject to the general jurisdiction of Texas courts, and because Era has not identified a substantial connection between any Texas contacts by AH France and the operative facts of Era's claims such that specific jurisdiction exists, AH France's special appearance should be granted.

II.
STATEMENT OF FACTS

AH France, formerly known as Eurocopter, S.A.S., is a French company organized and existing under the laws of France. [Declaration of Michel Gouraud ("Gouraud Decl."), ¶ 3; Original Petition ("Pet."), ¶ 22.] Its principal place of business is in Marignane, France, where it designs, obtains certification of, manufactures, sells and supports certain Airbus Helicopters model helicopters, including Super Puma helicopters. [*Id.*] AH France has never – even temporarily – had offices or operational activities in Texas. [*Id.*] AH France maintains a website in France and produces marketing materials in France. [*Id.*] AH France does not sell Super Puma or any other helicopters in Texas or through its website. [*Id.* at ¶¶ 3-4.]

AH France sells helicopters to purchasers from around the world, including to AH US. [*Id.* at ¶¶ 3, 6.] AH US, which has its offices in Grand Prairie, Texas, is not a subsidiary of AH France; in fact, AH France has no ownership interest in AH US. [*Id.* at ¶ 9.] Nor does AH US derive its right to use the name "Airbus" from AH France. [Affidavit of James R. Cawyer, ¶ 4.] AH France and AH US are separate and independent companies, each with its own separate management, employees, facilities, bank accounts and operational control. [Gouraud Decl., ¶ 9; Cawyer Aff., ¶ 4.] AH France operates its own website with a unique domain name (airbushelicopters.com), which is hosted separately from, and is independent of, the website operated by AH US (airbushelicoptersinc.com). [Gouraud Decl., ¶ 3.] AH US has customers throughout the United States, and only approximately 11% of its customers have billing addresses in the State of Texas. [Cawyer Aff., ¶ 5.] When AH US purchases helicopters from AH France, including the helicopters at issue here, the purchases are made in France, and the helicopters are delivered to AH US in France. [Gouraud Decl., ¶ 6.]

The Super Puma helicopters at issue in this lawsuit bear manufacturer serial numbers ("MSN") 2680, 2685, 2690, 2691, 2732, 2734, 2760, 2777, 2825, and 2809. [Pet., ¶¶ 48-50.] AH France designed, obtained certification of, and manufactured these helicopters in France. [Gouraud Decl., ¶¶ 3, 6.] Over several years prior to 2010, AH France sold and delivered these helicopters in France to AH US. [*Id.* at ¶ 6.]

AH France was not a party to any of the purchase agreements between AH US and the purchasers of the helicopters at issue in this dispute. [*Id.*] In 2006, a company named Era Helicopters LLC ("Era Helicopters") with a Lake Charles, Louisiana, address purchased the first four of these aircraft from AH US, which was known then as American Eurocopter LLC. [Pet., ¶ 48 & Exh. A (Purchase Agreement for MSN 2680, 2685, 2690 & 2691); Cawyer Aff., ¶¶ 1, 6.]

The Purchase Agreement Terms and Conditions called for Era Helicopters to take technical[1] delivery of these four helicopters in France, with final delivery occurring at AH US's facility in Texas. [Pet., Exh. A, Purchase Agreement Terms and Conditions, ¶ 2(a).] The Louisiana purchaser of these four helicopters signed Texas Aircraft Exemption Certificate Out-of-State Registration and Use forms that certified for each helicopter that "[t]he aircraft will be registered in Lake Charles, Louisiana, as recorded with [the] Federal Aviation Administration" and "[t]he aircraft will be hangared in Lake Charles, Louisiana, and is not purchased for use in Texas." [Cawyer Aff., Exhs. A - D.] The Delivery Affidavits for these helicopters state that they were delivered to "Era Helicopters, LLC, Lake Charles Regional Airport, 600 Airport Services Road, Lake Charles, LA 70606." [*Id.* at Exhs. E - H.]

In 2007, a company called Era Group, Inc., with the same Lake Charles address, purchased four more of the helicopters from AH US. [Pet., ¶ 49 & Exh. B (Purchase Agreement for MSN 2732, 2734, 2760 and 2777).] According to the terms of the Purchase Agreement, those helicopters were delivered by AH US to Era Group Inc., in Marignane, France. [Pet., Exh. B (delivery dates "Ex works Marignane [France]").] The Delivery Affidavits for these helicopters stated that they were delivered to "Era Group, Inc., Lake Charles Regional Airport, 600 Airport Services Road, Lake Charles, LA 70606." [Cawyer Aff., Exhs. I - K (the delivery affidavit for MSN 2734 has not been located).]

In 2010, Era Helicopters of Lake Charles purchased the remaining two helicopters from AH US. [*Id.* at ¶ 50 & Exh. C (Purchase Agreement for MSN 2809 and 2825).] The Purchase

[1] The term "technical" delivery means that the helicopters would be delivered at their place of manufacture in France "to ensure that the aircraft will meet all contractual requirements and in order to allow adjustments to discrepancies, if required." [Pet., Exh. A, Purchase Agreement Terms and Conditions, ¶ 2(a).]

Agreement called for AH US to deliver those helicopters in France. [*Id.* at Exh. C, Purchase Agreement Terms & Conditions, ¶ 2(a).] The Delivery Affidavits for those helicopters listed the same Lake Charles, Louisiana, address as for the other 8 helicopters. [Cawyer Aff., Exhs. L - M.]

Era alleges that these ten Super Puma helicopters have been operated in Brazil, Norway, and the Gulf of Mexico. [Pet., ¶ 111.] None are alleged to have been operated in Texas, and, as stated, Era certified that the four helicopters delivered in Texas would not be registered or hangared in Texas. [Cawyer Aff., Exhs. A – D.] Era further alleges that between December 2012 and March 2016 it received maintenance on its ten Super Puma helicopters by AH France and/or an unrelated company, Heli-One, which is a third-party authorized maintenance provider that AH France does not own, control or have any corporate relationship with. [*Id.* at ¶¶ 111-114; Gouraud Decl., ¶ 10.] None of that maintenance is alleged to have been performed in Texas. [Pet., ¶¶ 111-114.]

Era also alleges that AH France has made numerous false statements in publications, marketing materials and on its website regarding the Super Puma. [*Id.*, *passim*.] None of the statements, however, are alleged to have been made by AH France in Texas. [*Id.*] In fact, the Petition references only one instance in which specific statements about Super Puma helicopters were ever allegedly made directly to an Era-affiliated entity. [Pet., ¶ 29.] Those statements, however, were made by AH US, not AH France, and they were made during a sales presentation to Era Helicopters LLC (not plaintiff Era Group, Inc.) in Louisiana in December 2011, more than a year *after* the last sale to Era in 2010. [*Id.*]

On April 29, 2016 a Super Puma helicopter (not one of the helicopters at issue in this lawsuit) operated by a Norwegian company crashed in Norway. [Pet., ¶¶ 70-74.] The cause of

that accident is currently under investigation by the Accident Investigation Board of Norway ("AIBN"). [*Id.*] The focus of the investigation is on the failure of a second stage planetary gear in the main gearbox. [*Id.* at ¶ 75.] AH France has provided technical support to investigative and certification authorities in Europe from its place of business in France. [Gouraud Decl., ¶ 8.]

On November 21, 2016, citing the 2016 Norway crash as evidence of a defect in all Super Puma aircraft, Era filed its Petition against AH France and AH US and asserted claims of fraudulent inducement, breach of express and implied warranties, and unjust enrichment. [Pet., Counts I-V.] Era also asserts that it has sustained economic losses from reduced value of its Super Puma aircraft and related costs. [*Id.* at ¶¶ 118-121.]

III.
ARGUMENT AND AUTHORITIES

The Texas Supreme Court has explained as follows the shifting burdens and standards when a nonresident defendant specially appears and challenges personal jurisdiction:

> A nonresident defendant is subject to the personal jurisdiction of Texas courts if (1) the Texas long-arm statute authorizes the exercise of jurisdiction, and (2) the exercise of jurisdiction does not violate federal and state constitutional due process guarantees. The broad "doing business" language in Texas's long-arm statute allows the trial court's jurisdiction to "reach as far as the federal constitutional requirements of due process will allow." Personal jurisdiction is consistent with due process "when the nonresident defendant has established minimum contacts with the forum state, and the exercise of jurisdiction comports with traditional notions of fair play and substantial justice." "A defendant establishes minimum contacts with a state when it purposefully avails itself of the privilege of conducting activities within the forum state, thus invoking the benefits and protections of its laws."

Kelly v. General Interior Constr., Inc., 301 S.W.3d 653, 657-58 (Tex. 2010) (citations omitted).

In the same opinion the Texas Supreme Court explained:

> Our special-appearance jurisprudence dictates that the plaintiff and the defendant bear shifting burdens of proof in a challenge to personal jurisdiction. We have consistently held that the plaintiff bears the initial burden to plead sufficient allegations to bring the nonresident defendant

> within the reach of Texas's long-arm statute. Once the plaintiff has pleaded sufficient jurisdictional allegations, the defendant filing a special appearance bears the burden to negate all bases of personal jurisdiction alleged by the plaintiff. Because the plaintiff defines the scope and nature of the lawsuit, the defendant's corresponding burden to negate jurisdiction is tied to the allegations in the plaintiff's pleading.
>
> If the plaintiff fails to plead facts bringing the defendant within reach of the long-arm statute (i.e., for a tort claim, that the defendant committed tortious acts in Texas), the defendant need only prove that it does not live in Texas to negate jurisdiction.

Id. at 658-59 (citations omitted).

The Texas Supreme Court concluded by confirming:

> The defendant can negate jurisdiction on either a factual or legal basis. Factually, the defendant can present evidence that it has no contacts with Texas, effectively disproving the plaintiff's allegations. The plaintiff can then respond with its own evidence that affirms its allegations, and it risks dismissal of its lawsuit if it cannot present the trial court with evidence establishing personal jurisdiction. Legally, the defendant can show that even if the plaintiff's alleged facts are true, the evidence is legally insufficient to establish jurisdiction . . . [.]

Id. at 659 (citations omitted).

The minimum contacts inquiry is refined into contacts that give rise to either general or specific jurisdiction. The United States Supreme Court has made clear that general jurisdiction exists only if the defendant's contacts show that it is "at home" in the forum state, which in all but the exceptional case means that it is incorporated in or maintains its principal place of business in the forum state. *Daimler AG v. Bauman*, 134 S. Ct. 746, n.19 (2014). And, the Texas Supreme Court has made clear that specific jurisdiction only exists over a non-resident defendant if there is a "substantial connection" between the defendant's contacts with the forum state and the "operative facts" of the lawsuit. *Moki Mac River Expeditions, Inc. v. Drugg*, 221 S.W.3d 569, 585 (Tex. 2007).

In this case, even if all of the facts alleged in Era's voluminous Petition are taken as true, Era still has not pled facts placing AH France within the Texas long-arm statute. Thus, because AH France has shown that it is not a Texas resident with a principal place of business in Texas, [Gouraud Decl., ¶ 3], it has met its burden of negating personal jurisdiction over it by a Texas court. *Kelly*, 301 S.W.3d at 658-58. Moreover, as shown below, Era also has not pled facts that, if true, are sufficient to establish either general or specific jurisdiction over AH France consistent with the minimum contacts due process requirements.

A. The Court Lacks General Jurisdiction Because AH is not "At Home" in Texas

In *Daimler*, the United States Supreme Court explained that the general jurisdiction inquiry "is not whether a foreign corporation's in-forum contacts can be said to be in some sense 'continuous and systematic,' it is whether that corporation's 'affiliations with the State are so 'continuous and systematic' as to render [it] essentially at home in the forum State.'" 134 S. Ct. at 761 (quoting *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 564 U.S. 915, 919, 131 S. Ct. 2846, 180 L. Ed. 2d 796 (2011)). "Only in an 'exceptional case'," the Court explained, "will a corporation be deemed 'at home' in a place other than its principal place of business or place of incorporation." *Id.* at 761 n.19. In reaching this decision, the Court cited to *Perkins v. Benguet Consol. Mining Co.*, 342 U.S. 437 (1952), as an example of an exceptional case in which the Court found general jurisdiction over a Philippines company whose president had temporarily moved the company's headquarters to Ohio during the second world war, from where the president conducted the company's day-to-day business activities. *Id.* at 756, n.8.

Here, Era has alleged the undisputed facts that negate general jurisdiction – *i.e.*, that AH France is "a French corporation with its principal place of business and/or headquarters in France." [Pet., ¶ 22; Gouraud Decl., ¶ 3.] Thus, Texas is not a "paradigm" place in which AH

France is deemed "at home" for general jurisdiction. *Daimler*, 134 S. Ct. at 760-61, n.19; *Knight Corp v. Knight*, 367 S.W.3d 715, 727 (Tex. App.—Houston [14th Dist.] 2012, no pet.) ("For a corporation, the paradigm forum for the exercise of general jurisdiction is the place in which the corporation is fairly regarded as at home."), citing *Goodyear*, 131 S. Ct. at 2853-54.

AH France has never – even temporarily – operated its business out of Texas, [Gouraud Decl., ¶ 5], and Era has not alleged any facts showing this to be an "exceptional case" like that in *Perkins*. While AH France engages in commercial transactions with Texas-based AH US, such transactions do not support the exercise of general jurisdiction over it after *Daimler*. *In re Deutsche Bank Securities Inc.*, 2015 Tex. App. LEXIS 6889, *13-17 (Tex. App.—Austin [3rd Dist.] July 3, 2015) (discussing *Daimler* and finding that "extensive business practices" in Texas would not subject a German company to general jurisdiction). Nor does AH France's maintenance of its passive website accessible to Texas residents render AH France "at home" in Texas. *Crossroads, LLC v. A.D.I.M. Global Co.*, 2016 Tex. App. LEXIS 13202, *n.7 (Tex. App.—Dallas [5th Dist.] Dec. 13, 2016) ("Even 'repeated contacts with forum residents' through an interactive website 'may not constitute the requisite substantial, continuous and systematic contacts required for a finding of general jurisdiction.'") (quoting *Monkton Ins. Servs., Ltd v. Ritter*, 768 F.3d 429, 432, 434 (5th Cir. 2014) (explaining that after *Daimler* "[i]t is . . . incredibly difficult to establish general jurisdiction in a forum other than the place of incorporation or principal place of business"). Based upon the foregoing, this Court lacks general jurisdiction over AH France.

B. The Court Lacks Specific Jurisdiction Because There Is No Substantial Connection between Era's Lawsuit and AH France's Texas Contacts

To establish specific jurisdiction over AH France, Era must allege: (1) AH France purposefully availed itself of the privilege of conducting business activities in Texas, and (2) its

alleged liability arises from or relates to those activities. *Moki Mac*, 221 S.W.3d at 575. The Texas Supreme Court has explained that specific jurisdiction requires the plaintiff to establish "a substantial connection between [the defendant's forum] contacts and the operative facts of the litigation." *Id.* at 585 (citations omitted). The "operative facts" are those "that would be the focus of the trial." *Id.*; *see also Denso Corp. v. Hall*, 396 S.W.3d 681, 691 (Tex. App.—Houston [14th Dist.] 2013).

To determine whether AH France has purposefully availed itself of the benefits of doing business in Texas for purposes of Era's claims, the Court should consider "(1) [AH France's] own actions but not the unilateral activity of another party, (2) whether [AH France's] actions were purposeful rather than "random, isolated, or fortuitous," and (3) whether [AH France] sought "some benefit, advantage, or profit by 'availing' itself of the jurisdiction." *Michiana Easy Livin' Country, Inc. v. Holton*, 168 S.W.3d 777, 785 (Tex. 2005).

Texas courts are very clear that to establish specific jurisdiction in tort cases, the Texas long-arm statute, Tex. Civ. Prac. & Rem. Code § 17.042(2), requires that the nonresident defendant commit "a tort in whole or in part in this state." In *Kelly*, the Texas Supreme Court found that specific jurisdiction did not exist in Texas over a nonresident defendant for a fraud claim where there were no allegations that the defendant committed any fraudulent acts in Texas. 301 S.W.3d at 659-660. As the Court explained:

> GIC failed to plead facts within the reach of the long-arm statute because it did not allege that the Officers committed any tortious acts in Texas. As noted, GIC's live pleading contains no allegations that the Officers' wrongdoing occurred in Texas. Regarding the fraud claim, GIC did allege several fraudulent acts (e.g., providing false affidavits to Meristar and misrepresenting to GIC that it would be paid in full), but it did not allege that any fraudulent acts occurred in Texas . . .

Id.

Simply put, Texas courts do not exercise specific jurisdiction over nonresident defendants in fraud, fraudulent inducement, and negligent misrepresentation cases when the defendant is not alleged to have made the allegedly false statement giving rise to the claim in Texas. *See, e.g.*, *Crossroads, LLC v. A.D.I.M. Global Co.*, 2016 Tex. App. LEXIS 13202, *16-17 (Tex. App.—Dallas [5th Dist.] Dec. 13, 2016) ("Under the same circumstances in *KC Smash 01, LLC*, where the defendant did not enter Texas in connection with the transaction at issue, we explained that "fraudulent or negligent misrepresentations made through electronic media do not establish specific jurisdiction.") (quoting *KC Smash 01, LLC v. Gerdes, Hendrichson, Ltd., L.L.P.*, 384 S.W.3d 389, 393-94 (Tex. App.—Dallas [5th Dist.] 2012) (no specific jurisdiction over claim for allegedly fraudulent and misleading statements when defendant did not enter Texas); *Jani-King Franchising, Inc. v. Falco Franchising, Inc.*, 2016 Tex. App. LEXIS 4836, *12-14 (Tex. App.—Dallas [5th Dist.] May 5, 2016) (finding no purposeful availment as to fraud defendant who made calls and emails to Texas, but did not physically enter Texas, but finding purposeful availment as to other fraud defendants who made statements and omissions while in Texas); *Julian v. Cadence McShane Constr. Co.*, LLC, 2015 Tex. App. LEXIS 11490, *14-21 (Tex. App.—Houston [First Dist.] Nov. 5, 2015) (finding no specific jurisdiction over defendant on fraud claim when there was no allegation that the defendants said or did anything in Texas that related to the claim).

Texas courts are equally clear that specific jurisdiction may not be based on a statement made by a nonresident defendant outside of Texas even if the statement was directed at Texas. In *Kelly*, the Texas Supreme Court explained, "we rejected the concept of directed-a-tort jurisdiction in *Michiana*, instead affirming the importance of the defendant's contacts with the forum state." 301 S.W.3d at 661 (citing *Michiana*, 168 S.W.3d at 788-92); *Crossroads*, 2016

Tex. App. LEXIS 13202 at *16-17 ("We have rejected the argument that "directing a tort" at the forum state-such as Crossroads making misrepresentations to ADIM when ADIM was in Texas-is a basis for specific personal jurisdiction.") (citing *Michiana*, 168 S.W.3d at 790-92); *Klug v. Wickert*, 2015 Tex. App. LEXIS 7414, *14-15 (Tex. App.—Dallas [5th Dist.] July 16, 2015) (arguments that tortious conduct is directed by the defendant to the forum improperly "shifts a court's focus from the relationship among the *defendant*, the forum, and the litigation, to the relationship among the *plaintiff*, the forum, and the litigation") (original emphasis).

Here, the operative facts of Era's fraudulent inducement claim as to AH France are allegedly false statements made by AH France that induced Era to purchase Super Puma helicopters from AH US. Notably absent from Era's Petition is an allegation that AH France made any such statements in Texas. Era does reference marketing materials and publications about Super Puma helicopters, which AH produced in France, [Gouraud Decl., ¶ 3], but does not allege those materials were presented to or otherwise communicated by AH France to Era in Texas. [Pet., §§ 40-44, 125.] Thus, those statements cannot support specific jurisdiction. *Kelly*, 301 S.W.3d at 659-661. Era also alleges that information about Super Puma helicopters may be found on AH France's website that is maintained in France, but such website information does not provide a basis for exercising specific jurisdiction. *Crossroads*, 2016 Tex. App. LEXIS 13202 at *16-17 ("fraudulent or negligent misrepresentations made through electronic media do not establish specific jurisdiction").[2] Furthermore, much of the alleged conduct in Era's Petition that did not occur in Texas occurred *after* the last of the helicopters were sold in 2010 (such as

[2] Throughout most of its Petition, Era chooses not to distinguish between AH France and AH US, instead referring to them jointly as "Airbus Helicopters," even though Era acknowledges that they are different companies in Paragraphs 23 through 25 of its Petition, and Era concedes that it purchased the helicopters at issue from AH US, not AH France.

the presentation by AH US (not AH France) to Era Helicopters in Louisiana in 2011, and the alleged maintenance on Era's helicopters in 2012-2016). Thus, these allegations cannot have fraudulently induced Era to purchase its Super Puma helicopters.

The operative facts of Era's breach of warranty claims relate to warranties made in the purchase agreements for the helicopters with AH US. [Pet., Counts II-V; §§ 53-55 & Exh. A - C.] Even if those warranties had not already expired by their terms (and they have), AH France was not a party to those purchase agreements. [Gouraud Decl., ¶ 6; Pet. ¶¶ 23, 25.] Moreover, to the extent Era argues that AH France may be liable to it as a subsequent purchaser for warranties made by AH France when it sold the helicopters in France to AH US, the operative facts of that claim (assuming Texas law were applied, which AH France does not concede) would be the warranties made by AH France to AH US in France**.** *Man Engines & Components, Inc. v. Shows*, 434 S.W.3d 132, 139 (Tex. 2014) ("As a matter of law, an implied warranty of merchantability, if not disclaimed, is born at the point of sale . . .").[3]

All of the other facts that Era alleges in support of its claim of a main gearbox defect, including the event in Norway in 2016 and earlier events in 2009 and 2012, occurred in Europe. None of them pertain to alleged tortious conduct by AH France in Texas. Although Era has not alleged a product liability cause of action, to the extent the helicopters are alleged to be defective the relevant conduct would be by AH France in France. *See Sulak v. American Eurocopter Corp.*, 901 F. Supp. 2d 834, 837, 844 (N.D. Tex. 2012) (finding for choice of law purposes that

[3] Era quotes an express warranty from the purchase agreement with AH US on page 53 of the Petition. Again, Era does not identify the entity that was the party to that agreement even though Era acknowledges that it purchased the helicopters from AH US, not AH France. [Pet., ¶¶ 23, 25; Gouraud Dec., ¶ 6.] Era misleadingly added "[Eurocopter]" after the word "seller" in the quote, which does not appear in the text of the purchase agreement that Era cites for this warranty in Exhibit A to its Petition. Eurocopter is the former name of AH France. [Gouraud Decl., ¶ 1.]

AH France designed the helicopter at issue in France and that "any defects in the helicopter would have occurred where it was designed and manufactured: France.") (citing *Perez v. Lockheed Corp. (In re Air Disaster at Ramstein Air Base, Ger.*), 81 F.3d 570, 577 (5th Cir. 1996) (holding strict-liability place of conduct is where product was designed, manufactured, and entered the commerce stream)).

The fact that AH France has sold helicopters, including the ones at issue, to AH US, a distributor in Texas, does not support the exercise of specific jurisdiction over AH France as to Era's claims. As explained, Era's claims are not based on AH France's sale of the helicopters to AH US, but, rather, on allegedly tortious conduct that Era claims induced it or an affiliate to enter into purchase agreements with AH US. Moreover, fraudulent inducement claims require the existence of a contract *between the parties*, and it is undisputed that no contract exist for the helicopters between AH France and the Era purchasers from Louisiana. *Haase v. Glazner*, 62 S.W.3d 795, 798-99 (Tex. 2001) ("Fraudulent inducement, however, is a particular species of fraud that arises only in the context of a contract and requires the existence of a contract as part of its proof. That is, with a fraudulent inducement claim, the elements of fraud must be established *as they relate to an agreement between the parties*.") (emphasis added).

Finally, the fact that Era's helicopters passed through Texas-based transactions between AH US and their Louisiana purchasers, and four of them passed physically though Texas bound for registration and use outside of Texas, does not create a basis for specific jurisdiction in Texas for Era's claims. In *Moore v. Pulmosan Safety Equip. Corp.*, the court found no substantial connection with Texas where the product was manufactured in New York and used in Louisiana, even though it was purchased by the plaintiff's Texas employer and passed through Texas on its way to Louisiana. 278 S.W.3d 27, 38 (Tex. App. – Houston [14th Dist.] 2008). "The relevant

facts," the court explained, "will be the state of the product as it left New York and the conditions in which [the plaintiff] used the product and worked in Louisiana. The fact that the product passed through Texas is not an operative fact." *Id*.

Since none of the tortious conduct alleged by Era in support of its claims against AH France occurred in Texas, Era has not alleged a substantial connection between contacts by AH France and the operative facts of its lawsuit. Indeed, because AH France has not done anything that would qualify as purposeful availment of the privilege of doing business in Texas with respect to Era's claims, the touchstone of the specific jurisdiction inquiry is lacking. Thus, this Court lacks specific jurisdiction over AH France. *Kelly*, 301 S.W.3d at 659-661.

C. Fair Play and Substantial Justice: France's Interests Outweigh Texas's

If the Court finds that AH France has sufficient minimum contacts with Texas, it should still decline to exercise personal jurisdiction over it because doing so would not comport with "traditional notions of fair play and substantial justice." *Guardian Royal Exch. Assur., Ltd. v. English China Clays, P.L.C.*, 815 S.W.2d 223, 231 (Tex. 1991). To make this determination, the Court should weigh the following five factors: (1) the burden on the defendant; (2) the interests of the forum state in adjudicating the dispute; (3) the plaintiff's interest in obtaining convenient and effective relief; (4) the interstate judicial system's interest in obtaining the most efficient resolution of controversies; and (5) the shared interest of the several states in furthering fundamental substantive social policies. *Id.* at 232.

The Texas Supreme Court has recognized that "when the defendant is a resident of another nation, the court must also consider the procedural and substantive policies of other nations whose interests are affected by the assertion of jurisdiction by a state court." *Id.* at 228. Thus, "the unique burdens placed upon a foreign defendant who must defend itself in a foreign

legal system carries significant weight in assessing the reasonableness of stretching the long arm of personal jurisdiction over national borders." *Id*. at 229.

While AH France recognizes that distance alone is insufficient to defeat jurisdiction, it would be unreasonable and unfair to require AH France to defend itself in Texas in this particular case arising solely from alleged conduct by it in France and where the majority of its relevant witnesses and documents are located. France has a far greater interest than Texas in adjudicating claims based on alleged fraudulent conduct by a French company made on French soil and based on alleged defects in a helicopter designed, certificated, manufactured and sold in France. *Keeton v. Hustler Magazine, Inc.*, 465 U.S. 770, 776 ("'A state has an especial interest in exercising judicial jurisdiction over those who commit torts within its territory. This is because torts involve wrongful conduct which a state seeks to deter, and against which it attempts to afford protection, by providing that a tort-feasor shall be liable for damages which are the proximate result of his tort.'") (citation omitted). The burden AH France would face in defending itself in Texas, under a foreign legal system, with witnesses for whom English is a second language, particularly for claims arising from alleged statements made in France, and with regard to events involving Super Puma helicopters that occurred entirely in Europe, outweighs any interest of Texas. *Doe v. Roman Catholic Archdiocese of St. Louis*, 109 S.W.3d 928, 931 (Tex. App.—Dallas [5th Dist.] 2003) ("we cannot agree with appellants that Texas's interest outweighs that of Missouri, given that the alleged torts occurred in Missouri, involved Missouri residents, and would be adjudicated under Missouri law"); *Rio de Janeiro v. Philip Morris Inc.*, 143 S.W.3d 497, 502 (Tex. App.—Beaumont [9th Dist.] 2004) ("We agree Texas does not appear to have an interest in adjudicating this specific dispute, a dispute involving

tortious conduct and damages occurring outside the borders of Texas and unrelated to defendants' business in Texas.").

IV.
CONCLUSION

For the foregoing reasons, Defendant Airbus Helicopters, S.A.S. respectfully requests that its Special Appearance be granted, and that it be dismissed from this lawsuit because the Court lacks personal jurisdiction over it.

Dated: January 12, 2017.

Respectfully submitted,

/s/ Thad T. Dameris

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ATTORNEYS FOR DEFENDANT
AIRBUS HELICOPTERS, S.A.S.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following counsel of record in accordance with the Texas Rules of Civil Procedure on this 12th day of January 2017:

Karl S. Stern
Quinn Emanuel Urquhart & Sullivan LLP
karlstern@quinnemanuel.com
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Suite 500
Houston, TX 77002

/s/ Thad T. Dameris
Thad T. Dameris

CAUSE NO. DC-16-15017

ERA GROUP INC.,	IN THE DISTRICT COURT
Plaintiff,	
v.	116th JUDICIAL DISTRICT
AIRBUS HELICOPTERS, INC. and, AIRBUS HELICOPTERS, S.A.S.,	
Defendants.	DALLAS COUNTY, TEXAS

DECLARATION OF MICHEL GOURAUD IN SUPPORT OF DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S SPECIAL APPEARANCE

I, Michel Gouraud, declare:

1. I am employed as Head of Distribution and Services Network at Airbus Helicopters, SAS ("AH"), which was formerly known as Eurocopter, SAS. I am over the age of eighteen and have never been convicted of a felony. I make this declaration in support of AH's Special Appearance in this lawsuit, and for no other purpose.

2. Except as stated below, I have personal knowledge of the matters set forth herein and I could competently testify about them if called upon as a witness.

3. AH is a French company organized and existing under the laws of France. Its principal place of business is in Marignane, France, where it designs, obtains certification of, manufactures, sells and supports certain Airbus Helicopters model helicopters, including Super Puma helicopters, and from where it maintains a website and produces marketing materials for helicopters it distributes. AH also conducts aircraft certification and internal technical activities, including investigating incidents and accidents, from its place of business in France.

4. AH does not sell helicopters through its website.

5. AH has never temporarily moved its primary offices or operational activities to Texas.

6. AH designed and manufactured Super Puma EC225 helicopters serial numbers 2685, 2690, 2680, 2691, 2732, 2734, 2760, 2777, 2825 and 2809 in France. AH sold and delivered these helicopters in France to Airbus Helicopters, Inc., formerly known as American Eurocopter Corporation, of Grand Prairie, Texas. AH did not sell any of these helicopters to Era Group Inc. or Era Helicopters LLC.

7. AH does not sell Super Puma helicopters in Texas.

8. AH's involvement with investigative and certification authorities from Europe and the United Kingdom over Super Puma accidents in 2009 in the North Sea and 2016 in Norway, and two incidents that occurred in the North Sea in 2012, occurred from AH's place of business in France.

9. AH does not own AHI, and AH and AHI are separate and independent companies, each with its own management, employees, facilities, bank accounts and operational control.

10. AH does not own, control or have any corporate relationship with HeliOne.

11. My date of birth is: 21 May 1966.

12. My address is: 66, rue Lamarck, 75018, Paris, France.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Le Bourget, FRANCE, on this 23rd day of December, 2016.

Michel Gouraud

CAUSE NO. DC-16-15017

ERA GROUP INC., Plaintiff, v. AIRBUS HELICOPTERS, INC. and, AIRBUS HELICOPTERS, S.A.S., Defendants.	IN THE DISTRICT COURT 116th JUDICIAL DISTRICT DALLAS COUNTY, TEXAS

AFFIDAVIT OF JAMES R. CAWYER

STATE OF TEXAS)
) ss.
COUNTY OF TARRANT)

I, James R. Cawyer, being duly sworn, depose and say as follows:

1. I am the Vice President of Finance of Airbus Helicopters, Inc. ("AH US"), formerly known as American Eurocopter Corporation ("AEC"). I am over eighteen (18) years of age. With the exception of March 2000 to June 2001, I have worked for AH US or its predecessors, American Eurocopter LLC ("AE LLC") and Aérospatiale Helicopter Corporation ("AHC"), since 1991. I have personal knowledge of the matters set forth herein through my employment with AH US and/or my review of AH US's business records. I make this affidavit in support of Airbus Helicopters, S.A.S.'s ("AH France's") Special Appearance, and for no other purpose.

2. When I refer to AH US in this document I am including AEC, AE LLC and AHC.

3. AH US is a Delaware corporation that has its headquarters in Texas and a manufacturing facility in Mississippi.

4. AH US is a separate and independent company from AH France, with its own management, employees, facilities, bank accounts and operational control. AH France does not own AH US. AH US does not derive its right to use the name "Airbus" from AH France.

5. AH US has customers throughout the United States. Only approximately 11% of its customers have billing addresses in the State of Texas.

6. In 2006, Era Helicopters, LLC with an address in Lake Charles, Louisiana, purchased four Super Puma helicopters, Manufacturer Serial Numbers ("MSN") 2680, 2685, 2690, and 2691, from AH US. Era Helicopters executed Texas Aircraft Exemption Certificate Out-of-State Registration and Use forms in which it certified for each of the helicopters that "[t]he aircraft will be registered in Lake Charles, Louisiana, as recorded with [the] Federal Aviation Administration" and "[t]he aircraft will be hangared in Lake Charles, Louisiana, and is not purchased for use in Texas." True and correct copies of these Texas Aircraft Exemption Certificate Out-of-State Registration and Use forms are attached hereto as **Exhibits A – D**.

7. Also attached hereto are Delivery Affidavits for these four helicopters and for five additional helicopters (MSN 2732, 2760, 2777, 2809, and 2825) that were purchased from AH US by Era Helicopters, LLC and Era Group, Inc. The Delivery Affidavits state that the helicopters were delivered by AH US to Era Helicopters, LLC and Era Group, Inc. with addresses in Lake Charles, Louisiana. True and correct copies of these Delivery Affidavits are attached hereto as **Exhibits E – M.** AHI has been unable to locate in its files the Delivery Affidavit for MSN 2734.

FURTHER, AFFIANT SAYETH NOT.

Executed on this 11th day of January, 2017, in Grand Prairie, Texas.

James R. Cawyer

SWORN TO AND SUBSCRIBED BEFORE ME, this 11th day of January, 2017

LOURDES POARD
NOTARY PUBLIC
STATE OF TEXAS
EXPIRES
4-22-2017

Notary Public

My Commission Expires: Apr 22, 2017

EXHIBIT A

Comptroller of Public Accounts FORM 01-907 (Rev.12-01/3)

TEXAS AIRCRAFT EXEMPTION CERTIFICATE OUT-OF-STATE REGISTRATION AND USE

Under Ch. 559, Government Code, you are entitled to review, request, and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or toll-free number listed on this form.

Name of purchaser: ERA Helicopters, LLC	
Address (Street & number and P.O. Box number): Lake Charles Regional Airport, 1600 Airport Service Rd	Phone (Area code & number): 337-478-6131
City, State, ZIP code: Lake Charles, LA 70606	

Name of seller: **American Eurocopter LLC**	Seller's Texas sales tax permit number: **113-42548655**
Address (Street & number and P.O. Box number): **2701 Forum Drive**	Phone (Area code & number): **972-641-0000**
City, State, ZIP code: **Grand Prairie, TX 75052-7099**	

The undersigned hereby certifies that the aircraft described below was purchased on May 13, 2008 (Date of sale) for a total sales price of € 15,839,570 of which $ -0- was allowed as a trade-in, resulting in a net sales price of € 15,839,570.

Aircraft make	Model	Serial number	FAA registration number (Tail number)
Eurocopter	**EC225LP**	**2680**	**N225EH**

The aircraft will be registered in Lake Charles (City), LA (State) as recorded with Federal Aviation Administration.

The aircraft will be **hangared** in Lake Charles (City), LA (State) and is not purchased for use in Texas.

My correct mailing and location address are Same as above (Mailing address)

Same as above (Location address)

I claim an exemption from the Texas sales tax pursuant to Texas Tax Code Section 151.328(a)(4) because the aircraft is purchased for registration and use outside Texas.

I understand that by signing this form, I am authorizing the Texas Comptroller of Public Accounts to furnish copies to officials of my home state. I understand that the purpose of providing this information to officials of my home state is to facilitate the enforcement of any taxes imposed on the purchase or use of the aircraft in my home state.

I understand that it is a misdemeanor punishable by a fine not to exceed $500 to provide this certificate of exemption if I know the aircraft will be used in a manner other than for registration and use outside Texas.

sign here — Purchaser's signature: CONTROLLED COPY	Date: 5/13/08
sign here — Seller's signature:	Date:

(Original to be retained by seller, seller to send copy to the Texas Comptroller of Public Accounts, Business Activity Research Team, P.O. Box 13003, Austin, Texas, 78711-3003, and copy to the Purchaser.)

EXHIBIT B

Comptroller of Public Accounts FORM 01-907 (Rev.12-01/3)

TEXAS AIRCRAFT EXEMPTION CERTIFICATE OUT-OF-STATE REGISTRATION AND USE

Under Ch. 559, Government Code, you are entitled to review, request, and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or toll-free number listed on this form.

Name of purchaser **ERA Helicopters LLC**	
Address *(Street & number and P.O. Box number)* **Lake Charles Regional Airport, 600 Airport Service Rd**	Phone *(Area code & number)* **337-478-6131**
City, State, ZIP code **Lake Charles, LA 70606**	

Name of seller **American Eurocopter LLC**	Seller's Texas sales tax permit number **113-42548655**
Address *(Street & number and P.O. Box number)* **2701 Forum Drive**	Phone *(Area code & number)* **972-641-0000**
City, State, ZIP code **Grand Prairie, TX 75052-7099**	

The undersigned hereby certifies that the aircraft described below was purchased on December 30, 2008 (Date of sale)

for a total sales price of $ 18,848,041 of which $ -0- was allowed as a trade-in,

resulting in a net sales price of $ 18,848,041 .

Aircraft make	Model	Serial number	FAA registration number *(Tail number)*
Eurocopter	EC225LP	2685	N247CF

The aircraft will be registered in Lake Charles (City), LA (State) as recorded with Federal Aviation Administration.

The aircraft will be **hangared** in Lake Charles (City), LA (State) and is not purchased for use in Texas.

My correct mailing and location address are Same as above (Mailing address)

Same as above (Location address)

I claim an exemption from the Texas sales tax pursuant to Texas Tax Code Section 151.328(a)(4) because the aircraft is purchased for registration and use outside Texas.

I understand that by signing this form, I am authorizing the Texas Comptroller of Public Accounts to furnish copies to officials of my home state. I understand that the purpose of providing this information to officials of my home state is to facilitate the enforcement of any taxes imposed on the purchase or use of the aircraft in my home state.

I understand that it is a misdemeanor punishable by a fine not to exceed $500 to provide this certificate of exemption if I know the aircraft will be used in a manner other than for registration and use outside Texas.

sign here Purchaser's signature	Date 12/8/08
sign here Seller's signature	Date

(Original to be retained by seller, seller to send copy to the Texas Comptroller of Public Accounts, Business Activity Research Team, P.O. Box 13003, Austin, Texas, 78711-3003, and copy to the Purchaser.)

CONTROLLED COPY

EXHIBIT C

01-907 (Rev.12-01/3)

TEXAS AIRCRAFT EXEMPTION CERTIFICATE OUT-OF-STATE REGISTRATION AND USE

Under Ch. 559, Government Code, you are entitled to review, request, and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or toll-free number listed on this form.

Name of purchaser: ERA Helicopters LLC	
Address (Street & number and P.O. Box number): Lake Charles Regional Airport, 600 Airport Service Rd	Phone (Area code & number): 337-478-6131
City, State, ZIP code: Lake Charles, LA 7066	

Name of seller: American Eurocopter LLC	Seller's Texas sales tax permit number: 113-42548655
Address (Street & number and P.O. Box number): 2701 Forum Drive	Phone (Area code & number): 972-641-0000
City, State, ZIP code: Grand Prairie, TX 75052-7099	

The undersigned hereby certifies that the aircraft described below was purchased on April 17, 2008 (Date of sale) for a total sales price of € 16,260,640 of which $ -0- was allowed as a trade-in, resulting in a net sales price of € 16,260,640.

Aircraft make	Model	Serial number	FAA registration number (Tail number)
Eurocopter	EC225LP	2690	N225SN

The aircraft will be registered in Lake Charles (City), LA (State) as recorded with Federal Aviation Administration.

The aircraft will be hangared in Lake Charles (City), LA (State) and is not purchased for use in Texas.

My correct mailing and location address are Same as above (Mailing address)

Same as above (Location address)

I claim an exemption from the Texas sales tax pursuant to Texas Tax Code Section 151.328(a)(4) because the aircraft is purchased for registration and use outside Texas.

I understand that by signing this form, I am authorizing the Texas Comptroller of Public Accounts to furnish copies to officials of my home state. I understand that the purpose of providing this information to officials of my home state is to facilitate the enforcement of any taxes imposed on the purchase or use of the aircraft in my home state.

I understand that it is a misdemeanor punishable by a fine not to exceed $500 to provide this certificate of exemption if I know the aircraft will be used in a manner other than for registration and use outside Texas.

CONTROLLED COPY

sign here — Purchaser's signature	Date 4/17/08
sign here — Seller's signature	Date

(Original to be retained by seller, seller to send copy to the Texas Comptroller of Public Accounts, Business Activity Research Team, P.O. Box 13003, Austin, Texas, 78711-3003, and copy to the Purchaser.)

RECEIVED TIME MAY 20 10:20AM

EXHIBIT D

Comptroller of Public Accounts FORM 01-907 (Rev.12-01/3)

TEXAS AIRCRAFT EXEMPTION CERTIFICATE OUT-OF-STATE REGISTRATION AND USE

Under Ch. 559, Government Code, you are entitled to review, request, and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or toll-free number listed on this form.

Name of purchaser: ERA Helicopters LLC	
Address (Street & number and P.O. Box number): Lake Charles Regional Airport, 600 Airport Service Rd	Phone (Area code & number): 337-478-6131
City, State, ZIP code: Lake Charles, LA 70606	

Name of seller: American Eurocopter LLC	Seller's Texas sales tax permit number: 113-42548655
Address (Street & number and P.O. Box number): 2701 Forum Drive	Phone (Area code & number): 972-641-0000
City, State, ZIP code: Grand Prairie, TX 75052-7099	

The undersigned hereby certifies that the aircraft described below was purchased on 7/28/08 (Date of sale)

for a total sales price of $ 18,262,111 of which $ -0- was allowed as a trade-in,

resulting in a net sales price of $ 18,262,111 .

Aircraft make	Model	Serial number	FAA registration number (Tail number)
Eurocopter	EC225LP	2691	

The aircraft will be registered in Lake Charles (City), LA (State) as recorded with Federal Aviation Administration.

The aircraft will be hangared in Lake Charles (City), LA (State) and is not purchased for use in Texas.

My correct mailing and location address are Same as above (Mailing address)

Same as above (Location address)

I claim an exemption from the Texas sales tax pursuant to Texas Tax Code Section 151.328(a)(4) because the aircraft is purchased for registration and use outside Texas.

I understand that by signing this form, I am authorizing the Texas Comptroller of Public Accounts to furnish copies to officials of my home state. I understand that the purpose of providing this information to officials of my home state is to facilitate the enforcement of any taxes imposed on the purchase or use of the aircraft in my home state.

I understand that it is a misdemeanor punishable by a fine not to exceed $500 to provide this certificate of exemption if I know the aircraft will be used in a manner other than for registration and use outside Texas.

sign here — Purchaser's signature	Date 7/28/08
sign here — Seller's signature	Date

EXHIBIT E

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2680, Registration Number N225EH to:

ERA HELICOPTERS, LLC
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-4123-A, dated April 25, 2006 and all amendments thereto.

Accepted by: Neil Osborne
Era Helicopters, LLC

Title: President

Date Accepted: May 13, 2008

Total Airframe Time: 92.2 hrs

No. 1 Engine Serial Number: 1154

Total Engine Time: 92.2 hrs

No. 2 Engine Serial Number: 1138

Total Engine Time: 92.2 hrs

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

RECEIVED TIME MAY. 28. 8:37AM

EXHIBIT F

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT
with Attachment

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2685, Registration Number N247CF to:

ERA HELICOPTERS, LLC
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-4123-C, dated April 25, 2006 and all amendments thereto.

Accepted by: Elvin Domingue
Era Helicopters, LLC

Title: Heavy Ship Manager
12/30/2008

Date Accepted: December 30, 2008

Total Airframe Time: 38.4 hrs

No. 1 Engine Serial Number: 1162

Total Engine Time: 30.5 hrs

No. 2 Engine Serial Number: 1146

Total Engine Time: 38.4 hrs

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT G

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2690, Registration Number N225SN to:

ERA HELICOPTERS LLC
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-4123-D, dated April 25, 2006 and all amendments thereto.

Accepted by: _____
Era Helicopters LLC

Title: President

Date Accepted: April 17, 2008

Total Airframe Time: 5.45 hrs

No. 1 Engine Serial Number: 1119

Total Engine Time: 5.45 hrs

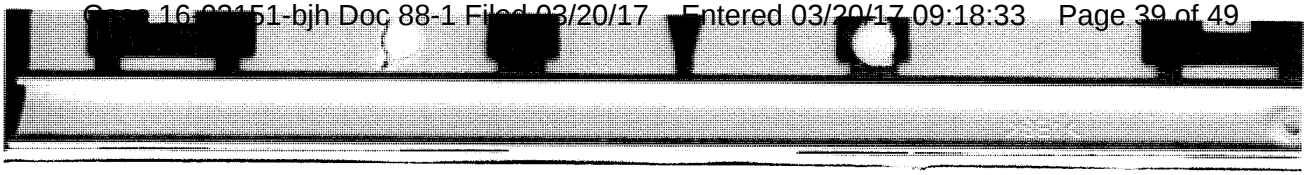
No. 2 Engine Serial Number: 1147

Total Engine Time: 5.45 hrs

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

RECEIVED TIME APR. 21. 5:47PM

EXHIBIT H



american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2691, Registration Number XXXXX to:

ERA HELICOPTERS, LLC
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-4123-D, dated April 25, 2006 and all amendments thereto.

Accepted by: Elvin Domingue
Era Helicopters, LLC

Title: Heavy Ship Manager

Date Accepted: July 28, 2008

Total Airframe Time: 16.4 hrs

No. 1 Engine Serial Number: 1109

Total Engine Time: 20.1 hrs

No. 2 Engine Serial Number: 1155

Total Engine Time: 16.4 hrs

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT I

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2732, Registration Number ~~XXXXX~~ G-REDV to:

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-6176-1, dated July 5, 2007 and all amendments thereto.

Accepted by: Jimmy J Gilmour
Era Group, Inc.

Title: DIRECTOR OF ENGINEERING
Bond Offshore Helicopters

Date Accepted: June 18, 2009

Total Airframe Time: 9 hrs 05 min.

No. 1 Engine Serial Number: 13007

Total Engine Time: 9 hrs .05 min.

No. 2 Engine Serial Number: 13009

Total Engine Time: 9 hrs .05 min

Delivery Discrepancies/Shortages:

1. The replacement price of the air conditioning removable parts (HP Group) for 225's #5 and #6 (PA V-6176-1 and PA V-6176-2) will remain the same as the 95,220 Euro credit given adjusted for year on year escalation up to the date of the purchase of the removable parts (HP Group) from EC by ERA.

   EC also agrees to provide the adaptation parts as required for the installation fo of the new Behr High Pressure Group (HP Group) for #5 at no cost to ERA.

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT J

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2760, Registration Number EWWCO to: FRANCE
PR-BLL BRAZIL

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter Corporation is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-6176-3, dated July 5, 2007 and all amendments thereto.

Accepted by: _____
Era Group, Inc.

Title: Quality Inspector

CAW Date Accepted: 06-~~17~~ 22-2010

Total Airframe Time: 14 hrs 55

No. 1 Engine Serial Number: 13051

Total Engine Time: 14 hrs 55

No. 2 Engine Serial Number: 13050

Total Engine Time: 14 hrs 55

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT K

AMERICAN EUROCOPTER

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2777, Registration Number N109RR to:

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter Corporation is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-6176-4, dated July 5, 2007 and all amendments thereto.

Accepted by: Jmod Siabo
Era Group, Inc.

Title: Director of Quality Control

CW

Date Accepted: November ~~5~~ 10, 2010

Total Airframe Time: 7 hrs 35 min.

No. 1 Engine Serial Number: 13070

Total Engine Time: 7 hrs 35 min.

No. 2 Engine Serial Number: 13071

Total Engine Time: 7 hrs 35 min.

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT L

AMERICAN EUROCOPTER
AN EADS NORTH AMERICA COMPANY

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2809, Registration Number N225EW to:

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter Corporation is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-66397-1, dated April 7, 2010 and all amendments thereto.

Accepted by: _____
Era Group, Inc.

Title: VP Maintenance

Date Accepted: December 12, 2011

Total Airframe Time: 12 hrs 5 mins

No. 1 Engine Serial Number: 13139

Total Engine Time: 12 hrs 5 mins

No. 2 Engine Serial Number: 13140

Total Engine Time: 12 hrs 5 mins

Contact: Robert Van de Vuurst
Phone No.: 337.478.6131

EXHIBIT M

AMERICAN EUROCOPTER
AN EADS NORTH AMERICA COMPANY

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2825, Registration Number _____ to:

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter Corporation is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-66397-2, dated April 7, 2010 and all amendments thereto.

Accepted by: _____
Era Group, Inc.

Title: Vice President of Maintenance

Date Accepted: April 27 2012

Total Airframe Time: 23.55 hrs

No. 1 Engine Serial Number: 13164

Total Engine Time: 23.55 hrs

No. 2 Engine Serial Number: 13165

Total Engine Time: 23.55 hrs

Contact: Robert Van de Vuurst
Phone No.: 337.478.6131

Exhibit B

CAUSE NO. DC-16-15017

ERA GROUP INC.,	IN THE DISTRICT COURT
Plaintiff,	
v.	116th JUDICIAL DISTRICT
AIRBUS HELICOPTERS, INC. and, AIRBUS HELICOPTERS, S.A.S.,	
Defendants.	DALLAS COUNTY, TEXAS

DECLARATION OF MICHEL GOURAUD IN SUPPORT OF DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S SPECIAL APPEARANCE

I, Michel Gouraud, declare:

1. I am employed as Head of Distribution and Services Network at Airbus Helicopters, SAS ("AH"), which was formerly known as Eurocopter, SAS. I am over the age of eighteen and have never been convicted of a felony. I make this declaration in support of AH's Special Appearance in this lawsuit, and for no other purpose.

2. Except as stated below, I have personal knowledge of the matters set forth herein and I could competently testify about them if called upon as a witness.

3. AH is a French company organized and existing under the laws of France. Its principal place of business is in Marignane, France, where it designs, obtains certification of, manufactures, sells and supports certain Airbus Helicopters model helicopters, including Super Puma helicopters, and from where it maintains a website and produces marketing materials for helicopters it distributes. AH also conducts aircraft certification and internal technical activities, including investigating incidents and accidents, from its place of business in France.

4. AH does not sell helicopters through its website.

5. AH has never temporarily moved its primary offices or operational activities to Texas.

6. AH designed and manufactured Super Puma EC225 helicopters serial numbers 2685, 2690, 2680, 2691, 2732, 2734, 2760, 2777, 2825 and 2809 in France. AH sold and delivered these helicopters in France to Airbus Helicopters, Inc., formerly known as American Eurocopter Corporation, of Grand Prairie, Texas. AH did not sell any of these helicopters to Era Group Inc. or Era Helicopters LLC.

7. AH does not sell Super Puma helicopters in Texas.

8. AH's involvement with investigative and certification authorities from Europe and the United Kingdom over Super Puma accidents in 2009 in the North Sea and 2016 in Norway, and two incidents that occurred in the North Sea in 2012, occurred from AH's place of business in France.

9. AH does not own AHI, and AH and AHI are separate and independent companies, each with its own management, employees, facilities, bank accounts and operational control.

10. AH does not own, control or have any corporate relationship with HeliOne.

11. My date of birth is: 21 May 1966.

12. My address is: 66, rue Lamarck, 75018, Paris, France.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Le Bourget, FRANCE, on this 23rd day of December, 2016.

Michel Gouraud

Exhibit C

FILED
DALLAS COUNTY
4/28/2016 3:57:55 PM
FELICIA PITRE
DISTRICT CLERK

Tonya Pointer

Cause No. **DC-16-09090**

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited,	§	IN THE DISTRICT COURT OF
	§	DALLAS COUNTY, TEXAS
Plaintiff,	§	_____ JUDICIAL DISTRICT
v.	§	
AIRBUS HELICOPTERS, INC.,	§	
Defendant.	§	

PLAINTIFF WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION'S ORIGINAL PETITION AND REQUEST FOR DISCLOSURE

On April 29, 2016, a fatal accident involving an Airbus EC225LP[1] helicopter occurred in Norway. An in-flight detachment of the main rotor hub from the main gearbox occurred, resulting in the death of all passengers on board. The Federal Aviation Authority has since banned flight of the EC225LP helicopters because it determined that an "unsafe condition exists and is likely to exist or develop on other helicopters of these same type designs." The European Aviation Safety Agency has issued a similar ban.

Plaintiff purchased three EC225LP helicopters from Defendant Airbus. After discovering that the helicopters were defective and not airworthy, Plaintiff revoked its acceptance of the non-conforming goods. Airbus, however, has refused to refund the purchase price and take ownership of the helicopters, although the helicopters remain grounded, unsafe, and without a fix in sight. Accordingly, Plaintiff Wells Fargo Bank

[1] The EC225 helicopter model is also marketed as a "Super Puma" and more recently as an "H225."

Northwest, National Association, not in its individual capacity but solely as owner trustee ("Plaintiff," "Buyer," or "Wells Fargo") for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited ("Macquarie Rotorcraft"), files this Original Petition complaining of Defendant Airbus Helicopters, Inc. ("Defendant" or "Airbus").

DISCOVERY LEVEL

1. Pursuant to Rules 190.1 and 190.3 of the Texas Rules of Civil Procedure, Plaintiff intends to conduct discovery under Level 2.

NATURE OF THE SUIT

2. This lawsuit arises from Airbus's breach of contract and, in the alternative, breach of warranty.

3. This action is filed to recover any and all damages to Buyer caused by Airbus's breaches of the Purchase Agreement, including attorneys' fees, pre- and post-judgment interest, costs and all other relief to which Buyer is entitled.

PARTIES

4. Plaintiff Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited, is a national banking association formed under the laws of the United States of America and located at 299 South Main Street 12th Floor, Salt Lake City, Utah 84111. Wells Fargo assumed all of Macquarie Bank Limited's ("Macquarie Bank") rights and obligations under the purchase agreement between Macquarie Bank and Defendant Airbus Helicopters, Inc. dated January 30, 2014 designated as "Contract No. V-6718-1 thru 3" for the purchase of three (3) EC225LP helicopters ("Purchase Agreement").

5. Defendant Airbus Helicopters, Inc. is a Delaware corporation with its headquarters located at 2701 Forum Drive, Grand Prairie, Texas 75052. Defendant Airbus Helicopters, Inc. is the successor to a Delaware corporation known as "American Eurocopter Corporation." It may be served through its registered agent, Kevin C. Cabaniss, at 2701 Forum Drive, Grand Prairie, Texas 75052.

JURISDICTION AND VENUE

8. This Court has subject matter jurisdiction over this lawsuit because the amount in controversy is within the jurisdictional limits of this Court.

9. This Court has personal jurisdiction over Defendant because Defendant is a resident and/or has its principal office in Texas.

10. Venue is proper in Dallas County, Texas, as the parties contractually recognized that Dallas County is a proper venue for disputes arising out of the Purchase Agreement.

BACKGROUND

11. Phoenix Aviation Group ("Phoenix") entered into an agreement to purchase three (3) EC225LP helicopters bearing manufacturer serial numbers 2909, 2919 and 2943 (the "Helicopters") with Airbus on January 30, 2014. The agreement is designated as "Contract No. V-6718-1 thru 3."

12. On April 2, 2014, Macquarie Bank, Phoenix, and Airbus entered into an assignment and assumption agreement for Macquarie Bank to assume the Purchase Agreement, including all rights and obligations of Phoenix.

13. Also on April 2, 2014, Macquarie Bank and Airbus agreed and entered into a Supplement to Purchase Agreement.

14. The Purchase Agreement, as supplemented, established a purchase price for each of the Helicopters. The Purchase Agreement also required a 20% deposit payable by the Buyer upon entry into the Purchase Agreement. The Buyer paid the full purchase price, including the deposit, for the Helicopters to Airbus.

15. In exchange for the purchase price, Airbus agreed to deliver the Helicopters. Airbus promised in the agreement that the Helicopters would conform to the published specification for each helicopter. Airbus also represented and warranted each new helicopter and parts manufactured by them to be free from defects in material and workmanship. Further, Airbus promised a certificate of airworthiness for each helicopter and that each helicopter would comply with EASA Certification.

16. The first helicopter was scheduled for delivery in September 2014 and the remaining two in January 2015.

17. On September 30, 2014, Wells Fargo, Macquarie Bank, and Airbus entered into an assignment and assumption agreement for Wells Fargo (not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, a wholly owned subsidiary of Macquarie Bank) to assume all rights and obligations of Macquarie Bank under the Purchase Agreement for the first of the EC225LP helicopters bearing manufacturer's serial number 2919.

18. On December 19, 2014, Wells Fargo, Macquarie Bank, and Airbus entered into an assignment and assumption agreement for Wells Fargo (not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, a wholly owned subsidiary of Macquarie Bank) to assume all rights and obligations of Macquarie

Bank under the Purchase Agreement for the second of the EC225LP helicopters bearing manufacturer's serial number 2909.

19. Also on December 19, 2014, Wells Fargo, Macquarie Bank, and Airbus entered into an assignment and assumption agreement for Wells Fargo (not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, a wholly owned subsidiary of Macquarie Bank) to assume all rights and obligations of Macquarie Bank under the Purchase Agreement for the third of the EC225LP helicopters bearing manufacturer's serial number 2943.

20. Under the September 30, 2014 and December 19, 2014 Assignment and Assumption Agreements, Macquarie Bank assigned all right, title, and interest in and to the Purchase Agreement with respect to the Helicopters and all rights and obligations with respect to the Helicopters to Wells Fargo, including without limitation, rights with respect to warranties, training, and technical publications. Airbus consented to the assignment of the rights and interests by Macquarie Bank to Wells Fargo.

21. Airbus delivered, and Buyer accepted after an inspection, the first of the Helicopters bearing serial number 2919 on October 1, 2014. The helicopter was accepted in Marignane, France.

22. Airbus delivered, and Buyer accepted after an inspection, the second of the Helicopters bearing serial number 2909 on December 30, 2014. The helicopter was accepted in Marignane, France.

23. Airbus delivered, and Buyer accepted after an inspection, the third of the Helicopters bearing serial number 2943 on January 27, 2015. The helicopter was accepted in Marignane, France.

24. The Helicopters were registered with the Aruba Department of Civil Aviation. Each helicopter was transported by a brief ferry flight conducted by Airbus pilots directly to Calden, Germany to be stored in the facility of Airbus's German affiliate, Airbus Helicopters Deutschland GmbH ("Airbus Germany") pursuant to an Aircraft Storage Agreement between Airbus and Buyer's servicing affiliate, Macquarie Rotorcraft Leasing, Inc. The Helicopters have not been used or leased by Buyer after delivery was completed.

25. On April 29, 2016, a fatal accident involving an Airbus EC225LP helicopter being operated by CHC Helikopter Service AS occurred at Turoy, near Bergen, Norway. The Accident Investigation Board of Norway ("AIBN") launched an investigation into the causes of the accident. As a result of the investigation, the AIBN issued a safety recommendation on June 1, 2016, regarding the main gearbox.

26. On June 2, 2016, the European Aviation Safety Agency ("EASA") issued a flight prohibition of all Airbus EC225LP helicopters. The EASA Emergency Airworthiness Directive, No. 2016-0104-E, stated that issues with the main gearbox suspension bars and attachment fittings, along with findings of fatigue and surface degradation in the outer race of a second stage planet gear had been observed, but that the root cause of the damage and mitigating measures had not been determined. Accordingly, all EC225LP Airbus helicopters were grounded until further notice.

27. On June 3, 2016, the FAA also issued an Emergency Airworthiness Directive, AD No. 2016-12-51, immediately prohibiting flights of all Airbus EC225LP helicopters. The FAA Emergency Airworthiness Directive defined the unsafe condition as failure of the main rotor system, which will result in loss of control of the helicopter.

28. The defects in the helicopter related to the main gearbox and main rotor system were not discoverable through a visual or flight delivery inspection. Such defects have resulted in both the EASA and the FAA immediately prohibiting flight of the helicopters.

29. Within a reasonable time after learning that the Helicopters were not in an airworthy condition, and with no corrective measures being promptly identified, Buyer sent a letter to Airbus on July 1, 2016, revoking acceptance of the non-conforming Helicopters. The letter detailed that the Helicopters are subject to Emergency Airworthiness Directives by EASA and the FAA. Thus, Buyer revoked its acceptance of the Helicopters and additional equipment and accessories acquired under the Purchase Agreement and requested a refund of the total purchase price paid. Buyer has continued to incur and pay for obligations as a prudent owner under its insurance policies, ongoing registration fees, and storage fees until such time as Airbus accepts title for the Helicopters and refunds the purchase price (and other costs enumerated herein).

30. On July 8, 2016, Airbus replied by letter denying Buyer's request to refund the purchase price or reimburse any of the expenses incurred by Buyer.

31. On July 21, 2016, Buyer sent another letter to Airbus asking Airbus to reassess its position, as the Helicopters' nonconformance has substantially impaired the value of the Helicopters. As of the time of this filing on July 28, 2016, Airbus has not responded to this request.

CLAIMS AND CAUSES OF ACTION

A. BREACH OF CONTRACT

32. The foregoing paragraphs are hereby adopted and incorporated by reference. The Purchase Agreement is a valid and enforceable contract. Pursuant to the Purchase Agreement, Buyer agreed to pay a stated purchase price for each helicopter. In exchange, Airbus agreed to, among other things, to deliver three new EC225LP helicopters that "conform to the published specifications" and to provide "a certificate of airworthiness for [each] helicopter." Buyer performed all its obligations under the Agreement. Accordingly, all conditions precedent to Buyer's rights to recover under the Agreement have been performed, excused, waived, or otherwise satisfied.

33. Airbus breached the Agreement when it failed to deliver the Helicopters in airworthy condition, with failure of the main rotor system, which would result in loss of control of the helicopter, likely to exist or develop. The non-conformity substantially impairs the value of the aircraft to Buyer. Buyer cannot lease the Helicopters to operators. Nor can it sell them without incurring substantial loss. Indeed, one of the leading helicopter appraisal companies is unwilling at this time to provide valuations of EC225 helicopters that reflect the impact of the airworthiness issues and the related EASA and FAA groundings. This leaves Buyer with helicopters that it cannot fly, lease, or sell for any price that would not result in substantial losses to Buyer.

34. The non-conformity was not reasonably discoverable from the visual and flight delivery inspection provided for under the Purchase Agreement. There has not been any substantial change in the condition of the Helicopters since Buyer's acceptance. Within a reasonable time after learning of the non-conformity, Buyer revoked its

acceptance. Buyer requested that Airbus refund the total purchase price paid under the Purchase Agreement. Airbus refused.

35. Buyer requested that Airbus promptly assume responsibility for insurance, registration, and storage of the Helicopters. Airbus's breach and refusal to assume responsibility for the Helicopters has caused Buyer to incur expenses to insure, store, and register the Helicopters.

36. Airbus's breach of the Purchase Agreement has caused Buyer damages.

B. BREACH OF WARRANTY

37. The foregoing paragraphs are hereby adopted and incorporated by reference.

38. In the alternative, Airbus is liable to Buyer for breach of warranty.

39. Buyer acquired the Helicopters by purchase from Airbus under a valid, enforceable Agreement wherein Buyer agreed to pay Airbus the agreed purchase price for each helicopter.

40. In the Purchase Agreement, Airbus expressly represented and warranted that each new helicopter would be free from defects in material and workmanship under normal use and service in offshore operations transporting crew and cargo to oil & gas exploration and production platforms, facilities and vessels.

41. This representation was an express warranty and an important basis of the bargain. Buyer relied on Airbus's promise that the Helicopters would be free from defects in material and workmanship under the stated conditions.

42. Airbus failed to comply with its warranty. The Helicopters are currently the subject of Emergency Airworthiness Directive No. 2016-12-51 by the FAA. The

Helicopters are also the subject of Emergency Airworthiness Directive No. 2016-0104-E by EASA. The directives prohibit flight and operation of the Helicopters due to an in-flight detachment of the main rotor hub from the main gearbox that resulted in a fatal accident. There are currently no known fixes for the defect that resulted in the grounding of the Helicopters.

43. Within a reasonable time after learning of the warranty breach, Buyer notified Airbus of the nonconforming goods. Airbus has not offered to replace or repair any parts or tools for the Helicopters.

44. Buyer performed all its obligations under the Purchase Agreement. All conditions precedent to Buyer's right to recover under the Purchase Agreement have occurred or been performed.

45. Airbus's breach of the express warranty proximately caused Buyer's damages.

DAMAGES AND OTHER RELIEF REQUESTED

46. Buyer seeks rescission of the Agreement. Buyer paid the full purchase price for the Helicopters, and has not otherwise breached the Agreement. Buyer notified Airbus of the nonconforming goods, and asked that Airbus take the Helicopters back in exchange for a full refund of the amount paid by Buyer. Airworthy helicopters were the main benefit of the bargain for Buyer, and as such, airworthiness goes to the essence of the Purchase Agreement.

47. In addition, or in the alternative, Airbus's breach of contract and breach of express warranty caused Buyer's damages. Consistent with reports of other buyers putting EC225 purchases on hold, Buyer would not have accepted and paid for the

Helicopters had it known of the non-conformity. Airbus has been unable to repair or replace the Helicopters with other conforming helicopters. Buyer has had to incur maintenance, insurance, registration, and storage fees in relation to the nonconforming Helicopters, which Buyer would not have accepted had it known of the non-conformity at the time of delivery. Buyer will continue to incur such expenses although the Helicopters are grounded pursuant to the Emergency Airworthiness Directives.

48. The purchase price paid in conjunction with costs and expenses incurred by Buyer far exceeds the fair market value of the Helicopters, as at least one of the leading helicopter appraisal companies is unwilling to issue valuations of the EC225s that reflect the impact of the airworthiness issues. The nonconformity of the goods prevents Buyer from flying, leasing, or even selling the helicopters for any price that would not result in substantial losses to Buyer.

49. Pursuant to Chapter 38.001(8) of the Texas Civil Practice & Remedies Code, Buyer seeks and is entitled to all reasonable attorneys' fees incurred in pursuit of its claims.

50. Buyer seeks monetary relief over $1,000,000 in this action.

PRAYER

51. Buyer respectfully requests that Airbus be cited to answer and appear and that after consideration of these claims, this Court award a judgment to Buyer against Airbus for all damages to Buyer from Airbus's breaches, reasonable and necessary attorneys' fees, pre- and post-judgment interest to the maximum extent allowed by law, costs, and all other relief to which Buyer is entitled.

REQUEST FOR DISCLOSURE

52. Pursuant to Rule 194 of the Texas Rules of Civil Procedure, Defendant is requested to disclose, within 30 days of service of this request, the information or material described in Rule 194.2(a)-(i), (l).

Respectfully submitted,

/s/ Van Beckwith

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Attorneys for
WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited

Exhibit D

FILED
DALLAS COUNTY
4/7/2017 12:51:05 PM
FELICIA PITRE
DISTRICT CLERK

Cause No. DC-16-09090

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited,	§	IN THE DISTRICT COURT OF
	§	DALLAS COUNTY, TEXAS
Plaintiff,	§	14th JUDICIAL DISTRICT
v.	§	
AIRBUS HELICOPTERS, INC., and AIRBUS HELICOPTERS S.A.S.,	§	
Defendants.	§	

PLAINTIFF'S FIRST AMENDED PETITION

On April 29, 2016, a fatal accident involving an Airbus EC225 helicopter occurred in Norway. An in-flight detachment of the main rotor hub from the main gearbox occurred, resulting in the death of all passengers on board. The Federal Aviation Authority then banned flight of the EC225[1] helicopters because it determined that an "unsafe condition exists and is likely to exist or develop on other helicopters of these same type designs." The European Aviation Safety Agency ("EASA"), the Norwegian Civil Aviation Authority, and the United Kingdom Civil Aviation Authority all issued similar bans. Now, the Norwegian Civil Aviation Authority and United Kingdom Civil Aviation Authority bans remain in place, and neither the FAA nor the EASA permits flight of the EC225 helicopters without modifications to the mechanics and compliance with onerous operating conditions.

[1] The EC225 helicopter model is also marketed as a "Super Puma" and more recently as an "H225."

Before the crash and subsequent groundings, Buyer purchased three EC225 helicopters from Airbus. Airbus told the public and Buyer that the helicopters not only were airworthy, but also had a design that increased operational safety, offered superior reliability, and set new standards for safety. The crash and subsequent groundings revealed that these statements were not true. Thus, after learning that the helicopters it purchased were defective and not airworthy, Buyer revoked its acceptance of the non-conforming goods. Airbus, however, has refused to refund the purchase price and take ownership of the helicopters, although the helicopters, as delivered, remain grounded, unsafe, and without a fix in sight that would allow normal operation of the helicopters. Indeed, months after the crash, Airbus still does not know the root cause of the accident. Accordingly, Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee ("Plaintiff," "Buyer," or "Wells Fargo") for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited ("Macquarie Rotorcraft"), files this First Amended Petition complaining of Defendant Airbus Helicopters, Inc. and Airbus Helicopters S.A.S. (collectively "Defendants" or "Airbus").

DISCOVERY LEVEL

1. Pursuant to Rules 190.1 and 190.3 of the Texas Rules of Civil Procedure, Plaintiff intends to conduct discovery under Level 3.

NATURE OF THE SUIT

2. This lawsuit arises from Airbus's misrepresentations, fraud, breach of contract and, in the alternative, breach of warranty.

3. This action is filed to recover any and all damages caused by Airbus's fraudulent conduct, misrepresentations, and breaches of the Purchase Agreement,

including attorneys' fees, pre- and post-judgment interest, costs and all other relief to which Plaintiff is entitled.

PARTIES

4. Plaintiff Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, is a national banking association formed under the laws of the United States of America and located at 299 South Main Street 12th Floor, Salt Lake City, Utah 84111. Wells Fargo assumed all of Macquarie Bank Limited's ("Macquarie Bank") rights and obligations under the purchase agreement between Macquarie Bank and Defendant Airbus Helicopters, Inc. dated January 30, 2014 and designated as "Contract No. V-6718-1 thru 3" for the purchase of three EC225 helicopters ("Purchase Agreement").

5. Defendant Airbus Helicopters, Inc. ("Airbus USA") is a Delaware corporation with its headquarters located at 2701 Forum Drive, Grand Prairie, Texas 75052. Airbus USA is the successor to a Delaware corporation known as American Eurocopter Corporation. It may be served through its registered agent, Kevin C. Cabaniss, at 2701 Forum Drive, Grand Prairie, Texas 75052, and through electronic filing, as it has already entered an appearance in this matter.

6. Defendant Airbus Helicopters S.A.S. ("Airbus SAS") is a corporation organized under the laws of France with its principal place of business in Marignane, France. Airbus SAS designs, manufactures, markets, and sells aircraft, including the aircraft at issue in this case, which it markets throughout the United States, including Texas. Airbus SAS may be served at Aeroport International Marseille Provence, 13725 Marignane Cedex, France.

JURISDICTION AND VENUE

8. This Court has subject matter jurisdiction over this lawsuit because the amount in controversy is within the jurisdictional limits of this Court.

9. This Court has personal jurisdiction over Defendants. Defendant Airbus USA is a resident and/or has its principal office in Texas. Defendant Airbus SAS directed its wrongful conduct toward this State through a number of actions, including by working with its affiliate Airbus USA to sell defective helicopters in Texas. Airbus SAS's actions and conduct in designing, advertising and marketing the defective helicopters in Texas, and in selling products to its network partner Airbus USA in Texas, for Airbus USA to then resell in Texas, all gave rise to injury to Plaintiff in Texas. Further, Airbus SAS misrepresented the safety and airworthiness of the products in marketing materials to purchasers located in Texas.

10. Defendant Airbus SAS touts its "Global Presence" on its website, describing a "worldwide network" of "local solutions for the full range of Airbus Helicopters products." Defendant Airbus USA is designated as a part of this Airbus SAS network as an "Airbus Helicopters location." Airbus SAS provides detailed contact information for the Airbus USA Grand Prairie location and describes Airbus USA as both a "Partner" and a "Customer Center" of Airbus Helicopters. Customers in Texas buying helicopters manufactured by Airbus SAS do so through the Airbus USA location in Texas. Airbus USA does not generally hold title to an inventory of helicopters manufactured by Airbus SAS for sale, but instead takes title to a helicopter from Airbus SAS only after a customer has committed to purchase it. By coordinating with this Texas

location, Airbus SAS regularly and systematically transacts business within Texas and enters into contracts for the sale of goods to be delivered in Texas.

11. Airbus SAS directed its wrongful conduct to Texas by designing defective products and misrepresenting the safety and airworthiness of those products in marketing materials it gave its Texas affiliate for distribution. Airbus SAS is responsible for both the design and safety of the helicopters it sells throughout its global network. Airbus SAS creates sales information materials such as brochures, advertisements, pamphlets and other marketing materials, and provides them to the partners in their network, including its affiliate Airbus USA in Texas. Both Defendants coordinate their efforts to court customers in Texas: Airbus SAS hosts customers in France who are buying helicopters from Airbus USA in Texas. Defendant Airbus SAS hosted employees of Macquarie Rotorcraft two or three times in Marignane, France to finalize the sale through its affiliate, Airbus USA. Airbus SAS also visits Texas to market its products to customers buying helicopters from Airbus USA in Texas. Employees, sales teams, and senior leadership from Airbus SAS come to Texas, bringing helicopter models and advertising materials, to support its affiliate Airbus USA's sales to customers in Texas. Airbus SAS purposefully placed into the stream of commerce defective products it knew would be re-sold in and from Texas by its Texas affiliate Airbus USA.

12. Venue is proper in Dallas County, Texas, as Airbus USA and Plaintiff contractually recognized that Dallas County is a proper venue for disputes arising out of the Purchase Agreement. With venue established as to Airbus USA, under Tex. Civ. Prac. & Rem. Code § 15.005, the Court has venue of all defendants in all claims or

actions arising out of the same transaction, occurrence, or series of transactions or occurrences.

BACKGROUND

I. In 2014, Buyer purchases three EC225 helicopters from Airbus USA.

13. On January 30, 2014, Phoenix Aviation Group ("Phoenix") entered into an agreement to purchase three EC225 helicopters bearing manufacturer serial numbers 2909, 2919 and 2943 (the "Helicopters") from Airbus USA. The agreement is designated as "Contract No. V-6718-1 thru 3."

14. On April 2, 2014, Macquarie Bank and Phoenix entered into an assignment and assumption agreement with Airbus USA, for Macquarie Bank to assume the Purchase Agreement, including all of Phoenix's rights and obligations.

15. Also on April 2, 2014, Macquarie Bank and Airbus USA entered into a Supplement to Purchase Agreement.

16. The Purchase Agreement, as supplemented, established a purchase price for each of the Helicopters. The Purchase Agreement also required a 20% deposit payable upon entry into the Purchase Agreement. The Buyer paid the full purchase price, including the deposit, for the helicopters to Airbus USA.

17. In exchange for the purchase price, Airbus USA agreed to deliver the helicopters. Airbus USA promised in the agreement that the helicopters would conform to the published specification for each helicopter. Airbus USA also represented and warranted each new helicopter and parts manufactured by Airbus SAS to be free from defects in material and workmanship. Further, Airbus USA promised a certificate of

airworthiness for each helicopter and that each helicopter would comply with EASA Certification.

18. The first helicopter was scheduled for delivery in September 2014 and the remaining two in January 2015.

19. On September 30, 2014, Wells Fargo, Macquarie Bank, and Airbus USA entered into an assignment and assumption agreement for Wells Fargo (not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, a wholly owned subsidiary of Macquarie Bank) to assume all rights and obligations of Macquarie Bank under the Purchase Agreement for the first of the EC225 helicopters, bearing manufacturer's serial number 2919.

20. On December 19, 2014, Wells Fargo, Macquarie Bank, and Airbus USA entered into two additional assignment and assumption agreements for Wells Fargo (not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, a wholly owned subsidiary of Macquarie Bank) to assume all rights and obligations of Macquarie Bank under the Purchase Agreement for the second and third EC225 helicopters, bearing manufacturer's serial numbers 2909 and 2943, respectively.

21. Under the September 30, 2014 and December 19, 2014 Assignment and Assumption Agreements, Macquarie Bank assigned all right, title, and interest in and to the Purchase Agreement with respect to the Helicopters and all rights and obligations with respect to the Helicopters to Wells Fargo, including without limitation, rights with respect to warranties, training, and technical publications. Wells Fargo assumed all of the rights, title, and interest to the same extent as if it were a party to the Purchase

Agreement. Airbus USA consented to the assignment of the rights and interests by Macquarie Bank to Wells Fargo.

22. Airbus USA delivered, and Buyer accepted after an inspection, the first of the Helicopters bearing serial number 2919 on October 1, 2014. The helicopter was accepted in Marignane, France.

23. Airbus USA delivered, and Buyer accepted after an inspection, the second of the Helicopters bearing serial number 2909 on December 30, 2014. The helicopter was accepted in Marignane, France.

24. Airbus USA delivered, and Buyer accepted after an inspection, the third of the Helicopters bearing serial number 2943 on January 27, 2015. The helicopter was accepted in Marignane, France.

25. The Helicopters were registered with the Aruba Department of Civil Aviation. Each helicopter was transported by a brief ferry flight conducted by Airbus pilots directly to Calden, Germany, to be stored in the facility of Airbus's German affiliate, Airbus Helicopters Deutschland GmbH ("Airbus Germany") pursuant to an Aircraft Storage Agreement between Airbus and Buyer's servicing affiliate, Macquarie Rotorcraft Leasing, Inc. The Helicopters have not been used or leased by Buyer after delivery was completed.

II. A tragic accident in 2016 reveals misrepresentations by Airbus.

26. When purchasing the helicopters in 2014, Macquarie Rotorcraft relied on representations by Airbus about the safety, technological advances, and airworthiness of the Helicopters. For example, to induce purchases of the EC225 helicopters, Airbus claimed the EC225 "integrates all the latest technological innovations to comply with the

most stringent technical and operational requirements for all types of missions."[2] Airbus claimed that the EC225 used "modern technology for greater safety" and touted it as a "new generation helicopter."[3]

27. On information and belief, Airbus knew that its representations about the safety, technological advances, and airworthiness of the Helicopters were false, as it knew about defects in the design and the main gearbox of the EC225 helicopters since at least 2009. In 2009, a Super Puma AS332 L2 helicopter, the EC225's predecessor, crashed off the coast of Scotland due to a failure in the second stage planet gear of the main gearbox (the "2009 Accident"). On information and belief, the defect that caused this tragic accident was not remedied by Airbus, in light of the similarities between this accident and the crash in 2016.

28. On April 29, 2016, a fatal accident involving an Airbus EC225 helicopter being operated by CHC Helikopter Service AS occurred at Turoy, near Bergen, Norway. The Accident Investigation Board of Norway ("AIBN") launched an investigation into the causes of the accident. As a result of the investigation, the AIBN issued a safety recommendation on June 1, 2016, regarding the main gearbox. The Norwegian Civil Aviation Agency ("NCAA") stopped all flights of Airbus EC225 helicopters.

29. On June 2, 2016, the European Aviation Safety Agency issued a flight prohibition of all Airbus EC225 helicopters. The EASA Emergency Airworthiness Directive, No. 2016-0104-E, stated that issues with the main gearbox suspension bars and

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[2] *See* https://web.archive.org/web/20140114155503/http://www.airbushelicopters.com/site/en/ref/Overview_116.html

[3] https://web.archive.org/web/20140427200840/http:/www.airbushelicopters.com/site/en/ref/Technology_118.html

attachment fittings, along with findings of fatigue and surface degradation in the outer race of a second stage planet gear had been observed, but that the root cause of the damage and mitigating measures had not been determined. Accordingly, all EC225 Airbus helicopters were grounded until further notice.

30. The United Kingdom Civil Aviation Authority ("UKCAA") also issued a flight prohibition of EC225 Airbus helicopters on June 2, 2016.

31. On June 3, 2016, the United States Federal Aviation Administration ("FAA") also issued an Emergency Airworthiness Directive, AD No. 2016-12-51, immediately prohibiting flights of all Airbus EC225 helicopters. The FAA Emergency Airworthiness Directive defined the unsafe condition as failure of the main rotor system, which will result in loss of control of the helicopter.

32. The defects in the helicopter related to the main gearbox and main rotor system were not discoverable through a visual or flight delivery inspection. Such defects resulted in the EASA, the NCAA, the UKCAA, and the FAA immediately prohibiting flight of the helicopters.

III. Buyer revokes acceptance of the Helicopters.

33. Within a reasonable time after learning that the Helicopters were non-conforming, and with no corrective measures being promptly identified, Buyer sent a letter to Airbus on July 1, 2016, revoking acceptance of the non-conforming Helicopters. Buyer has continued to incur and pay for obligations as a prudent owner under its insurance policies, including ongoing registration fees and storage fees (and other costs enumerated herein), until such time as Airbus accepts title for the Helicopters and refunds the purchase price.

34. On July 8, 2016, Airbus replied by letter denying Buyer's request to refund the purchase price or reimburse any of the expenses incurred by Buyer.

35. On July 21, 2016, Buyer sent another letter to Airbus asking Airbus to reassess its position, as the Helicopters' nonconformance has substantially impaired the value of the Helicopters. Airbus denied this request.

IV. Recent events confirm that the Helicopters are non-conforming.

36. As of the date of this filing, months after the accident, the root cause of the accident is still unknown. Thus, Airbus cannot reasonably claim that the Helicopters are safe to fly, as it cannot assure Buyer or the public that it has addressed the problems that have caused the EC225 to fall from the sky after the rotor blades catastrophically detached from the aircraft

37. On October 7, 2016, EASA conditionally lifted the ban on flights of the EC225 only if certain components of the main gearbox are replaced and operators comply with onerous operating and maintenance requirements. European Aviation Safety Agency, *Airworthiness Directive 2016-0199* (Oct. 7, 2016) http://ad.easa.europa.eu/blob/EASA_AD_2016_0199.pdf/AD_2016-0199_1 at 2. And again, Airbus cannot assure Buyer or the public that these fixes correct the problems with the EC225s.

38. On December 8, 2016, the FAA approved Global Alternative Method of Compliance with its order grounding the EC225 helicopters. The Alternative Method is based on the EASA October 7, 2016 directive.

39. Authorities in Norway and the United Kingdom have not followed suit; flights of EC225 helicopters are still banned in these jurisdictions, which are important markets for helicopters like the EC225.

40. Statoil, a Norwegian state-controlled oil company, has announced that it will no longer use Airbus Super Puma helicopters, including the EC225. Unions representing oil workers have asked for a permanent ban. A recent study finds that 90% of oil workers refuse to travel on EC225s, in part due to concerns over gearbox safety. Understandably, there are concerns about use of the EC225 helicopters in light of the similarities in the 2009 and 2016 crashes, the grounding of the helicopters, and the unknown cause of these tragic accidents. On February 2, 2017, the AIBN issued an update to its ongoing reporting of its investigation of the Accident in which it stated that "the primary focus of the AIBN investigation is certification aspects of the main gearbox and the robustness of past and present design requirements. This includes the follow-up on safety recommendations issued by the AAIB in connection with the [2009 Accident] and continuing airworthiness of the gearbox. […] The scope and complexity of the investigation means that it is not feasible to estimate a completion date for the final report."

41. As a result of the defects at least in the main gearbox of the EC225, which Airbus misrepresented and concealed from Buyer, the EC225 helicopters cannot be flown at all in certain jurisdictions, and only with substantial modifications and onerous operating restrictions in others. As delivered to Buyer, the EC225 helicopters cannot be flown. These non-conformities significantly impair the value of the Helicopters.

CLAIMS AND CAUSES OF ACTION

A. BREACH OF CONTRACT

42. The foregoing paragraphs are hereby adopted and incorporated by reference. The Purchase Agreement is a valid and enforceable contract. Pursuant to the Purchase Agreement, Buyer agreed to pay a stated purchase price for each helicopter. In exchange, Airbus USA agreed, among other things, to deliver three new EC225 helicopters that "conform to the published specifications" and to provide "a certificate of airworthiness for [each] helicopter." Buyer performed all its obligations under the Agreement. Accordingly, all conditions precedent to Buyer's rights to recover under the Agreement have been performed, excused, waived, or otherwise satisfied.

43. Airbus breached the Agreement when it failed to deliver the helicopters in airworthy condition, with failure of the main rotor system, which would result in loss of control of the helicopter, likely to exist or develop. The non-conformity substantially impairs the value of the aircraft to Buyer. In light of both the legal restrictions and the crisis of confidence in the Helicopters, Buyer cannot lease the Helicopters to operators. Nor can it sell them without incurring substantial loss.

44. The non-conformity was not reasonably discoverable from the visual and flight delivery inspection provided under the Purchase Agreement. There has not been any substantial change in the condition of the helicopters since Buyer's acceptance. Within a reasonable time after learning of the non-conformity, Buyer revoked its acceptance. Buyer requested that Airbus USA refund the total purchase price paid under the Purchase Agreement, but Airbus USA refused.

45. Buyer requested that Airbus USA promptly assume responsibility for insurance, registration, and storage of the helicopters. Airbus USA's breach and refusal to assume responsibility for the helicopters has caused Buyer to incur expenses to insure, store, and register the helicopters.

46. Airbus USA's breach of the Purchase Agreement has caused Buyer damages.

B. BREACH OF WARRANTY

47. The foregoing paragraphs are hereby adopted and incorporated by reference.

48. In the alternative, Airbus USA is liable to Buyer for breach of warranty.

49. Buyer acquired the helicopters by purchase from Airbus USA under a valid, enforceable Agreement wherein Buyer agreed to pay Airbus USA the agreed purchase price for each helicopter.

50. In the Purchase Agreement, Airbus USA expressly represented and warranted that each new helicopter would be free from defects in material and workmanship under normal use and service in offshore operations transporting crew and cargo to oil and gas exploration and production platforms, facilities and vessels.

51. This representation was an express warranty and an important basis of the bargain. Buyer relied on Airbus USA's promise that the helicopters would be free from defects in material and workmanship under the stated conditions.

52. Airbus failed to comply with its warranty. The helicopters are currently the subject of Emergency Airworthiness Directive No. 2016-12-51 by the FAA and the subsequent Global Alternative Method of Compliance. The helicopters are also the

subject of Emergency Airworthiness Directives No. 2016-0104-E and No. 2016-0199 by EASA. The directives prohibit flight and operation of the helicopters as delivered due to an in-flight detachment of the main rotor hub from the main gearbox that resulted in a fatal accident. There are currently no known fixes that will allow the helicopters to be used without significant operating restrictions, or at all in Norway and the United Kingdom.

53. Within a reasonable time after learning of the warranty breach, Buyer notified Airbus USA of the nonconforming goods.

54. Buyer performed all its obligations under the Purchase Agreement. All conditions precedent to Buyer's right to recover under the Purchase Agreement have occurred or been performed.

55. Airbus USA's breach of the express warranty proximately caused Buyer's damages.

C. BREACH OF IMPLIED WARRANTY OF MERCHANTABILITY

56. The foregoing paragraphs are hereby adopted and incorporated by reference.

57. The implied warranty of merchantability attached to the purchase of the three EC225 helicopters because the Purchase Agreement is a contract for the sale of goods governed by the Uniform Commercial Code ("UCC").

58. Airbus USA's disclaimer of the implied warranty of merchantability was not effective because it seeks to disclaim only "defects in material and workmanship," not design defects like those present in the EC225s.

59. Buyer performed all its obligations under the Purchase Agreement. All conditions precedent to Buyer's right to recover under the Purchase Agreement have occurred or been performed.

60. Airbus SAS designed, manufactured, tested, marketed, and distributed into the stream of commerce the EC225s.

61. Buyer reasonably relied upon the skill and judgment of Defendants as to whether the EC225s were of merchantable quality and safe for their intended use.

62. The EC225s were not of merchantable quality or safe for their intended use because the helicopters had latent design defects that caused them to malfunction upon normal operation and use.

63. As a direct and proximate result of Defendants' breach of implied warranty regarding the safety and airworthiness of the EC225s, Buyer has suffered damages.

D. BREACH OF IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE

64. The foregoing paragraphs are hereby adopted and incorporated by reference.

65. Plaintiff entered into a Purchase Agreement with Airbus USA for the purchase of three EC225s.

66. Buyer performed all its obligations under the Purchase Agreement. All conditions precedent to Buyer's right to recover under the Purchase Agreement have occurred or been performed.

67. Airbus was aware of and understood that Plaintiff intended to use for the helicopters for a particular purpose.

68. Because of this knowledge and understanding, and because the agreement is a contract for the sale of goods governed by the UCC, the implied warranty of fitness automatically attached as a matter of law to the purchase of the EC225s.

69. Airbus USA's disclaimer of the implied warranty of fitness for a particular purpose was not effective because it pertained only to "defects in material and workmanship," not to design defects like those present in the EC225s.

70. Defendants, thus, provided an implied warranty of fitness for a particular purpose as it relates to the design of the EC225s.

71. In violation of this implied warranty, Defendants sold Buyer three EC225s that were not fit for the particular purpose, as the helicopters had latent design defects that cause them to malfunction upon normal operation and use.

72. As a direct and proximate result of Defendants' breach of this implied warranty, Buyer has suffered damages.

E. NEGLIGENT MISREPRESENTATION

73. The foregoing paragraphs are hereby adopted and incorporated by reference.

74. Defendants supplied false information to the public and to Macquarie Rotorcraft regarding the airworthiness and safety of the EC225s. For example, among other things, Defendants advertised the EC225 helicopters as "all[ying] modern technologies to reach unequalled levels of safety" and as "the leader in the field of flight safety." [4]

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[4] https://web.archive.org/web/20140130015225/http://www.airbushelicopters.com/site/en/ref/Missions_119.html

75. Defendants provided this false information to induce the public and Macquarie Rotorcraft to purchase EC225s.

76. Defendants knew or should have known that the information it supplied regarding the purported airworthiness and safety of the EC225s to induce Macquarie Rotorcraft to purchase EC225s was false.

77. Defendant was negligent in obtaining or communicating false information regarding the purported airworthiness and safety of the EC225s.

78. Macquarie Rotorcraft relied on the false information supplied by Defendants to its detriment in having helicopters purchased by Wells Fargo as the owner trustee for Macquarie Rotorcraft.

79. Macquarie Rotorcraft was justified in its reliance on the false information supplied by Defendants regarding the purported airworthiness and safety of the EC225s.

80. Defendants' negligent misrepresentations have resulted in damages.

F. FRAUDULENT INDUCEMENT

81. The foregoing paragraphs are hereby adopted and incorporated by reference.

82. Defendants made misrepresentations regarding the technology, airworthiness, and safety of the EC225s. For example, among other things, Defendants advertised the EC225 helicopters as "all[ying] modern technologies to reach unequalled levels of safety" and as "the leader in the field of flight safety." [5]

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[5] https://web.archive.org/web/20140130015225/http://www.airbushelicopters.com/site/en/ref/Missions_119.html

83. In marketing the EC225s to Macquarie Rotorcraft, Defendant knew or should have known of the defective design and the serious risks that the EC225s posed.

84. Defendants' representations about the airworthiness, safety, and modern technology of the EC225s were false.

85. Macquarie Rotorcraft did not know of the falsity of Defendants' statements regarding the EC225s.

86. Macquarie Rotorcraft relied upon and accepted as truthful Defendants' representations regarding the EC225s.

87. Macquarie Rotorcraft had a right to rely on Defendants' representations. Had Macquarie Rotorcraft known that the EC225s were unsafe and not airworthy, Macquarie Rotorcraft would not have purchased the EC225s.

88. Defendants' fraudulent representations have resulted in damages.

DAMAGES AND OTHER RELIEF REQUESTED

89. Buyer seeks rescission of the Agreement. Buyer paid the full purchase price for the helicopters, and has not otherwise breached the Agreement. Buyer notified Airbus of the nonconforming goods, and asked that Airbus take the helicopters back in exchange for a full refund of the amount paid by Buyer. Airworthy helicopters were the main benefit of the bargain for Buyer, and as such, airworthiness goes to the essence of the Purchase Agreement.

90. In addition, or in the alternative, Airbus's breach of contract, breach of warranties, negligent misrepresentations, and fraudulent inducement caused Buyer's damages. Buyer would not have accepted and paid for the helicopters had it known of the non-conformity. Airbus has not repaired the helicopters or replaced them with other

conforming helicopters. Buyer has had to incur maintenance, insurance, registration, and storage fees in relation to the nonconforming helicopters, which Buyer would not have accepted had it known of the non-conformity at the time of delivery. Buyer will continue to incur such expenses until Airbus recognizes Buyer's right of revocation.

91. The purchase price paid by Buyer far exceeds the fair market value of the helicopters. The nonconformity of the goods prevents Buyer from flying, leasing, or even selling the helicopters for any price that would not result in substantial losses to Buyer.

92. Pursuant to Chapter 38.001(8) of the Texas Civil Practice & Remedies Code, Buyer seeks and is entitled to all reasonable attorneys' fees incurred in pursuit of its claims.

93. Buyer seeks monetary relief over $1,000,000 in this action.

PRAYER

94. Plaintiff respectfully requests that Airbus SAS be cited to answer and appear and that after consideration of these claims, this Court award a judgment to Plaintiff against Airbus for all damages stemming from Airbus's breaches, reasonable and necessary attorneys' fees, pre- and post-judgment interest to the maximum extent allowed by law, costs, and all other relief to which Plaintiff is entitled.

Respectfully submitted,

/s/ Van Beckwith

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CERTIFICATE OF SERVICE

This Amended Petition was served on all counsel of record according to Texas Rule of Civil Procedure 21a(a) on February 7, 2017.

/s/ *Susan Kennedy*
Susan Kennedy

Exhibit E

FILED
DALLAS COUNTY
3/17/2017 9:57:23 AM
FELICIA PITRE
DISTRICT CLERK

CAUSE NO. DC-16-15017

ERA GROUP INC.,	§	**IN THE DISTRICT COURT OF**
	§	
Plaintiff,	§	
	§	
v.	§	
	§	**DALLAS COUNTY, TEXAS**
AIRBUS HELICOPTERS, INC., and	§	
AIRBUS HELICOPTERS S.A.S.,	§	
	§	
Defendants.	§	
	§	**116TH JUDICIAL DISTRICT**

DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S
NOTICE OF WITHDRAWAL OF SPECIAL APPEARANCE

COMES NOW Airbus Helicopters, S.A.S. ("AH France") and, without waiver of any other rights, privileges, or defenses, hereby withdraws the Special Appearance filed by it on January 12, 2017 and consents to the personal jurisdiction of this Court as applies to AH France in this case and this case only. In place of the January 12, 2017 Special Appearance, AH France has filed the attached Original Answer and Jury Demand.

Dated: March 16, 2017

Respectfully submitted,

/s/ Thad T. Dameris

Thad T. Dameris
Texas Bar No. 05345700
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Joseph J. Ortego (pro hac vice pending)
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Eric C. Strain (pro hac vice pending)
estrain@nixonpeabody.com
Nixon Peabody LLP
437 Madison Avenue
New York, NY 10022
Telephone: (212) 940-3000
Facsimile: (212) 940-3111

ATTORNEYS FOR DEFENDANT
AIRBUS HELICOPTERS, S.A.S.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following counsel of record in accordance with the Texas Rules of Civil Procedure on this 16th day of March 2017:

Dawn Estes
Estes Thorne & Carr PLLC
3811 Turtle Creek Blvd
Suite 2000
Dallas, TX 75219

Keith H. Forst
Quinn Emanuel Urquhart & Sullivan LLP
keithforst@quinnemanuel.com
777 6th Street NW, 11th Floor
Washington, D.C. 20001

*/s/ Thad T. Dameris*_____
Thad T. Dameris

Exhibit A

CAUSE NO. DC-16-15017

ERA GROUP INC.,	§	**IN THE DISTRICT COURT OF**
	§	
Plaintiff,	§	
	§	
v.	§	
	§	**DALLAS COUNTY, TEXAS**
AIRBUS HELICOPTERS, INC., and	§	
AIRBUS HELICOPTERS S.A.S.,	§	
	§	
Defendants.	§	
	§	**116TH JUDICIAL DISTRICT**

DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S
ORIGINAL ANSWER AND JURY DEMAND

Without waiver of any right, privilege, or defense, Airbus Helicopters, S.A.S. ("AH France"), named as a defendant in the above-styled and numbered cause, files this Original Answer and Jury Demand and in support of it respectfully would show the following:

I. GENERAL DENIAL

Pursuant to Rule 92 of the Texas Rules of Civil Procedure, AH France denies each and every, all and singular, the allegations in Plaintiff Era Group, Inc.'s Original Petition (and any subsequently filed amended petition), and demands strict proof thereof.

II. JURY DEMAND

AH France demands a trial by jury pursuant to Rule 216 of the Texas Rules of Civil Procedure and tenders the jury fee.

PRAYER

WHEREFORE, AH France prays that Plaintiff take nothing by this action, that this action be dismissed in its entirety, and that AH France recover its costs and reasonable and necessary attorneys' fees and have all other and further relief to which it is justly entitled.

Dated: March 16, 2017

Respectfully submitted,

/s/ Thad T. Dameris

Thad T. Dameris
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estrain@nixonpeabody.com
Nixon Peabody LLP
437 Madison Avenue
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Telephone: (212) 940-3000
Facsimile: (212) 940-3111

ATTORNEYS FOR DEFENDANT
AIRBUS HELICOPTERS, S.A.S.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following counsel of record in accordance with the Texas Rules of Civil Procedure on this 16th day of March 2017:

Estes Thorne & Carr PLLC
3811 Turtle Creek Blvd
Suite 2000
Dallas, TX 75219

Keith H. Forst
Quinn Emanuel Urquhart & Sullivan LLP
keithforst@quinnemanuel.com
777 6th Street NW, 11th Floor
Washington, D.C. 20001

*/s/ Thad T. Dameris*_____
Thad T. Dameris

Exhibit F

2018 HAI HELI-EXPO BY HELICOPTER ASSOCIATION INTERNATIONAL

Feb. 26–Mar. 1 • Las Vegas
Exhibits Open Feb. 27–Mar. 1

Las Vegas, NV
Contact

346 days | 19 hrs | 32 min | 34 sec

Attend Exhibit Show Floor Education Hotel & Travel

Statistics

HELI-EXPO

2017 in Dallas

- 17,788 people attended the show
- 100 percent of the available show floor was in use
- A record-setting 322,800 net square feet of space was utilized for exhibits and displays
- 731 exhibiting businesses and organizations participated
- 62 aircraft were on display
- 750 HAI Professional Education students, and
- More than 1,500 attendees took part in 62 Rotor Safety Challenge

1 2 3 4 >

Why HAI HELI-EXPO?

HAI HELI-EXPO is where the global helicopter industry gathers to build professionals, networks, and solutions. Looking for your next aircraft, vendor, mentor, job, or professional development opportunity? You'll find them all in Las Vegas at HAI HELI-EXPO 2018!

HAI HELI-EXPO Facts

- 20,000 industry professionals, including 20% from international destinations
- 700+ exhibitors and 60+ aircraft on display
- 100+ education courses, seminars, workshops, and forums
- 1 million+ square feet of meeting and exhibit space
- Helicopter fly-in February 23-24 and fly-out March 1-2

Target Audience

You can't afford to miss HAI HELI-EXPO if you:

- Manufacture or operate helicopters or drones
- Produce or distribute aviation products or services
- Provide aviation training through simulation or schools
- Work for an aviation regulator or other government agency

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Bell Helicopter

Gold Level

AIRBUS

CHC

Rolls-Royce

Silver Level

AVIALL A BOEING COMPANY

Dodge City Community College AND AREA TECHNICAL CENTER

EMBRY-RIDDLE Aeronautical University

LEONARDO

ROBINSON HELICOPTER COMPANY An engineering company

TRUE BLUE POWER A division of Mid-Continent Instrument Co., Inc.

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Exhibit G

AIRBUS HELICOPTERS

Press Release

Heli-Expo 2017

Airbus Helicopters wraps up a successful Heli-Expo 2017 in Dallas

Orders for about 60 H125, H135, H145 and H175 announced at the show

Dallas, Texas, 10 March 2017 – Airbus Helicopters showcased its best-selling light singles and light twins during Heli-Expo 2017 at the Kay Bailey Hutchison Convention Center in Dallas, Texas. The H125, H130, H135, and the H145, on display at the show, represented 381 bookings for Airbus Helicopters in 2016, and accounted for a vast majority of the deliveries of the civil helicopter market last year.

"This year's Heli-Expo has shown that 2017 is already off to a good start for our best-selling products, with orders for about 60 helicopters including the H125, H135, H145, and H175 announced at the show", said Guillaume Faury, Airbus Helicopters CEO.

Milestone Aviation Group Limited announced a €200 million firm order for H135, H145 and H175 helicopters, while Waypoint Leasing (Ireland) Limited committed to ordering an additional 16 Airbus helicopters including the H135, H145 and adding the H175 to its order book for the first time.

Absent from the show floor as it's working hard on the field, the H175 has recently seen its maximum take-off weight being extended to 7.8 tonnes, allowing customers to benefit from an additional payload of 300 kg or an extra 40NM radius of action. Launch customer NHV also celebrated its 10,000 flight hours with the H175 on the Airbus Helicopters' booth during the show.

At Heli-Expo this year, Airbus Helicopters introduced the H135 equipped with the Helionix digital avionics suite. STAT MedEvac will soon be the first air medical transport service in North America to operate this type, following an order for three new H135s announced at the show. The Helionix-equipped H135 will soon be leaving Dallas for a demo tour of the US and Mexico.

The H125 also saw continued success with REACH Air Medical Services, a subsidiary of Air Medical Group Holdings, placing an order for five new Airbus H125s. Ruo'er General Aviation Development Group (Ruo'er Group), one of the biggest general aviation companies operating flight support base and airport with comprehensive services in China, signed a letter of intent for a total of 12 H125s with a first confirmed order of four aircraft.

Another highlight of the show was Airbus Helicopters' Voice of the Customer where the U.S. Coast Guard celebrated 30-plus years of collaboration with Airbus, as well as the milestone of 1.5 million flight hours on the MH-65 Dolphin. Also, two new VIP customers related their experiences operating Airbus helicopters and working with the Airbus Helicopters Inc. team.

Airbus Helicopters
Route de l'Aéroport
13725 Marignane Cedex
France

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Web: airbushelicopters.com
Follow us on twitter: twitter.com/AirbusHC

AIRBUS HELICOPTERS

Press Release

"We're very proud to have customers like Dallas Cowboys Owner and CEO Jerry Jones as well as oil business executive Mike Wallace testify to their satisfaction with our products and customer service, and share their Airbus experience with everyone," said Chris Emerson, President of Airbus Helicopters Inc.

Ever committed to improving customer satisfaction, Airbus Helicopters announced at the show that its efforts in this domain are paying off with a recent independent survey confirming a significant reduction in direct maintenance and direct operating costs (DMC and DOC) for the H125, H130 and H135 helicopters, further strengthening the competitiveness of these types.

About Airbus

Airbus is a global leader in aeronautics, space and related services. In 2016, it generated revenues of € 67 billion and employed a workforce of around 134,000. Airbus offers the most comprehensive range of passenger airliners from 100 to more than 600 seats. Airbus is also a European leader providing tanker, combat, transport and mission aircraft, as well as Europe's number one space enterprise and the world's second largest space business. In helicopters, Airbus provides the most efficient civil and military rotorcraft solutions worldwide.

Media contacts

Guillaume Steuer	+33 (0)6 73 82 11 68	guillaume.steuer@airbus.com
Laurence Petiard	+33 (0)6 18 79 75 69	laurence.petiard@airbus.com

Exhibit H

FILED
DALLAS COUNTY
3/10/2017 4:04:17 PM
FELICIA PITRE
DISTRICT CLERK

Cause No. DC-16-09090-A

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited,	§	IN THE DISTRICT COURT OF
	§	DALLAS COUNTY, TEXAS
Plaintiff,	§	14th JUDICIAL DISTRICT
v.	§	
AIRBUS HELICOPTERS, INC.,	§	
Defendant.	§	

NOTICE OF DEPOSITION OF GUILLAME FAURY

PLEASE TAKE NOTICE that, pursuant to Rule 199 of the Texas Rules of Civil Procedure, Plaintiff Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited ("Plaintiff"), by and through their counsel of record, provide notice of their intent to serve the Subpoena in the form attached hereto as Exhibit A on Guillame Faury, requesting a deposition. Buyer shall take the oral deposition of Guillame Faury before a Certified Shorthand Reporter, Notary Public, or other officer authorized by law to administer oaths. The deposition of Guillame Faury, which may be videotaped, shall take place beginning on April 24th, 2017 at 9:00 a.m. at the offices of Baker Botts L.L.P., 2001 Ross Ave, Suite 1100, Dallas, Texas 75201, or some other agreed-upon date, time, and location.

Dated: March 8, 2017

Respectfully submitted,

BAKER BOTTS L.L.P

Van Beckwith
Texas Bar No. 02020150
van.beckwith@bakerbotts.com
Susan Kennedy
Texas Bar No. 24051663
susan.kennedy@bakerbotts.com
Josue Caballero
Texas Bar No. 24081241
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BAKER BOTTS L.L.P.
2001 Ross Avenue
Dallas, Texas 75201
Telephone: (214) 953-6500
Facsimile: (214) 661-6503

Attorneys for WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served on Defendants by mail and facsimile in accordance with the Texas Rules of Civil Procedure on March 8, 2017.

Van Beckwith

EXHIBIT A

Cause No. DC-16-09090-A

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited,	§	IN THE DISTRICT COURT OF
	§	DALLAS COUNTY, TEXAS
Plaintiff,	§	14th JUDICIAL DISTRICT
v.	§	
AIRBUS HELICOPTERS, INC.,	§	
Defendant.	§	

THE STATE OF TEXAS

SUBPOENA REQUIRING ATTENDANCE AT DEPOSITION

To any Sheriff or Constable of the State of Texas or other person authorized to serve and execute subpoenas as provided in Texas Rule of Civil Procedure 176.

YOU ARE HEREBY COMMANDED TO SUBPOENA AND SUMMON:

Guillame Faury, located at Aeroport Internationale Marseille, Provence, 13725 Marignane Cedex, France

to appear at the offices of Baker Botts L.L.P. at 2001 Ross Ave., Suite 1100, Dallas, Texas, 75201 on April 24, 2017 at 9:00 a.m. before a notary public or other person authorized to administer oaths, to attend and give testimony in the referenced matter at a deposition on behalf of the defendants, and to remain in attendance from day to day until lawfully discharged.

This Subpoena is being issued at the request of Plaintiff Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited, whose counsel of record are Van Beckwith, Susan Kennedy and Josue Caballero of Baker Botts L.L.P., Dallas, Texas.

Failure by any person without adequate excuse to obey a subpoena served upon that person may be deemed a contempt of the court from which the subpoena is issued or a district court in the county in which the subpoena is served, and may be punished by fine or confinement, or both.

Issued March 8, 2017, by the following attorney authorized to practice in the State of Texas, as an officer of the court:

Dated: March 8, 2017

Respectfully submitted,

BAKER BOTTS L.L.P

Van Beckwith
Texas Bar No. 02020150
van.beckwith@bakerbotts.com
Susan Kennedy
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Telephone: (214) 953-6500
Facsimile: (214) 661-6503

Attorneys for WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited

RETURN OF SERVICE

I certify that I served the foregoing subpoena by delivering a copy in person Guillame Faury located at Kay Bailey Hutchison Convention Center and tendered the witness fee of $10.00 in cash, on the 8 day of March 2017 at 1:27 o'clock p.m.

Signature (Process Server)

TRAVIS TERRY
Printed Name

STATE OF TEXAS §
COUNTY OF Dallas §

The foregoing Return of Service was acknowledged before me by Travis Terry, on the 10th day of March 2017.

Courtney Bruce
Notary Public, State of Texas

COURTNAY BRUCE
My Notary ID # 126798590
Expires February 9, 2021

Courtney Bruce
(Printed or Stamped Name of Notary)

My Commission Expires: 2/9/21

Exhibit I

From: Strain, Eric <estrain@nixonpeabody.com>
Sent: Tuesday, February 14, 2017 6:17 PM
To: Signoracci, Pietro J
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters
Attachments: Bookings 2011-2016 (USA & CHC).xlsx

Pietro,

Corporate Relationship

As explained in the declaration of Michel Gouraud that was filed with Airbus Helicopters, S.A.S.'s ("AH's") motion to dismiss, AH and Airbus Helicopters, Inc. ("AHI") are separate and independent companies, each with its own separate management, employees, facilities, bank accounts and operational control. AH does not own AHI. AH is 95% owned by Airbus Helicopters Holding (France) and 5% by EADS CASA Holding (France). Airbus Helicopters Holding is owned by Airbus Group S.E. (The Netherlands). EADS CASA Holding is owned by Airbus Defence & Space S.A. (Spain), which is owned by Airbus Group S.E. AHI is a subsidiary of Airbus Group, Inc., (Virginia), which is owned by Airbus Group S.E.

AH Sales

I have attached an Excel spreadsheet from which the PDFs came from. Hopefully this takes care of the formatting issues. I am waiting to hear back on your other specific questions.

AHI Sales

"LUH" refers to the UH-72 Lakota helicopter, which is a militarized version of the EC145 sold to the US Army. "PL" refers to "Production Line" and "LAL" refers to "Light Assembly Line." The LUH is produced at the AHI facility in Columbus, Mississippi.

I am still gathering information on the bankruptcy involvement questions.

If additional questions, let me know.

Thank you, Eric

From: Signoracci, Pietro J [mailto:psignoracci@paulweiss.com]
Sent: Tuesday, February 14, 2017 11:59 AM
To: Strain, Eric
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters

Eric,

Please let us know if you've had an opportunity to review the requests in my email below regarding the discovery Airbus has provided, and please let us know if we will be receiving today additional discovery regarding AH's corporate relationship and its involvement in the CHC bankruptcy cases.

Thank you,
Pietro

Pietro J. Signoracci | Associate
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(212) 373-3481 (Direct Phone) | (212) 492-0481 (Direct Fax)
psignoracci@paulweiss.com | www.paulweiss.com

From: Signoracci, Pietro J
Sent: Monday, February 13, 2017 12:54 PM
To: 'Strain, Eric' <estrain@nixonpeabody.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; 'George Barber' <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; 'Ortego, Joseph J.' <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; 'Christmas, Robert' <RChristmas@nixonpeabody.com>; 'Shah, Shainee' <sshah@nixonpeabody.com>
Subject: RE: ECN v. Airbus Helicopters

Eric,

We have a few questions/requests regarding the attached documents.

1. AH Sales to USA 2011-2016

   a. The attached chart appears to have cut off some rows from the original document. For example, the subtotals of 2012 sales by each category add up to 115 helicopters, but the line for TOTAL 2012 shows a total of 163 helicopters. (The same is true for 2013, which reports a total of 107 helicopters when the subtotals add up to 64 helicopters). Also, there are no rows showing TOTAL 2014, TOTAL 2015, or TOTAL 2016. Please confirm that there are missing entries and provide a full chart with all rows visible.

   b. Please define “AH-AHD” and confirm that where “AH-AHD” appears in the “FROM” column, that denotes sales to US customers directly from Airbus Helicopters (SAS) in France.

   c. Please define each entry in the REGION column: EBU, EBRG, EBE, etc.

   d. Please explain why certain rows have negative values in the QTY column.

2. AHI Sales 2011-2016

   a. Please define the following entries in the MODEL column: (i) “LUH”, (ii) “PL”, and (iii) “LAL”.

I’m available if you have any questions.

Thank you,
Pietro

Pietro J. Signoracci | Associate
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas | New York, NY 10019-6064

(212) 373-3481 (Direct Phone) | (212) 492-0481 (Direct Fax)
psignoracci@paulweiss.com | www.paulweiss.com

From: Signoracci, Pietro J
Sent: Friday, February 10, 2017 5:02 PM
To: 'Strain, Eric' <estrain@nixonpeabody.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; George Barber <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; Ortego, Joseph J. <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; Christmas, Robert <RChristmas@nixonpeabody.com>; Shah, Shainee <sshah@nixonpeabody.com>
Subject: RE: ECN v. Airbus Helicopters

Thank you, Eric. Received. We'll look forward to the additional documents and information Monday.

Best,
Pietro

Pietro J. Signoracci | Associate
Paul, Weiss, Rifkind, Wharton & Garrison LLP
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(212) 373-3481 (Direct Phone) | (212) 492-0481 (Direct Fax)
psignoracci@paulweiss.com | www.paulweiss.com

From: Strain, Eric [mailto:estrain@nixonpeabody.com]
Sent: Friday, February 10, 2017 4:13 PM
To: Signoracci, Pietro J <psignoracci@paulweiss.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; George Barber <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; Ortego, Joseph J. <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; Christmas, Robert <RChristmas@nixonpeabody.com>; Shah, Shainee <sshah@nixonpeabody.com>
Subject: ECN v. Airbus Helicopters

Pietro,

Aircraft Sales

Attached are:

1. A spreadsheet showing sales by Airbus Helicopters, S.A.S. ("AH") to customers having a US address on the purchase agreement for the years 2011 through 2016. The sales were made by AH to the companies listed under the "From" heading, not the "Customer" heading. Thus, you will see that the sales were made by AH to Airbus Helicopters, Inc. ("AHI"). The "Customer" heading refers to the customers to whom AHI sold and delivered the helicopters in the US.

2. A spreadsheet showing sales by AH to CHC entities.

3. Documents summarizing AHI's sales to customers having US addresses on the purchase agreements. The entries that are blacked out were sales to customers not having US addresses.

Maintenance

1. AH does not perform maintenance in the US.

2. If a Super Puma customer in the US needs a main gearbox overhaul, the overhaul would be done by AH in France (or Helibras in Brazil); AHI does not perform Super Puma main gearbox overhauls.

3. AH, not AHI, would perform retrofit work to bring Super Pumas into compliance with the EASA AD and FAA approved AMOC allowing return to service following the groundings.

Corporate Relationship

I will get this to you on Monday.

Bankruptcy Involvement

I hope to get back to on Monday.

If questions, let me know.

Thank you, Eric

Eric C. Strain
Partner
estrain@nixonpeabody.com
T 212-940-3043 | C 415-244-3393 | F 866-741-1485
Nixon Peabody LLP | 437 Madison Avenue | New York, NY 10022-7039
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Exhibit J

ORDER BOOKINGS - AH GROUP

FROM 01/01/2011 TO 31/12/2016

DATE of the CONTRACT in force	FROM	TO			AIRCRAFT	QTY
		REGION	COUNTRY	CUSTOMER	TYPE	
June 2011	AH-AHD	EBRG	USA	BRISTOW	EC225	1
June 2011	AH-AHD	EBRG	USA	BRISTOW	EC225	1
October 2011	AH-AHD	EBRG	USA	WELLS FARGO / OMNI (Portugal)	EC225	2
TOTAL SUPER PUMA / COUGAR						**4**
March 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	4
March 2011	AHI	EBU	USA	Vulcan Flight Inc*	EC145	1
June 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	14
July 2011	AHI	EBU	USA	WEST PENN ALLEGHENY*	EC145	1
August 2011	AHI	EBU	USA	Sanford Health*	EC145	1
August 2011	AHI	EBU	USA	OSF Aviation*	EC145	4
September 2011	AHI	EBU	USA	Heli Transport*	EC145	1
October 2011	AHI	EBU	USA	Duke University Health System Inc*	EC145	2
October 2011	AHI	EBU	USA	Sanford Health*	EC145	2
December 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	39
December 2011	AHI	EBU	USA	University of Utah*	EC145	1
December 2011	AHI	EBU	USA	Metro Aviation INC*	EC145	1
TOTAL H145						**71**
May 2011	AHI	EBU	USA	HMA*	EC135	3
May 2011	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	-1
August 2011	AHI	EBU	USA	Era Helicopters LLC*	EC135	3
October 2011	AHI	EBU	USA	Massachusetts State Police*	EC135	1
November 2011	AHI	EBU	USA	Era Helicopters LLC*	EC135	4
November 2011	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
December 2011	AHI	EBU	USA	REACH, dba Mediplane*	EC135	1
TOTAL H135						**13**
May 2011	AHI	EBU	USA	Air Commander International Ltd*	EC130	1
September 2011	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	3
September 2011	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	7
October 2011	AHI	EBU	USA	Milestone Aviation Group LLC*	EC130	5
TOTAL H130						**16**
January 2011	AHI	EBU	USA	WINCO INC*	AS350 B3	1
January 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
February 2011	AHI	EBU	USA	Extreme Crafts LLC*	AS350 B3	-1
February 2011	AHI	EBU	USA	Helicopter Express Inc*	AS350 B3	-1
February 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B3	1
March 2011	AHI	EBU	USA	Air Medical Resources Group*	H125	3
March 2011	AHI	EBU	USA	Air Commander International Ltd*	H125	1
March 2011	AHI	EBU	USA	BHI Helicopters Inc* / BRAINERD	H125	1
March 2011	AHI	EBU	USA	Spiegel Aviation*	H125	1

April 2011	AHI	EBU	USA	Rotor Aviation Inc*	AS350 B2	1
April 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
May 2011	AHI	EBU	USA	Air Methods Corporation (AMC)*	AS350 B3	4
May 2011	AHI	EBU	USA	DHS/CBP National Air Training Center*	AS350 B3	3
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	H125	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B2	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B2	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
August 2011	AHI	EBU	USA	Kenneth Lian Corp*	AS350 B2	1
August 2011	AHI	EBU	USA	Central Copters Inc*	AS350 B2	1
August 2011	AHI	EBU	USA	The Boeing Company*	AS350 B3	1
August 2011	AHI	EBU	USA	Heli LLC*	AS350 B3	1
August 2011	AHI	EBU	USA	LLOYD HELICOPTERS US INC*	AS350 B3	1
August 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
August 2011	AHI	EBU	USA	Eaglemed LLC*	AS350 B3	1
August 2011	AHI	EBU	USA	Air Medical Resources Group*	H125	2
September 2011	AHI	EBU	USA	Pima Co Sheriff's Department*	AS350 B3	1
September 2011	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	1
November 2011	AHI	EBU	USA	Mountain West Helicopters LLC*	H125	1
December 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
December 2011	AHI	EBU	USA	LA Grant Aviation Inc*	H125	1
December 2011	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	5
December 2011	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
December 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
December 2011	AHI	EBU	USA	RAI LLC*	AS350 B2	2
December 2011	AHI	EBU	USA	Pratte Transportation Inc*	H125	2
TOTAL ECUREUIL I / FENNEC						**54**
October 2011	AHI	EBU	USA	Baltimore Police Department*	H120	4
November 2011	AHI	EBU	USA	Icarus Copters LLC*	H120	1
TOTAL COLIBRI						**5**
TOTAL 2011						**163**
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
TOTAL SUPER PUMA / COUGAR						**3**
February 2012	AHI	EBU	USA	Shier Aviation Corporation*	H155	1
July 2012	AHI	EBU	USA	Shands Hospital*	H155	1
November 2012	AHI	EBU	USA	Miami valley*	AS365	1
TOTAL DAUPHIN / PANTHER						**3**
April 2012	AHI	EBU	USA	Metro Aviation INC*	EC145	2
August 2012	AHI	EBU	USA	Dare County*	H145	1
September 2012	AHI	EBU	USA	Speedway Aviation*	EC145	1
September 2012	AHI	EBU	USA	University of Pennsylvania*	EC145	1

September 2012	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	2
November 2012	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	34
November 2012	AHI	EBU	USA	Geisinger Medical Center Attn: Gerald Splitt*	EC145	1
December 2012	AHI	EBU	USA	Boston Medflight*	EC145	1
December 2012	AHI	EBU	USA	Metro Aviation INC*	EC145	1
December 2012	AHI	EBU	USA	Caribbean Buzz LLC*	EC145	1
TOTAL H145						**45**
February 2012	AHI	EBU	USA	Broward County Sheriff's Deptartment*	EC135	1
June 2012	AHI	EBU	USA	CALSTAR*	EC135	2
July 2012	AHI	EBU	USA	Metro Aviation INC*	EC135	1
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	4
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
September 2012	AHI	EBU	USA	Massachusetts State Police*	EC135	1
November 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	CALSTAR*	EC135	2
December 2012	AHI	EBU	USA	HMA*	EC135	2
December 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	3
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	3
TOTAL H135						**28**
February 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	6
February 2012	AHI	EBU	USA	Nevada Helicopter Leasing LLC* / Blue Hawaiian	H130	10
February 2012	AHI	EBU	USA	Second Wind LLC*	H130	1
February 2012	AHI	EBU	USA	Enloe Flightcare*	H130	1
February 2012	AHI	EBU	USA	Air Commander International Ltd*	H130	1
February 2012	AHI	EBU	USA	Laughlin Aviation Inc*	H130	2
February 2012	AHI	EBU	USA	Indiana Helicopters LLC* / N13C LLC	H130	1
March 2012	AH-AHD	EBE	USA	Highland Copter LLC / M. LAIDLAW	EC130	1
March 2012	AHI	EBU	USA	Modern Industrial Services Inc*	EC130	1
March 2012	AHI	EBU	USA	CNH LLC*	EC130	-1
April 2012	AHI	EBU	USA	EC 130 LLC*	EC130	1
May 2012	AHI	EBU	USA	Helicopter Flight Services*	H130	1
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	EC130	2
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	2
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	H130	2
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC130	-4
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	3
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	7
December 2012	AHI	EBU	USA	Memphis Medical Center*	EC130	1
TOTAL H130						**42**
February 2012	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
February 2012	AHI	EBU	USA	Cathexis Oil and Gas LLC*	H125	1

February 2012	AHI	EBU	USA	Texas DPS*	H125	1
April 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
April 2012	AHI	EBU	USA	Chase Farms*	H125	1
May 2012	AHI	EBU	USA	Elling Halvorson Inc*	H125	1
June 2012	AHI	EBU	USA	Elling Halvorson Inc*	H125	2
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	2
June 2012	AHI	EBU	USA	State of Utah*	H125	1
June 2012	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	1
June 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	2
August 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
August 2012	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
August 2012	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	2
August 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
August 2012	AHI	EBU	USA	Eaglemed LLC*	H125	1
August 2012	AHI	EBU	USA	AUSTIN POLICE DEPARTMENT*	H125	1
September 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
October 2012	AHI	EBU	USA	Alaska DPS*	H125	1
November 2012	AHI	EBU	USA	Bear Defense Services*	AS350 B2	1
November 2012	AHI	EBU	USA	Brevard County Mosquito Control*	H125	2
November 2012	AHI	EBU	USA	Happyheight Inc*	AS350 B2	1
December 2012	AHI	EBU	USA	NiSource Corporate Services Company*	AS350 B2	1
December 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	2
December 2012	AHI	EBU	USA	Reeder Flying service*	H125	1
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	2
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	4
December 2012	AHI	EBU	USA	Oklahoma DPS*	H125	1
TOTAL ECUREUIL I / FENNEC						**42**
TOTAL 2012						**163**
December 2013	AHI	EBU	USA	CHI Aviation*	H175	1
TOTAL H175						**1**
October 2013	AHI	EBU	USA	Helicopter Exchange Ltd*	H155	1
TOTAL DAUPHIN / PANTHER						**1**
July 2013	AHI	EBU	USA	Speedway Aviation*	EC145	-1
August 2013	AHI	EBU	USA	Boston Medflight*	EC145	1
August 2013	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	1
November 2013	AHI	EBU	USA	Air Commander International Ltd*	EC145	1
December 2013	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	6
TOTAL H145						**8**
January 2013	AHI	EBU	USA	WASHINGTON CORP*	EC135	1
February 2013	AHI	EBU	USA	Midwest Medical Transport Company*	EC135	1
February 2013	AHI	EBU	USA	Valkyrie*	EC135	1
March 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
April 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
April 2013	AHI	EBU	USA	Tentacle Corp*	EC135	2
April 2013	AHI	EBU	USA	CALSTAR*	EC135	1
June 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1

July 2013	AHI	EBU	USA	Healthnet Aeromadical Services*	EC135	1
August 2013	AHI	EBU	USA	CALSTAR*	EC135	1
September 2013	AHI	EBU	USA	Massachusetts State Police*	EC135	1
December 2013	AHI	EBU	USA	IHL Acquisition*	EC135	2
TOTAL H135						**14**
January 2013	AHI	EBU	USA	Advantage Systems Inc*	EC130	1
August 2013	AHI	EBU	USA	Sundance Helicopters Inc*	H130	4
August 2013	AHI	EBU	USA	DBD Properties LLC*	H130	1
November 2013	AHI	EBU	USA	Elling Halvorson Inc*	H130	4
November 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	1
November 2013	AHI	EBU	USA	Sundance Helicopters Inc*	H130	16
December 2013	AHI	EBU	USA	Air Commander International Ltd*	H130	1
December 2013	AHI	EBU	USA	Air Commander International Ltd*	H130	1
TOTAL H130						**29**
January 2013	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	1
February 2013	AHI	EBU	USA	MacNeil Aviation LLC*	H125	1
February 2013	AHI	EBU	USA	Timberline Helicopters Inc*	H125	1
March 2013	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
April 2013	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	1
April 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	2
April 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	4
April 2013	AHI	EBU	USA	Air Medical Resources Group*	H125	7
May 2013	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
May 2013	AHI	EBU	USA	Elling Halvorson Inc*	H125	2
June 2013	AHI	EBU	USA	Alaska DPS*	H125	1
June 2013	AHI	EBU	USA	Commonwealth of Pennsylvania*	AS350 B2	1
July 2013	AHI	EBU	USA	PHI Air Medical*	H125	6
July 2013	AHI	EBU	USA	BHI Helicopters Inc*	H125	1
August 2013	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	-2
August 2013	AHI	EBU	USA	Meridian Consulting Company*	AS350 B2	1
August 2013	AHI	EBU	USA	Seminole County Sheriff's Office*	H125	1
September 2013	AHI	EBU	USA	Central Copters Inc*	H125	1
September 2013	AHI	EBU	USA	City of Philadelphia*	AS350 B2	1
September 2013	AHI	EBU	USA	Seminole Tribe of Florida*	H125	1
September 2013	AHI	EBU	USA	City of Tulsa*	AS350 B2	1
September 2013	AHI	EBU	USA	Meridian Consulting Company*	AS350 B2	1
October 2013	AHI	EBU	USA	Island Helicopter Kauai*	AS350 B2	1
October 2013	AHI	EBU	USA	Reeder Flying service*	H125	1
October 2013	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
November 2013	AHI	EBU	USA	Elling Halvorson Inc*	H125	3
November 2013	AHI	EBU	USA	Oklahoma DPS*	H125	2
November 2013	AHI	EBU	USA	University of Miami*	H125	1
December 2013	AHI	EBU	USA	Mississippi DPS*	H125	1
December 2013	AHI	EBU	USA	LAG AVIATION*	H125	1
December 2013	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
December 2013	AHI	EBU	USA	Caribbean Helicorp Inc*	H125	1
December 2013	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
December 2013	AHI	EBU	USA	Air Medical Resources Group*	H125	3
TOTAL ECUREUIL I / FENNEC						**52**

June 2013	AHI	EBU	USA	City of San Antonio*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2013						**107**
April 2014	AHI	EBU	USA	Macquarie Bank Limited* / PHOENIX	EC225	3
October 2014	AH-AHD	EBRG	USA	BRISTOW	EC225	1
TOTAL SUPER PUMA / COUGAR						**4**
February 2014	AHI	EBU	USA	CHI Aviation*	H175	1
TOTAL H175						**1**
February 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	4
March 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	6
April 2014	AHI	EBU	USA	July 10 LLC*	H145	1
May 2014	AHI	EBU	USA	AVALON CAPITAL GROUP INC*	H145	1
May 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	10
May 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
September 2014	AHI	EBU	USA	Vulcan Flight Inc*	H145	1
October 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	17
November 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	12
November 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	2
November 2014	AHI	EBU	USA	Suffolk County Police Department*	EC145	1
TOTAL H145						**56**
May 2014	AHI	EBU	USA	CALSTAR*	EC135	2
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	-6
November 2014	AHI	EBU	USA	Metro Aviation INC*	EC135	1
TOTAL H135						**-3**
March 2014	AHI	EBU	USA	TUDOR INVESTMENT CORPORATION*	AS355	1
TOTAL ECUREUIL II / FENNEC						**1**
January 2014	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	3
March 2014	AHI	EBU	USA	Memphis Medical Center*	H130	1
April 2014	AHI	EBU	USA	Liautaud Development Group*	H130	1
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	6
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	3
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	6
December 2014	AHI	EBU	USA	Mustang Leasing*	H130	5
TOTAL H130						**25**
January 2014	AHI	EBU	USA	Petr Lukes*	H125	1
February 2014	AHI	EBU	USA	Air Commander International Ltd*	AS350 B2	1
February 2014	AHI	EBU	USA	Elling Halvorson Inc*	H125	3
February 2014	AHI	EBU	USA	Helicopter Express Inc*	H125	3
March 2014	AHI	EBU	USA	Helotex Aviation LLC*	H125	1
March 2014	AHI	EBU	USA	Valion Holdings LLC*	H125	1
March 2014	AHI	EBU	USA	Hillsborough County Sheriff's Office*	AS350 B2	1
May 2014	AHI	EBU	USA	PHI*	H125	1
May 2014	AHI	EBU	USA	Texas Parks & Wildlife*	H125	1
May 2014	AHI	EBU	USA	Eaglemed LLC*	H125	1
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	3
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	-6
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	-2
August 2014	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	3

August 2014	AHI	EBU	USA	Elling Halvorson Inc*	H125	1
August 2014	AHI	EBU	USA	Bear Defense Services*	H125	1
September 2014	AHI	EBU	USA	Eaglemed LLC*	H125	1
September 2014	AHI	EBU	USA	DB Projects LLC*	H125	1
September 2014	AHI	EBU	USA	JR Helicopters LLC*	H125	1
October 2014	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
November 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	1
November 2014	AHI	EBU	USA	The Boeing Company*	H125	1
December 2014	AHI	EBU	USA	Sky High Leasing*	H125	1
December 2014	AHI	EBU	USA	Riverside County Sheriff Department*	H125	2
December 2014	AHI	EBU	USA	LAPD*	H125	1
December 2014	AHI	EBU	USA	Hillsboro Aviation*	H125	1
December 2014	AHI	EBU	USA	Indiana Helicopters LLC*	H125	1
December 2014	AHI	EBU	USA	Helicopter Express Inc*	H125	2
December 2014	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
December 2014	AHI	EBU	USA	COASTAL HELICOPTERS*	H125	1
TOTAL ECUREUIL I / FENNEC						**30**
June 2014	AHI	EBU	USA	Tennessee Valley Authority*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2014						**116**
March 2015	AH-AHD	EBRG	USA	BRISTOW	H175	17
December 2015	AHI	EBU	USA	CHI Aviation*	H175	-1
December 2015	AHI	EBU	USA	CHI Aviation*	H175	-1
TOTAL H175						**15**
February 2015	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	41
March 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
April 2015	AHI	EBU	USA	Metro Aviation INC*	EC145	1
May 2015	AHI	EBU	USA	Tennessee Valley Authority*	EC145	1
June 2015	AHI	EBU	USA	Buckeye Leasing LLC*	EC145	5
July 2015	AHI	EBU	USA	FLIGHT MANAGEMENT LLC*	H145	1
August 2015	AHI	EBU	USA	Air Medical Resources Group*	EC145	2
November 2015	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	12
December 2015	AHI	EBU	USA	Air Medical Resources Group*	EC145	-2
TOTAL H145						**62**
June 2015	AHI	EBU	USA	Stat-Medevac*	H135	2
August 2015	AH-AHD	EBE	USA	AEROHEAD AVIATION	H135	1
September 2015	AHI	EBU	USA	CALSTAR*	H135	3
October 2015	AHI	EBU	USA	CALSTAR*	H135	2
October 2015	AHI	EBU	USA	Air Medical Group Holdings*	H135	6
December 2015	AHI	EBU	USA	Dartmouth Hitchcock*	H135	1
December 2015	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
TOTAL H135						**16**
June 2015	AHI	EBU	USA	Nevada Helicopter Leasing LLC*	H130	1
September 2015	AHI	EBU	USA	Richardson Aviation*	H130	1
November 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	-1
December 2015	AHI	EBU	USA	Air Medical Resources Group*	H130	4
December 2015	AHI	EBU	USA	Ten X Inc*	H130	1
TOTAL H130						**6**

February 2015	AHI	EBU	USA	PETER FENTON*	H125	1
May 2015	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	2
May 2015	AHI	EBU	USA	OHIO STATE HIGHWAY PATROL*	H125	1
July 2015	AHI	EBU	USA	PHI*	H125	2
August 2015	AHI	EBU	USA	ONTARIO POLICE AIR SUPPORT UNIT*	H125	1
August 2015	AHI	EBU	USA	PHI*	H125	2
August 2015	AHI	EBU	USA	Air Medical Resources Group*	H125	3
September 2015	AHI	EBU	USA	LAPD*	H125	1
November 2015	AHI	EBU	USA	PINELLAS SHERIFF'S OFFICE*	AS350 B2	1
November 2015	AHI	EBU	USA	Lee County Sheriff's Office*	H125	1
November 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	1
December 2015	AHI	EBU	USA	Raven Aviation LLC*	AS350 B2	1
December 2015	AHI	EBU	USA	Hillsboro Aviation*	H125	1
December 2015	AHI	EBU	USA	State of Utah*	H125	1
December 2015	AHI	EBU	USA	Air Medical Resources Group*	H125	4
December 2015	AHI	EBU	USA	SG Equipment Finance*	AS350 B2	1
December 2015	AHI	EBU	USA	Helicopter Express Inc*	H125	-2
TOTAL ECUREUIL I / FENNEC						**22**
August 2015	AHI	EBU	USA	City of San Antonio*	H120	1
TOTAL COLIBRI						**1**
TOTAL 2015						**122**
September 2016	AH-AHD	EBRG	USA	BRISTOW	H175	5
TOTAL H175						**5**
March 2016	AHI	EBU	USA	MacNeil Aviation LLC*	H145	1
March 2016	AHI	EBU	USA	Las Vegas Metro Police Department*	H145	1
April 2016	AHI	EBU	USA	JS Leasing* / Dallas Cowboys	H145	1
April 2016	AHI	EBU	USA	Mayo Medical Transport*	EC145	1
April 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
May 2016	AHI	EBU	USA	Han-Mac Holdings International*	H145	1
June 2016	AHI	EBU	USA	Stat-Medevac*	EC145	1
September 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	2
October 2016	AHI	EBU	USA	PHI*	H145	2
December 2016	AHI	EBU	USA	Palantir Technologies*	H145	1
TOTAL H145						**12**
March 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	CALSTAR*	H135	-1
August 2016	AHI	EBU	USA	CALSTAR*	H135	-2
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
December 2016	AHI	EBU	USA	Stat-Medevac*	H135	3
TOTAL H135						**4**
January 2016	AHI	EBU	USA	Lightnin Production Rental*	H130	1
May 2016	AHI	EBU	USA	Air Medical Resources Group*	H130	3
June 2016	AHI	EBU	USA	H&J Aviation LLC*	H130	1
July 2016	AHI	EBU	USA	Memphis Medical Center*	H130	1
October 2016	AHI	EBU	USA	Sundance Helicopters Inc*	H130	-10
October 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	-9

December 2016	AHI	EBU	USA	WFP Aviation*	H130	1
December 2016	AHI	EBU	USA	Palantir Technologies*	H130	1
TOTAL H130						**-11**
February 2016	AHI	EBU	USA	CHI Aviation*	H125	1
February 2016	AHI	EBU	USA	CHI Aviation*	H125	1
March 2016	AHI	EBU	USA	County of Orange Sheriff*	H125	1
March 2016	AHI	EBU	USA	Comanche Maverick Air*	H125	1
March 2016	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	3
April 2016	AHI	EBU	USA	Spurr Mountain*	H125	1
June 2016	AHI	EBU	USA	Miami Dade Police*	AS350 B2	1
August 2016	AHI	EBU	USA	RW Aviation*	H125	1
August 2016	AHI	EBU	USA	LADWP*	H125	2
August 2016	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	-1
September 2016	AHI	EBU	USA	Dement Construction Company*	H125	1
September 2016	AHI	EBU	USA	San Bernardino County Sheriff*	H125	2
October 2016	AHI	EBU	USA	Sky High Leasing*	H125	1
November 2016	AHI	EBU	USA	SG Equipment Finance*	H125	1
November 2016	AHI	EBU	USA	LAPD*	H125	2
November 2016	AHI	EBU	USA	Conrad & Bischoff*	H125	1
December 2016	AHI	EBU	USA	Air Medical Group Holdings*	H125	5
December 2016	AHI	EBU	USA	Studer Fertilizer Inc*	H125	1
December 2016	AHI	EBU	USA	Metro Aviation INC*	H125	1
TOTAL ECUREUIL I / FENNEC						**26**
November 2016	AHI	EBU	USA	Shier Aviation Corporation*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2016						**38**

ORDER BOOKINGS - AH GROUP

FROM 01/01/2011 TO 31/12/2016

DATE of the CONTRACT in force	FROM	TO			AIRCRAFT	QTY
		REGION	COUNTRY	CUSTOMER	TYPE	
February 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
February 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						**5**
TOTAL 2011						**5**
January 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						**7**
TOTAL 2012						**7**
February 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						**5**
TOTAL 2013						**5**
January 2014	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
January 2014	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						**2**
TOTAL 2014						**2**
TOTAL 2015						**0**
TOTAL 2016						**0**

Exhibit K

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

---------- x		
	:	
In re:	:	**Chapter 11**
	:	
CHC GROUP LTD. ***et al.*****,**	:	**Case No. 16– _____ ( )**
	:	
	:	
Debtors.	:	**(Joint Administration Requested)**
	:	
---------- x		

DECLARATION OF ROBERT A. DEL GENIO IN SUPPORT OF
THE DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY RELIEF

I, Robert A. Del Genio, pursuant to section 1746 of title 28 of the United States Code, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am the Chief Restructuring Officer ("**CRO**") of CHC Group Ltd. ("**CHC Group**") and each of the other debtors (collectively, the "**Debtors**" and, together with their non-debtor affiliates, "**CHC**" or the "**Company**") in the above-captioned chapter 11 cases (the "**Chapter 11 Cases**").[1] I am a Managing Member and founder of CDG Group, LLC, a financial advisory firm that provides restructuring, crisis, and turnaround management services. I have been working closely with the Company for the past several months and was recently appointed as the CRO. As CRO, I report and provide strategic business advice to CHC Group's Board of Directors, Chief Executive Officer, and other members of management in connection with the Debtors' Chapter 11 Cases, and am responsible for carrying out the Debtors' restructuring strategy and objectives described herein.

[1] A list of the Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, where applicable, is attached hereto as **Exhibit A**.

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2. Concurrently with the filing of this declaration (the "**Declaration**") on the date hereof (the "**Petition Date**"), the Debtors have filed voluntary petitions in this Court for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). To enable the Debtors to operate effectively and minimize the potential adverse effects of the commencement of these reorganization cases, the Debtors have requested certain relief in "first day" applications and motions filed with the Court (collectively, the "**First Day Pleadings**"). The First Day Pleadings, described in detail below, seek, among other things, relief intended to preserve the value of the Debtors and maintain continuity of operations by, among other things, (i) preserving the Debtors' relationships with their customers and employees, many of whom are located in jurisdictions outside the United States, (ii) maintaining the Debtors' cash management system and other business operations without interruption, (iii) confirming the reach of the automatic stay to protect the Debtors' assets, and (iv) establishing certain administrative procedures to facilitate an orderly transition into, and uninterrupted operations throughout, these Chapter 11 Cases. This relief is critical to the Debtors' restructuring efforts.

3. This Declaration is submitted to assist the Court and other parties in interest in understanding the circumstances that compelled the commencement of these Chapter 11 Cases and in support of (i) the petitions for relief under the Bankruptcy Code filed on the Petition Date and (ii) the First Day Pleadings. Any capitalized term not defined herein shall have the meaning ascribed to that term in the relevant First Day Pleading. Except as otherwise indicated herein, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by employees working under my supervision or my opinion based upon experience, knowledge and information concerning the operations of CHC, the oil and gas industry, and the commercial helicopter service industry. If

called upon to testify, I would testify competently to the facts set forth in this Declaration. I am authorized to submit this Declaration on behalf of the Debtors.

4. This Declaration is intended to provide a summary overview of CHC and the Debtors' Chapter 11 Cases, and is organized as follows: **Part I** describes the Debtors' businesses; **Part II** describes the Debtors' prepetition capital structure; **Part III** describes the key events that led to the commencement of these Chapter 11 Cases, the Debtors' prepetition restructuring negotiations with key creditors within the capital structure and the goals that the Debtors seek to accomplish through the commencement of these Chapter 11 Cases; and **Part IV** provides the evidentiary support for the First Day Pleadings filed concurrently herewith.

5. Unless otherwise indicated, the financial information contained herein is provided on a consolidated basis, which includes certain of the Debtors' non-debtor affiliates (collectively, the "**Non-Debtor Affiliates**").

Preliminary Statement

6. CHC is a global commercial helicopter services company primarily servicing the offshore oil and gas industry. CHC's principal business is to provide helicopter services for large, long-distance crew changes on offshore production facilities and drilling rigs for major, national, and independent oil and natural gas companies. As a result of this nexus, the Debtors' performance is closely tied to the state of the oil and gas industry.

7. Starting in the summer of 2014, oil prices began to decline precipitously. Over the next six months or so of 2014, the price of oil was cut in half. On May 2, the price for a barrel of Brent Crude was $45, down approximately 64% from a high of $125 per barrel in 2012. This rapid and unexpected decline in oil prices has led to a significant decline in offshore oil exploration, cost reduction measures for production operations, and a substantially decreased demand for offshore drilling services. As CHC's oil and gas customers have implemented

severe reductions in capital spending and cost cutting measures, the demand for CHC's helicopter services has dramatically declined. The significant and sustained drop in oil prices and related contraction of demand for offshore helicopter services, coupled with CHC's customers demanding price concessions and new flexible contract terms, has caused uncertainty regarding the Debtors' ability to maintain their leveraged capital structure and large helicopter fleet in the long term. A comprehensive balance sheet and fleet restructuring is necessary.

8. The Debtors have determined that, in the wake of the decline in oil prices and resulting declines in customer revenue, their enterprise can no longer bear the weight of its current capital structure and fleet expenses. Indeed, the Company needs to substantially reduce its debt obligations and shed at least 90 unproductive aircraft. To accomplish this, the Company began to explore options that would allow the company to deleverage its capital structure and reduce its fleet costs, paving the way toward future growth and long-term success, even in a down market. To that end, CHC launched significant out-of-court restructuring initiatives, as described in more detail below, including efforts to obtain concessions from its lessors. While these cost-cutting measures enabled the Company to mitigate some of its operating losses in Q3 2016 compared to the prior year quarter, the Company determined that it would be appropriate to consider a broader range of strategic alternatives and hired legal and financial advisors to assist with this analysis.

9. With guidance from their advisors, over the past several months, the Debtors launched negotiations with various members of the Debtors' capital structure and certain, key third-party aircraft lessors. Although the Debtors believe that these negotiations and discussions have been fruitful, and they remain ongoing, the Debtors have determined that relief under chapter 11 is the best path forward to preserve liquidity and provide a forum to streamline and expedite the restructuring process in these uncertain times. As part of the Debtors' goal to

preserve liquidity, the Debtors expect to return, and reject, the leases and subleases related to over 90 unproductive leased aircraft during the first 60 days of these Chapter 11 Cases.

10. The breadth of the targeted restructuring, the number of creditors at issue, the global reach of the Debtors' assets and operations, the importance of accessing the relief and provisions of the Bankruptcy Code and the authority of this Court as the forum for supervising and implementing the Debtors' reorganization, cannot be over-emphasized. Although CHC manages its operations in Irving, Texas and maintains its key sales office in Houston, Texas, CHC operates a truly global business, with assets and operations scattered across six continents around the globe. CHC conducts business in numerous countries with different legal systems, including, among others, Australia, Brazil, Canada, East Timor, Equatorial Guinea, Ireland, Malaysia, Netherlands, Nigeria, Norway, Poland, Kazakhstan, the United Kingdom, and the United States. In addition, many of the Debtors are incorporated under the laws of numerous additional countries, including the Cayman Islands, Luxembourg, Bermuda, and Barbados, and many of the Debtors' key contracts are governed by the laws of foreign jurisdictions. CHC holds aircraft operating certificates and licenses from 10 different countries, employs approximately 3,800 employees worldwide, and has customers from jurisdictions across the globe.

11. Given these and other considerations, the Debtors concluded in the exercise of their business judgment and as fiduciaries for all of the Debtors' stakeholders that the best path to maximize the value of their businesses and preserve thousands of jobs was a strategic U.S. chapter 11 filing. The filing will give the Debtors a much needed breathing spell – one of the fundamental tenets of a traditional chapter 11 filing – as they continue to work with their key stakeholders. Moreover, the self-executing and global nature of sections 362, 365, 525, and 541(c) of the Bankruptcy Code, along with the other protections and tools available to chapter 11 debtors, as they have been explained to me, provide the Debtors with the best – and

only real – option to effectuate a rapid and comprehensive balance sheet restructuring and fleet optimization for this truly global business. It is the Debtors' judgment that there is no alternative forum in which the Debtors could collectively seek relief to preserve value and reorganize their businesses, and absent these Chapter 11 Cases, the Debtors likely would be left with no choice but to liquidate their businesses in a fire sale and piecemeal fashion.

12. Although the Debtors believe that they have sufficient liquidity to fund these Chapter 11 Cases, at this time, the Debtors are constrained to a short-term four week cash forecast as a result of the recent tragic accident in Norway that may have an impact on their future revenues, cost structure, and helicopter fleet.[2] On this basis, on the first day of these cases, the Debtors are only seeking limited use of cash collateral on interim basis and will seek further relief at a later date.

I.

The Debtors' Businesses

13. CHC is one of the largest global commercial helicopter service companies in the world, primarily engaged in providing helicopter services to the offshore oil and gas industry. With its senior management headquartered in Irving, Texas, CHC maintains bases on six continents with major operations in the North Sea, Brazil, Australia, and several locations across Africa, Eastern Europe, and South East Asia. CHC's business consists of two main operating segments: (i) helicopter flight operations ("**Helicopter Services**"); and (ii) helicopter

[2] On April 29, 2016, an Airbus EC 225 helicopter, or EC 225, operated in Norway by one of the Debtors' Non-Debtor Affiliates, CHC Helikopter Services AS, was involved in an accident while on approach to Flesland Airport in Bergen, Norway from the Gullfaks B platform. The EC 225 carried 11 passengers and two crew members. The cause of the accident is not yet known and full investigations are being carried out in conjunction with regulators and police authorities. In collaboration with CHC's stakeholders, customers and regulatory authorities, pending further regulatory guidance, CHC has temporarily put on hold all EC 225 commercial flights around the world (with the exception of search-and-rescue missions).

maintenance, repair, and overhaul operations ("**MRO**") carried out by its Heli-One division ("**Heli-One**"), which services CHC's helicopter fleet as well as third-party customers.

A. <u>Helicopter Services</u>

14. CHC's Helicopter Services segment consists of flying operations in the Eastern North Sea, the Western North Sea, the Americas, the Asia Pacific region and the Africa-Euro Asia region, primarily serving offshore oil and gas customers. These services facilitate large, long-distance crew changes on offshore production facilities and drilling rigs. Helicopter Services also provides helicopter services for search and rescue ("**SAR**") and emergency medical services ("**EMS**") to various government agencies, all of which are typically under long-term service contracts. In some instances, Helicopter Services also provides SAR and EMS services to its oil and gas customers.

15. The majority of CHC's customers are major, national, and independent oil and gas companies, including Statoil, Total, Apache, Petrobras, and Royal Dutch Shell, and the majority of CHC's customer contracts provide for revenues based on fixed-monthly charges and hourly flight rates. CHC's contracts with offshore oil and gas customers are typically for periods of four to five years, and normally carry extension options of one to five years; however, most of the customer contracts contain termination for convenience provisions. CHC also has long-term contracts with government agencies and commercial operators in the United Kingdom and in Ireland, as well as contracts with commercial operators, the military, and local governments in Australia to provide SAR and EMS helicopter services.

16. Helicopter Services generated approximately 90% of its revenue for the three years ended April 30, 2015 from oil and gas customers and, of this amount, the majority was tied to CHC's customers' offshore production operations, which can have long-term

transportation requirements. SAR and EMS revenue to non-oil and gas customers contributed approximately 10% of Helicopter Services revenue for the three years ended April 30, 2015.

B. Heli-One (MRO)

17. CHC's Heli-One segment includes helicopter MRO facilities in Norway, Poland, Canada, and the United States, which provide services for CHC's helicopter fleet and for CHC's external customer base primarily in Europe, Asia, and North America. CHC's MRO capabilities enable CHC to perform heavy structural repairs, and maintain, overhaul, and test helicopters and helicopter components globally across various helicopter types. Heli-One's largest customer is CHC's Helicopter Services segment. Heli-One derives the majority of its third-party revenue from "power by the hour" ("**PBH**") contracts, where the customer pays a ratable monthly charge, typically based on the number of hours flown, for all scheduled and un-scheduled maintenance. CHC is the largest commercial operator of helicopter flights in the world that also provides MRO services.

18. CHC maintains one of its primary MRO facilities in Fort Collins, Colorado, where it provides specialized engine overall capabilities for aircraft used by the United States Customs and Border Protection Service as well as the Texas Department of Transportation, and for specialized firefighting helicopters.

C. Fleet

19. CHC maintains a fleet of 230 medium (8 to 15 passengers) and heavy (16 to 26 passengers) helicopters (the "**CHC Fleet**"). A significant portion of the fleet is comprised of new technology helicopters which have greater range, higher passenger capacity, enhanced safety systems, and the ability to operate in variable conditions. Of the total 230 helicopters in the fleet, CHC owns 67 helicopters and CHC leases the remainder from various third-party lessors.

D. Organizational Structure

20. The various legal entities in CHC's organizational structure primarily consist of (i) operating affiliates, including Variable Interest Entities (as defined below), in various jurisdictions that support Helicopter Services (the "**HS Operating Entities**"), (ii) fleet entities that either own or lease aircraft from third-party lessors (the "**FleetCos**"), (iii) Heli-One entities that support the MRO business (the "**Heli-One Entities**"), and (iv) entities that provide general corporate support and administration functions to the CHC enterprise (the "**G&A Entities**"), including the provision of pilots and engineers from CHC's global touring crew (the "**Global Touring Crew**") to the HS Operating Entities.

21. The HS Operating Entities typically hold the Helicopter Services customer contracts and collect the associated revenue. In some cases, the customer contracts are held by other non-operating CHC legal entities who subcontract internally with the HS Operating Entities. The HS Operating Entities hold various aircraft operating certificates, operating licenses, and regulatory authorizations (collectively, the "**AOCs**") that are required to carry out helicopter flight operations in the various operating jurisdictions. These AOCs are issued to the HS Operating Entities by government regulated aviation bodies, and each entity holding an AOC is typically required to satisfy, among other requirements, certain financial, insurance, and ownership criteria. In certain jurisdictions in which CHC operates, in order to satisfy local ownership requirements, CHC has entered into joint venture arrangements ("**JVs**") and strategic partnerships (together with the JVs, the "**Variable Interest Entities**") with third-party nationals or entities controlled by third-party nationals in those jurisdictions. CHC currently holds 11 active AOCs, all in separate regional legal entities.

22. The HS Operating Entities typically employ local pilots and maintenance engineers, together with administrative and other support staff. In certain jurisdictions where

local experienced pilots and engineers are not available, the HS Operating Entities enter into intercompany secondment agreements for the provision of pilots and engineers from CHC's Global Touring Crew. The HS Operating Entities often perform light maintenance on their helicopters at the local base location; however, the majority of all major aircraft maintenance and the overhaul of major components is performed by Heli-One pursuant to internal PBH service contracts with the Heli-One Entities. Pursuant to these intercompany agreements, Heli-One charges fees for PBH support as well as for time and materials based maintenance and other aircraft modification services.

23. The CHC FleetCos either own or lease from third-party lessors all of the aircraft in the CHC Fleet. In most cases, the FleetCos sublease the aircraft to HS Operating Entities. These leasing structures provide maximum regulatory and business flexibility.

24. The Heli-One Entities are responsible for the majority of the MRO activities within the CHC business, including the internal PBH service arrangements with the HS Operating Entities as well as the third-party PBH contracts. These entities also manage the supply chain and logistics for moving spare parts and components between the various Heli-One facilities and CHC bases. The Heli-One Entities employ a larger number of shop employees in the Netherlands, Norway, Canada, Poland, and Fort Collins, Colorado.

25. CHC has centralized many of its general corporate and administrative functions in the G&A Entities, which typically provide services across the entire CHC enterprise. These services include, among others, executive, legal, finance, accounting, information technology, crew provision and scheduling, and certain sales functions. In most instances, the services provided by the G&A Entities are allocated to the various operating entities pursuant to intercompany service arrangements and booked as intercompany payables.

26. For the fiscal year ended April 30, 2016, the Debtors' total operating revenues were approximately $1.4 billion, representing an approximate 15% decrease in operating revenues year over year, which (as described herein) was driven by a dramatic decline in demand for CHC's helicopter services resulting from a change in customers' use of helicopter services and the price and terms on which they are willing to accept service.

II.

Prepetition Capital Structure

27. All of the Debtors are direct or indirect wholly-owned subsidiaries of Debtor CHC Group and, with the exception of CHC Cayman Investments I Ltd., together constitute the issuers and guarantors of all of the Debtors' funded debt (described in detail below). CHC's other entities, including certain operating entities, are not debtors in these Chapter 11 Cases and are continuing to conduct their businesses in the ordinary course. A chart illustrating the Debtors' organizational structure, as of the date hereof, is annexed hereto as **Exhibit B**. The following description of the Debtors' capital structure is for informational purposes only and is qualified in its entirety by reference to the documents setting forth the specific terms of such obligations and their respective related agreements.

28. As of the date hereof, the Debtors had outstanding funded debt obligations in the aggregate amount of approximately $1.6 billion, which amount consists of (i) approximately $370 million in secured borrowings under the Debtors' Revolving Facility (as herein defined), (ii) approximately $139 million in secured borrowing under the Debtors' ABL Facility (as herein defined), (iii) approximately $1.0 billion in principal amount of Senior Secured Notes (as herein defined), and (iv) approximately $95 million in principal amount of

Unsecured Notes (as herein defined). The Debtors also have approximately $644 million in Preferred Stock (as defined herein) outstanding as of the date hereof.[3]

A. <u>Equity Ownership</u>

29. CHC Group is a public company and files annual reports with, and furnishes other information to, the United States Securities and Exchange Commission (the "**SEC**"). The common stock of CHC Group traded on the New York Stock Exchange (the "**NYSE**") under the symbol "HELI" until February 1, 2016, when CHC received a delisting notice from the NYSE. Following the delisting, CHC's common stock was accepted for listing on the OTCQX Best Market ("**OTCQX**") and trading in CHC's common stock commenced on the OTCQX under the ticker symbol "HELIF" on February 2, 2016.

30. As of April 30, 2016, 544,000,000 shares of the Debtors' $0.003 par value common stock had been authorized with 2,721,592 shares of common stock issued and outstanding. As of April 30, 2016, 6,000,000 shares of the Debtors' $0.0001 par value redeemable convertible preferred shares had been authorized with 671,189 shares of redeemable convertible preferred shares issued and outstanding. As of May 3, 2016, CHC's common stock was trading at $0.65 per share.

31. As of April 30, 2016, First Reserve Management, L.P. ("**First Reserve**"), a global private equity firm focused on energy, owned 1,530,011 shares of the CHC's common stock, representing approximately 28.1% of the total voting power calculated on an as-converted basis of all stock.

32. On December 15, 2014, the Debtors completed the final of three offerings for a total of 600,000 shares of Convertible Preferred Shares (the "**Preferred Stock**" and the holders of Preferred Stock, the "**Preferred Holders**") through a private placement to Clayton

[3] All amounts listed in this Declaration are in United States dollars.

Dubilier & Rice, LLC ("**CD&R**") at the price of $1,000 per share for a total of $600 million. CHC used the net proceeds of this investment to reduce debt and other fixed charges.

33. Pursuant to that certain Rights and Restrictions of the Convertible Preferred Shares of CHC Group Ltd. Establishing the Terms of the Convertible Preferred Shares (the "**Preferred Share Rights and Restrictions**"), Preferred Holders accrue and accumulate dividends on a daily basis at a base rate of 8.50% *per annum*, which are payable, either in cash or with additional Preferred Stock, quarterly in arrears if, as and when so authorized and declared by the Board of Directors. As of April 30, 2015, 671,189 Preferred Shares were issued and outstanding, and all held directly or indirectly by CD&R.

34. At any given time, all Preferred Holders can convert any or all of their Preferred Shares into some number of common stock based upon a variable conversion rate. As of April 30, 2016, CD&R held preferred shares representing approximately 52.2% of common stock on an as-converted basis. Pursuant to the Preferred Share Rights and Restrictions, to the extent that any Preferred Holder converts some number of Preferred Shares into ordinary shares such that the Preferred Holder controls more than 49.9% of total outstanding common stock, any shares in excess of 49.9% of the total outstanding common stock are replaced with an equivalent number of non-voting common stock.

B. <u>ABL Facility</u>

35. Debtor CHC Cayman ABL Borrower Ltd. (the "**CHC ABL Borrower**"), as borrower, is a party to that certain Credit Agreement, dated as of June 12, 2015 (as amended, restated, supplemented or otherwise modified from time to time, the "**ABL Credit Agreement**" and, together with all agreements and documents delivered pursuant thereto or in connection therewith, each as amended, supplemented or otherwise modified, the "**ABL Facility Documents**"), with the lenders party thereto from time to time, Morgan Stanley Senior Funding,

Inc., as administrative agent (the "**ABL Administrative Agent**"), and BNP Paribas S.A., as collateral agent (the "**ABL Collateral Agent**"). The ABL Credit Agreement provides the borrower with a senior secured non-amortizing asset based revolving credit facility in the aggregate amount of up to $145 million (the "**ABL Facility**").

36. The obligations under the ABL Facility are guaranteed by 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., CHC Helicopter S.A. ("**CHC SA**"), pursuant to that certain Guarantee Agreement, dated as of June 12, 2015, in favor of the ABL Administrative Agent, and by CHC Cayman ABL Holdings Ltd pursuant to that certain Guarantee and Collateral Agreement, dated as of June 12, 2015 (as amended, restated, supplemented, or otherwise modified from time to time, the "**ABL GCA**"), by and among CHC Cayman ABL Holdings Ltd., CHC ABL Borrower, the ABL Administrative Agent, and the ABL Collateral Agent.

37. Pursuant to the terms of the ABL GCA and certain local law security documents, CHC Cayman ABL Holdings Ltd. has purportedly granted a security interest in the equity interests it holds in CHC ABL Borrower, and CHC ABL Borrower has purportedly granted a security interest in substantially all of its respective assets, in each case to secure the obligations under the ABL Facility, subject to the exceptions specified in the ABL Facility Documents. The ABL Facility is purportedly secured by certain of the Debtors' owned aircraft and related assets, intercompany aircraft leases, and cash on deposit in certain of the Debtors' bank accounts. Pursuant to that certain most recent Borrowing Base Certificate, dated April 6, 2016 (the "**Borrowing Base Certificate**") annexed hereto as **Exhibit C**, the total average appraised value of the aircraft currently in the facility is approximately $185 million.[4]

[4] CHC's Monthly Depreciation Schedule for the period of May 2015 through March 2016, is annexed here to as **Exhibit D**. CHC's Projected Aircraft Depreciation Schedule is annexed hereto as **Exhibit E.**

38. As of the date hereof, the aggregate principal amount outstanding under the ABL Facility is approximately $139 million in unpaid principal, plus accrued and unpaid interest, fees, and other expenses. The ABL Facility bears interest at a floating rate that varies based upon the level of utilization of the facility, and matures on June 12, 2020.

C. <u>The Revolving Facility</u>

39. Debtors CHC SA, CHC Global Operations International Inc., CHC Global Operations (2008) Inc., Heli-One Canada Inc., Heli-One Leasing Inc., CHC Den Helder B.V., CHC Holding NL B.V., CHC Netherlands B.V., CHC Norway Acquisition Co AS, and Heli-One (Norway) AS, as borrowers, are parties to that certain Credit Agreement, dated as of January 23, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "**Revolving Credit Agreement**"), with the lenders and issuing banks party thereto from time to time (collectively, the "**Revolving Facility Lenders**"), HSBC Bank PLC, as administrative agent (the "**Revolving Facility Administrative Agent**"), and HSBC Corporate Trustee Company (UK) Limited, as collateral agent (together with the Revolving Facility Lenders and the Revolving Facility Administrative Agent, the "**Revolving Facility Secured Parties**").

40. The Revolving Facility Credit Agreement governs a revolving credit facility (the "**Revolving Facility**") that provides for revolving credit commitments, including letter of credit commitments and swingline commitments, in an aggregate principal amount of up to $375 million. The Revolving Facility is guaranteed by CHC Group, 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., and certain of CHC SA's subsidiaries (the borrowers and guarantors under the Cash Flow Revolving Facility, the "**Revolving Facility Obligors**").

41. As of the date hereof, the aggregate principal amount outstanding under the Revolving Facility is approximately $328 million in unpaid principal and $43 million in face amount of undrawn Revolving Letters of Credit (as defined in the Revolving Credit Agreement),

plus accrued and unpaid interest, fees, and other expenses. The Revolving Facility bears interests at a floating interest rate that varies based upon the Company's consolidated total leverage, and matures on January 23, 2019.

D. <u>The Senior Secured Notes</u>

42. Debtor CHC SA, as issuer, is party to that certain Indenture, dated as of October 4, 2010 (as amended, modified, or otherwise supplemented from time to time, the "**Senior Secured Notes Indenture**"), with The Bank of New York Mellon, as indenture trustee (in such capacity, the "**Senior Secured Notes Indenture Trustee**"), and HSBC Corporate Trustee Company (UK) Limited, as collateral agent (together with the Senior Secured Notes Indenture Trustee and the Senior Secured Noteholders, the "**Senior Secured Notes Secured Parties**"), pursuant to which CHC SA issued 9.250% Senior Secured Notes due 2020 in the aggregate principal amount of $1.1 billion, of which approximately $1.0 billion is currently outstanding (the "**Senior Secured Notes**," and the holders of such notes, the "**Senior Secured Noteholders**").

43. The Senior Secured Notes are guaranteed by CHC Group, 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., and certain of CHC SA's subsidiaries (the issuer and the guarantors in respect of the Senior Secured Notes, the "**Senior Secured Notes Obligors**").

44. As of the date hereof, the aggregate amount outstanding under the Senior Secured Notes is $1.0 billion in unpaid principal, plus accrued and unpaid interest, fees, and other expenses. The Senior Secured Notes bear interest at a rate of 9.25% per annum with interest payable semiannually on April 15 and October 15, and mature on October 15, 2020.

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E. The Security Documents for the Revolving Credit Facility and the Senior Secured Notes

45. The obligations under the Revolving Credit Agreement and the Senior Secured Notes are purportedly secured in accordance with the terms of certain local law security documents, pursuant to which the Revolving Facility Obligors and the Senior Secured Notes Obligors purportedly granted first priority *pari passu* liens on substantially all of their assets (the "**Prepetition Collateral**"). The liens on the Prepetition Collateral were purportedly granted in favor of HSBC Corporate Trustee Company (UK) Limited, which was appointed to act as agent and trustee (in such capacity the "**Collateral Agent**") for the benefit of the Revolving Facility Secured Parties and the Senior Secured Notes Secured Parties under the terms of that certain Collateral Agent and Administrative Agent Appointment Deed, dated as of October 4, 2010, among the Revolving Facility Administrative Agent, the Senior Secured Notes Indenture Trustee, the grantors party thereto, the lenders and arrangers party thereto, and the Collateral Agent.

46. The rights of the Revolving Facility Secured Parties and the Senior Secured Notes Secured Parties with respect to their shared collateral are governed by that certain Intercreditor Agreement, dated as of October 4, 2010, among CHC SA, the other grantors party thereto, the Collateral Agent, the Revolving Facility Administrative Agent and the Senior Secured Notes Indenture Trustee (as amended, modified, or otherwise supplemented from time to time, the "**Intercreditor Agreement**"). Pursuant to the Intercreditor Agreement, all Cash Flow Revolving Facility Secured Obligations and Senior Secured Notes Obligations are secured equally with respect to the "**Shared Collateral**" described therein. Under the payment priority waterfall established by the Intercreditor Agreement, the Revolving Facility Secured Parties are entitled to receive proceeds of the Shared Collateral until paid in full, at which point the outstanding Senior Secured Notes Secured Obligations are to be paid ratably.

F. The Unsecured Notes

47. Debtor CHC SA, as issuer, is party to that certain Indenture, dated as of May 13, 2013 (as amended, modified, or otherwise supplemented from time to time, the "**Unsecured Notes Indenture**"), with The Bank of New York Mellon, as indenture trustee, pursuant to which CHC SA issued 9.375% Senior Unsecured Notes due 2021 in the original aggregate principal amount of $300 million (the "**Unsecured Notes**").

48. The Unsecured Notes are guaranteed by CHC Group, 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., and certain of CHC SA's subsidiaries. The Unsecured Notes are senior unsecured obligations of the Debtors.

49. As of the date hereof, the aggregate amount outstanding under the Unsecured Notes is approximately $95 million in unpaid principal, plus accrued and unpaid interest, fees, and other expenses. The Unsecured Notes bear interest at a rate of 9.375% per annum with interest payable semiannually on June 1 and December 1, and mature on June 1, 2021.

III.

Key Events Leading to Chapter 11

50. As noted above, with a significant customer base in the oil and gas industry, CHC's performance is closely tied to and impacted by changes in oil prices. The prices of Brent crude oil and natural gas have declined dramatically since mid-year 2014, having recently reached multiyear lows, as a result of robust supply growth led by unconventional production in the United States, weakening demand in Europe and emerging markets, and the Organization of the Petroleum Exporting Countries' decision to continue to produce at current levels. These market dynamics have led many to conclude that the energy sector will remain under pressure for a prolonged period. The effects of this protracted downturn are evident in

both onshore and offshore operations and throughout the oil and gas supply chain – in both exploration and production.

51. Due to the significant and rapid downturn in market conditions, CHC is seeing its oil and gas customers reassess their exploration projects and reduce their capital expenditure plans. Offshore exploration activity has plummeted from its peak in 2013, with the majority of the drop in the last six months. Specifically, the global offshore rig count is down 27% since 2013, with deep water rigs down more than 34%. With oil and gas exploration in a lull, many of CHC's customers are using the down cycle to focus only on commitment wells and to perform plug and abandonment work. Overall, CHC's exploration revenue, which accounts for approximately 10% of CHC's revenue from the oil and gas industry, is down over 40% in 2016 versus 2014.

52. On the production side, which accounts for approximately 70% of CHC's revenue from the oil and gas industry, the sustained dip in oil prices has put the supply chains of oil and gas companies under intense pressure. As production revenue has dropped, oil and gas companies have been targeting operational inefficiencies in their supply chains to reduce costs. Pricing on existing contracts and new tenders has declined as these customers have implemented cost reduction measures and have demanded significant prices concessions. Customers also have started utilizing less frequent worker rotations and service patterns to increase their productivity of assets and employees, resulting in a reduction in the number of aircraft required for each contract. These improvements in passenger utilization, coupled with the decrease in volume of offshore personnel, have significantly reduced demand for flying hours. Some customers have even started taking advantage of clauses in their contracts that permit termination for convenience as they seek out new contracts on the lowest-price principle from competitors. CHC's customers have been able to extract more and more concessions and favorable contract

terms as the market for the remaining share of flight hours continues to shrink. Unlike exploration revenue that may come back as the oil price rebounds, these operational efficiencies on the production side are margin negative for helicopter operators and will likely remain in the supply chain even as market conditions improve.

53. Despite efforts to undertake transactions to reduce long-term debt and reduce structural costs that are discussed below, the Debtors are unable to absorb the ongoing and precipitous decline in business demand from the oil and gas industry and the corresponding decline in the Debtors' revenues and cash flows. Based on current market conditions, the Debtors believe that a significant reduction in their long-term debt and cash interest obligations, as well as a significant reduction in their fleet size and related expenses, is required to improve their financial position and flexibility and position them to take advantage of opportunities that may arise out of the current industry downturn.

A. <u>Cost Cutting Measures</u>

54. In response to these developments, the Debtors have, among other things, significantly reduced their spending and implemented a series of structural cost-cutting measures (described in more detail below). Recognizing the need to take these proactive steps in this down market, in early 2015, the Debtors brought in a new management team with substantial experience and expertise in the aircraft and leasing industry. The members of this new management team draw on experience from GE Capital, International Lease Finance Corporation, and Schlumberger, and the team is led by Chief Executive Officer, Karl Fessenden. Over the past year, the Debtors and this new management team have, through various initiatives, achieved reductions in operating expenses of approximately 18% on an FX neutral basis.

55. Specifically, these costs reductions were driven by, among other things, a significant reduction in headcount, certain base closures, organizational delayering and

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centralization of back-office functions, renegotiation of certain professional fees, restructuring of the maintenance and engineering teams, and various fleet adjustments. In addition, CHC engaged a consultant to review and provide recommendations to restructure its supply chain organizational structure and approach, which led to a substantial consolidation of its suppliers along with various process changes. For example, CHC consolidated its air freight and courier carriers from 54 to 10 key accounts, reducing costs by over $4 million, and optimized its inventory, reducing repair costs by over $7 million. CHC also undertook a strategic review of its direct labor costs, which resulted in changes to its roster patterns, a reduction in travel pay for employees, and a decision to outsource certain non-essential work such as ground operations.

56. The Debtor have also taken steps to reduce their total outstanding long-term obligations through two debt repurchase transactions of their Unsecured Notes, which resulted in a reduction of their annual cash requirements by approximately $3.8 million. This restructuring complemented the debt redemption and repurchase transactions the Debtors undertook in fiscal years 2014 and 2015 to reduce their total outstanding long-term debt obligations, which reduced their cash requirements on an annualized basis approximately $41.9 million.

57. Despite the best efforts of the Debtors and their management to actively restructure and reduce their operational and financial costs, the significant and prolonged downturn in market conditions in the oil and gas sector, the cost cutting measures being deployed by their customers, and the related decrease in the Debtors' revenues and cash flows from operations, has caused uncertainty regarding the viability of the Debtors' leveraged capital structure and cash flow structure in the long term. Accordingly, the Debtors began to explore potential alternatives that would allow the Debtors to deleverage their balance sheet, reduce their fleet cost structure, and allow for growth and long-term success.

58. In response to this, in early 2016, the Debtors retained Weil, Gotshal & Manges LLP ("**Weil**"), as restructuring counsel, Debevoise & Plimpton LLP ("**Debevoise**"), as special aircraft counsel, PJT Partners LP ("**PJT Partners**"), as investment banker, Seabury Corporate Advisors LLC ("**Seabury**"), as financial advisor, and CDG Group, LLC, as restructuring advisor (together with Weil, Debevoise, PJT Partners, and Seabury, the "**Advisors**"), to assist them in developing and implementing a comprehensive restructuring plan. The Advisors quickly engaged to explore, analyze, and develop strategic alternatives for resolving the Debtors' financial issues.

B. <u>Preserving Liquidity</u>

59. One of the earliest strategies emphasized by the Debtors' Advisors was the implementation of a strict liquidity preservation policy. Consistent with this, in January 2016, the Debtors drew the remaining $233 million available under the Cash Flow Revolving Facility. In addition, in April 2016, CHC Group and CHC SA decided not to make an interest payment of approximately $46 million due with respect to the Senior Secured Notes, and to use the 30-day grace period under the Senior Secured Notes Indenture to continue working with the Advisors to review strategic alternatives for restructuring the Company's debt and leases expenses.

C. <u>Prepetition Negotiations with Creditors</u>

60. With the flexibility of the grace period, the Debtors and their Advisors commenced negotiations with certain of the Debtors' key stakeholders, including various members of the Debtors' capital structure as well as the Debtors' third-party aircraft lessors. During these early discussions, the Debtors' presented their business plan, strategies for creating a viable business model in this down market, and restructuring proposals.

61. Recognizing the importance of swift action to preserve liquidity and enterprise value, these stakeholders and their advisors quickly began conducting diligence and

engaging with the Debtors and their Advisors. These negotiations advanced through the early stages and continue to progress.

62. The Debtors decided to seek chapter 11 protection to take advantage of the breathing spell afforded by the automatic stay as they continue negotiating and working with these creditors and lessors to develop a proposal to restructure CHC's fleet and balance sheet. The Debtors are focused on quickly moving forward and ideally reaching a consensual deal that will enable the Debtors to quickly emerge from these Chapter 11 Cases with a significantly strengthened financial position.

63. The Debtors expect that their current cash on hand, combined with revenue generated from ongoing operations, will provide sufficient liquidity to support CHC's business during these Chapter 11 Cases.

V.

First Day Motions

64. Below is an overview of the First Day Motions. The First Day Motions seek relief intended to facilitate a smooth transition for the Debtors into these Chapter 11 Cases and minimize disruptions to the Debtors' business operations. Capitalized terms used but not otherwise defined in this section of the Declaration shall have the meanings ascribed to them in the relevant First Day Motions.

A. Joint Administration Motion

DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING JOINT ADMINISTRATION OF CHAPTER 11 CASES PURSUANT TO RULE 1015(B) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE

65. By the Joint Administration Motion, the Debtors seek joint administration of their Chapter 11 Cases for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Rules. Specifically, I understand that the Debtors request that the

Court maintain one file and one docket for all of these Chapter 11 Cases under the case of lead Debtor CHC Group. Further, the Debtors request that an entry be made on the docket of each of the cases of the Debtors to indicate the joint administration of these Chapter 11 Cases.

66. I understand that a court can order the joint administration of multiple Chapter 11 Cases where the debtors are "affiliates" as defined in section 101(2) of the Bankruptcy Code. Debtor CHC Group owns or controls, either directly or indirectly, 100 percent of the outstanding voting securities of each of the other Debtors. Accordingly, I understand that the Debtors are "affiliates" and this court is authorized to order joint administration of their estates. Joint administration will avoid the preparation, replication, service, and filing, as applicable, of duplicative notices, applications, and orders in each of the forty-three Debtor cases, thereby saving the Debtors' estates considerable expense and resources. The relief requested will not adversely affect creditors' rights and, in fact, the rights of all creditors will be enhanced by the reduction in costs resulting from joint administration. Further, I understand that the relief requested will also relieve the Court of the burden of entering duplicative orders and maintaining duplicative files and dockets, and, similarly, simplify supervision of the administrative aspects of these Chapter 11 Cases by the Office of the U.S. Trustee for the Northern District of Texas (the "**U.S. Trustee**").

67. Accordingly, I believe that joint administration of the Debtors' Chapter 11 Cases is in the best interests of the Debtors, their estates, and all parties in interest.

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B. <u>Extension of Time to File SOFAs and Schedules</u>

DEBTORS' MOTION FOR ENTRY OF ORDER EXTENDING TIME TO FILE (I) SCHEDULES OF ASSETS AND LIABILITIES; (II) SCHEDULE OF CURRENT INCOME AND EXPENDITURES; (III) SCHEDULE OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES; AND (IV) STATEMENT OF FINANCIAL AFFAIRS PURSUANT TO SECTION 521 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 1007(C), AND LOCAL RULE 1007-1

68. By the Extension Motion, the Debtors request that the Court extend the fourteen-day period in which the Debtors are required, pursuant to section 521 of the Bankruptcy Code and Rule 1007(c) of the Bankruptcy Rules, to file (i) schedules of assets and liabilities, (ii) a schedule of current income and expenditures, (iii) a schedule of executory contracts and unexpired leases, and (iv) a statement of financial affairs (collectively, the "**Schedules**"), for an additional forty-five days (making the Schedules due on or before sixty days after the Petition Date), without prejudice to the Debtors' right to request further extensions.

69. I understand that, to prepare the Schedules, the Debtors must compile information from books, records, and documents maintained by each of the forty-three Debtors, relating to the claims of thousands of creditors, as well as the Debtors' many assets and contracts. With global operations and a widespread international footprint, it will take substantial time to gather and process such information. The Debtors have a limited number of employees with detailed knowledge of the Debtors' financial affairs and the skill to perform the necessary review and analysis of the Debtors' financial records. Given the size and complexity of the Debtors' businesses, and the resulting significant amount of work required to complete the Schedules, as well as the competing demands on the Debtors' employees and professionals to assist in critical efforts to stabilize the Debtors' business operations during the initial postpetition period, I believe that an extension is necessary.

70. I believe that the extension requested in the Extension Motion also will aid the Debtors in efficiently preparing accurate Schedules, as it will allow the Debtors to account for prepetition invoices not yet received or entered into their accounting systems as of the Petition Date, and will minimize the possibility that any subsequent amendments to the Schedules are necessary. As such, I believe that the extension will benefit not only the Debtors, but all creditors and other parties in interest.

71. Although the Debtors, with the assistance of their professional advisors, have begun to compile the information necessary for the Schedules, I understand that the Debtors have been consumed with a multitude of other legal, business, and administrative matters in the weeks prior to the Petition Date. Going forward, the Debtors anticipate having to devote a substantial amount of time and attention to a variety of additional, time-sensitive issues relating to their businesses and newly-commenced Chapter 11 Cases. Accordingly, I understand that the Debtors expect that they will require at least forty-five additional days to finalize the Schedules.

72. I believe that the vast amount of information that the Debtors must assemble and compile, the multiple places where the information is located, and the number of employee and professional hours required to complete the Schedules all constitute good and sufficient cause for granting the requested extension of time in the Extension Motion.

C. <u>Waiver of Requirement to File Creditor List and Equity List</u>

MOTION OF DEBTORS FOR ENTRY OF AN ORDER (I) WAIVING THE REQUIREMENT TO FILE A LIST OF CREDITORS, (II) WAIVING THE REQUIREMENT TO FILE AN EQUITY LIST, AND (III) APPROVING THE FORM AND MANNER OF NOTIFYING CREDITORS OF THE COMMENCEMENT OF THE DEBTORS' CHAPTER 11 CASES

73. By the Waiver Motion, the Debtors request, pursuant to section 105(a) of the Bankruptcy Code: (i) a waiver of the requirement to file a list of creditors on the Petition Date as required by section 521(a)(1) of the Bankruptcy Code, Rule 1007(a)(1) of the

Bankruptcy Rules, and Rule 1007-1 of the Local Rules Bankruptcy Rules for the Northern District of Texas, (ii) a waiver of the requirement to file a list of all equity security holders (the "**Equity List**") within fourteen (14) days after the Petition Date as required by Bankruptcy Rule 1007(a)(3), and (iii) authority to implement certain procedures for notifying creditors of the commencement of these Chapter 11 Cases and of the meeting of creditors to be held pursuant to section 341 of the Bankruptcy Code (the "**Notice of Commencement**").

74. I understand that the Debtors are requesting authorization to retain and employ Kurtzman Carson Consultants LLC as a notice and claims processing agent (the "**Notice and Claims Agent**") in these Chapter 11 Cases, pursuant to section 156(c) of title 28 of the United States Code and section 327(a) of the Bankruptcy Code. The Debtors propose that, pursuant to section 342(a) of the Bankruptcy Code and Bankruptcy Rules 2002(a) and (f), as soon as practicable after the Petition Date, the Debtors furnish their list of creditors to the Notice and Claims Agent so that the Notice and Claims Agent may mail the Notice of Commencement to the parties identified thereon.

75. The Notice and Claims Agent will receive the list of creditors and mail the Notice of Commencement to the parties identified thereon and the Notice of Commencement will be published in the international edition of the *Wall Street Journal*. Thus, filing a list of creditors will serve no independent purpose.

76. The Debtors will provide the parties on the Equity List with notice as required by the Bankruptcy Code. Thus, waiving the Equity List will not prejudice the equity security holders.

77. Based on the foregoing, I believe that the relief requested in the Waiver Motion is appropriate in these Chapter 11 Cases to provide adequate notice to all parties in interest

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D. <u>Customer Deposits</u>

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS AUTHORIZING DEBTORS TO MAINTAIN, APPLY, PAY, AND HONOR PREPETITION CUSTOMER DEPOSITS PURSUANT TO SECTIONS 363(b) AND 105(a) OF THE BANKRUPTCY CODE

78. Pursuant to the Customer Deposits Motion, the Debtors request authority to, in the ordinary course of business and consistent with past practice, maintain, apply, pay, and honor prepetition customer deposits. As described more fully in the motion, the Debtors have a contractual arrangement with certain of their third-party PBH customers (the "**Customers**") whereby the Customer pays a monthly fee (the "**Deposit**"), calculated based upon estimated flight hours operated, to be allocated to pay for future maintenance performed on covered components during each component's respective maintenance cycle. Upon the termination or expiration of the Customer's contract, the Heli-One Debtors calculate what amount, if any, is owed to the Customer based upon the timing of the contract's termination or expiration within the maintenance cycle of the covered components and the amount is calculated to provide for fees accrued in anticipation of a maintenance cycle that has not yet concluded. In certain limited circumstances, additional amounts could be owed by the Customer to the Heli-One Debtors. The amount ultimately paid to the Customer also takes into account a contractually agreed upon percentage of the Deposit that is retained by the Heli-One Debtor as a holdback for capital costs.

79. The Deposits are an integral part of the Debtors' MRO business and the terms and conditions on which they are paid and applied are used elsewhere in the industry. As a result of the commencement of these Chapter 11 Cases, I have been advised that the Deposits constitute property of the Debtors' estates, leaving Customers with unsecured claims for such amounts. Absent relief from the Court permitting the Heli-One Debtors to treat those Deposits in the ordinary course of business and apply such Deposits according to the terms of the Customer contracts, the Heli-One Debtors will be left in an untenable position with their Customers. It is

crucial to the ongoing success of the Debtors' operations that the Heli-One Debtors maintain their relationships with their Customers. Without the ability to continue to honor the Deposits in the ordinary course of business, the Heli-One Debtors' reputation, market share, and revenue stream are at risk. Many of the Customers' contracts are terminable at will. If the Customers fail to receive assurance that their Deposits will be honored and applied, and that any amounts owed will be paid pursuant to the contract terms upon termination or expiration of the contracts, there is a significant risk that Customers may seek relief from the automatic stay to terminate their contracts and obtain services from one of the Heli-One Debtors' competitors. Indeed, certain of the Heli-One Debtors' Customers already have expressed concerns about the status and treatment of their Deposits.

80. It is my understanding that the Debtors estimate that, as of the Petition Date, the Heli-One Debtors hold approximately $30-40 million in Deposits on account of approximately fifteen (15) Customer contracts and estimate that approximately $18 million could potentially be owed to Customers upon termination or expiration of the Customers' contracts.

81. Accordingly, I believe that the relief requested in this motion is in the best interests of the Debtors, their estates, and all parties in interest and should be granted.

E. <u>Automatic Stay Enforcement</u>

MOTION OF DEBTORS FOR ENTRY OF ORDER ENFORCING THE PROTECTIONS OF SECTIONS 362, 365, 525, AND 541(c) OF THE BANKRUPTCY CODE PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE

82. Pursuant to the Automatic Stay Enforcement Motion, the Debtors request entry of an order enforcing the protections of sections 362, 365, 525, and 541(c) of the Bankruptcy Code to aid in the administration of their Chapter 11 Cases and to help ensure that the Debtors' global business operations are not disrupted. As previously noted, the Debtors conduct significant operations in foreign countries and, as a result, incur obligations to foreign

customers, employees, independent contractors, vendors, service providers, utility companies, taxing authorities and other entities. Many of the Debtors' foreign creditors and contract counterparties do not transact business on a regular basis with companies that have filed for chapter 11 protection and, therefore, may be unfamiliar with the scope of a debtor in possession's authority to conduct its business and may be unaware of the protections of the automatic stay and other provisions of the Bankruptcy Code that assist debtors in possession during their Chapter 11 Cases and restructuring efforts.

83. I have been informed that the protections afforded by sections 362, 365, 541, and 525 of the Bankruptcy Code are self-executing and global; however, I believe that not all parties affected or potentially affected by the commencement of a chapter 11 case are aware of these statutory provisions or their significance and impact. Consequently, I believe that it is prudent to obtain an order of the Court confirming and reinforcing the relevant sections of the Bankruptcy Code so that the Debtors may advise such parties of the existence, reach, and effects of these sections of the Bankruptcy Code.

84. I believe the requested relief is particularly appropriate in the present cases because the Debtors operate in many foreign jurisdictions with different legal systems, including, but not limited to, Australia, Canada, Norway, Denmark, Malaysia, Ireland, the United Kingdom, Poland, and Barbados. The Debtors' helicopters fly around the world. In the course of operating their helicopter services and MRO businesses, the Debtors engage with numerous foreign customers, suppliers, and other vendors, as well as foreign regulators and other governmental units. In addition, the Debtors are incorporated under the laws of numerous countries and some of the Debtors' key contracts are governed by the laws of foreign jurisdictions.

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85. Based on the foregoing, I believe that the relief requested in this motion is in the best interests of the Debtors, their estates, and all parties in interest and should be approved.

F. <u>Cash Management System Motion</u>

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO (A) CONTINUE THEIR EXISTING CASH MANAGEMENT SYSTEM, (B) CONTINUE EXISTING INTERCOMPANY TRANSACTIONS, (C) MAINTAIN EXISTING BANK ACCOUNTS AND BUSINESS FORMS, AND (D) HONOR CERTAIN PREPETITION OBLIGATIONS RELATING TO THE USE OF THE CASH MANAGEMENT SYSTEM, AND (II) GRANTING EXTENSION OF TIME TO COMPLY WITH, AND PARTIAL WAIVER OF, REQUIREMENTS OF SECTION 345(B) OF THE BANKRUPTCY CODE PURSUANT TO SECTIONS 105(A), 345(B), 363(C), 364(A), AND 503(B) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004

86. By the Cash Management Motion, the Debtors request: (i) authorization to (a) continue their existing cash management system (the "**Cash Management System**"), (b) continue certain Intercompany Transactions (as defined below), including Intercompany Netting (as defined below), and afford Intercompany Transactions with Debtor entities administrative expense priority, (c) maintain existing bank accounts (collectively, the "**Bank Accounts**") located at various banks (collectively, the "**Banks**") and existing business forms, and (d) honor certain prepetition obligations relating to the use of the Cash Management System; and (ii) an extension of time to comply with, and partial waiver of, the requirements of section 345(b) of the Bankruptcy Code. CHC uses a centralized cash management system to collect and transfer the funds generated by both the Debtors and Non-Debtor Affiliates and disburse those funds to satisfy the obligations incurred in the course of operating CHC's businesses. Carefully managed and maintained by CHC's treasury personnel, all collections, transfers and disbursements of cash are accurately tracked and reported as they are made. I understand that

CHC adopted its centralized cash management system shortly before the Petition Date in response to the discontinuance of cash pooling agreements with two of the Banks.

87. I understand that the Cash Management System facilitates cash monitoring, forecasting, and reporting and enables CHC to maintain control over the administration of the Bank Accounts located at the Banks, including, but not limited to, the Debtor bank accounts listed on **Exhibit D** to the Cash Management Motion. I have been informed that the Debtors maintain 230 bank accounts comprised mainly of operating/disbursement accounts as well as a small number of specialized restricted accounts established for particular projects or business purposes.[5] As described in further detail below, the components of the Cash Management System are organized around three principal cash functions: collection, concentration, and disbursement. **Exhibit E** to the Cash Management Motion illustrates the movement of cash and flow of funds through the Cash Management System. In addition, I understand that the Debtors also use certain additional payment methods in conjunction with the Cash Management System, including: (i) a global corporate credit card program with American Express (the "**Corporate Credit Card Program**"); (ii) a pre-loaded debit card program managed by Berkeley Payment Solutions (the "**Pre-Loaded Debit Card Program**"); and (iii) petty cash.

88. Both the Debtors and the Non-Debtor Affiliates utilize CHC's centralized Cash Management System, under which CHC Cayman Investments I, Ltd. ("**Cayman Investments I**") serves as the "central banker" entity. I understand that individual CHC entities, whether Debtors or Non-Debtor Affiliates, do not have their own cash management system and must rely on the Cash Management System in the course of their day-to-day business operations.

[5] The specialized restricted accounts are used for purposes such as securing work visas for certain of the Debtors' employees in Kazakhstan, cash collateralizing letters of credit, paying certain payroll taxes in Norway, and providing security deposits to certain lessors in the ordinary course of business.

This system for cash management provides a seamless accounting function across and among all CHC entities in a single location, reducing banking expenses, permitting prompt and accurate liquidity tracking, and allowing simple and accurate intercompany allocations and transfers. To lessen the disruption caused by these Chapter 11 Cases, minimize expense, and maximize the value of their estates, it is vital that the Debtors maintain their existing system of managing cash under the Cash Management System.

Cash Collection

89. I understand that CHC's revenue is primarily generated through its operating subsidiaries. CHC's Debtor and non-debtor operating subsidiaries receive and collect revenue on account of: (i) helicopter flight operations carried out by CHC's heli-service subsidiaries (the "**Heli-Service Subsidiaries**"); (ii) helicopter maintenance, repair, and overhaul operations carried out by its Heli-One division (the "**Heli-One Subsidiaries**"), which services CHC's helicopter fleet as well as third-party customers; (iii) the provision of helicopter leases with varying levels of associated service and staffing to third-party customers (the "**Strategic Partnerships**"); and (iv) ownership interests in JVs (collectively with the Heli-Service Subsidiaries, Heli-One Subsidiaries, and Strategic Partnerships, the "**Revenue Generating Entities**").

Concentration

90. I understand that the majority of cash received by the Revenue Generating Entities is ultimately collected in one of six main operating accounts (the "**Main Operating Accounts**") held by Cayman Investments I at Bank of America, National Association ("**Bank of America**"). CHC's global reach requires it to hold separate operating accounts denominated in U.S. Dollars, Canadian Dollars, British Pounds Sterling, Norwegian Krone, Australian Dollars, and Euros.

91. I have been informed that cash collected by the Revenue Generating Entities is first used by those entities to pay for certain local costs and expenses (*e.g.*, local payroll, taxes, and other third-party direct costs and expenses). After any local minimum capital requirements are taken into account, the Revenue Generating Entities then upstream excess cash to the Main Operating Accounts. When a Revenue Generating Entity transfers such funds, Cayman Investments I books an account payable in the relevant Revenue Generating Entity's name on account of that transfer.

Disbursements

92. I understand that CHC makes most of its disbursements from the Main Operating Accounts. CHC's disbursements relate primarily to (i) payroll and employee expenses, (ii) debt service, (iii) helicopter lease payments, (iv) operating expenses, and (vi) taxes.

93. To support the operations of the Revenue Generating Entities, CHC has numerous Debtor and Non-Debtor Affiliate captive service companies (the "**Service Companies**") that provide management, personnel, corporate services, equipment, maintenance, and other forms of support to the Revenue Generating Entities. These Service Companies include, but are not limited to: (i) leasing entities, which lease helicopters directly from third-party lessors and then sublease those aircraft to the Revenue Generating Entities; (ii) Heli-One Subsidiaries, which provide maintenance, repair, and overhaul services to the Revenue Generating Entities (in addition to third party customers); (iii) CHC Helicopters (Barbados) Limited and CHC Hoofddorp BV ("**Hoofddorp**"), which license CHC's intellectual property to the Revenue Generating Entities; (iv) management and corporate service entities, which provide general and administrative support to the Revenue Generating Entities; and (v) employment entities, which provide crew and maintenance staff to the Revenue Generating Entities. Periodically, the Service Companies issue intercompany invoices (the "**Intercompany**

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Invoices") to the Revenue Generating Entities on account of the support and services they have provided. I understand that the Intercompany Invoices are booked as accounts receivable at the relevant Service Companies and as accounts payable at the relevant Revenue Generating Entities. These Intercompany Invoices are satisfied via an intercompany netting arrangement, as described below.

94. Cayman Investments I disburses funds on behalf of the Service Companies, and in some instances, certain Revenue Generating Entities, on account of amounts payable to third parties by wire transfer. I have been informed that where accounts payable must be paid directly by the relevant Service Company or Revenue Generating Entity and that entity does not have sufficient cash to meet those obligations, Cayman Investments I funds a disbursement account at the relevant entity by way of an Intercompany Transaction (as defined below). In certain situations, a Service Company or Revenue Generating Entity may pay its own third-party expenses if that entity has sufficient cash in the correct currency, and CHC's treasury team determines that making such payment directly, rather than via Cayman Investments I, is more efficient.

95. I have been informed that Cayman Investments I also provides an important foreign currency management function for the CHC businesses. When a Service Company or Revenue Generating Entity has sufficient cash to satisfy a local creditor, but that cash is in the wrong currency, that Service Company or Revenue Generating Entity can swap currencies against the Main Operating Accounts. For example, if an entity's contract revenues were collected in Euros, but the entity needs to pay an invoice in U.S. dollars, that entity can trade Cayman Investments I Euros for U.S. dollars. Such swaps are priced at a market rate set automatically by CHC's accounting system at the end of every month. Cayman Investments I

does not profit from such swaps, and CHC does not use these transactions to hedge against fluctuations in currency prices.

96. Every CHC entity is party to that certain Cash Management and Cash Pooling Agreement (Cayman Down), effective April 29, 2016 and that certain Cash Management and Cash Pooling Agreement (Cayman Up), effective April 29, 2016 (together, the "**Intercompany Netting Agreement**").[6] I understand that pursuant to the Intercompany Netting Agreement, CHC periodically nets the Intercompany Claims (as defined below) owing between the Revenue Generating Entities, the Service Companies, and Cayman Investments I ("**Intercompany Netting**"). The Intercompany Netting offsets amounts owing between Revenue Generating Entities and Services Companies on account of the Intercompany Invoices against Intercompany Claims to/from Cayman Investments I, and converts them into a single Intercompany Claim owed to or by Cayman Investments I (the "**Intercompany Balances**"). The Intercompany Balances are generated by having entities that are party to the Intercompany Netting Agreement periodically assign Intercompany Claims they hold to Cayman Investments I. The assignment is made in exchange for a receivable of equal face amount from Cayman Investments I. Cayman Investments I is then able to offset its accounts receivable from, and accounts payable to, each entity in the Cash Management System. The Intercompany Balances are carefully recorded, and track the extent to which individual CHC legal entities contribute to, or are dependent upon, the overall CHC enterprise.

97. I understand that transfers between CHC entities (including by electronic book entry, the "**Intercompany Transactions**," and each intercompany receivable and payable

[6] Lloyd Helicopter Services Pty Ltd., Lloyd Helicopters Pty Ltd., CHC Helicopter Australia Pty Ltd., Lloyd Bass Strait Helicopters Pty Ltd., and Lloyd Helicopters International Pty Ltd. (collectively, the "**Australian Entities**") and Cayman Investments I are also party to that certain Side Deed to the Cash Management and Cash Pooling Agreements, effective May 4, 2016 (the "**Australian Side Deed**"). Pursuant to the Australian Side Deed, any transfer of cash or other assets out of an Australian Entity is subject to certain review and approval rights of the board of directors of that Australian Entity.

generated pursuant to an Intercompany Transaction, an "**Intercompany Claim**") are generally recorded in CHC's intercompany books and records automatically by CHC's accounting system. Disbursements, including wires, certain automated clearing house ("**ACH**") and electronic funds transfer ("**EFT**") payments, certain accounts payable checks, and certain checks to governmental entities are issued by CHC Cayman Investments I and then allocated to the appropriate CHC entity through Intercompany Transactions.

98. I have been informed that CHC also benefits from the use of a cross-currency cash pool with Nordea Bank Norge ASA (the "**Nordea Pool**"). The Nordea Pool aggregates balances in Bank Accounts held by several Debtors and Non-Debtor Affiliates,[7] and permits CHC to carry negative balances in certain accounts so long as the overall balance in the pool remains positive. This arrangement affords CHC a degree of flexibility in certain situations where it collects revenue in one currency, but must then disburse funds in another currency. Funds from the Nordea Pool are routed through the Main Operating Accounts for cross-entity transfers.

Additional Payment Methods

99. I understand that, as noted above, CHC utilizes certain additional cash management tools in support of the ordinary course operation of its businesses, including the Corporate Credit Card Program, the Pre-Loaded Debit Card Program, and the use of petty cash.

100. I have been informed that the Corporate Credit Card Program is used in the ordinary course of business by CHC as a convenient way to allow employees to make purchases for the business where a wire, check, ACH, or EFT payment is not possible or otherwise inconvenient. In addition, CHC's procurement group uses specialized purchasing

[7] Debtor participants in the Nordea Pool are CHC Norway Acquisition Co AS, Heli-One (Norway) AS, Heli-One (UK) Ltd., Heli-One Leasing (Norway) AS, and Integra Leasing AS. CHC Helikopter Services AS, a non-Debtor, is also a participant in the Nordea Pool. The currencies covered by the Nordea Pool include Norwegian Krone, U.S. Dollars, Canadian Dollars, British Pounds Sterling, and Euros.

cards to purchase various supplies, consumables, and off-the-shelf parts. The Corporate Credit Card Program consists of 237 corporate American Express cards and five American Express purchasing cards. The 237 corporate cards consist of 17 Platinum Cards, which are held by certain CHC executives and senior managers, and 220 Green Cards, which are held by key CHC employees in different jurisdictions across the globe. The Corporate Credit Card Program features a number of safety and security measures designed to prevent fraud or misuse. For example, CHC's American Express cards have controlled merchant codes, which prevent cardholders from using their cards for certain categories of inappropriate expenses. In addition, CHC regularly receives a global credit card billing statement from American Express, confirms that the charges are attributable to CHC business expenses or appropriate employee expense reimbursements, and then remits payment to American Express. After reviewing its monthly statement, CHC has the ability to flag inappropriate charges. When an inappropriate charge is flagged, American Express seeks reimbursement from the cardholder directly rather than CHC. CHC employees who hold CHC American Express Cards are required to submit expense reports, and must support those reports with receipts for all charges greater than $25. CHC's average monthly expenses associated with the Corporate Credit Card Program are approximately $350,000. In the weeks leading up the Petition Date, CHC began paying and prepaying American Express on a weekly basis. Consequently, I do not believe that American Express holds any prepetition claims against the Debtors, and are only seeking to continue using the Corporate Credit Card Program in the ordinary course of business.

101. I have been informed that the Pre-Loaded Debit Card Program consists of approximately 100 pre-loaded Visa debit cards (the "**Berkeley Cards**") managed by Berkeley Payment Solutions ("**Berkeley**") and governed by that certain Master Prepaid Card Services Agreement, dated May 21, 2014, between Berkeley and Heli-One Canada Inc. ("**Heli-One**

Canada").[8] I understand that the Pre-Loaded Debit Card Program is managed by CHC's treasury group, and provides a convenient way for CHC employees across the globe, including base managers and pilots, to make relatively small, one-off purchases. The cost of the Pre-Loaded Debit Card Program varies based on use, and Berkeley invoices Heli-One Canada Inc. for the Pre-Loaded Debit Card Program on a monthly basis. I have been informed that the average cost of the Pre-Loaded Debit Card Program prior to the Petition Date was $1,500 per month. The CHC treasury group has the ability to easily fund or de-fund the Berkeley Cards as the need arises, and new cards can be issued easily. The Berkeley cards are particularly useful for CHC employees performing ferry flights to move helicopters from one jurisdiction to another. During ferry flights, CHC pilots can use a Berkeley Card to pay for travel costs, fuel, and incidentals as they fly the helicopter from one jurisdiction to another – trips that often require more than one stop. The Berkeley cards are held by employees of the Debtors as well as employees of the Non-Debtor Affiliates. I understand that to fund the Pre-Loaded Debit Card Program, CHC's treasury group causes Heli-One Canada ULC to fund an escrow account at the Royal Bank of Canada ("**RBC**") in the name of RBC Prepaid Card Program. CHC's contributions to the account are tracked by Berkeley, and only CHC has the ability to direct the use of the funds that it contributes to the RBC escrow account. To fund a particular debit card, the CHC treasury group provides instructions to Berkeley, which funds the particular card from the RBC escrow account. I have been informed that as of the Petition Date, CHC has approximately $65,000 in the RBC escrow account, and approximately $115,000 distributed across the issued and outstanding Berkeley Cards. I understand that any CHC entity that requests a funded Berkeley Card immediately reimburses Heli-One Canada for any amounts

[8] Heli-One Canada ULC was formerly known as Heli-One Canada Inc. Heli-One Canada Inc. was continued as a British Columbia Unlimited Liability Company in the fall of 2014.

loaded onto a Berkeley card on its behalf. Consequently, the funds in the RBC escrow account and loaded onto the Berkeley cards are attributable not only to Heli-One Canada, but also to a number of Debtors and Non-Debtor Affiliates. I have been informed that prior to the Petition Date, the Debtors prepaid Berkeley. Consequently, because of that prepayment and because the Berkeley cards are pre-funded, I do not believe that Berkeley holds any prepetition claim against the Debtors. I have been informed that CHC will instruct its employees that the Berkeley Cards are not to be used to satisfy prepetition obligations, and are only seeking to continue using the Pre-Loaded Debit Card Program in the ordinary course of business.

102. I have been informed that in addition to the Corporate Credit Card Program and the Pre-Loaded Debit Card Program, the Debtors also use petty cash managed by CHC employees at CHC's bases around the world to satisfy certain *de minimis* obligations. I understand that CHC will instruct its employees that petty cash is not to be used to satisfy prepetition obligations, and the Debtors propose to continue using petty cash on hand in the ordinary course of business.

Mozambique Cash

103. I understand that until recently, CHC Global Operations Canada (2008) ULC ("**GO Canada**") carried out helicopter flight operations in the Republic of Mozambique ("**Mozambique**") using a local branch established in Mozambique ("**CHC Mozambique**"). I have been informed that as part of its ordinary course cash management procedures for repatriating revenue earned in Mozambique, CHC Mozambique makes intercompany transfers to Hoofddorp on account of both intellectual property royalty charges and general and administrative expenses. I have been informed that as of the Petition Date, approximately $1,300,000 of intercompany invoices issued by Hoofddorp to CHC Mozambique are due and outstanding, and such amount currently is deposited in a Bank Account controlled by CHC

Mozambique (the "**Mozambique Funds**"). Under applicable law in Mozambique, payment of the intercompany obligation owed by CHC Mozambique to Hoofddorp is the only way to repatriate that cash, and to accomplish this GO Canada was required to register the relevant intercompany service agreements with the government of Mozambique when it established CHC Mozambique. I understand that to effectuate the transfer of funds, CHC Mozambique must obtain a certification from the government that it has paid all local taxes, including applicable withholding taxes, and then it presents that tax certification, along with a copy of the registered intercompany invoice, to Standard Bank in Mozambique. I have been informed that once Standard Bank has verified that all of the paperwork is in order, it will permit CHC Mozambique to wire the Mozambique Funds to Hoofddorp. Any remaining cash related to the retained branch profits of CHC Mozambique will be repatriated once audited financial statements are issued and final tax returns are prepared in due course. By the Cash Management Motion, the Debtors are seeking authority, on a final basis only, to permit CHC Mozambique to satisfy its prepetition obligations to Hoofddorp, as the exclusive means to repatriate cash currently held by CHC Mozambique that would otherwise be unavailable to the overall CHC enterprise.

A. The Relief Requested in the Cash Management Motion Is Necessary

104. I believe that the Debtors' Cash Management System constitutes an ordinary course, essential business practice providing significant benefits to the Debtors, including the ability to: (i) control corporate funds; (ii) ensure the availability of funds when necessary; (iii) manage cross-currency transactions; and (iii) reduce costs and administrative expenses by facilitating the movement of funds and the development of more timely and accurate account balance information. Any disruption of the Cash Management System could have a severe and adverse impact upon the Debtors' reorganization efforts and, as noted above, on the day-to-day business operations of the Debtors and Non-Debtor Affiliates. I believe that

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continuing the Cash Management System is vital to continued operation of CHC's business and the efficient and economic administration of these Chapter 11 Cases. As a practical matter, because of CHC's corporate and financial structure, which includes 81 entities operating in every continent except Antarctica – I believe that it would be extremely difficult and expensive to establish and maintain a separate cash management system for each Debtor and Non-Debtor Affiliate. As discussed above, CHC's existing Cash Management System efficiently collects, disburses, and tracks the movement of funds through CHC's existing Bank Accounts. Consequently, I believe that maintaining this system is essential to CHC's operations and will allow all parties in interest, including the U.S. Trustee, to monitor the Debtors' use of cash to ensure compliance with this Court's orders and the provision of the Bankruptcy Code.

105. I believe that continued use of the Cash Management System is also essential to ensure continued access to revenue generated by operations, which originates at the Revenue Generating Entities but is attributable to services provided by numerous CHC affiliates, for the benefit of the CHC enterprise as a whole. By the Cash Management Motion, the Debtors are also requesting authority to allow Cayman Investments I to continue funding, making payments on behalf of, and borrowing from, both the Debtor and Non-Debtor Affiliate participants in the Cash Management System in the ordinary course of business pursuant to the terms of the Intercompany Netting Agreement. In addition, the Debtors are requesting authority to allow the rest of the Debtors to continue making intercompany transfers to, and borrowing from, Cayman Investments I. Recognizing the need to protect each Debtors' respective creditors, the Debtors are requesting that the Court grant all postpetition Intercompany Claims against Debtor entities, including Cayman Investments I, administrative expense priority.

106. I understand that the Debtors have a responsibility to maximize the value of their assets, for the benefit of creditors and other stakeholders. Accomplishing this requires,

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among other things, maintaining the ability to support and fund the operations of the Debtors and the Non-Debtor Affiliates where (and only where) the Debtors, in the exercise of their business judgment, determine that doing so preserves value for the benefit of the estates and the Debtors' creditors. I understand that, if CHC Cayman Investments I were to stop making transfers to the entities throughout the CHC enterprise that rely on its funding from time to time, a group that includes both Debtors and certain Non-Debtor Affiliates, it would have an immediate and significant adverse effect on both the Debtors and the CHC enterprise as a whole. Not only would this diminish the value of the Debtors' estates through a reduction in the value of the Debtors' interest in such affiliates, but also it would have an immediate and potentially irreparable impact on the operations of the Debtors themselves. For example, I have been informed that failure to provide funding to the Service Companies, which serve critical roles in the Debtors' businesses, would cause such entities to cease providing intercompany services, forcing many of the Debtors' operations to grind to a halt. The relationship is one of mutual dependency. In addition, if postpetition funding needs are not honored, CHC affiliates would be forced to institute their own, separate and new cash management structures in order to continue operating on a go-forward basis. I believe that such a project, instituted on an emergency basis, would be time consuming and costly, and would preclude the Debtors and the Non-Debtor Affiliates from accessing the efficiencies and cost benefits that a centralized cash management system allows them to achieve.

107. I understand that certain Debtors and Non-Debtor Affiliates within the CHC enterprise are net users of cash. Continuing to fund such entities pursuant to the Cash Management System, to the extent the Debtors determine it is appropriate, represents a sound exercise of business judgment, and this Court should approve the ordinary course support of those entities implicit in the Cash Management System. Certain entities are net users of cash

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because CHC has compartmentalized its business functions for efficiency and to allow CHC to scale its operations across the globe. Because of this compartmentalization, I understand that revenue generation is typically isolated from the enterprise's cost centers (*e.g.*, the Service Companies). As described above, if the Debtors did not continue to fund the Service Companies, the Revenue Generating Entities would not have the support and services necessary to carry out their day-to-day operations. I believe that allowing the Cash Management System to continue functioning in the ordinary course is an acknowledgement of the impact of CHC's segmentation on its cash flows and a recognition that the value of the CHC platform should be viewed as a whole. Further, I believe that the going concern value of the enterprise, including all of its components, is worth more than if certain of the Debtors and/or the Non-Debtor Affiliates were forced to discontinue operations, liquidate and sell their assets piecemeal.

108. I believe that due in part to global macroeconomic factors beyond CHC's control, CHC, as an overall enterprise, currently spends more cash than it generates. Furthermore, I understand that at a local level, CHC is also exposed to the microeconomic climate of each region and country in which it operates. CHC management has undertaken a careful analysis of each market, and has determined, based on conservative assumptions, that certain business lines and regional operations, are worth maintaining – even if they are expected to generate losses in the near term. I believe that these investments in the future represent an important part of the going concern value of the CHC enterprise. Consequently, for all of the reasons outlined above, I believe that CHC Cayman Investments I should be permitted to continue supporting all entities, including the net users of cash throughout the CHC enterprise, and net producers of cash throughout the Cash Management System should be permitted to continue making intercompany transfers to Cayman Investments I in the ordinary course of business.

109. I have been informed that the Debtors will continue to maintain records of all receipts, disbursements, and transfers within the Cash Management System. In this way, all transfers and transactions will be properly documented, and accurate Intercompany Balances will be maintained. As a result, I understand that the Debtors will be able to accurately record the transactions within the Cash Management System, including Intercompany Balances, for the benefit of all parties in interest. Creditors of the Debtors will be protected by the fact that the relative contribution of the Debtor against which they have a claim, regardless of whether that Debtor is a net contributor or net user of cash, will be tracked by way of the Intercompany Balances such contributions or borrowings will generate. Further, if the relief requested in the Cash Management Motion is granted, postpetition Intercompany Claims against Debtors, including the Intercompany Balance attributable to any one Debtor, will be accorded administrative expense priority.

110. Based on the foregoing, I believe that authorizing the Debtors to maintain the Cash Management System will support the ongoing operations of the Debtors and the Non-Debtor Affiliates in an efficient, cost-effective, and orderly manner that will preserve the value of the enterprise and the Debtors' estates, for the benefit and protection of creditors and other parties in interest. Accordingly, I believe that continuation of the Cash Management System is in the best interests of the Debtors' estates and all parties in interest, and the relief requested herein should be approved.

111. I have been informed that the Cash Management System is similar to those commonly employed by other large corporate enterprises, in which Intercompany Transactions are tracked as Intercompany Claims. In the ordinary course operation of the Cash Management System, funds generated by the Revenue Generating Entities, both Debtors and Non-Debtor Affiliates alike, flow into the Main Operating Accounts held by Cayman Investments I, a Debtor.

Cayman Investments I then makes payments on behalf of both Debtor and Non-Debtor Affiliate entities to third parties and affiliated Service Companies if their revenue falls short of expenses, all of which generates Intercompany Claims. Consequently, at any point in time, I understand that there may be outstanding amounts due and owing among the various Debtors and the Non-Debtor Affiliates, all of which are recorded and documented as Intercompany Transactions and can be accurately tracked.

112. The Intercompany Transactions are not just a matter of ordinary course in the Debtors' businesses: they are the sorts of transactions that are common among many business enterprises that operate with a centralized cash management system through multiple affiliates. Yet, precisely because of their routine nature, I believe that the Intercompany Transactions, including the ability to fund the Service Companies that provide valuable goods and services to the Revenue Generating Entities, are integral to the Debtors' ability to operate their businesses and successfully emerge from chapter 11. Accordingly, out of an abundance of caution, the Debtors request by the Cash Management Motion express authority to engage in such transactions postpetition.

113. To ensure that each individual entity will not, at the expense of its creditors, fund the operations of an affiliated Debtor, I understand that the Debtors have requested that all Intercompany Claims against Debtors arising after the Petition Date in the ordinary course of business, including, without limitation, the Intercompany Balances, be afforded administrative expense priority. I also understand that, absent an order of this Court directing otherwise, prepetition Intercompany Claims will be frozen.

114. I have been informed that the U.S. Trustee's "Guidelines for Chapter 11 Debtors-in Possession" (the "**Guidelines**") mandate the closure of a debtor's prepetition bank accounts, the opening of new accounts, including special accounts for the payment of taxes and

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segregation of cash collateral, and the immediate printing of new checks. I believe that if the Debtors were required to comply with these Guidelines, their operations would be severely harmed by the disruption, confusion, delay, and cost that would result from the closure of existing Bank Accounts, the opening of new accounts, and the immediate printing of new checks. I have been informed that these requirements are designed to establish a clear line of demarcation between prepetition and postpetition claims and payments, and to help protect against a debtor's inadvertent payment of prepetition claims by preventing banks from honoring checks drawn before the commencement of the debtor's Chapter 11 Cases. I believe that the Debotrs are still able to accomplish these goals by training their employees, implementing rigorous controls over the postpetition use of funds, and by carefully tracking all transactions in the Cash Management System.

115. I believe that in these Chapter 11 Cases, strict enforcement of the Guidelines would severely disrupt the Debtors' ordinary financial operations by reducing efficiencies, increasing administrative burdens, and creating unnecessary expenses. I understand that the Debtors maintain 230 Bank Accounts. If the Debtors were required to close these Bank Accounts and open new debtor in possession accounts, I believe that CHC would be forced to reconstruct the Cash Management System in its entirety. I believe that this reconstruction would be impractical and cost prohibitive in an enterprise like CHC, a business that requires multiple Bank Accounts all over the world. I believe that CHC's treasury department, including accounting and bookkeeping employees, would need to focus their efforts on immediately opening new bank accounts and working to establish proper cash flow controls, thereby diverting them from their daily responsibilities during this critical juncture of the Debtors' Chapter 11 Cases. I believe that many accounts could not be replaced in time to effectively continue the Debtors' businesses. Even if they could, I believe that the opening of new bank accounts would

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increase operating costs, and the delays that would result from opening new accounts, revising cash management procedures, and redirecting payments would negatively impact the Debtors' ability to operate their businesses while establishing these new arrangements. I believe that this would further exacerbate the risk to the Debtors' businesses caused by these Chapter 11 Cases, in particular given their foreign customers and foreign suppliers who are unfamiliar with chapter 11.

116. I believe that the Debtors' transition to chapter 11 will be significantly smoother and more orderly, with minimum disruption and harm to CHC's global operations, if the Bank Accounts are continued following the Petition Date with the same account numbers. By preserving business continuity and avoiding the disruption and delay to the Debtors' collection and disbursement procedures that would necessarily result from closing the Bank Accounts and opening new accounts, all parties in interest, including employees, vendors, customers, and creditors will be best served. I believe that the confusion that would otherwise result, absent the relief requested herein, would ill-serve the Debtors' rehabilitative efforts. Accordingly, by the Cash Management Motion, the Debtors have requested authority to maintain the Bank Accounts in the ordinary course of business.

117. The payment of any Bank Account maintenance, administrative, use, and other fees (the "**Bank Fees**"), including those incurred prepetition, is also warranted. I understand that CHC's banks automatically debit the Bank Accounts periodically for Bank Fees incurred in connection with the Cash Management System. I have been informed that CHC's average Bank Fees are approximately $100,000 per month. I understand that the Bank Fees vary depending upon several factors, including the balances in the Bank Accounts and the number and type of transactions that are requested. I have been informed that the Debtors' Banks may hold setoff rights and therefore may be entitled to automatically debit the Bank Accounts for amounts

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owed by the Debtors in connection with maintaining the Cash Management System. Consequently, I believe that payment of prepetition Bank Fees is only a matter of timing, will prevent any disruption to the Cash Management System, is in the best interests of the Debtors and their estates, and will not negatively affect Unsecured Creditors.

118. I have been informed that, in the ordinary course of business, the Debtors conduct transactions by debit, wire, ACH, EFT, and other similar methods. A large percentage of the Debtors' customers pay them through ACH, EFT, or wire transfer, and the Debtors pay a majority of their third-party vendors and service providers through ACH, EFT, or wire transfer. Accordingly, to avoid any disruption or claims against the Debtors, by way of the Cash Management Motion, the Debtors are seeking to continue their prepetition debit, wire, ACH, and EFT practices during these Chapter 11 Cases.

119. Although the Debtors request in the Cash Management Motion that they be allowed to maintain their prepetition Bank Accounts, the Banks at which such accounts are kept must adhere to certain guidelines. Specifically, the Debtors have requested that unless otherwise ordered by this Court, no Bank be permitted to honor or pay any check issued on account of a prepetition claim. The Debtors have also requested that the Banks may honor any checks issued on account of prepetition claims where this Court has specifically authorized such checks to be honored. Furthermore, the Debtors request that the Banks be authorized to accept and honor all representations from the Debtors as to which checks should be honored or dishonored consistent with any order(s) of this Court, whether or not the checks are dated prior to, on, or subsequent to the Petition Date. By the Cash Management Motion, the Debtors have requested that the Banks not be liable to any party on account of following the Debtors' instructions or representations regarding which checks should be honored. The Debtors have requested that should any Bank honor a prepetition check, draft, wire transfer, ACH transfer,

EFT transfer, or other debit drawn on a Bank Account (a) at the direction of any of the Debtors to honor such prepetition check or item, (b) in a good faith belief that the Court has authorized such prepetition item to be honored, (c) as a result of an innocent mistake made despite the implementation of customary item handling procedures, or (d) consistent with its past practices under the Cash Management System, such Bank shall not be deemed to be, nor shall be, liable to the Debtors or their estates or otherwise in violation of the Interim Order or Final Order. Further, the Debtors have requested that the Banks shall have no liability for any operational processing errors that are the result of human error.

120. I believe that to minimize expenses, the Debtors should also be permitted to maintain and continue to use their business forms substantially in the forms existing immediately before the Petition Date. I understand that the Debtors issue manual checks from time to time and use a variety of business forms (including, but not limited to letterhead, purchase orders, invoices, and other business forms) in the ordinary course of their businesses (collectively, the "**Business Forms**"). I believe that strict compliance with the Guidelines, which require reprinting such documents, would increase the Debtors' expenses and would risk unnecessarily confusing the Debtors' customers, suppliers, and employees. Accordingly, I believe that it is appropriate to continue to use all Business Forms as such forms were in existence prior to the commencement of these Chapter 11 Cases, without any reference to the Debtors' current status as debtors in possession.

121. In short, I believe that any benefits of the Debtors' strict compliance with the Guidelines would be far outweighed by the resulting expense, inefficiency, and disruption to the Debtors' businesses. Accordingly, the Debtors have requested authority to maintain their Bank Accounts and Business Forms during these Chapter 11 Cases. Furthermore, the Debtors have sought a waiver of the Guidelines to the extent that requirements outlined therein otherwise

conflict with (i) the Debtors' existing practices under the Cash Management System, or (ii) any action taken by the Debtors in accordance with the Interim Order or the Final Order, or any other order entered in these cases.

122. I have been informed that section 345(a) of the Bankruptcy Code governs a debtor's deposit and investment of cash during its chapter 11 case and authorizes such deposits or investments as will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment. Further, I understand that for deposits or investments that are not insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States, section 345(b) of the Bankruptcy Code requires that the debtor obtain from the entity with which the money is deposited or invested a bond in favor of the United States that is secured by the undertaking of an adequate corporate surety unless the court for cause orders otherwise.

123. I have been informed that many of the Bank Accounts are maintained at banks that have been approved by the U.S. Trustee as authorized depositories ("**Authorized Depositories**"). Accordingly, I believe that any funds that are deposited in these accounts are secure.

124. To the extent the Debtors hold Bank Accounts at non-Authorized Depositories (the "**Non-Approved Bank Accounts**"), the Debtors have proposed to engage in discussions with the U.S. Trustee to determine what modifications to such Non-Approved Bank Accounts, if any, are necessary under the circumstances. To enable such discussions, if they become necessary, the Debtors have requested a 45-day extension (or such additional time to which the U.S. Trustee may agree or the court may order) of the time period in which to come into compliance with section 345(b) of the Bankruptcy Code, to make other arrangements that would be acceptable to the U.S. Trustee, or to seek relief from this Court.

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125. I believe that in Chapter 11 Cases such as these, strict adherence to the requirements of section 345(b) of the Bankruptcy Code would be inconsistent with the value-maximizing purpose of chapter 11 by unduly hampering a debtor's ability under section 345(a) to invest money such as will yield the maximum reasonable net return on such money. I have been informed that Congress amended section 345(b) to provide that its strict investment requirements may be waived or modified if the court so orders for cause. I believe that there is cause to warrant a waiver of the requirements of section 345(b) because, among other things: (i) all or nearly all of the Debtors' Banks holding significant balances are highly rated, reputable banks that are typically subject to supervision by national banking regulators; (ii) the Debtors retain the right to close accounts with the Banks and establish new bank accounts as needed; (iii) the cost associated with satisfying the requirements of section 345(b) is needlessly burdensome to the Debtors and their estates; and (iv) the process of satisfying such requirements would lead to needless inconvenience and inefficiencies in the management of the Debtors' businesses. I believe that the benefits of a waiver would far outweigh any potential harm to the estates from noncompliance with section 345(b). I understand that the international nature of the Debtors' businesses requires bank accounts in multiple jurisdictions across the globe. Moreover, I believe that a bond secured by the undertaking of a corporate surety would be prohibitively expensive (if such a bond could be obtained at all). I have been informed that the Debtors intend to be in chapter 11 only a short period of time, and the costs of disruption to the businesses by having to close dozens of accounts far outweighs the risks of the Debtors continuing to maintain their historic Bank Accounts for the short period of time they remain in chapter 11. Furthermore, I have been informed that, based on the company's past experience opening new bank accounts, it would take months to create a new suite of bank accounts to service their businesses. Accordingly, I believe that the Court should grant a temporary extension of 45 days for the

Debtors to comply with the requirements of section 345(b) with respect to any Non-Approved Bank Accounts. During that 45 day period (the "**Extension Period**), I understand that the Debtors propose to conference with the U.S. Trustee and identify certain accounts for which the Court will be asked to waive the requirements of section 345(b) in these Chapter 11 Cases. I have been informed that on or before the expiry of the Extension Period, the Debtors propose to (i) seek an additional extension of time, if necessary, to comply with the requirements of section 345(b) with respect to certain Bank Accounts, or (ii) request that the Court rule upon a waiver of the requirements of section 345(b) with respect to certain Bank Accounts (the Debtors to endeavor to conference in good faith with the U.S. Trustee to consensually agree upon the identity of such accounts).

126. As described above, the Debtors have a unique cash situation with respect to their Mozambique branch. By the Cash Management Motion, the Debtors are seeking authority, on a final basis only, to permit CHC Mozambique to satisfy its prepetition obligations to Hoofddorp to repatriate the approximately $1,3000,000 held by CHC Mozambique that otherwise would be unavailable to the overall CHC enterprise. I also understand that the Debtors also intend and seek authority to continue repatriating revenue earned in Mozambique in the ordinary course of business. I have been informed that the Debtors' requested transfer will satisfy a prepetition intercompany claim between Go Canada (via CHC Mozambique) and Hoofddorp. To avoid prejudicing the creditors of GO Canada by depriving GO Canada of the Mozambique Funds, the Debtors have proposed to effect a simultaneous transfer of an amount equal to the Mozambique Funds from Hoofddorp to GO Canada (the "**Mozambique Settlement**"). To further avoid upsetting the relative prepetition position of the creditors at Hoofddorp and GO Canada, the Debtors have requested that the Court enter an order that the Mozambique Settlement be stripped of the administrative priority it otherwise would be

accorded, and that the corresponding intercompany obligation owed by GO Canada to Hoofddorp be accorded the same priority as the prepetition claim owed by GO Canada to Hoofddorp. I believe that the requested relief is in the best interests of the Debtors, their estates and all parties in interest because it will free up approximately $1,3000,000 of liquidity for use by the overall CHC enterprise that otherwise would remain trapped in Mozambique.

127. For the foregoing reasons, I believe that granting the relief requested in the Cash Management Motion is appropriate, entirely consistent with the rehabilitative purpose of chapter 11, and in the best interests of the Debtors' estates and creditors.

G. <u>Cash Collateral Motion</u>

MOTION OF DEBTORS FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO UTILIZE CASH COLLATERAL; (II) GRANTING ADEQUATE PROTECTION TO THE PREPETITION SECURED PARTIES PURSUANT TO SECTIONS 105, 361, 362, 363, AND 507 OF THE BANKRUPTCY CODE; AND (III) SCHEDULING FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001(b)

128. Pursuant to the Cash Collateral Motion, the Debtors request entry of an interim order (i) authorizing the Debtors to use cash collateral and (ii) granting adequate protection to the certain Prepetition Secured Parties (as defined in the motion) on the terms and conditions set forth in the proposed interim order. The Debtors also request a final hearing to consider the relief requested in the motion.

129. The proposed Cash Collateral the Debtors seek to use consists of proceeds or products of Prepetition Collateral or cash subject to the Prepetition Secured Parties' rights of setoff, if any. The Debtors require authorization to use Cash Collateral to maintain their existing cash management system, which includes the pooling of Cash Collateral and Unencumbered Cash. Without this authorization, the Debtors would not be able to access their cash management system and provide sufficient working capital to carry on the operation of their

businesses. This outcome could have disastrous effects on their business causing immediate and irreparable harm to the Debtors, their respective estates, and their creditors.

130. The Debtors seek authority to use Cash Collateral until such time as the Court holds a final hearing on the motion. During the interim period, the Debtors will fund operations in accordance with the forecast (as may be revised from time to time at the sole discretion of the Debtors, the "**Forecast**"), which sets forth all projected cash receipts and cash disbursements on a weekly basis over a 4-week period.[9] I worked with the Debtors and a team from Seabury Group to formulate the Forecast, which includes reasonable and foreseeable expenses to be incurred, and the costs of administering the Chapter 11 Cases during, the applicable period.

131. To protect the Prepetition Secured Parties to the extent of any aggregate diminution in value of the Prepetition Collateral resulting from the use of Cash Collateral, the Debtors propose to provide various forms of adequate protection detailed in the proposed interim order to the motion. The proposed adequate protection includes a first priority lien on, and security interest in certain unencumbered property, which includes approximately $142.6 million in a Bank of America (London branch) account owned by the Debtor CHC Cayman Investments I Ltd.

132. I believe that the proposed adequate protection provides the Prepetition Secured Parties with sufficient adequate protection to protect them from any diminution in value of their interests in the Prepetition Collateral during the Chapter 11 Cases. I believe that the relief requested in the cash collateral motion is in the best interests of the Debtors, their estates, and all parties in interests and should be approved.

[9] CHC's Weekly Cash Flow Forecast is annexed hereto at **Exhibit F.**

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H. <u>Tax Motion</u>

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO PAY CERTAIN PREPETITION TAXES AND ASSESSMENTS AND (II) DIRECTING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS PURSUANT TO SECTIONS 105(a), 363(b), 507(a)(8), AND 541(d) OF THE BANKRUPTCY CODE

133. Pursuant to the tax motion, the Debtors seek authority, but not direction, to satisfy all Taxes (as defined below) due and owing to various local, state and foreign taxing authorities and governmental regulatory bodies (collectively, the "**Taxing Authorities**") that arose prior to the Petition Date (as defined below), including all Taxes subsequently determined by audit or otherwise to be owed for periods prior the Petition Date. In the ordinary course of their businesses, the Debtors collect, remit, withhold, and pay certain sales, property, and foreign taxes, and also incur certain regulatory assessments and other charges.

134. **<u>Sales Taxes</u>**. As described more fully in the tax motion, the Debtors are required to collect sales taxes from certain customers on behalf of the applicable Taxing Authorities. The Debtors then remit these collected sales taxes to the relevant Taxing Authorities according to the requirements of such authorities. The Debtors also self-assess import sales taxes on certain asset purchases and then pay such sales taxes to the applicable Taxing Authorities according to the requirements of such authorities, which depend on the timing of the asset purchase imports. The timing and frequency of remittance and payment of the sales taxes differs depending on the tax. For example, the Debtors remit collected sales taxes in California on a monthly basis and pay the self-assessed sales taxes in British Columbia, Canada on a quarterly basis. I have been informed that the Debtors' owe approximately $35,000 in sales taxes in California and approximately $85,000 in sales taxes in Canada relating to periods prior to the Petition Date.

135. **Property Taxes**. The Debtors own or lease certain real and personal properties in domestic and non-U.S. jurisdictions that are subject to local property taxes. The Debtors pay property taxes in numerous locations, including, but not limited to, Canada, Ireland, the Netherlands, Norway, and the United Kingdom. The property taxes are generally assessed in estimated amounts once per year, although certain property taxes are assessed more frequently on a monthly or semi-annual basis. I have been informed that the Debtors' owe approximately $50,000 in property taxes relating to periods prior to the Petition Date, which the Debtors believe is due and payable in the next thirty (30) days.

136. **Foreign Taxes**. In connection with its foreign operations, the Debtors withhold and incur certain corporate income taxes, withholding taxes, customs taxes, value-added taxes, goods and services taxes, and other business taxes, and are obligated to timely collect, withhold, and remit the foreign taxes to various foreign Taxing Authorities. For instance, the Debtors incur corporate income taxes in jurisdictions including, but not limited to, Equatorial Guinea, Kazakhstan, Barbados, Luxembourg, and Ireland, business withholding taxes in jurisdictions including, but not limited to, Canada and Equatorial Guinea, and value-added taxes or goods and services taxes in jurisdictions including, but not limited to, Ireland, the United Kingdom, Canada, and the Netherlands. The timing and frequency of payment of the foreign taxes differs depending on the tax, ranging from monthly, to quarterly, to annually or with variant timing, depending upon assessment by the Taxing Authority. The Debtors estimate that they owe approximately $8,100,000 in Foreign Taxes relating to periods prior to the Petition Date, approximately $6,700,000 of which the Debtors estimate is due and payable in the next thirty (30) days. Additionally, certain of the foreign countries in which the Debtors operate require a tax paying entity to pay a security deposit or provide a bank guarantee for certain taxes. For instance, the Debtors have paid a goods and services tax security deposit of

approximately $300,000 with the Canadian Revenue Agency. This amount is adjusted up or down at the request of the Canadian Revenue Agency depending on the Debtors' import activity into Canada. Additionally, the Debtors have certain bank guarantees in the form of letters of credit posted by banks for approximately $225,000 the United Kingdom relating to the importation of goods. These bank guarantees represent security placed with the customs authorities in order to defer the payment of import value-added taxes and customs duties. The bank guarantees are posted once based on the estimated monthly value of imports and adjusted if import volume increases or decreases. Currently the Debtors have no additional deposit amounts or bank guarantees they are obligated to post.

137. Regulatory Assessments and Other Miscellaneous Payments. The Debtors incur, in the ordinary course of business, certain regulatory assessments, permitting fees, licensing and registration fees, levies, and other miscellaneous obligations to governmental authorities (collectively, the "**Regulatory Assessments**" and, collectively with the sales taxes, the property taxes, and the foreign taxes, the "**Taxes**") to governmental regulatory bodies (the "**Regulatory Bodies**"). The continued payment of these regulatory assessments, including any amounts due and owing on account of prepetition regulatory assessments, are necessary to satisfy business licensing requirements to conduct business in various jurisdictions and to operate at various airports. I have been informed that the Debtors' owe approximately $100,000 in Regulatory Assessments relating to the period prior to the Petition Date, which the Debtors believe is due and payable in the next thirty (30) days.

138. I understand that ample reasons exist to authorize the payment of the prepetition Taxes, including, among other things, that (i) the failure to pay the prepetition Taxes may interfere with the Debtors' continued operations and successful reorganization efforts; (ii) certain of the prepetition Taxes may not be property of the Debtors' estates; (iii) the failure to

pay prepetition Property Taxes and Foreign Taxes may increase the scope of secured and priority claims held by the applicable Taxing Authorities against the Debtors' estates; (iv) the payment of prepetition Taxes affects only the timing of payments as most, if not all, of the Taxes are afforded priority status under the Bankruptcy Code; and (v) the Court has authority to grant the requested relief under sections 105(a) and 363(b) of the Bankruptcy Code.

139. In summary, as of the Petition Date, the Debtors estimate that approximately $120,000 in Sales Taxes, $50,000 in Property Taxes, $8,100,000 in Foreign Taxes, and $100,000 in Regulatory Assessments are due and owing to the Taxing Authorities and Regulatory Bodies relating to periods prior to the Petition Date. I have been informed that approximately $50,000 of the Property Taxes, $6,700,000 of the Foreign Taxes, and $100,000 of the Regulatory Assessments are due and payable in the next thirty (30) days.

140. Based on the foregoing, I believe that the relief requested in the tax motion is in the best interests of the Debtors, their estates and all parties in interest and should be granted.

I. <u>Employee Wages and Benefits Motion (the "Wages Motion")</u>

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO PAY (A) CERTAIN EMPLOYEE OBLIGATIONS AND (B) PREPETITION CLAIMS OF INDEPENDENT CONTRACTORS AND (II) DIRECTING 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

141. Pursuant to the Wages Motion, the Debtors seek authorization, but not direction, to pay their current employees and independent contractors for work performed prepetition, to honor certain other prepetition employee-related obligations and benefits, and to continue paying their employee and independent contractor obligations in the ordinary course of the Debtors' business. The Debtors also seek modification of the automatic stay with respect to

employees' claims and payments due under the various workers compensation programs. In addition, the Debtors seek authorization for applicable banks to receive, process, honor, and pay any and all checks and electronic funds transfers related to any of the employee and independent contractor obligations.

Employee Obligations

142. For purposes of the Wages Motion, the term "**Employees**" includes all persons, as of the Petition Date, entitled to compensation, benefits, reimbursement, or any other similar payment as a consequence of being employed by the Debtors and does not include independent contractors. I have been advised that, as of the Petition Date, the Debtors employ approximately 1,790 Employees through thirteen (13) separate legal entities (collectively, the "**CHC Employers**")[10] across 20 different countries.[11] The Debtors' Employees only account for a portion of CHC's total workforce, with the remainder of the workforce—approximately 2,000 employees—being employed by Non-Debtor Affiliates. Of the Debtors' total 1,790 Employees, approximately 1,740 are full-time Employees and 50 are part-time Employees.[12] Included among these Employees are the Debtors' global touring crew (pilots and engineers that are seconded to various operating jurisdictions), domestic aircrew, mechanics, engineers, and

[10] These entities are CHC Group Ltd., CHC Helicopter S.A., CHC Global Operations (2008) ULC, CHC Global Operations Canada (2008) ULC, CHC Global Operations International ULC, Lloyd Helicopters Pty. Ltd., CHC Helicopters (Barbados) SRL, CHC Hoofddorp B.V., CHC Leasing (Ireland) Limited, Heli-One (Netherlands) B.V., Heli-One (Norway) AS, Heli-One (UK) Limited, and Heli-One Canada ULC.

[11] These countries are Australia, Barbados, Brazil, Canada, Equatorial Guinea, Gabon, Ireland, Kazakhstan, Luxembourg, Malaysia, Mexico, Mozambique, Netherlands, Nigeria, Norway, Romania, Thailand, Timor-Leste, the United Kingdom, and Uruguay. Employees based in several of these counties are part of the touring crew employed by two Canadian Debtors: CHC Global Operations (2008) ULC and CHC Global Operations International ULC.

[12] The 50 part-time Employees include "casual employees" as designated in Australia. A casual employee is one who has no guaranteed hours of work and often works at irregular hours, but at higher hourly pay rates than other Employees.

warehousemen, as well as corporate employees in the executive office, finance, information technology, and human resources departments, and various operations personnel.

143. As of the Petition Date, approximately 1,020 of the Debtors' Employees are members of unions (the "**Union Employees**") whose employment agreements and benefits are governed by collective labor agreements (the "**CLAs**"). The unions include, among others, the British Air Line Pilots Association, Unite the Union, the Office and Professional Employees International Union, the Global Helicopter Pilots Association, the Transport Workers' Union, the Australian Federation of Air Pilots, the Australian Licensed Aircraft Engineers' Association, and the Australian Manufacturing Workers' Union. The majority of Union Employees are based in Australia and Norway, while the remaining Union Employees are dispersed throughout various of the Debtors' operating jurisdictions depending upon the relevant Employees' assignments. The Union Employees predominantly function in service operation roles, serving as captains, first officers, and other aircrew, as well as engineers, technicians, and ground crew.

144. I understand that the Debtors have dedicated enormous effort into recruiting and maintaining this team of experienced, motivated, and invaluable Employees—many of whom are specialists in the global commercial helicopter service industry. In addition to holding a deep understanding of the Debtors' detailed business practices and policies, many have specific skill sets, licenses, and expertise critical to the Debtors' operations.

145. **Compensation Obligations**. The Debtors typically pay obligations relating to Employee wages and salary (the "**Wage Obligations**") on a monthly, semimonthly, or biweekly basis, varying based upon the country in which a given Employee works (the "**Work Country**") as well as Employee classification. Wage Obligations are paid in several currencies

in accordance with the relevant Work Country.[13] Employees are typically paid through a fixed compensation schedule, with certain variable compensation elements, such as country-specific allowances.

146. The Debtors estimate their average gross monthly payroll (the "**Monthly Payroll**") to be approximately $5 million, their average gross semi-monthly payroll (the "**Semi-Monthly Payroll**") to be approximately $3.5 million, and their average gross bi-weekly payroll (the "**Bi-Weekly Payroll**") to be approximately $4 million. The Debtors' last Monthly Payroll Semi-Monthly Payroll, and Bi-Weekly Payroll were each made on April 29, 2016. The Debtors estimate that as of the Petition Date, there are approximately $5 million of accrued and outstanding Wage Obligations. I have been advised that the Debtors do not believe that any of the Employees are owed prepetition Wage Obligations in an amount exceeding the $12,850 priority cap imposed by section 507(a)(4) of the Bankruptcy Code (the "**Priority Wage Cap**").

147. Certain sales Employees are entitled to wages based upon a sales commissions program. Wages paid through this program (the "**Commission Wages**") are paid on a quarterly basis. I have been advised that, as of the Petition Date, the Debtors owe approximately $25,000 on account of Commission Wages, and do not believe that any of the Employees are owed Commission Wages in an amount exceeding the Priority Wage Cap.

148. CHC Group, one of the CHC Employers, employs certain of the U.S.-based executive-level Employees (the "**Executives**"). I understand that although these Executives have employment agreements with CHC Group, the Executives receive payroll from CHC Helicopter Support Services (US) Inc. ("**CHC Support Services**"), a Non-Debtor Affiliate. Periodically, CHC Support Services is reimbursed for the Executives' payroll through

[13] All amounts stated herein denominated in currencies other than United States dollars have been stated in their United States dollar equivalents.

intercompany service fees (the "**Executive Service Fees**" and, collectively with the Wage Obligations and Commission Wages, the "**Compensation Obligations**") charged in accordance with an intercompany service agreement across several CHC entities, including certain Debtors as well as Non-Debtor Affiliates. During these Chapter 11 Cases, the Executives will continue to be paid by CHC Support Services their respective Executive Service Fees, which include the U.S. Executive payroll costs, in accordance with the service agreements in the ordinary course of business.

149. **Payroll Taxes and Deductions**. In various jurisdictions, the CHC Employers are required by law to withhold amounts from the Compensation Obligations related to income taxes, healthcare taxes, and other social welfare benefits (collectively, the "**Withholding Taxes**") and to remit the same and certain other amounts to the appropriate taxing authorities (collectively, the "**Taxing Authorities**") according to schedules established by such Taxing Authorities. Additionally, where certain Employees are residents of one jurisdiction while working in another, the CHC Employers are required to remit a separate payment on account of certain foreign taxes, which are not withheld from Employees' wages (the "**Foreign Wage Taxes**"). I have been advised that there is approximately $5 million remain outstanding on account of prepetition Foreign Wage Taxes.

150. In certain circumstances, the CHC Employers are also required to make additional payments from their own funds in connection with the Withholding Taxes (collectively, the "**Contribution Taxes**" and, together with the Withholding Taxes and the Foreign Wage Taxes, the "**Payroll Taxes**"). In the aggregate, the Payroll Taxes, including both the Employee and CHC Employer portions, total approximately $2 million for the Monthly Payroll, $1 million for the Semi-Monthly Payroll, and $1.5 million for the Bi-Weekly Payroll. I

have been advised that, as of the Petition Date, the Debtors estimate that they owe approximately $15 million on account of prepetition Payroll Taxes.

151. The CHC Employers, either directly or through professional employer organizations (the "**PEOs**"), also withhold other amounts from certain Employees' paychecks related to various Retirement Plans and other Employee Benefits (each defined below), loan repayments, and union deductions (collectively the "**Deductions**" and, together with the Payroll Taxes, the "**Payroll Taxes and Deductions**"). I have been advised that, as of the Petition Date, the Debtors estimate that they owe approximately $4 million on account of prepetition Deductions.

152. **Expense Reimbursements**. In the ordinary course of business, certain Employees incur expenses in connection with their employment duties, such as travel and meal expenses. Such expenses incurred in the course of their employment and in furtherance of the Debtors' businesses are reimbursed by the CHC Employers (the "**Expense Reimbursements**") through an automated system. Upon approval by the respective CHC Employers, the Employees receive the Expense Reimbursements as part of their next scheduled paycheck.

153. Because of the irregular nature of requests for Expense Reimbursements, it is difficult to determine the amount of Expense Reimbursements outstanding at any given time. The Debtors, however, estimate that Expense Reimbursements average approximately $500,000 per month, and based on that estimate, approximately $500,000 in accrued Expense Reimbursements remain outstanding as of the Petition Date.

154. **PEOs**. In every jurisdiction other than Equatorial Guinea,[14] the Debtors engage PEOs to help administer many of their human resources functions, including calculating

[14] CHC Global Operations administers payroll in-house for these Employees.

and remitting payments related to payroll and benefits. The CHC Employers employ different PEOs in different countries in accordance with the following table:

PEO(s)	Work Country
ADP, United Tax Network, Solutions Aberdeen, CIPP, Anderson Anderson Brown	Australia, Canada, Netherlands, Norway,[15] Kazakhstan, United Kingdom
Activ Payroll	Ireland
Konnettko	Timor-Leste

155. I understand that the PEOs facilitate the administration of payroll and other benefits for the CHC Employers and their Employees. Different CHC Employers contract with different PEOs, and the scope of services provided varies from contract to contract (each a "**PEO Agreement**"). I understand that in each instance, the CHC Employers pay monthly service fees to the PEOs (the "**PEO Fees**"), or the same are withdrawn from payroll.

156. Under the agreements between the PEOs and the CHC Employers in Canada, Timor-Leste, the Netherlands, Ireland, and the United Kingdom, the PEOs administer payroll to the Employees, calculate any relevant withholdings, and remit those withholdings to the appropriate parties. To facilitate payments of the Employee Obligations, the Debtors advance funds from the Banks to the PEOs approximately 2–3 days prior to the Debtors' regularly scheduled payroll. Subsequently, the PEOs make payments to (i) the Employees, (ii) the Taxing Authorities, and (iii) to certain Benefits Providers (as defined below)

157. By contrast, under the PEO Agreements with the CHC Employers in Australia, Norway, and Kazakhstan, the PEOs simply calculate the payroll and withholding amounts for the CHC Employers. The CHC Employers then provide direct payments to the Employees, Taxing Authorities, and Benefits Providers and remit withholdings as appropriate.

[15] ADP subcontracts the payroll service functions to Blue Garden for CHC Employers in Norway.

158. Additionally, pursuant to the PEO Agreement with CHC Helicopter S.A., ADP provides services both to certain CHC Employers[16] and to certain Non-Debtor Affiliates. Under this agreement, the CHC Employers pay the entirety of the PEO Fees and book intercompany claims against the Non-Debtor Affiliates for their proportional usage.

159. The Debtors pay approximately $60,000 per month in aggregate PEO Fees, including the portion owed by Non-Debtor Affiliates through intercompany claims. As of the Petition Date, the Debtors owe approximately $100,000 on account of prepetition PEO Fees in the ordinary course of business.

160. **Employee Benefit Plans**. The CHC Employers have established certain benefit plans and policies for their Employees, pursuant to which Employees receive Health Benefits, Risk and Disability Insurance, Retirement Plans, Workers Compensation, PTO Benefits, and Other Benefits (each as defined below, and collectively, the "**Employee Benefits**"). The Employee Benefits are administered by several different providers (collectively the "**Benefits Providers**"), depending upon the benefit and the respective CHC Employer. Included among the Benefits Providers is CHC Reinsurance, S.A. ("**CHC Reinsurance**")—a captive reinsurance company and wholly-owned Non-Debtor Affiliate that provides Health Benefits and Risk and Disability Insurance, among other types of insurance. To comply with regulations in various jurisdictions, however, CHC Reinsurance funds the Employee Benefits using third-party pass-through insurers who charge fees for their services (the "**Service Fees**").

161. Each Benefits Provider charges the CHC Employers either an annual or a monthly premium for the provision of the Employee Benefits. These premiums are either wholly or partially covered by the CHC Employers. Where the CHC Employers fund only a portion of these premiums, covered Employees contribute their pro rata portion of the remainder, which is

[16] These are Lloyd Helicopters Pty. Ltd., CHC Hoofddorp B.V., and Heli-One (Netherlands) B.V.

withheld from these Employees' paychecks. As set forth in more detail below, the Debtors estimate that, on average, a total of approximately $1.9 million is due each month, in addition to $3.5 million in annual payments, from the CHC Employers on account of the Employee Benefits premiums.

162. Medical and Dental Benefits. The CHC Employers administer the following medical and dental plans (the "**Health Benefits**") to eligible Employees:

CHC Employer(s)	**Type of Benefits**	**Benefits Provider**	**Employer Contribution**
Lloyd Helicopters Pty. Ltd.	Travel Medical[17]	Chubb	100%
CHC Helicopters (Barbados) SRL	Medical	MSH International	100%
	Dental		
Heli-One Canada ULC	Travel Medical	SSQ	100%
	Medical	Sun Life	Up to 90%
	Dental		
CHC Global Operations (2008) ULC CHC Global Operations International ULC	Travel Medical	SSQ; MSH International	100%
	Medical	Sun Life; MSH International; Eurasia	90-100%[18]
	Dental	Sun Life; MSH International	
CHC Global Operations Canada (2008) ULC	Medical	Now Health	100%

[17] Travel Medical covers emergency health services for Employees who are working outside of their home country.

[18] These CHC Employers provide different levels of contributions for Health Benefits Premiums depending upon the type of Employee. The CHC Employers provide 100% contributions of Health Benefits for crew member Employees, and cover up to 90% of contributions to Health Benefits for non-crew member Employees.

CHC Employer(s)	Type of Benefits	Benefits Provider	Employer Contribution
CHC Leasing (Ireland) Limited	Travel Medical	CHC Reinsurance (though MSH International)	100%
	Medical	Aviva	100%
	Dental		
CHC Hoofddorp B.V. Heli-One (Netherlands) B.V.	Travel Medical	CHC Reinsurance (through MSH International)	100%
Heli-One (Norway) AS	Medical	Storebrand; BUPA; Protector	100%
Heli-One (UK) Limited	Travel Medical	CHC Reinsurance (through MSH International)	100%
	Medical	CHC Reinsurance (through BUPA)	100%
	Dental		

163. The CHC Employers pay premiums related to the Health Benefits (the "**Health Benefits Premiums**") of approximately $200,000 in the aggregate per year. The percentage of contributions made by the CHC Employers toward the Health Benefits Premiums is provided in the table above. Some Health Benefits Premiums are paid on a monthly basis, whereas others are paid annually. Of the Health Benefits paid in monthly installments, the Debtors pay approximately $5,000 per month, most of which are paid in advance. On account of the Health Benefits Premiums paid annually, the Debtors estimate that approximately $140,000 remains outstanding in prepetition obligations.

164. Additionally, the CHC Employers maintain certain "pay-as-you-go" Health Benefits programs, such as medical and dental coverage, whereby the Debtors bear the costs incurred by Employees who are covered by these programs. Although the costs of the pay-

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as-you-go programs (the "**PAYG Costs**") are variable, the Debtors estimate that the average monthly costs incurred through these programs is approximately $350,000 and based on that estimate, approximately $350,000 of PAYG Costs remain outstanding as of the Petition Date.

165. Risk and Disability Insurance. The CHC Employers also offer Employees life, accidental death, long-term disability, and certain other risk and disability insurance benefits (collectively, "**Risk and Disability Insurance**"). Generally, CHC Employers offer market-based levels of Risk and Disability Insurance to all Employees. The extent of the Risk and Disability Insurance offered to Employees varies by CHC Employer, but each Employee has access to a similar set of benefits. For example, I understand that CHC Hoofddorp B.V. provides Employees with life and accidental death insurance, funded through CHC Reinsurance, which uses Generali Worldwide Insurance Company Limited ("**Generali**") as a pass-through insurer, pursuant to which Employees' beneficiaries are entitled to receive death benefits in an amount up to approximately $100,000. CHC Hoofddorp B.V. also offers Employees disability insurance, which covers up to 70% of salary where an Employee is fully but temporarily disabled. Pilots are also insured for a capped amount in the event of a loss of license. For example, Lloyd Helicopters Pty. Ltd. provides insurance to captains and co-pilots for up to approximately $267,000 per Employee for loss of license depending on the age of the insured when impacted. As of the Petition Date, there are no prepetition obligations owed on account of loss of license insurance.

166. In order to retain the Risk and Disability Insurance, the CHC Employers are required to pay premiums to various Benefits Providers—some on an annual basis and others in monthly installments. On average, the Debtors pay approximately $140,000 per month (in addition to a $1.5 million annual payment) on account of Risk and Disability Insurance

premiums. As of the Petition Date, the Debtors estimate they owe approximately $498,000 in prepetition Risk and Disability Insurance premiums.

167. Retirement Plans. I understand that the CHC Employers also provide certain eligible Employees with retirement benefits as described below. These retirement benefits are provided through various Defined Contribution Plans, the U.K. Pension Scheme, and the Norway Pension Scheme (each defined below, and collectively, the "**Retirement Plans**"). Certain CHC Employers participate in defined contribution retirement plans (the "**Defined Contribution Plans**") for the benefit of Employees in Australia, Canada, Ireland, the Netherlands, and the United Kingdom, as described in the table below:

CHC Employer(s)	Provider	Employer Contribution (percent of Employee salary)
Lloyd Helicopters Pty. Ltd.	Mercer	9.5%
Heli-One Canada ULC	Manulife	4%
CHC Global Operations (2008) ULC CHC Global Operations International ULC	Manulife (Registered Pension Plan) Fidelity (Group Pension Plan) Merrill Lynch (401(k))	4%
CHC Leasing (Ireland) Limited	Irish Life	6%
CHC Hoofddorp B.V. Heli-One (Netherlands) B.V.	BeFrank	Variable (by age)
Heli-One (UK) Limited	Scottish Widows	7–10%

168. The participating CHC Employers make contributions to the Defined Contribution Plans (the "**DC Employer Contributions**") at the statutorily mandated rates described above. The Debtors estimate that the aggregate cost of DC Employer Contributions is approximately $1.2 million per month, including associated administration fees paid to the

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providers. As of the Petition Date, the Debtors estimate that the aggregate amount owed prepetition on account of DC Employer Contributions is approximately $410,000.

169. Certain CHC Employers[19] participate in a defined benefits pension scheme for certain Employees in the United Kingdom (the "**U.K. Pension Scheme**"). Although the U.K. Pension Scheme was closed for new accruals beginning in 2009, the CHC Employers remain obligated for previously accrued benefits. The annual deficit funding contribution into the U.K. Pension Scheme is approximately $9.3 million, payment of which is made quarterly. I have been informed that , as of the Petition Date, the technical provisions funding deficit for the U.K. Pension Scheme is approximately $65.2 million.

170. Additionally, Heli-One (Norway) AS is also party to a defined benefits pension scheme for certain Employees in Norway (the "**Norway Pension Scheme**"). In addition to providing participating retirees with retirement payments, the Norway Pension Scheme also provides such retired Employees with certain other benefits, such as spousal death benefits and long-term disability insurance. Contributions to the Norway Pension Scheme are actuarially calculated at the beginning of each fiscal year, and payments are made on a monthly basis. The estimated annual contribution into the Norway Pension Scheme for 2017 is approximately $2.8 million. As of the Petition Date, the Norway Pension Scheme is fully funded with no outstanding prepetition obligations.

171. Workers Compensation Programs. The CHC Employers also provide Employees with workers compensation and employer's liability coverage ("**Workers Compensation Programs**"). I understand that in Australia, Ireland, and the United Kingdom, Workers Compensation Programs are administered through various third-party insurers. In

[19] Debtors Heli-One (UK) Limited and Heli-One (Norway) AS are obligors under the U.K. Pension Scheme, and Debtors 6922676 Holding SARL, Capital Aviation Services B.V., CHC Helicopter Holding S.à r.l., CHC Leasing (Ireland) Limited, CHC Netherlands B.V., and Heliworld Leasing Limited are guarantors under the U.K. Pension Scheme.

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Canada, Workers Compensation Programs are administered through the government. The Netherlands provides for equivalent Workers Compensation Programs benefits through other government programs such as social security, the costs of which are included in the Payroll Taxes and Deductions described above. Employees in Norway are provided with equivalent Workers Compensation Programs benefits through Risk and Disability Insurance, the costs of which are similarly captured by the $1.5 million annual payment described above. In each case, the CHC Employers are responsible for the full amount of the contributions to the Workers Compensation Programs for the benefit of Employees. For Employees in Canada, the CHC Employers pay the provincial governments for Workers Compensation Programs monthly through payroll. In all other jurisdictions, the CHC Employers pay the premiums in discrete annual payments to the respective private insurers.

172. On average, the Debtors pay approximately $18,000 per month and $2.2 million annually in the aggregate for the Workers Compensation Programs. I have been advised that, as of the Petition Date, the Debtors estimate that there is approximately $60,000 in accrued prepetition obligations related to Workers Compensation Programs.

173. **PTO Benefits**. I also understand that the CHC Employers all maintain paid time off policies for Employees (the "**PTO Benefits**"), which policies vary across CHC Employers. Typically, the PTO Benefits are comprised of vacation, holidays, parental leave, bereavement, other personal leave, long service leave, and field leave and, in most cases, with respect to accrued and unused days, the Employees are entitled either (i) to elect a cash payment for some portion of these days (the "**PTO Cash-Out Benefits**"), or (ii) to roll them into the next calendar year. I have been advised that, as of the Petition Date, there is approximately $26 million of accrued obligations related to the PTO Cash-Out Benefits.

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174. **Other Benefits**. The CHC Employers also provide a range of other benefits to eligible Employees (collectively, the "**Other Benefits**"). These Other Benefits include reimbursement for domestic relocation costs, tuition reimbursement for Employees in job-related courses of study, among others. In the aggregate, the CHC Employers pay approximately $10,000 per month on account of all Other Benefits.

Independent Contractor Obligations

175. I understand that, in addition to Employees, the Debtors utilize various contractors (the "**Independent Contractors**") to perform a range of functions (including, for example, short-term projects or flexible hour tasks), each of which is necessary for the operation of the Debtors' businesses. Among other positions, the Debtors hire Independent Contractors to serve as co-pilots, technical consultants, finance analysts, and administrative support staff. As of the Petition Date, five (5) of the Debtors[20] have contracted with approximately 16 Independent Contractors, the majority of whom are based in Canada. As with Employees, the CHC Employers pay the Independent Contractors on a salary or wage basis (the "**Independent Contractor Obligations**"). I understand that certain of the Independent Contractors are contracted directly with the relevant CHC Employer and are paid through the same PEO as that employer's Employees. In other instances, the Debtors make payments to third-party placement agencies, which in turn remit wages to the Independent Contractors.

176. On average, the Debtors pay approximately $122,000 per month with respect to the Independent Contractor Obligations. I understand that the Debtors estimate that, as of the Petition Date, there are no accrued and outstanding prepetition Independent Contactor Obligations.

[20] These Debtors are CHC Hoofddorp B.V., CHC Global Operations (2008) ULC, Lloyd Helicopters Pty. Ltd., Heli-One Canada ULC, and Heli-One (Norway) AS.

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177. The Independent Contractors play an important role in the Debtors' businesses. I believe that the Debtors depend upon the expertise, efficiency, and flexibility of the Independent Contractors to provide, among other things, professional services related to the maintenance and operation of their helicopters. I also understand that it would be difficult, costly, and disruptive to the Debtors' reorganization efforts if they were forced to replace their Independent Contractors, who already understand the Debtors' business practices and policies and who are familiar with the global helicopter service industry.

178. In sum, I believe that payment to the Debtors' current Employees and Independent Contractors on account of prepetition Employee Obligations and Independent Contractor Obligations is critical to the Debtors' ability to conduct their operations. I also believe that, in order to actualize an effective reorganization, it is necessary for the Debtors to continue payments on account of Employee Obligations and Independent Contractor Obligations in the ordinary course of the business.

179. Based upon the foregoing, I believe that the relief requested in the Wages Motion is in the best interests of the Debtors, their estates, and all parties in interest and should be granted.

J. <u>Insurance Motion</u>

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO (A) CONTINUE THEIR INSURANCE PROGRAMS AND ARRANGEMENTS AND (B) PAY ALL UNDISPUTED OBLIGATIONS IN RESPECT THEREOF AND (II) AUTHORIZING AND DIRECTING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS PURSUANT TO SECTIONS 105(**a**), 363(**b**), AND 503(**b**) **OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004**

180. By the Insurance Motion, the Debtors request (i) authority, but not direction, to (a) continue and/or renew their existing aviation, corporate, property, and other insurance policies and programs, including their Sharing Arrangements (as defined below) and

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Ancillary Coverage (as defined below) (collectively, the "**Insurance Programs**") uninterrupted, and (b) pay, in the Debtors' sole discretion, any undisputed prepetition obligations, including premiums, deductibles, administrative fees, brokers' fees and other obligations, as well as, on an ongoing basis, any postpetition obligations, thereunder (collectively, the "**Insurance Obligations**"), and (ii) that the Court authorize and direct applicable banks and financial institutions to honor and process all checks and electronic funds transfers related to the above.

181. In connection with the operation of their businesses, the Debtors maintain certain aviation, corporate, property-related, and other insurance policies and programs, obtained through agreements with their insurance brokers, Willis Towers Watson plc. ("**Willis**"), Aon plc ("**Aon**"), and First Ireland Risk Management Ltd ("**First Ireland**" and, together with Willis and Aon, the "**Insurance Brokers**") and directly from Insurance Carriers (as defined below), such as Factory Mutual Insurance Company ("**FM Global**") and Protector Forsikring ASA ("**Protector**").[21] Additionally, certain aircraft lessors (the "**Lessors**") choose to condition their financing on their ability to purchase certain ancillary insurance policies for which the Debtors must reimburse them for the premiums (the "**Ancillary Coverage**"). In addition to the relationships set forth above, the Debtors have a captive non-debtor reinsurance affiliate, CHC Reinsurance S.A. ("**CHC Reinsurance**") which provides reinsurance services to the Debtors and their non-debtor affiliates on certain of their Protector insurance policies.[22]

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[21] As described in more detail below, the Debtors purchase most of their insurance policies with Protector through an Insurance Broker, but in certain limited circumstances may purchase policies directly from Protector.

[22] As addressed separately in the *Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to Pay Certain (A) Employee Obligations and (B) Independent Contractor Obligations, (II) Modifying the Automatic Stay, and (III) Directing Financial Institutions to Honor and Process Checks and Transfers Related to Such Obligations Pursuant to Sections 105(a), 363(a), and 507(a) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004*, filed contemporaneously herewith, CHC Reinsurance also reinsures certain employee-related insurance policies for both the Debtors and their non-debtor affiliates through a partnership with Assicurazioni Generali S.p.A.

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182. **Insurance Programs**. Through the Insurance Programs, the Debtors maintain comprehensive aviation hull and liability coverage, as well as aviation hull war and aviation excess spares coverage. Collectively, these policies cover a wide range of liabilities and risks associated with the Debtors' aircraft, including, but not limited to, physical loss of or damage to the aircraft, its engines or its parts, and losses due to terrorism, hijacking, war, expropriation, confiscation and nationalization. The Debtors also maintain customary corporate insurances, such as commercial general liability, director and officer liability, and employment practices liability, as well as policies for corporate travel, auto insurance, medical malpractice,[23] pension fiduciary liability, comprehensive crime, foreign employer's liability, contingent protective insurance, cyber-attacks and information technology, environmental liability, worldwide property damage, business and services interruption, machinery and equipment, high flood deductibles, property, terrorism and war, political risk, and residual value, all as further detailed in the chart below. Continuation of these policies is essential to the ongoing operations of the Debtors' businesses, with certain coverage being required either by regulation or pursuant to certain of the Debtors' prepetition agreements. For example, I understand that in order to maintain certain aircraft operating certificates necessary to provide helicopter services, the Debtors must maintain specified levels of insurance coverage. I also understand that most, if not all, of our helicopter lessors require us to maintain certain levels of coverage as a condition of our financing. Moreover, I believe that preserving positive relationships with each of the Insurance Providers is integral for the Debtors to obtain and renew Insurance Programs at the most competitive rates.

[23] As noted above, CHC provides helicopter services for search and rescue and emergency medical services to various government agencies.

183. Based upon the foregoing, I believe that the relief requested in the Insurance Motion is in the best interests of the Debtors, their estates, and all parties in interest and should be granted.

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

Dated: May 5, 2016
Dallas, Texas

/s/ Robert A. Del Genio
Robert A. Del Genio

EXHIBIT A

DEBTORS

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

EXHIBIT B

DEBTORS' ORGANIZATIONAL CHART

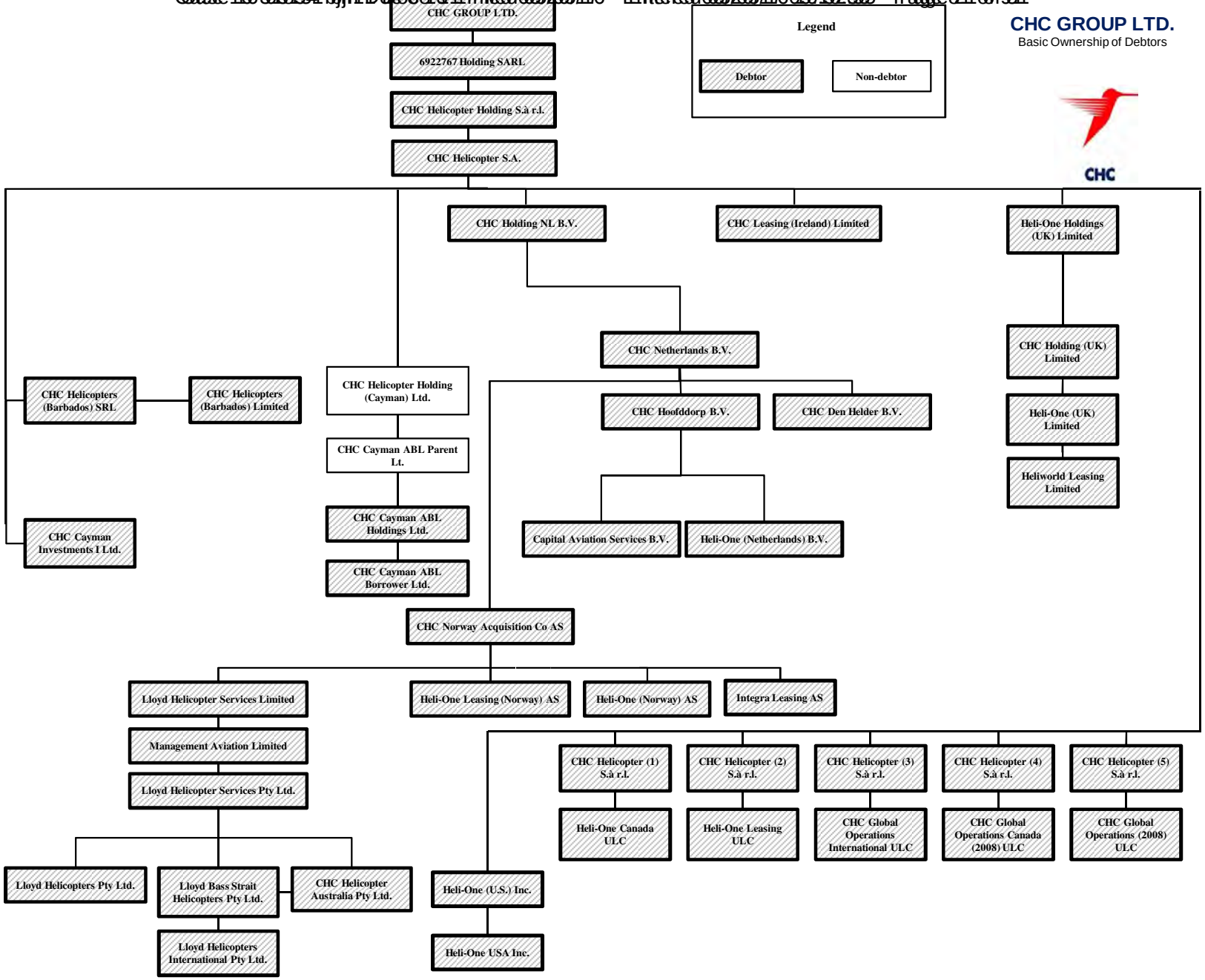
CHC GROUP LTD.
Basic Ownership of Debtors
Legend
Debtor
Non-debtor
CHC
CHC GROUP LTD.
6922767 Holding SARL
CHC Helicopter Holding S.à r.l.
CHC Helicopter S.A.
CHC Holding NL B.V.
CHC Leasing (Ireland) Limited
Heli-One Holdings (UK) Limited
CHC Netherlands B.V.
CHC Holding (UK) Limited
CHC Helicopters (Barbados) SRL
CHC Helicopters (Barbados) Limited
CHC Helicopter Holding (Cayman) Ltd.
CHC Hoofddorp B.V.
CHC Den Helder B.V.
Heli-One (UK) Limited
CHC Cayman ABL Parent Lt.
Heliworld Leasing Limited
CHC Cayman Investments I Ltd.
CHC Cayman ABL Holdings Ltd.
Capital Aviation Services B.V.
Heli-One (Netherlands) B.V.
CHC Cayman ABL Borrower Ltd.
CHC Norway Acquisition Co AS
Lloyd Helicopter Services Limited
Heli-One Leasing (Norway) AS
Heli-One (Norway) AS
Integra Leasing AS
Management Aviation Limited
Lloyd Helicopter Services Pty Ltd.
CHC Helicopter (1) S.à r.l.
CHC Helicopter (2) S.à r.l.
CHC Helicopter (3) S.à r.l.
CHC Helicopter (4) S.à r.l.
CHC Helicopter (5) S.à r.l.
Heli-One Canada ULC
Heli-One Leasing ULC
CHC Global Operations International ULC
CHC Global Operations Canada (2008) ULC
CHC Global Operations (2008) ULC
Lloyd Helicopters Pty Ltd.
Lloyd Bass Strait Helicopters Pty Ltd.
CHC Helicopter Australia Pty Ltd.
Heli-One (U.S.) Inc.
Lloyd Helicopters International Pty Ltd.
Heli-One USA Inc.

EXHIBIT C

ABL BORROWING BASE CERTIFICATE

BORROWING BASE CERTIFICATE

Reference is hereby made to that certain Credit Agreement, dated as of June 12, 2015 (including all annexes, exhibits and schedules thereto and as amended, supplemented, waived or otherwise modified from time to time, the "Credit Agreement"; capitalized terms that are not defined herein have the meanings ascribed to such terms in the Credit Agreement), among 6922767 HOLDING SARL, a private limited liability company ("*société à responsabilité limitée*") incorporated and existing under the laws of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B136.792, having its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg and a share capital of EUR 1,228,377,778, as Parent Guarantor, CHC CAYMAN ABL HOLDINGS LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands, as Holdings, CHC CAYMAN ABL BORROWER LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "Parent Borrower"), the Subsidiary Borrowers from time to time party thereto, the several banks and other financial institutions from time to time parties thereto (the "Lenders"), MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent for the Lenders, and BNP PARIBAS S.A., as Collateral Agent for the Secured Parties (as defined therein).

As of April 6, 2016 Parent Borrower and the other Qualified Loan Parties and not in my individual capacity that to the best of my knowledge and belief (i) the statements and calculations of the Borrowing Base set forth on Annex A hereto (and the schedules attached thereto) are true and correct as of the Determination Date and (ii) such calculations have been made in accordance with the requirements of the Credit Agreement.

[*Remainder of page intentionally left bank; signature page follows*]

IN WITNESS WHEREOF, the undersigned has caused this Borrowing Base Certificate to be executed and delivered on the 6th day of April, 2016.

CHC CAYMAN ABL BORROWER LTD.

By:_____

Name: John Hanbury

Title: Attorney-in-Fact

[Signature Page to ABL Borrowing Base Certificate]

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ANNEX A

BORROWING BASE

Average Appraised Value	MSN 2674: $16,535,000	$16,535,000
	MSN 2949: $25,446,667	$25,446,667
	MSN 9009: $9,830,000	$9,830,000
	MSN 31099: $7,950,000	$7,950,000
	MSN 760625: $7,680,000	$7,680,000
	MSN 760632: $7,680,000	$7,680,000
	MSN 2986: $29,339,167	$29,339,167
	MSN 31561: $12,108,333	$12,108,333
	MSN 31610: $16,452,500	$16,452,500
	MSN 760636: $7,680,000	$7,680,000
	MSN 760674: $7,905,000	$7,905,000
	MSN 31072: $7,335,000	$7,335,000
	MSN 2914: $29,506,667	$29,506,667
Eligible Insurance Claims		$0
Advance Rate		75%
Availability Reserves		$0
Total Outstanding ABL Term Loans as at the end of the last Fiscal Period		$0
Total Borrowing Base		$139,086,251
Aggregate Lender Exposure		$129,300,000
Excess Availability		$9,786,251

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EXHIBIT D

MONTHLY DEPRECIATION SCHEDULE FOR

THE PERIOD OF MAY 2015 THROUGH MARCH 2016

CHC
Segment Note - YTD Q3
31-Jan-11

		2	3	4	5	6	7	8	9	10	5
	FY 2016	-	-	-	-	-	-	-	-	Consol	G&A
Direct Costs		-	-	-		-	-	-	-	-	-
IC Building Rental		-	-	-	-	-	-	-	-		
	0	-	-	-		-	-	-	-	-	-
Total direct costs		-	-	-		-	-	-	-	-	-
	0	-	-	-	-	-	-	-	-	-	-
Total Direct Costs		-	-	-	-	-	-	-	-	-	-
	0	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
									-	-	
					Rec to FS:		Per above			-	-
							Per FS		(893,474)		
								Equity	1,093		
										(892,381)	(43,313)
							Diff - insignificant - due to GL 4991			892,381	43,313

Internal leases

-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

External leases

-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
										-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

All Cube Information	FAST v3.0 Production Actual Data as of Apr 20 2016 7:00
All Periodicity	Periodic (default)
All Unit Of Measure	Converted To USD @ Version Rate
All Divisions	All Divisions
All Bases	All Bases

Amount	**Column Labels**												
	Actual												**Actual Total**
	FY 2016												
	FY 2016 - Q1				**FY 2016 - Q2**			**FY 2016 - Q3**			**FY 2016 - Q4**		
Row Labels	**201601 (MAY-15)**		**201602 (JUN-15)**	**201603 (JUL-15)**	**201604 (AUG-15)**	**201605 (SEP-15)**	**201606 (OCT-15)**	**201607 (NOV-15)**	**201608 (DEC-15)**	**201609 (JAN-16)**	**201610 (FEB-16)**	**201611 (MAR-16)**	
All P&L		**(10,480,598)**	**(10,639,459)**	**(19,160,541)**	**(10,533,550)**	**(11,886,973)**	**(13,116,872)**	**(9,715,420)**	**(9,721,176)**	**(19,329,619)**	**(12,248,551)**	**(11,938,022)**	**(138,770,781)**
Comprehensive Earnings (Loss)		**(10,480,598)**	**(10,639,459)**	**(19,160,541)**	**(10,533,550)**	**(11,886,973)**	**(13,116,872)**	**(9,715,420)**	**(9,721,176)**	**(19,329,619)**	**(12,248,551)**	**(11,938,022)**	**(138,770,781)**
Net Earnings (Loss) of Controlling Interest		(10,480,598)	(10,639,459)	(19,160,541)	(10,533,550)	(11,886,973)	(13,116,872)	(9,715,420)	(9,721,176)	(19,329,619)	(12,248,551)	(11,938,022)	(138,770,781)
Net Earnings (Loss)		**(10,480,598)**	**(10,639,459)**	**(19,160,541)**	**(10,533,550)**	**(11,886,973)**	**(13,116,872)**	**(9,715,420)**	**(9,721,176)**	**(19,329,619)**	**(12,248,551)**	**(11,938,022)**	**(138,770,781)**
Net Earnings (Loss) from Continuing Operations, net of Tax		(10,480,598)	(10,639,459)	(19,160,541)	(10,533,550)	(11,886,973)	(13,116,872)	(9,715,420)	(9,721,176)	(19,329,619)	(12,248,551)	(11,938,022)	(138,770,781)
Net Earnings (Loss) from Continuing Operations before Income Tax		**(10,480,598)**	**(10,639,459)**	**(19,160,541)**	**(10,533,550)**	**(11,886,973)**	**(13,116,872)**	**(9,715,420)**	**(9,721,176)**	**(19,329,619)**	**(12,248,551)**	**(11,938,022)**	**(138,770,781)**
Operating Income (Loss)		(10,480,598)	(10,639,459)	(19,160,541)	(10,533,550)	(11,886,973)	(13,116,872)	(9,715,420)	(9,721,176)	(19,329,619)	(12,248,551)	(11,938,022)	(138,770,781)
Depreciation		**(10,480,598)**	**(10,639,459)**	**(19,160,541)**	**(10,533,550)**	**(11,886,973)**	**(13,116,872)**	**(9,715,420)**	**(9,721,176)**	**(19,329,619)**	**(12,248,551)**	**(11,938,022)**	**(138,770,781)**
7000 - 7999		(10,480,598)	(10,639,459)	(19,160,541)	(10,533,550)	(11,886,973)	(13,116,872)	(9,715,420)	(9,721,176)	(19,329,619)	(12,248,551)	(11,938,022)	(138,770,781)
7500 - Aircraft Fixed Asset Cost (Only) Depn		(1,421,223)	(1,561,942)	(1,461,229)	(1,460,280)	(1,578,565)	(1,541,963)	(1,529,500)	(1,639,361)	(1,643,547)	(1,541,554)	(1,552,294)	(16,931,456)
7501 - Aircraft Major Inspections Depn		(446,475)	(246,914)	(413,632)	(853,840)	(1,453,757)	(158,959)	(174,464)	(174,536)	(156,218)	(81,119)	(88,537)	(4,248,451)
7502 - Aircraft Modifications (PDM) Depn		(863,897)	(1,248,420)	(1,142,900)	(995,529)	(1,668,233)	(1,080,258)	(897,423)	(896,753)	(855,680)	(912,929)	(820,892)	(11,382,914)
7503 - Aircraft Major Spare Depn		(99,545)	(94,183)	(91,152)	(96,197)	(97,273)	(98,465)	(96,411)	(93,802)	(93,418)	(92,862)	(93,480)	(1,046,788)
7504 - Aircraft Main Rotor Blades Depn		(75,306)	(73,936)	(68,775)	(72,449)	(72,607)	(74,036)	(70,313)	(70,590)	(68,319)	(69,284)	(72,953)	(788,568)
7505 - Aircraft Rotables Depn		(5,568,406)	(5,412,513)	(5,323,665)	(5,272,350)	(5,253,263)	(8,352,041)	(5,009,637)	(5,017,316)	(13,506,402)	(7,704,825)	(8,012,841)	(74,433,259)
7506 - Facilities Depn		(812,872)	(669,670)	(652,377)	(607,491)	(615,284)	(576,529)	(626,035)	(567,037)	(1,381,723)	(647,973)	(573,203)	(7,730,195)
7507 - Equipment and Other Depn		(741,006)	(780,216)	(1,001,352)	(730,050)	(721,210)	(755,498)	(767,675)	(769,874)	(820,029)	(636,581)	(164,523)	(7,888,014)
7511 - Amort Intangibles				(58,677)	148	76	49	(58,033)	270	(57,709)	137	26	(173,713)
7513 - Capital Lease Amortization		(225,231)	(241,354)	(8,688,925)	(168,586)	(165,939)	(218,849)	(227,064)	(224,520)	(292,213)	(283,458)	(282,852)	(11,018,991)
7514 - Software Depreciation		(226,637)	(310,311)	(257,857)	(276,927)	(260,918)	(260,322)	(258,867)	(267,658)	(454,359)	(278,104)	(276,473)	(3,128,431)

EXHIBIT E

PROJECTED AIRCRAFT DEPRECIATION SCHEDULE

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Aircraft - Dprcn rates of owned AC (excl Cap Lses)

Prepared by Ian Munro
Prepared on May 2 2016

**** Non-USD dprcn translated at Apr 30 FX rate***

HFS - no dprcn

SERIAL #	AIRCRAFT TYPE	% Dprcn	Projected May dprcn (USD)*	Comments
33029	412	0.0%	-	Fully dprc'd
33091	412	0.0%	-	Fully dprc'd
36100	412EP	0.3%	778	Time-based; dprc'd until Jul 2020
36274	412EP	3.5%	10,064	
36275	412EP	3.5%	10,064	
36312	412EP	3.5%	8,581	
36419	412EP	3.5%	15,562	
2058A	AS332L	5.0%	2,083	
2063	AS332L	5.0%	2,165	
2074	AS332L	5.0%	2,184	
2075	AS332L	0.0%	-	Fully dprc'd (was HFS)
2102	AS332L	**HFS**	**-**	To be sold in May
2113	AS332L	5.0%	5,461	
2312	AS332L1	4.0%	8,660	
2347	AS332L1	4.0%	1,747	
2381	AS332L1	4.0%	8,819	
2407	AS332L1	**HFS**	**-**	SOLD in Apr
2468	AS332L1	**HFS**	**-**	To be sold in May
9009	AS332L1	4.0%	15,000	
2396	AS332L2	3.0%	14,500	
2484	AS332L2	3.0%	20,947	
2493	AS332L2	3.0%	17,674	
6358	AS365N2	0.0%	-	Fully dprc'd (was HFS)
6423	AS365N2	0.0%	-	Fully dprc'd (was HFS)
6846	AS365N3	3.0%	13,585	
31072	AW139	3.5%	22,465	
31099	AW139	3.5%	22,051	
31561	AW139	3.5%	38,412	
31610	AW139	3.5%	48,992	
834	EC135	3.5%	13,725	
9203	EC145	3.5%	18,362	
9235	EC145	3.5%	20,226	
6739	EC155B1	3.5%	16,861	
2674	EC225	3.5%	52,962	
2675	EC225	3.5%	49,610	
2914	EC225	3.5%	97,741	
2930	EC225	3.5%	95,218	
2949	EC225	3.5%	79,622	
2986	EC225	3.5%	80,840	
760089	S76A++	0.0%	-	Fully dprc'd
760103	S76A++	0.0%	-	Fully dprc'd
760105	S76A++	0.0%	-	Fully dprc'd
760113	S76A++	0.0%	-	Fully dprc'd
760122	S76A++	0.0%	-	Fully dprc'd
760160	S76A++	0.0%	-	Fully dprc'd (was HFS)
760300	S76A++	0.0%	-	Fully dprc'd
760490	S76C+	4.0%	10,035	
760466	S76C+	4.0%	10,035	
760468	S76C+	4.0%	10,000	
760547	S76C+	13.6%	62,500	Time-based on 15yr UEL from YOM
760548	S76C+	13.6%	62,500	Time-based on 15yr UEL from YOM
760572	S76C+	10.9%	50,000	Time-based on 15yr UEL from YOM
760574	S76C+	10.5%	43,538	Time-based on 15yr UEL from YOM
760575	S76C+	10.9%	50,000	Time-based on 15yr UEL from YOM
760589	S76C+	9.1%	41,667	Time-based on 15yr UEL from YOM
760593	S76C+	9.1%	41,667	Time-based on 15yr UEL from YOM
760596	S76C+	7.1%	25,472	Time-based on 15yr UEL from YOM
760598	S76C+	6.9%	24,437	Time-based on 15yr UEL from YOM
760601	S76C+	8.9%	39,506	Time-based on 15yr UEL from YOM
760602	S76C+	8.5%	34,293	Time-based on 15yr UEL from YOM
760603	S76C+	8.7%	37,815	Time-based on 15yr UEL from YOM
760625	S76C++	3.5%	23,417	
760632	S76C++	3.5%	23,337	
760636	S76C++	3.5%	23,367	
760670	S76C++	3.5%	23,000	
760674	S76C++	3.5%	23,343	
920045	S92A	3.5%	51,695	
920253	S92A	3.5%	77,177	
			1,603,764	**USD**

Total owned AC per Mar 31 fleet list:	68
Per above:	68
Variance:	-

EXHIBIT F

CHC CASH FLOW FORECAST

CHC Group Weekly Cash Flow Forecast
As of 5/4/16

	Week Ending				
	5/6/2016	**5/13/2016**	**5/20/2016**	**5/27/2016**	**4-Week Total**
Beginning Cash	**$ 234,711,138**	**$ 226,716,111**	**$ 215,267,295**	**$ 195,108,174**	**$ 234,711,138**
Cash Receipts	15,683,962	12,008,473	3,264,118	12,106,536	43,063,088
Other Receipts	1,358,495	1,889,320	2,968,188	1,962,856	8,178,860
Total Cash Receipts	$ 17,042,457	$ 13,897,793	$ 6,232,305	$ 14,069,392	$ 51,241,947
Disbursements					
Payroll	$ 1,362,493	$ 13,090,184	$ 13,387,873	$ 10,438,188	$ 38,278,737
Benefits	1,410,195	582,564	1,049,147	541,868	3,583,774
Pension	2,088,552	2,184,796	870,000	215,000	5,358,348
Aircraft Leases	-	-	-	-	-
Aircraft Related Transactions	-	(1,994,285)	-	-	(1,994,285)
OEM	8,311,171	8,430,985	8,430,985	3,430,985	28,604,127
Debt Payments	-	-	-	-	-
FX / Fees	-	-	-	-	-
Freight & Customs	22,707	22,983	706,577	57,743	810,010
Taxes	1,082,569	(45,839)	(882,927)	2,656,322	2,810,124
Professional Fees	1,800,000	1,800,000	1,800,000	1,800,000	7,200,000
Insurance	-	-	50,000	1,166,000	1,216,000
Fuel	174,971	186,010	128,722	192,791	682,493
Training	35,836	46,836	62,972	171,942	317,586
Information Technology	488,150	488,150	488,150	488,150	1,952,602
Travel	157,224	157,224	77,965	89,840	482,254
Airport Fees	101,796	167,630	57,630	212,058	539,115
Building & PPE	124,201	40,418	52,298	207,749	424,666
Other Expenses	7,877,619	188,953	112,032	269,610	8,448,214
Total Disbursements	**$ 25,037,483**	**$ 25,346,609**	**$ 26,391,426**	**$ 21,938,246**	**$ 98,713,764**
Net Cash Flow	**(7,995,026)**	**(11,448,816)**	**(20,159,121)**	**(7,868,853)**	**(47,471,817)**
Ending Cash - Operating	**$ 226,716,111**	**$ 215,267,295**	**$ 195,108,174**	**$ 187,239,321**	**$ 187,239,321**
Trapped/Minimum Cash	(70,200,000)	(70,200,000)	(70,200,000)	(70,200,000)	(70,200,000)
Ending Cash - Available	**$ 156,516,111**	**$ 145,067,295**	**$ 124,908,174**	**$ 117,039,321**	**$ 117,039,321**

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS, S.A.S., Defendant.	Adv. Pro. No. 16-3151 (BJH)

DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S RESPONSE TO PLAINTIFF'S SUPPLEMENTAL MEMORANDUM ON POST-HEARING DEVELOPMENTS RELATED TO PERSONAL JURISDICTION AND ABSTENTION

TO THE HONORABLE BARBARA J. HOUSER,
CHIEF UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, Defendant Airbus Helicopters, S.A.S. ("AH"), and files this, its Response to Plaintiff's Supplemental Memorandum on Post-Hearing Developments Related to Personal Jurisdiction and Abstention and, in support thereof, would respectfully show the Court as follows:

Introduction

ECN Capital (Aviation) Corp.'s ("ECN's") Supplemental Memorandum on Post-Hearing Developments Related to Personal Jurisdiction and Abstention ("Supplemental Memorandum") and exhibits attached to the Declaration of Pietro J. Signoracci ("Declaration") contain no new facts that bear on the issues of personal jurisdiction and abstention, or that contradict statements made by AH in briefing or in oral argument. Where it does not rehash the same arguments already briefed and heard by the Court, the Supplemental Memorandum is based on mischaracterizations of a document – the AH Press Release – which, even if they were true, would not establish personal jurisdiction for the very simple reason that the Court honed in on at the February 28, 2017 hearing – none of the facts alleged show any connection between ECN's claims and contacts between AH and the United States, leaving the "relatedness" requirement for specific jurisdiction still entirely unfulfilled.[1]

[1] The Court should not consider ECN's additional evidence because ECN failed to file a motion to reopen evidence. For this reason, AH has separately moved to strike the Supplemental Memorandum and Declaration. To the extent the Court considers ECN's post-hearing submission as an informal motion to reopen, the Court should deny the motion to reopen because the importance of the probative value of the additional evidence is minimal (i.e. the "new" evidence still does not fulfill the "relatedness" requirement for specific jurisdiction). *Garcia v. Woman's Hosp. of Texas*, 97 F.3d 810, 814 (5th Cir. 1996). While AH is not prejudiced if the Court considers ECN's additional evidence, the Court should not allow ECN to waste the Court's time and resources with voluminous filings that fail to assist the Court in determining AH's Motion to Dismiss. *Id*.

Argument

None of the purported "new" facts[2], even if true, have any bearing on the jurisdictional issue. The facts ECN now proffers are:

1. **AH's CEO Guillaume Faury attended the 2017 Heli-Expo conference in Dallas.**

This is not a new fact. ECN already argued in its opposition brief and at the hearing on AH's Motion to Dismiss that attendance by AH and its executives, including current CEO Guillaume Faury, at Heli-Expo events in the United States is a basis for this Court to exercise personal jurisdiction. [ECN's Second Supp. Mem. of Law in Opp. To Def's Mtn. to Dismiss, ECF No. 78, at 6; Feb. 28, 2017 Hr'g Tr., ECF No. 86, 48:20-25.] This fact also continues to have no jurisdictional value, as ECN has made no showing or even argument that Mr. Faury's attendance at the Heli-Expo conference in Dallas has any connection to ECN's claims in this lawsuit, as required to satisfy the "relatedness" requirement for specific jurisdiction. Moreover, attendance at trade shows, even when combined with other forum contacts, is insufficient to establish general jurisdiction after *Daimler AG v. Bauman*, 134 S. Ct. 746 (2014). *See, e.g.*, *Martinez v. Aero Caribbean*, 764 F.3d 1062, 1069-70 (9th Cir. 2014) (finding that, after *Daimler*, sales of hundreds of millions of dollars of aircraft to purchaser in California, contracts with component suppliers in

[2] ECN erroneously claims that the "new" facts support this Court finding that it has personal jurisdiction over AH by citing to *Glinka v. Abraham and Rose Company LTD*, 199 B.R. 484 (D. Vt. 1996), a case which ECN already cited to the Court in its Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss. [ECF No. 78, at 10-11.] *Glinka* is not applicable in this case for a variety of reasons. In *Glinka*, the Court found that it had personal jurisdiction over a non-debtor Defendant that ***intervened*** in an adversary, waived its defense of lack of personal jurisdiction through its extensive participation in the adversary proceeding and failed to raise lack of personal jurisdiction for two years. *Glinka*, 199 B.R. at 496 (emphasis added). Furthermore, the Court in *Glinka* found that it had specific jurisdiction because the adversary arose directly from the alleged fraudulent transactions (shipments of plastic between Vermont and Canada) that created a "substantial connection" with the forum. *Id*. at 497. Unlike the defendant in *Glinka*, in this case (a) AH didn't intervene in this case, (b) AH didn't participate in this adversary for two years before filing its motion to dismiss for lack of personal jurisdiction, and (c) specific jurisdiction does not exist because none of the "new" facts alleged show any connection between ECN's claims and contacts between AH and the United States.

California, attendance at industry conferences in California, and advertising in California was "plainly insufficient to subject [aircraft manufacturer] to general jurisdiction in California").

2. **Mr. Faury stated that 60 helicopter orders were "placed" at Heli-Expo, and that "Airbus further reported that new 'VIP' customers", such as Texas-based Jerry Jones and Mike Wallace, were satisfied with their Airbus Helicopters' products and customer service.**

Citing the AH Press Release, ECN states: "On March 10, 2017, Mr. Faury stated that 60 Airbus helicopters orders were placed at the Heli-Expo 2017." [Supplemental Memorandum, at 3.] That is not what the Press Release says. What it actually says is, "'This year's Heli-Expo has shown that 2017 is already off to a good start for our best-selling products, with orders for about 60 helicopters . . . announced at the show,' said Guillaume Faury, Airbus Helicopters CEO." [Decl. of Pietro Signoracci, ECF No. 88-7, Ex. G, at 2.] Mr. Faury did not say that 60 orders were "placed" at the Heli-Expo, and his statement did not "directly contradict" the evidence of record that AH sells helicopters from its place of business in France, ***including, most importantly, the five helicopters at issue in this case***. And again, as noted, none of AH's activity at Heli-Expo is alleged by ECN to be related to its claims, making them jurisdictionally immaterial.

ECN also misleadingly states that "Airbus further reported . . ." that certain high profile Texas-based customers were satisfied with Airbus Helicopters products and customer service. [Supplemental Memorandum, at 3.] ECN includes this statement in the sentence right after its misquote of Mr. Faury to create the impression that it came from him. It did not. The Press Release clearly attributes this information to a quote by Chris Emerson, who is the CEO of Airbus Helicopters, Inc., a different company from AH that is located in Texas. [Decl. of Pietro Signoracci, ECF No. 88-7, Ex. G, at 3.] And again, without a connection to ECN's claims, this "fact" provides nothing of jurisdictional value to the analysis.

3. Mr. Faury was served with a subpoena to attend a deposition in a different case filed in Texas state court.

ECN does not explain why it matters that Mr. Faury was served with a subpoena (which AH has moved to quash) for a deposition in a different case filed by a different plaintiff involving transactions that are not at issue in this case. In fact, it does not matter, as it also has nothing to do with ECN's claims, and thus also has no jurisdictional relevance.

4. AH has consented to personal jurisdiction in a different case in a Texas state court.

ECN fails to apprise the Court of the very different facts involved in the case filed against AH by Era Group, Inc. in which AH has consented to jurisdiction in Texas state court. The Era case involves transactions and claims having Texas connections that are completely absent from this case. [Decl. of Pietro Signoracci, ECF No. 88-1, Ex. A, *passim*.] As this Court is well aware, the helicopters at issue in this case were never sold or delivered to anyone in the United States, and were never registered or operated anywhere in the United States – unlike in the Era case, there is absolutely no connection with the forum in this case. AH's decision not to contest jurisdiction in the Era case that involved different law[3] and different facts has no bearing on this Court's independent due process analysis based on the unique facts of this case.

Conclusion

ECN's filing should be disregarded. It presents no new material facts, and simply rehashes facts and arguments already made. None of the arguments made by ECN in any of its briefs or at the February 28 hearing establish that AH is subject to the Court's personal jurisdiction. In addition, should the Court determine it has subject matter and personal jurisdiction, the Court

[3] The jurisdictional question in the Era case was governed by the Texas long-arm statute and Texas case law, while the jurisdictional issue in this case is governed by a federal long-arm statute and federal case law.

(Footnote continued on next page)

should abstain from hearing this matter without any conditions. ECN provides no authority[4] that permits the Court to abstain on the condition that AH consent to personal and subject matter jurisdiction in Texas state Court.

Dated: March 23, 2017.

Respectfully submitted,

HIERSCHE, HAYWARD, DRAKELEY
& URBACH, P.C.

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[4] ECN fails to address how its "new" facts change any of the permissive abstention factors discussed at the February 28, 2017 hearing on AH's Motion to Dismiss.

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on March 23, 2017, a true and correct copy of the above and foregoing document was filed with the court via CM/ECF and served on all parties requesting electronic notification.

/s/ Jason M. Katz
Jason M. Katz

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 March 28, 2017

United States Bankruptcy Judge

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

IN RE:	§	
	§	
CHC GROUP LT.D, *et al.*,	§	BANKR. CASE NO. 16-31854-BJH
	§	(CHAPTER 11)
DEBTORS.	§	
	§	
	§	
ECN CAPITAL (AVIATION) CORP.,	§	CASE NO. 3:17-cv-00075-C
	§	
PLAINTIFF,	§	ADV. PROC. NO. 16-3151-BJH
v.	§	
	§	Related to ECF No. 24
AIRBUS HELICOPTERS SAS,	§	
	§	
DEFENDANT.	§	
	§	

PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW REGARDING DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S MOTION TO DISMISS FOR LACK OF SUBJECT MATTER AND PERSONAL JURISDICTION, AND ON THE GROUNDS OF FORUM NON CONVENIENS

Before the Bankruptcy Court is the motion [AP[1] No. 24] (the "**Motion to Dismiss**")[2] filed by Defendant Airbus Helicopters S.A.S. ("**Airbus**"),[3] requesting that the above-captioned adversary proceeding (the "**Adversary Proceeding**") be dismissed for lack of both subject matter and personal jurisdiction and on the grounds of forum non conveniens. Alternatively, Airbus requests that the Bankruptcy Court permissively abstain from hearing the dispute. For the reasons explained below, the Bankruptcy Court concludes that the Motion to Dismiss should be granted; however, it lacks the constitutional authority to enter a final order granting the requested relief. Accordingly, it respectfully submits these Proposed Findings of Fact and Conclusions of Law to the District Court for consideration in accordance with 28 U.S.C. § 157(c)(1).

I. PROPOSED FINDINGS OF FACT[4]

Plaintiff ECN Capital (Aviation) Corp. ("**ECN**"), an Ontario corporation, is a commercial financing business with its headquarters located in Toronto, Canada. Complaint ¶ 5. It provides

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[1] Citations to "AP No." refer to the docket number in the Adversary Proceeding (16-3151), while citations to "BC No." refer to the docket number in the Bankruptcy Case (16-31854).

[2] On the same day that Airbus filed the Motion to Dismiss, it also filed a request that the District Court withdraw its referral of the Adversary Proceeding to the Bankruptcy Court [AP No. 23] (the "**Motion to Withdraw Reference**"). In its Report and Recommendation with respect to the Motion to Withdraw Reference, which the Bankruptcy Court issued concurrently with its Proposed Findings of Fact and Conclusions of Law, the Bankruptcy Court recommends that, should this Court not dismiss the Adversary Proceeding or abstain, it immediately withdraw the reference.

[3] The related pleadings include: (i) Airbus's amended brief in support of the Motion to Dismiss [AP No. 32] ("**Airbus's Original Brief**"), (ii) Plaintiff's Opposition to the Defendant's Motion to Dismiss [AP No. 63] ("**ECN's Original Brief**"), (iii) Plaintiff's Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss [AP No. 74] ("**ECN's First Supplemental Brief**"), (iv) Defendant's Supplemental Brief in Support of Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of Forum Non Conveniens [AP No. 75] ("**Airbus's First Supplemental Brief**"), (v) Plaintiff's Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss [AP No. 78] ("**ECN Second Supplemental Brief**"), and (vi) Airbus's Supplemental (Corrective) Reply Brief [AP No. 81, as corrected by AP No. 82] ("**Airbus's Second Supplemental Brief**").

[4] Any finding of fact more properly considered a conclusion of law, or any conclusion of law more properly considered a finding of fact, should be so considered.

commercial aviation financing to customers in the transportation and energy sectors, among others, throughout Canada and the United States. *Id.*

Defendant Airbus is a French company organized and existing under the laws of France with its principal place of business in Marignane, France. Airbus Ex. A (Declaration of Michel Gouraud) ¶ 3. It designs, manufactures, markets, and sells aircraft, including two models of helicopters sold under the name "Super Puma"—the Eurocopter EC225 (the "**EC225**") and the Eurocopter AS332 L2 (the "**AS332 L2**"). Complaint ¶ 1; ECN Ex. A ¶¶ 3, 6.

ECN currently owns five Super Puma helicopters manufactured by Airbus—one EC225 and four AS332 L2s (collectively, the "**Helicopters**"). Complaint ¶ 4. The Helicopters were initially purchased in France by two foreign companies—CHC Scotia Limited and CHC Leasing (Ireland) Limited. Airbus Ex. A ¶¶ 6-7. Although the record does not disclose the chain of ownership within the CHC group of companies,[5] the CHC-affiliated entity that last owned the Helicopters was CHC Helicopters (Barbados) SRL ("**CHC (Barbados)**"). Complaint ¶ 12. It was CHC (Barbados) that sold the Helicopters to ECN as part of a sale-leaseback transaction whereby ECN purchased the Helicopters and leased them back to CHC (Barbados) for sublease and operation (the "**ECN Leases**"). *Id.* ¶ 12. The ECN Leases were guaranteed by CHC Helicopter S.A., CHC Helicopter Holding S.A.R.L., 6922767 Holding SARL, and Heli-One Leasing, ULC (the "**ECN Lease Guarantors**"). *Id.* ¶ 42; *see* Proofs of Claim Nos. 543, 545, 549, 556, and 575.[6]

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[5] As explained more fully herein, forty-three companies within the CHC group filed voluntary petitions under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court. *See infra* at 4.

[6] Kurtzman Carson Consultants, the Bankruptcy Court-approved claims agent, maintains the Proofs of Claim filed in the Bankruptcy Case. The claims register may be viewed at http://www.kccllc.net/chc/register.

On April 29, 2016, an Airbus-manufactured Super Puma EC225 leased by CHC (Barbados) crashed near Turøy, Norway, killing all 13 individuals on board the aircraft. Complaint ¶ 2. As a result of the crash and subsequent investigation, civil aviation authorities in the United States, Europe, Norway, and the United Kingdom prohibited the flight and/or commercial use of any EC225 or AS332 L2, including the Helicopters. *Id.* ECN, however, did not own the EC225 that crashed in Norway. Hr'g Tr. (2/6/17) 24:19-23 (Katz) [AP No. 73].[7]

On May 5, 2015 (the "**Petition Date**"), CHC Group, Ltd. and 42 of its direct and indirect subsidiaries (collectively, the "**Debtors**") filed for protection under Chapter 11 of the Bankruptcy Code. Complaint ¶ 37. The 43 cases are jointly administered under the lead case of *In re CHC Group, Ltd.*, 16-31854-11 (collectively, the "**Bankruptcy Case**").[8] Among the Debtor entities are CHC (Barbados) and the ECN Lease Guarantors. In addition to the Helicopters, as of the Petition Date the Debtors leased Super Puma helicopters from various other parties and owned six Super Puma helicopters outright. Declaration of David W. Fowkes in Support of Third Amended Joint Chapter 11 Plan of CHC Group Ltd. and its Affiliated Debtors [BC No. 1643] ¶¶ 10, 12.

During the Bankruptcy Case, CHC (Barbados) rejected the ECN Leases in accordance with § 365 of the Bankruptcy Code. *Id.* ¶ 12. Based on the rejections, ECN filed the following Proofs of Claim in the Bankruptcy Case, each for "[n]o less than [$] 94,070,389" (collectively, the "**ECN Proofs of Claim**"):

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[7] Citations to hearing transcripts shall take the form of "Hr'g Tr. (date) pg:line-line (speaker)."
[8] As explained further herein, the Debtors' plan of reorganization was confirmed by Order of the Bankruptcy Court on March 3, 2017 and has now gone effective. *See infra* at 39-40.

Debtor	Case No.	Claim No.	Filing Entity	Basis for Claim
CHC Helicopters (Barbados) SRL	16-31867	543	Element Capital Corporation (n/k/a ECN Capital (Aviation) Corp.)[9]	"Obligations in connection with rejected and/or restructured lease"
CHC Helicopter S.A.	16-31863	545	Element Capital Corporation	"Obligations in connection with a lease pursuant to guarantee"
CHC Helicopter Holding S.A.R.L.	16-31875	549	Element Capital Corporation	"Obligations in connection with a lease pursuant to guarantee"
6922767 Holding SARL	16-31855	556	Element Capital Corporation	"Obligations in connection with a lease pursuant to guarantee"
Heli-One Leasing, ULC	16-31891	575	Element Capital Corporation	"Obligations in connection with a lease pursuant to guarantee"

ECN filed the Complaint on November 17, 2016, which contains the following counts: (i) Negligence, (ii) Strict Products Liability–Manufacturing Defect, (iii) Strict Products Liability–Design Defect, (iv) Strict Products Liability–Inadequate Warning, (v) Breach of Implied Warranty of Merchantability, (vi) Negligent Misrepresentation, and (vii) Fraud. Complaint ¶¶ 19-111. The Complaint also requests punitive and exemplary damages, an award of attorneys' fees and costs, and pre- and post-judgment interest. *Id.* at 30 (Prayer for Relief).[10]

[9] Complaint at 1.

[10] These claims are not set forth in numbered counts, but appear in the Prayer.

II. PROPOSED CONCLUSIONS OF LAW

A. Subject Matter Jurisdiction

1. The Relevant Standard for Ruling on a Federal Rule 12(b)(1) Motion to Dismiss for Lack of Subject Matter Jurisdiction

A challenge to a bankruptcy court's subject matter jurisdiction under Federal Rule of Civil Procedure ("**Federal Rule**") 12(b)(1), as made applicable by Federal Rule of Bankruptcy Procedure ("**Bankruptcy Rule**") 7012, can be mounted as either a facial or factual challenge. *MC Comm'n Serv., Inc. v. Arizona Tel. Co. (In re Intramta Switched Access Charge Litig.),* 158 F.Supp.3d 571, 574 (N.D. Tex. 2015). When a party files a Federal Rule 12(b)(1) motion without including evidence, the challenge to subject matter jurisdiction is facial. *Id*. The court assesses a facial challenge as it does a Federal Rule 12(b)(6) motion in that it "looks only at the sufficiency of the allegations in the pleading and assumes them to be true. If the allegations are sufficient to allege jurisdiction, the court must deny the motion." *Id*. (citation omitted). If, however, the defendant supports the motion with affidavits, testimony, or other evidentiary materials, the attack is factual and the burden shifts to the plaintiff to prove subject matter jurisdiction by a preponderance of the evidence. *Id*.

Although Airbus submitted evidence in support of the Motion to Dismiss, the evidence relates solely to its challenge under Federal Rule 12(b)(2) for lack of personal jurisdiction, which is addressed below. Thus, the Motion to Dismiss is a facial challenge to subject matter jurisdiction under Federal Rule 12(b)(1). Before turning to the allegations in the Complaint, however, a brief overview of "related to" jurisdiction is helpful to understanding this Court's analysis.

2. Related To Jurisdiction Generally

The District Court for the Northern District of Texas has subject matter jurisdiction over bankruptcy cases and proceedings under 28 U.S.C. § 1334. Although bankruptcy courts do not have independent subject matter jurisdiction over bankruptcy cases and proceedings, 28 U.S.C. § 151 grants bankruptcy courts the power to exercise certain "authority conferred" upon the district courts by title 28. Under 28 U.S.C. § 157, the district courts may refer bankruptcy cases and proceedings to the bankruptcy courts for either entry of a final judgment (core proceedings) or proposed findings and conclusions (noncore, related-to proceedings). Thus, the Bankruptcy Court exercises authority over the Bankruptcy Case and the Adversary Proceeding pursuant to the Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc adopted in this district on August 3, 1984.

28 U.S.C. § 1334(b) lists three types of proceedings over which the District Court has jurisdiction – those "arising under title 11," those "arising in" a case under title 11, and those "related to" a case under title 11. The classification of a proceeding under § 1334 depends on the connection of the proceeding to the bankruptcy case. "Arising under" jurisdiction involves "causes of action created or determined by a statutory provision of title 11." *Faulkner v. Eagle View Capital Mgt. (In re The Heritage Org., L.L.C.)*, 454 B.R. 353, 360 (Bankr. N.D. Tex. 2011) (citing *Wood v. Wood (In re Wood)*, 825 F.2d 90, 96 (5th Cir. 1987)). "Arising in" jurisdiction is "not based on a right expressly created by title 11, but is based on claims that have no existence outside of bankruptcy." *Faulkner*, 454 B.R. at 360 (citing *Wood*, 825 F.2d at 97). "Arising under" and "arising in" proceedings are "core" proceedings. 28 U.S.C. § 157(b); *Stern v. Marshall*, 564 U.S. 462, 476 (2011); *U.S. Brass Corp. v. Travelers Ins. Grp., Inc. (In re U.S. Brass Corp.)*, 301 F.3d 296, 304 (5th Cir. 2002).

In comparison, "related to" jurisdiction exists if "the outcome of that proceeding could conceivably have any effect on the estate being administered in bankruptcy." *Celotex Corp. v. Edwards*, 514 U.S. 300, 308 n.6 (1995) (quoting *Pacor, Inc. v. Higgins*, 743 F.2d 984, 994 (3d Cir. 1984)); *see also U.S. Brass*, 301 F.3d at 304. A claim is related to a bankruptcy case "if the outcome could alter the debtor's rights, liabilities, options, or freedom of action (either positively or negatively)." *Kimpel v. Meyrowitz (In re Meyrowitz)*, 2010 WL 5292066, at *5 (Bankr. N.D. Tex. Dec. 20, 2010) (citations omitted). "That state law may affect a proceeding's resolution cannot be the sole basis by which a proceeding is excluded from the otherwise large net cast by 'related to' jurisdiction." *Hartley v. Wells Fargo Bank, N.A. (In re Talsma)*, 509 B.R. 535, 542 (Bankr. N.D. Tex. 2014) (citing 28 U.S.C. § 157(b)(3)). Proceedings that involve merely "related to" jurisdiction and do not otherwise arise under the Bankruptcy Code or arise in a bankruptcy case are "non-core." *Faulkner*, 454 B.R. at 360. In such an instance, a bankruptcy court may not issue a final order adjudicating the claims without the parties' consent. 28 U.S.C. § 157(c).

With this predicate in mind, the Court turns to the allegations in the Complaint.

3. The Court has Related To Jurisdiction Over the Adversary Proceeding

According to ECN's Original Brief [AP No. 63], the paragraphs in its Complaint relevant to subject matter jurisdiction are 8-12 and 40-43.[11] A review of these paragraphs, however, shows that only paragraphs 42 and 43 contain arguably non-conclusory allegations relevant to subject matter jurisdiction.[12] Those paragraphs allege the following:

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[11] *See* ECN's Original Brief [AP No. 63] at 9.

[12] Paragraphs 8 and 9 are comprised of conclusory allegations that the Bankruptcy Court has subject matter jurisdiction. A court need not accept conclusory allegations as true when ruling on a challenge to its subject matter jurisdiction. *Beene v. Aramark Healthcare Support Serv., Inc.*, 2007 WL 1468705, at *2 (N.D. Tex. May 17, 2007) (the court need not strain to find inferences favorable to the plaintiffs nor accept conclusory allegations, unwarranted

> 42. As a result of the CHC Debtors' rejection of their leases with ECN Capital, ECN Capital filed Proofs of Claim Nos. 543, 545, 549, 556, and 575 in the CHC Bankruptcy Cases against certain of the CHC Debtors seeking over $94 million from each such CHC Debtor. Other entities subject to lease rejections by the CHC Debtors filed similar proofs of claim. To the extent that ECN Capital recovers damages against Airbus through this action, the amount of ECN Capital's claims against the CHC Debtors will be reduced by ECN Capital's recovery. Similarly, if other entities subject to lease rejections by the CHC Debtors obtain damages from Airbus on the basis of Airbus's liability in this action, their claims against the CHC Debtors will be reduced by their recovery. Accordingly, the outcome of Plaintiff's claims in this action will: (a) alter the rights, obligations, and choices of action of creditors against the CHC Debtors; (b) alter the rights, obligations, and choices of action by the CHC Debtors against Airbus; (c) impact the CHC Debtors' estates; and (d) have an effect on the administration of the CHC Debtors' estates.
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> 43. On information and belief, in addition to the Super Pumas for which the CHC Debtors rejected leases in the CHC Bankruptcy Cases, the CHC Debtors own and/or have owned other Super Puma EC225s and/or Super Puma AS332 L2s as well. The CHC Debtors thus could stand to recover damages directly from Airbus for Airbus's negligence, defective design, defective manufacturing, failure to warn, violation of implied warranty of merchantability, negligent misrepresentation, and/or fraud, which recovery would accrue to the benefit of the CHC Debtors' estates.

In its Original Brief, ECN elaborates on its allegations in paragraphs 42(b)-(c) and 43 by explaining that if, "for example, ECN Capital succeeds on any of its claims, Airbus could be liable to the Debtors on collateral estoppel grounds for claims arising from the April 2016 crash and subsequent grounding—which claims the Debtors have expressly preserved [under their plan of reorganization] and which involve substantially similar facts and circumstances to those at issue here." ECN's Original Brief [AP No. 63] at 2.

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deductions, or legal conclusions). Paragraph 10 alleges that the Bankruptcy Court has supplemental jurisdiction over ECN's claims. However, it is the District Court, not the Bankruptcy Court, that would try the Adversary Proceeding, making this argument moot. Paragraphs 11 and 40 contain allegations regarding personal jurisdiction, while paragraph 12 addresses venue. Finally, paragraph 40 only addresses CHC (Barbados)'s rejection of the ECN Leases.

Airbus, however, argues that the Bankruptcy Court must dismiss the Adversary Proceeding because it is a non-core proceeding that will have no effect on the Bankruptcy Case. Airbus's Original Brief [AP No. 32] at 1. According to Airbus:

> ECN's action does not involve claims against the CHC Debtors and does not involve their estates' property. The helicopters are owned by ECN, and the leases have already been rejected by the CHC Debtors. Whether ECN can recover from [Airbus] for its own, separate alleged economic loss caused by the groundings will have no effect on the Debtors' estates. The sources of damages to ECN in the proceedings are completely separate – rejected leases (bankruptcy) versus the grounding (adversary). Moreover, to the extent ECN recovers damages from [Airbus] in this lawsuit, that money would go to ECN, not the CHC Debtors.

Id. at 7-8. Simply put, Airbus believes that ECN's arguments are far too tenuous to support related to jurisdiction. Although the Court agrees that the Adversary Proceeding's potential effect on the bankruptcy estates is tenuous, that effect is still "conceivable" and thus sufficient to confer subject matter jurisdiction, as the Court will now explain.

In its briefs, ECN generically uses the term "collateral estoppel" in describing the conceivable effect that the Adversary Proceeding could have on the bankruptcy estates, without explaining whether it is referring to claim or issue preclusion. Thus, the Court must analyze both. For claim preclusion to apply,

> [f]irst, the parties in a later action must be identical to (or at least be in privity with) the parties in a prior action. Second, the judgment in the prior action must have been rendered by a court of competent jurisdiction. Third, the prior action must have concluded with a final judgment on the merits. Fourth, the same claim or cause of action must be involved in both suits.

U.S. v. Shanbaum, 10 F.3d 305, 310 (5th Cir. 1994). Here, ECN is unable to prove the first element because the Debtors are not a party to the Adversary Proceeding nor is there any allegation that they are in privity with ECN. Thus, claim preclusion could not apply under these facts.

Issue preclusion, however, could apply to the facts as alleged by ECN. As previously explained in *In re Wyly*, issue preclusion binds a party to the determination of an issue that was litigated in a prior judgment if—

> [f]irst, the issue under consideration in a subsequent action must be identical to the issue litigated in a prior action. Second, the issue must have been fully and vigorously litigated in the prior action. Third, the issue must have been necessary to support the judgment in the prior case. Fourth, there must be no special circumstance that would render preclusion inappropriate or unfair.

In re Wyly, 2015 WL 5042756, at *6 (Bankr. N.D. Tex. Aug. 25, 2015) (quotations and citations omitted). As explained by the Fifth Circuit:

> The differences between claim preclusion and issue preclusion are significant. Waiver is not a motivating principle behind issue preclusion. Instead, courts reason that if another court has already furnished a trustworthy determination of a given issue of fact or law, a party that has already litigated that issue should not be allowed to attack that determination in a second action. Moreover, under issue preclusion, unlike claim preclusion, the subject matter of the later suit need not have any relationship to the subject matter of the prior suit.

Shanbaum, 10 F.3d at 311.

As previously described, ECN has sued Airbus alleging various negligence and products liability claims arising from damages associated with its ownership of the Helicopters that were grounded after the 2016 crash. These are the same types of claims likely held by certain of the Debtors that also own Super Puma helicopters that were similarly grounded. If ECN receives a ruling in the Adversary Proceeding that a specific part was defective, that Airbus knew of the defect, or similar rulings encompassed in negligence and/or products liability claims, the applicable Debtor could likely rely on issue preclusion in a subsequent lawsuit brought against Airbus. Although the application of issue preclusion involves a hypothetical scenario at this

point,[13] ECN and the applicable Debtors each hold the right to bring these type of claims against Airbus flowing from the crash and subsequent grounding of the Super Puma helicopters, which means the application of issue preclusion *could* have a *conceivable* effect on the applicable bankruptcy estates by altering the applicable Debtor's rights, options, and freedom of action, thus meeting the very broad definition of related to jurisdiction applicable in the Fifth Circuit. Accordingly, the Court concludes that the Adversary Proceeding is related to the Bankruptcy Case.[14]

B. Personal Jurisdiction

1. The Relevant Standard for Ruling on a Federal Rule 12(b)(2) Motion to Dismiss for Lack of Personal Jurisdiction

When a nonresident defendant moves to dismiss for lack of personal jurisdiction, the plaintiff bears the burden of establishing the court's jurisdiction. *Stuart v. Spademan*, 772 F.2d 1185, 1192 (5th Cir. 1985). The court may determine the jurisdictional issue by receiving affidavits, interrogatories, depositions, oral testimony, or any combination of the recognized methods of discovery. *Id.* Here, Airbus relied on documents outside of the Complaint to challenge personal jurisdiction, which ultimately resulted in the parties undertaking discovery and the Bankruptcy Court holding an evidentiary hearing on the Motion to Dismiss on February 28, 2017 (the "**Hearing**").[15] Thus, ECN must show, by a preponderance of the evidence, that the Court has

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[13] This is because the applicable Debtors have not sued Airbus and it is unknown if they will ever sue Airbus bringing these same or substantially similar claims.

[14] On March 3, 2017, this Court entered an order [BC No. 1791] approving a settlement between the Debtors and ECN that awarded ECN "separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims" in the amount of $85,700,000 against each of CHC (Barbados) and the ECN Lease Guarantors. Because of this settlement, ECN's other argument, that its recovery in the Adversary Proceeding could reduce its claims against the estates, is moot.

[15] A copy of the Hearing transcript may be found at AP No. 86.

personal jurisdiction over Airbus. *Felch v. Transportes Lar–Mex SA DE CV*, 92 F.3d 320, 326 (5th Cir. 1996).

When analyzing personal jurisdiction, a court must first consider whether a federal statute or rule defines the extent of its personal jurisdiction. *Smith v. Matias (In re IFS Fin. Corp.)*, 2007 WL 2692237 (Bankr. S.D. Tex. Sept. 11, 2007) (citing *Federalpha Steel LLC Creditors Trust v. Fed. Pipe & Steel Corp. (In re Federalpha Steel LLC)*, 341 B.R. 872, 887 (Bankr. N.D. Ill. 2006)). Here, Bankruptcy Rule 7004(f) defines personal jurisdiction over defendants in an adversary proceeding, authorizing personal jurisdiction to the extent allowed by the Fifth Amendment Due Process clause. *Id.* (citing cases). Consequently, a bankruptcy court's personal jurisdiction is not affected by a state's long-arm statute or constitution. *Id.*

The Due Process Clause permits the exercise of personal jurisdiction over a nonresident defendant when: (i) the defendant has minimum contacts with the forum, and (ii) the exercise of jurisdiction does not offend "traditional notions of fair play and substantial justice." *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 474 (1985); *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945); *Paz v. Brush Engineered Materials, Inc.*, 445 F.3d 809, 813 (5th Cir. 2006). Minimum contacts are required to preserve a defendant's Due Process right not to be brought into a forum without "fair warning" that prior conduct subjected them to that forum's jurisdiction. *Burger King Corp.*, 471 U.S. at 471–72. The plaintiff bears the burden of establishing minimum contacts. *Seiferth v. Helicopteros Atuneros, Inc.*, 472 F.3d 266, 271 (5th Cir. 2006). If successful, the burden then shifts to the defendant to establish that the exercise of jurisdiction would be unfair or unreasonable. *Id.*

The minimum-contacts analysis used in diversity cases is applied to a foreign defendant in bankruptcy court adversary proceedings based on federal law, with one exception. Instead of

looking only at the defendant's contacts within the forum state, courts aggregate the defendant's contacts within the entire United States. *In re IFS Fin. Corp.*, 2007 WL 2692237, at *3; *Levey v. Hamilton (In re Teknek, LLC)*, 354 B.R. 181, 192 (Bankr. N.D. Ill. 2006).

The Supreme Court has rejected "talismanic jurisdiction formulas" to determine personal jurisdiction. *Burger King Corp.*, 471 U.S. at 485–86. However, the contacts must be "purposeful" as opposed to "fortuitous" or "attenuated," and the contacts must be significant enough that a reasonable person would foresee that their "conduct and connection with the forum State are such that he should reasonably anticipate being haled into the court there." *Id.* at 474 (quoting *World–Wide Volkswagen v. Woodson*, 444 U.S. 286, 297, 299 (1980)).

A defendant's "minimum contacts" may give rise to either general personal jurisdiction or specific personal jurisdiction. A court with general personal jurisdiction over a non-forum defendant has jurisdiction to adjudicate any claim against that defendant, including claims that do not arise in the forum state. *Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 414 n.9 (1984). A court may exercise general personal jurisdiction over any action brought against a defendant if the defendant's contacts with the forum state are "continuous and systematic." *Seiferth*, 472 F.3d at 271. When examining a general personal jurisdiction issue, courts consider the defendant's contacts occurring within the forum "over a reasonable number of years, up to the date the suit was filed." *Access Telecom, Inc., v. MCI Telecomm. Corp.*, 197 F.3d 694, 717 (5th Cir. 1999) (citing *Metro. Life Ins. Co. v. Robertson–Ceco Corp.*, 84 F.3d 560, 569 (2d Cir. 1996)).

Absent general personal jurisdiction, a court may still exercise limited specific personal jurisdiction over a defendant. Unlike general personal jurisdiction, specific personal jurisdiction does not extend to any claim against the non-forum defendant. Instead, specific personal

jurisdiction is limited to causes of action that arise from conduct that occurred in or was directed to the forum location. *Burger King Corp*., 471 U.S. at 472-73 n.15.

Here, ECN has alleged that: (i) by participating in the Bankruptcy Case, Airbus has submitted itself to the personal jurisdiction of the Bankruptcy Court (and thus this Court) for ECN's allegedly related claims, and (ii) the Bankruptcy Court (and thus this Court) has specific personal jurisdiction over Airbus for purposes of hearing the Adversary Proceeding.[16] The Court will address these in turn.

2. This Court Lacks Specific Personal Jurisdiction Over Airbus

a. Airbus Has Not Consented to Personal Jurisdiction in this Court

It is undisputed that Airbus has voluntarily participated in the Bankruptcy Case by, among other things: (i) filing a Notice of Appearance in which it describes itself as a party in interest to the Bankruptcy Case [BC Nos. 339, 1750], (ii) serving on the Official Committee of Unsecured Creditors appointed by the Office of the United States Trustee [BC No. 137], (iii) filing proofs of claim for goods and/or services provided to certain of the Debtors prior to the Petition Date [Claim Nos. 353, 365], and (iv) objecting to prior efforts by ECN to take a Bankruptcy Rule 2004 examination related to certain of the Debtors' potential claims against Airbus [BC No. 862]. Because of this, ECN argues that Airbus has submitted itself to the Bankruptcy Court's jurisdiction for any claim related to the proofs of claim that Airbus filed against certain of the Debtor's bankruptcy estates. ECN's Original Brief [AP No. 63] at 17.

[16] ECN does not argue that this Court has general personal jurisdiction over Airbus independent of Airbus's alleged consent. Hr'g Tr. (2/28/16) 45:21-22 (Flumenbaum) ("I don't believe we would have general jurisdiction but for [Airbus] coming into this Court.").

In support of this argument, ECN cites to various cases where courts have exercised jurisdiction in allegedly "similar circumstances." ECN Second Supplemental Brief [AP No. 78] at 10-13. ECN's cases, however, are clearly distinguishable. For example, ECN cites to *Kriegman v. Cooper (In re LLS American, LLC)*, 2012 WL 2564722, at *7 (Bankr. E.D. Wash. 2012) for the proposition that, by filing a proof of claim and participating in motion practice, a claimant has submitted itself to the bankruptcy court's jurisdiction for related claims. *Id.* at 10-11. *LLS*, however, has several distinguishing characteristics, including that (i) a bankruptcy trustee (asserting claims on behalf of the bankruptcy estate)[17] was the plaintiff, and (ii) the defendant had participated in the adversary proceeding *before* filing a motion to dismiss for lack of personal jurisdiction. *In re LLS American, LLC*, 2012 WL 2564722, at *3. Moreover, the *LLS* defendant's proof of claim was filed for money loaned to or investments in the debtor, and the adversary proceeding against it was for allegedly preferential transfers under 11 U.S.C. § 548 related to the debtor's Ponzi scheme. *Id.* at *4. Among other things,[18] the court in *LLS* relied on the nature of the claim and the adversary, coupled with 11 U.S.C. § 502(d),[19] to find that, by filing the proof of claim, the defendant had submitted to the court's personal jurisdiction. *Id.* at *5-7. ECN's other cases on this point are similarly distinguishable.

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[17] Here, however, no Debtor claim is directly at issue. The claims pled in the Adversary Proceeding are claims of a non-debtor (ECN) against another non-debtor (Airbus).

[18] The *LLS* court also found that the defendant consented to the court's jurisdiction by previously filing and prosecuting a motion to withdraw reference. *Id.* at *7.

[19] 11 U.S.C. § 502(d) states, in relevant part, that "the court shall disallow any claim of any entity from which property is recoverable under section 542, 543, 550, or 553 of this title or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of this title, unless such entity or transferee has paid the amount, or turned over any such property, for which such entity or transferee is liable under section 522(i), 542, 543, 550, or 553 of this title."

For example, *Securities Investor Protections Corp. v. Bernard L. Madoff Investment Securities, Inc.*, 460 B.R. 106 (S.D.N.Y. 2011) *aff'd*, 474 B.R. 76 (S.D.N.Y. 2012), involved an avoidance action brought by a bankruptcy trustee, again asserting claims on behalf of the bankruptcy estate. The court found that it had personal jurisdiction over the foreign defendant because, among other things, (i) the foreign defendant had entered into and performed under an agreement with a New York choice of law clause, (ii) the foreign defendant's "investment manager" had an address in Connecticut, (iii) the foreign defendant directed investments to the United States and had engaged in a series of repeated transactions that intentionally channeled investor money into the debtor's Ponzi scheme in New York, and (iv) several of the trustee's claims arose out of or were related to the defendant's contacts with the United States such that it should reasonably have anticipated any adjudication of the transactions would take place in the United States. *Id.* at 116-19. Although the *Madoff* court took into consideration that the defendant had participated in the underlying bankruptcy case by filing a notice of appearance and attending hearings in New York through counsel, those actions were not the sole basis of its ruling. *Id.* at 119.

In *Deak & Co., Inc. v. Ir. R.M.P Soedjono (In re Deak & Co., Inc.)*, 63 B.R. 442 (Bankr. S.D.N.Y. 1986), the debtor owned substantially all of the stock of a foreign bank ("**FOCO**"). Prepetition, the debtor had pledged 8,000 of those shares to a foreign entity ("**DAMA**"). After filing for bankruptcy, the debtor sought to sell its stock in FOCO free and clear of all liens, claims, and encumbrances, including those arising from the pledge to DAMA, on the basis that the pledge was the subject of a bona fide dispute under 11 U.S.C. § 363(f)(4). *Id.* at 424-25. Prior to the proposed sale, DAMA had filed a notice of appearance in the bankruptcy case, stating that it was "a party in interest and equity security holder in these proceedings." *Id.* at 424. Although DAMA

received notice of the proposed sale and its counsel attended the sale hearing, it filed no objection to the sale. *Id.* at 424-25. The bankruptcy court ultimately approved the sale, which was "free and clear of all liens, claims, pledges, and other encumbrances," with any such interests to attach to the sale proceeds. *Id.* at 425.

After the bankruptcy court approved the sale, DAMA sought and obtained an ex parte injunction from a Swiss court in Zurich restraining the debtor from transferring the FOCO shares to the purchaser. *Id.* at 425-26. The debtor then commenced an adversary proceeding against DAMA in the bankruptcy court seeking to set aside the pledge as a preference or fraudulent conveyance. *Id.* at 426. In response, DAMA filed a motion to dismiss alleging, among other things, that the bankruptcy court lacked personal jurisdiction over it. Although the bankruptcy court held that DAMA had submitted itself to the bankruptcy court's personal jurisdiction by filing a notice of appearance and participating in the bankruptcy case, that court clearly expressed its concerns over DAMA's attempts to thwart the sale despite its knowledge of, and participation in, the bankruptcy case. *Id.* at 432 ("DAMA's commencement of the Swiss action subsequent to Deak's [bankruptcy] filing contravened the letter and spirit of § 362, and is a serious affront to this court's jurisdiction by a party who had already appeared in this bankruptcy case"). Moreover, the court specifically noted that DAMA's counsel appeared at the sale hearing, yet gave no indication of DAMA's intent to challenge the sale:

> Furthermore, DAMA's appearance at the August 6, 1985 [sale] hearing, coupled with his failure to qualify statements made by Deak with regard to DAMA's interest, were further evidence of submission to this court's jurisdiction. Deak stated clearly at the hearing that the DAMA pledge was in dispute and that its validity would be determined at a later date. The present adversary proceeding seeks to determine precisely that matter. Deak further represented that it was "aware of no objection by any of the three lienors with respect to this prong of the application." Transcript, August 6, 1985, at 19. Specifically, Deak sought to have the liens, if their validity was established, to attach to the proceeds of the sale. DAMA had an

> opportunity but never voiced his objection to this court's jurisdiction which he easily could have done. Had an objection been interposed by DAMA at this juncture or by the other lienors, this court may well have structured the order it signed allowing the sale to go forward differently. DAMA's silence throughout estops him from now raising the issue of personal jurisdiction; his acts and non-acts have amounted to a legal submission to the jurisdiction of this court.

Id. at 432-33.

From this Court's perspective, ECN reads *Deak* too broadly. It does not stand for the general proposition that, by filing a notice of appearance and participating in a bankruptcy case, a creditor subjects itself to the personal jurisdiction of the bankruptcy court for all times or for all issues. Notably, the issues in *Deak* each involved the debtor's shares in FOCO. Here, however, ECN's claims in the Adversary Proceeding (negligence and products liability against Airbus, not any Debtor) and those reflected in Airbus's proofs of claims (prepetition goods and/or service provided to certain of the Debtors) are legally distinct and wholly unrelated.

ECN's remaining cases are similarly distinguishable. *See, e.g., Mobley v. Quality Lease and Rental Holdings, LLC (In re Quality Lease & Rental Holdings, LLC)*, 2016 WL 416961 (S.D. Tex. Feb. 1, 2016) (holding in relation to a jury demand that "[fi]ling a proof of claim brings a creditor within the equitable jurisdiction of a bankruptcy court and thereby waives the Seventh Amendment right to a jury trial on issues that are related to the proof of claim."); *Schwinn Plan Committee v. TI Reynolds 531 Limited (In re Schwinn Bicycle Co.*), 182 B.R. 526 (N.D. Ill. 1995) (by filing proof of claim for outstanding invoices, foreign creditor subjected itself to personal jurisdiction in adversary proceeding brought by the Chapter 11 plan committee to recover preferential transfers); *Neese v. First Nat'l Bank of Grayson, Ky. (In re Neese)*, 12 B.R. 968 (W.D. Va. 1981) (by filing proofs of claim, defendants consented to the personal jurisdiction of the bankruptcy court in adversary to disallow those claims); *Glinka v. Abraham and Rose Co. Ltd.*,

199 B.R. 484 (Bankr. D. Vt. 1996) (bankruptcy trustee and debtor's primary secured creditor commenced adversary to set aside allegedly fraudulent transfers; court found that foreign defendant had waived any objection to personal jurisdiction by voluntarily intervening in the adversary proceeding and actively participating in the proceeding for an extended period of time without challenging the court's personal jurisdiction). Thus, Airbus's actions in the Bankruptcy Case are insufficient for this Court to conclude that it has consented to the Bankruptcy Court's (and thus this Court's) personal jurisdiction over it with regard to the claims pled against it by ECN in the Adversary Proceeding.

ECN next argues that Airbus filing proofs of claim in the Bankruptcy Case is the equivalent of Airbus filing a lawsuit in the Bankruptcy Court. And, in Texas, "[v]oluntarily filing a lawsuit in a jurisdiction is a purposeful availment of the jurisdiction's facilities and can subject a party to personal jurisdiction in another lawsuit when the lawsuits arise from the same general transaction." ECN's Original Brief [AP No. 63] at 18 & n.28, 29 (citing *Hess v. Bumbo Int'l Trust*, 954 F.Supp.2d 590, 597 (S.D. Tex. 2013); *Int'l Transactions, Ltd. v. Embotelladora Agral Regionmontana SA de C*V, 277 F.Supp.2d 654, 667–68 (N.D. Tex. 2002)).

As before, ECN's cases are distinguishable from the facts here. First, neither *Int'l Transactions* nor *Hess* involved a bankruptcy case. Moreover, in *Int'l Transactions*, the court found consent to jurisdiction because the foreign defendant had previously filed two separate lawsuits in the forum that were directly related to proceedings the plaintiff filed in the same forum. 277 F.Supp.2d at 667–68. Finally, in *Hess*, the court found general personal jurisdiction based on

the defendant's forum contacts, not its involvement with prior litigation. 954 F.Supp.2d at 593-97.[20]

Moreover, even if this Court were to find that Airbus filing proofs of claim in the Bankruptcy Case is the equivalent of Airbus filing a lawsuit in the Bankruptcy Court, ECN's claims in the Adversary Proceeding do not relate to Airbus's proofs of claim. As previously explained, ECN's claims against Airbus in the Adversary Proceeding are for alleged negligence and products liability related to the Helicopters it owned at the time of the crash. On the other hand, Airbus's proofs of claim are for goods and/or services it provided to Debtors Heli-One Canada ULC (Claim No. 353) and Heli-One (Norway) AS (Claim No. 365) prior to the Petition Date.

Despite this, ECN argues that Airbus has "submitted itself to the specific personal jurisdiction of the Court for claims related to the Bankruptcy Cases in which Airbus filed its own proofs of claim." ECN's Original Brief [AP No. 63] at 18. The mere fact that both ECN and Airbus filed claims in the same jointly-administered bankruptcy cases involving 43 affiliated debtors[21] is insufficient for this Court to find that Airbus has consented to the Bankruptcy Court's personal jurisdiction over it for unrelated claims brought against it by ECN.

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[20] *Praetorian Specialty Ins. Co. v. Auguillard Const. Co.*, 829 F.Supp.2d 456 (W.D. La. 2010), and *Gen. Contracting & Trading Co., LLC v. Interpole, Inc.*, 940 F.2d 20 (1st Cir. 1991), are equally distinguishable, as each involved a situation where consent was found because the defendant had filed lawsuits in the same forum based on the same operative facts. Finally, *Fort v. SunTrust Bank (In re Int'l Payment Group, Inc.*), 2011 WL 5330783 (Bankr. D.S.C. Nov. 3, 2011), did not involve a challenge to personal jurisdiction but the constitutionality of the referral of the lawsuit to the bankruptcy court. *Id.* at *1.

[21] As noted previously, ECN filed proofs of claim against CHC (Barbados), CHC Helicopter S.A., CHC Helicopter Holding S.A.R.L., 6922767 Holding SARL, and Heli-One Leasing, ULC related to the ECN Leases and CHC (Barbados)'s rejection of the ECN Leases, while Airbus filed proofs of claim against Heli-One Canada ULC and Heli-One (Norway) AS related to goods and services it provided to those Debtors. And, as noted previously, ECN's claims

Of significance, ECN does not to cite to, nor could this Court find through its own research, a single case where a court has held that a creditor/defendant submitted itself to the personal jurisdiction of the bankruptcy court by filing a proof of claim and/or participating in the underlying bankruptcy case when the subject adversary proceeding (i) was brought by another creditor of debtor asserting its own claims (not claims of the estate), and (ii) the claims asserted in the adversary proceeding were distinct from the claims the creditor/defendant sought to recover on when it filed its proof of claim against the debtor. ECN's argument simply expands the scope of personal jurisdiction in a bankruptcy case too far.

For all of these reasons, the Court concludes that Airbus's participation in the Bankruptcy Case is, standing alone, insufficient to give rise to personal jurisdiction over Airbus in a lawsuit brought against it by ECN and arising from matters unrelated to Airbus's proofs of claim.

b. ECN Has Failed to Show a Close Nexus between Airbus's Alleged Contacts with the United States and the Claims Alleged in the Adversary Proceeding

For specific personal jurisdiction to be proper, Due Process requires (i) minimum contacts by the defendant purposefully directed at the forum state, (ii) a nexus between the defendant's contacts and the plaintiff's claims, and (iii) that the exercise of jurisdiction over the defendant be fair and reasonable. *ITL Int'l, Inc. v. Constenla, S.A.*, 669 F.3d 493, 498 (5th Cir. 2012). The plaintiff has the burden of demonstrating specific personal jurisdiction for each claim asserted against the nonresident defendant. *Seiferth*, 472 F.3d at 274-75.

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against Airbus in the Adversary Proceeding are negligence and products liability type claims relating to Airbus's design, manufacture, and sale of the Helicopters.

For reasons it explains below, the Court will focus on the second prong of the analysis. This is so because, even assuming that ECN could meet its burden to show that Airbus had sufficient minimum contacts with the United States,[22] ECN has failed to prove (or even allege) a nexus between those contacts and its claims in the Adversary Proceeding. ECN's failure on this point is fatal because specific personal jurisdiction is "case-linked" and grants a court only the power to hear "issues deriving from, or connected with, the very controversy that establishes jurisdiction." *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 564 U.S. 915, 918-19 (2011) ("Because the episode-in-suit, the bus accident, occurred in France, and the tire alleged to have caused the accident was manufactured and sold abroad, North Carolina courts lacked specific jurisdiction to adjudicate the controversy."); *see Helicopteros Nacionales de Colombia, S.A.*, 466 U.S. at 413-16 & n.8; *Jones v. Petty–Ray Geophysical Geosource, Inc.*, 954 F.2d 1061, 1068 (5th Cir.) (specific personal jurisdiction is proper only if the cause of action arises from a particular act or activity in the forum), *cert. denied*, 506 U.S. 867 (1992).

The record before the Court is devoid of any evidence that ECN's claims arise out of or are related to Airbus's contacts with the United States. Indeed, ECN failed to address the nexus prong of specific personal jurisdiction in the Complaint and its pre-Hearing briefs. Accordingly, at the Hearing, ECN's counsel was asked to identify the nexus between ECN's negligence and products liabilities claims and Airbus's alleged contacts with the United States. According to ECN's counsel:

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[22] Because ECN has failed to prove a close nexus between its claims against Airbus and Airbus's alleged contacts with the United States, the Court need not undertake the minimum contacts prong of the personal jurisdiction analysis. This is so because, even if every contact that ECN alleges between Airbus and the United States occurred, ECN has still failed to meet its burden as there is no nexus between such contacts and its claims.

> The nexus is that [ECN's] claims are based on diminution in value of those helicopters, due to Airbus's negligence, product liability, fraud, et cetera. And the reason I have these damages is as a result, in part, of activities that occurred in Texas, with respect to the bankruptcy of CHC…. I've lost lease income, which I'm never going to regain back, because of the grounding.

Hr'g Tr. (2/28/16) 53:12-22 (Flumenbaum) [AP No. 86].

Although not particularly clear, ECN appears to argue that the nexus between ECN's injuries and Airbus's contacts with the United States is the Bankruptcy Case and the Bankruptcy Court's order permitting the rejection of the ECN Leases by CHC (Barbados), which triggered a rejection claim against it and guarantee claims against the ECN Lease Guarantors. However, CHC (Barbados)'s decision to reject the ECN Leases did not give rise to ECN's negligence and products liability claims against Airbus. Indeed, ECN's claims against Airbus (i) existed prior to the Petition Date, (ii) are wholly independent from the Bankruptcy Case, and (iii) would exist whether the ECN Leases were rejected or not. Notably, at the Hearing, ECN's counsel was unable to cite to any portion of the record supporting ECN's argument. *Id.* 53:23-66:19 (Flumenbaum).

Accordingly, this Court concludes that it does not have specific personal jurisdiction over Airbus in relation to the Adversary Proceeding and that the Motion to Dismiss must be granted.

Before moving on to Airbus's request to dismiss the Adversary Proceeding on grounds of forum non conveniens, the Court notes that, on March 20, 2017 (nearly three weeks after the evidentiary record was closed), ECN filed with the Bankruptcy Court a post-hearing brief [AP No. 87] (the "**Post-Hearing Brief**") and a 224 page appendix [AP No. 88] (the "**Appendix**"). The Bankruptcy Court did not request post-Hearing submissions from the parties, and ECN neither requested leave of Court to file its brief nor did it request that the evidentiary record be reopened with respect to the Appendix. Although Airbus moved to strike the Post-Hearing Brief and Appendix [AP No. 90], it also admitted that this Court considering the documents would not cause

it prejudice [AP No. 92 at 2 n.2]. Thus, the Court will consider the Post-Hearing Brief and Appendix.

In its Post-Hearing Brief, ECN alleges that new facts have come to light since the Hearing showing that the Declaration of Michel Gouraurd submitted at the Hearing [Airbus Ex. A] was false in several respects, including how Airbus does business in, and has contacts with, the United States. These new allegations include that: (i) post-Hearing, Airbus consented to the personal jurisdiction of a Texas state court in a lawsuit involving Super Puma helicopters, (ii) in early March 2017, an Airbus executive attended an industry event in Dallas where Airbus showcased its helicopters, and (iii) the same executive stated in a press release that 60 Airbus helicopter orders were placed at the event, and that Airbus reported that several "VIP customers" who are Texas residents testified to their satisfaction with Airbus products and customer service. Post-Hearing Brief at 3.

First, the Court finds unpersuasive ECN's arguments that the Appendix contains evidence showing that the Declaration of Michel Gouraud was false. To the contrary, the Court found portions of the Post-Hearing Brief inaccurate, often presenting documents in the Appendix from a skewed perspective. For example, citing to a press release, ECN states: "On March 10, 2017, Mr. Faury stated that 60 Airbus helicopters orders were placed at the Heli-Expo 2017 [held in Dallas]." Post-Hearing Brief at 3. That is incorrect. What the press release says is: " 'This year's Heli-Expo has shown that 2017 is already off to a good start for our best-selling products, with orders for about 60 helicopters including the H125, H135, H145, and H175 announced at the show,' said Guillaume Faury, Airbus Helicopters CEO." Appendix Ex. G [88-7] at 2. Mr. Faury did not say that 60 orders were "placed" at the Heli-Expo, and his statement did not "directly contradict" the

other evidence in the record that Airbus sells helicopters from its place of business in France, including, most importantly, the Helicopters owned by ECN.

These types of inaccuracies aside, ECN again exclusively focuses its efforts on establishing Airbus's minimum contacts with the United States to the complete exclusion of showing a nexus between those contacts and ECN's claims. Without this nexus, specific personal jurisdiction cannot exist. Thus, as previously explained, even if every contact that ECN alleges between Airbus and the United States occurred, ECN has still failed to carry its burden of proving that specific personal jurisdiction exists over Airbus.

The Court is also unpersuaded that Airbus's decision to consent to personal jurisdiction in a Texas state court with respect to another Super Puma lawsuit shows its consent to the personal jurisdiction of the Bankruptcy Court (and, in turn, this Court) with respect to the Adversary Proceeding. Notably, neither the Debtors nor ECN is a party to the other Texas state court lawsuit, and that lawsuit is wholly unrelated to the Bankruptcy Case. The Court simply sees no relevance between a Texas state court lawsuit involving other plaintiffs and Airbus's actions in the Bankruptcy Case. To the extent that ECN raises this argument in relation to the third prong of specific personal jurisdiction (that the exercise of jurisdiction be fair and reasonable), the Court does not reach that consideration because ECN has failed to establish a nexus between its claims and Airbus's alleged contacts with the United States.

For these reasons, the Post-Hearing Brief and Appendix did not alter this Court's conclusion that it lacks personal jurisdiction over Airbus.

C. Alternatively, the Adversary Proceeding Should be Dismissed on Grounds of Forum Non Conveniens

Because the Court has concluded that it lacks personal jurisdiction over Airbus, it need not consider Airbus's request that the Adversary Proceeding be dismissed on grounds of forum non conveniens. *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 504 (1947) (holding that the doctrine of forum non conveniens can never apply if there is an absence of jurisdiction). However, should an appellate court ultimately determine that this Court has both subject matter jurisdiction over the claims asserted in the Adversary Proceeding and personal jurisdiction over Airbus, the Court concludes that the Adversary Proceeding should be dismissed on the grounds of forum non conveniens.

"In all cases in which the doctrine of forum non conveniens comes into play, it presupposes at least two forums in which the defendant is amenable to process; the doctrine furnishes criteria for choice between them." *Id*. at 506–07. If a court determines that an adequate alternative forum exists, then it should consider the private interests of the litigant, including (i) the relative ease of access to proof, (ii) the availability of compulsory process for attendance of unwilling witnesses, and the cost of obtaining attendance of willing witnesses, (iii) the possibility of view of premises, if view would be appropriate to the action, and (iv) all other practical problems that make trial of a case easy, expeditious and inexpensive as well as the enforceability of the judgment. *Id.* at 508. If the private interest factors are not dispositive of the issue, the court should also consider the public interest factors, which include:

> (i) the administrative difficulties flowing from court congestion; (ii) the local interest in having localized controversies resolved at home; (iii) the interest in having the trial of a diversity case in a forum that is familiar with the law that must govern the action; (iv) the avoidance of unnecessary problems in conflicts of law, or in application of foreign law; and (v) the unfairness of burdening citizens in an unrelated forum with jury duty.

DTEX, LLC v. BBVA Bancomer, S.A., 508 F.3d 785, 794 (5th Cir. 2007).

The defendant carries the burden of persuading the court that a lawsuit should be dismissed on forum non conveniens grounds. *Id.* at 795 (citing *In re Ford Motor Co., Bridgestone/Firestone North American Tire*, 344 F.3d 648, 652 (7th Cir. 2003)). Ordinarily, a strong favorable presumption is applied to the plaintiff's choice of forum. *Id.* at 796. "[U]nless the balance is strongly in favor of the defendant, the plaintiff's choice of forum should rarely be disturbed." *Gulf Oil Corp.*, 330 U.S. at 508. The doctrine of forum non conveniens is appropriate in the bankruptcy context. *Baumgart v. Fairchild Aircraft Corp.*, 981 F.2d 824 (5th Cir.), *cert. denied* 508 U.S. 973 (1993).

Thus, the three steps of the forum non conveniens analysis are: (i) determining if an adequate alternative forum exists, (ii) considering the relevant factors of private interest, weighing in the balance the relevant deference given the particular plaintiff's initial choice of forum, and (iii) weighing the relevant public interest factors if the private interests are either nearly in balance or do not favor dismissal. *Marnavi Splendor GMBH & Co., KG v. Alstom Power Conversions, Inc.*, 706 F.Supp.2d 749, 754 (S.D. Tex. 2010) (citing *In re Air Crash Disaster Near New Orleans, La. on July 9, 1982*, 821 F.2d 1147, 1165-66 (5th Cir. 1987) (en banc), *vacated on other grounds sub nom., Pan Am. World Airways, Inc. v. Lopez*, 490 U.S. 1032 (1989)).

<u>The Availability of an Adequate Alternative Forum</u>. In *DTEX*, the Fifth Circuit described the availability of an alternative forum as follows:

> A foreign forum is available when the entire case and all the parties can come within that forum's jurisdiction. *Baumgart*, 981 F.2d at 835 (quoting *In re Air Crash*, 821 F.2d at 1164). A foreign forum is adequate when the parties will not be deprived of all remedies or treated unfairly, even though they may not enjoy the all the benefits of an American court. *Id.* "The substantive law of the foreign forum is presumed to be adequate unless the plaintiff makes some showing to the contrary, or unless conditions in the foreign forum made known to the court, plainly

> demonstrate that the plaintiff is highly unlikely to obtain basic justice there." *Tjontveit v. Den Norske Bank ASA*, 997 F. Supp. 799, 805 (S.D. Tex. 1998) (citing *Empresa Lineas Maritimas v. Schichau–Unterweser*, 955 F.2d 368, 372 (5th Cir. 1992)).

508 F.3d at 796-97. While less favorable standards or a lower potential recovery do not render an alternative forum inadequate, there may exist "rare circumstances" where the remedy offered by a forum is "clearly inadequate," such as when "the alternative forum does not permit litigation of the subject matter of the dispute." *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 254 n.22 (1981); *Gonzalez v. Chrysler Corp.*, 301 F.3d 377, 379–80 (5th Cir. 2002).

In its brief, ECN argues that:

> Airbus also suggests dismissal is appropriate because this matter has "no connection with Texas or the United States." (Airbus Br. 19.) That is patently false. As explained above, this adversary proceeding is closely related to the Bankruptcy Cases, in which both ECN Capital and Airbus are creditors—with each party's proofs of claim concerning the helicopters at issue in this lawsuit—and ECN Capital's claims are intertwined with the claims, liabilities, and property of the Debtors. Airbus also contends that the Court has no familiarity with the facts underlying ECN Capital's claims, but this again is false. From months of presiding over the proceedings in the Bankruptcy Cases, this Court has become familiar with the parties to this action; the factual circumstances giving rise to ECN Capital's claims; and the property that is the subject of, and will be affected by, this adversary proceeding. Airbus claims that none of the evidence relevant to ECN Capital's claims is in the U.S., but this is untrue—among the federal aviation authorities investigating the 2016 Crash is the U.S. Federal Aviation Authority, which issued from Fort Worth, Texas an Emergency Airworthiness Directive requiring the grounding of all EC225s and AS332 L2s in response to the 2016 Crash. Airbus also refers to issues of "comity" and the fact that certain of Airbus's contracts designate France as the governing law and chosen forum for disputes. International comity is an appropriate concern in a forum non conveniens analysis only if the movant shows that a true conflict of law exists, which Airbus has not done. Airbus's grounds for forum non conveniens dismissal are pure pretext.
>
> Airbus's real reason for wanting to escape this Court's jurisdiction and force ECN Capital to adjudicate its claims in France is clear. The government of France owns over 10% of the voting stock in Airbus's parent company, Airbus Group[.] Until recently, France held an even greater stake in Airbus Group. In 2014, France sold off a small portion of its holdings in Airbus Group. Airbus Group's Chief Executive, Thomas Enders, acknowledged that the sale was designed to reduce—

> but not eliminate—the direct influence the French government held over the company, and to help Airbus Group become a more "normal" firm….

ECN's Original Brief [AP No. 63] at 23-24. Basically, ECN argues that this Court[23] is the proper court to hear the Adversary Proceeding because (i) of the allegedly close connection between the Adversary Proceeding and the Bankruptcy Case, and (ii) Airbus's ultimate parent is partially owned by France, leaving ECN unable to receive a fair trial in France. The Court disagrees on both points, as explained below.

First, as discussed above, *see* 8-12, *supra*, the Adversary Proceeding and the Bankruptcy Case are, at the very most, tenuously related due to the potential application of issue preclusion to certain claims that certain of the Debtors *may* choose to bring against Airbus in the future (and there is no guarantee those Debtors will pursue those claims). In addition, despite ECN's allegations that the Bankruptcy Court is familiar with the parties and their claims, that is simply not true in any material respect. While the Bankruptcy Court learned, at the outset of the Bankruptcy Case, of (i) the April 29, 2016 helicopter crash near Turøy, Norway, (ii) the investigation of the crash by certain civil aviation authorities in the United States, Europe, Norway, and the United Kingdom, and (iii) the civil aviation authorities' subsequent grounding of any EC225 or AS332 L2 helicopter, that is the extent of the Bankruptcy Court's familiarity with the parties and the claims asserted in the Complaint, other than what it has learned from reading the Complaint's allegations. In short, the Bankruptcy Court has no special knowledge regarding the Adversary Proceeding, the parties, or the negligence and products liability claims asserted by ECN

[23] Although the parties direct their arguments towards the Bankruptcy Court, including the jurisdictional challenges and the requests to dismiss or abstain, both have acknowledged that the Bankruptcy Court cannot conduct the trial of the claims asserted in the Adversary Proceeding without the parties' consent, and such consent has not been given.

in the Complaint, and any appropriate forum could quickly become familiar with the parties and the claims by reading the Complaint.

Second, and more importantly, there is nothing in the record indicating that ECN could not receive a fair trial in France. Indeed, a number of federal cases reflect the availability and adequacy of French forums in general, and ECN has cited no cases to the contrary. *See, e.g., Piper Aircraft Co.*, 454 U.S. at 252 n.18; *Gschwind v. Cessna Aircraft Co.*, 161 F.3d 602, 606–07 (10th Cir. 1998); *Magnin v. Teledyne Cont'l Motors*, 91 F.3d 1424, 1429–31 (11th Cir. 1996); *Marnavi Splendor*, 706 F.Supp.2d at 755; *In re Vioxx Prods. Liab. Litig.*, 448 F.Supp.2d 741, 746 (E.D. La. 2006). Although the Court appreciates the fact that France is a minority owner of Airbus's ultimate parent, there is nothing in the record indicating that a French court or other forum could not be impartial.

Thus, this Court concludes that France is an available and adequate alternative forum.

Balance of Private and Public Interest. A careful consideration of the private and public interest factors shows that France would be a much more convenient and proper forum for this litigation, as explained below.

First, it is undisputed that: (i) all parties to the Adversary Proceedings are foreign companies (Airbus is French and ECN is Canadian), (ii) the Helicopters were designed and manufactured by Airbus in France, (iii) Airbus initially sold the Helicopters to foreign CHC affiliates in France, (iii) ECN later purchased the Helicopters from CHC (Barbados), another foreign entity, for operation and sublease, (iv) there is no allegation that the Helicopters have ever been on American soil, and (v) the crash occurred off the coast of Norway. Thus, it appears that a very significant portion of the evidence relevant to ECN's claims against Airbus is located in France, including documents and witnesses related to the design, manufacture, and sale of the

Helicopters; statements made on Airbus's website or in its marketing materials; and Airbus's involvement with the investigation of the Norway accident and related Super Puma technical issues. *See* Airbus Ex. A (Declaration of Michel Gouraud) ¶ 3.

Second, the evidence not located in France is likely located elsewhere in Europe, where the crash occurred, or in Canada, where ECN's headquarters is located. Although documents in certain of the Debtors' possession and located in the United States may be subject to production and/or CHC representatives located in the United States may be called as witnesses, that does not outweigh the simple fact that the vast majority of witnesses and documents will be located abroad. The cost and burden of bringing evidence and witnesses from Europe (or other foreign countries) to Texas for a matter having no connection with Texas or the United States weighs heavily in favor of dismissal. *See, e.g., Camejo v. Ocean Drilling & Exploration*, 838 F.2d 1374, 1381 (5th Cir. 1988) ("Compulsory process for Brazilian witnesses is unavailable in a Texas forum. The cost of bringing Brazilian witnesses to Houston is very high. All the information regarding the Plaintiff's damages is in Brazil. The rig was and still is in Brazil. The local interest of Brazil in determining a case involving the death of one of its citizens is great; Texas courts have no comparable interest in the case."); *Automated Marine Propulsion Sys. v. Aalborg Ciserv Int'l A/S*, 859 F.Supp. 263, 268 (S.D. Tex. 1994) ("The only evidence before the Court indicates that almost all of the activities forming the basis of this lawsuit occurred in Sweden and other European countries . . . Obviously, therefore, access to these sources of proof will be much less burdensome in Sweden than in Galveston.").

Third, third party witnesses and documents located in Europe (or other foreign countries) related to the 2016 accident and subsequent groundings are outside the compulsory subpoena power of this Court. Even if discovery from such witnesses could be obtained under the Court's

auspices, such witnesses could not be compelled to attend trial in Texas, depriving the jury of the opportunity to assess their demeanor and veracity. *See, e.g., Gulf Oil Corp.*, 330 U.S. at 511 ("to fix the place of trial at a point where litigants cannot compel personal attendance and may be forced to try their cases on deposition, is to create a condition not satisfactory to court, jury or most litigants"); *Seguros Comercial Americas, S.A. de C. V. v. American Pres. Lines*, 933 F.Supp. 1301, 1312 (S.D. Tex. 1996) ("conducting a substantial portion of a trial on deposition testimony…precludes the trier of fact from the important function of evaluating the credibility of witnesses").

It is likely that a French court would face far fewer of these problems. *See, e.g., In re Air Crash*, 760 F.Supp.2d at 844 n.8 (finding in lawsuit against French defendants from foreign aircraft accident that "France is also the location of significant amounts of relevant damages evidence, and it will likely be easier in France to obtain damages evidence from the other Europeans in these lawsuits.") (citing European Council Regulation 1206/2001); *Magnin*, 91 F.3d at 1429-30 ("Witnesses such as the crash investigators, eyewitnesses to the crash, the owner of the aircraft, those who maintained it, and the damage witnesses, are all in France.")). In short, this Court is likely to encounter many practical problems causing the disposition of this lawsuit to be harder, slower, and more expensive in the United States than it would be in France. Thus, the Court concludes that the private interest factors clearly weigh in favor of dismissing the Adversary Proceeding so that ECN's claims can be pursued in France.

If the private interest factors weigh in favor of dismissal, the Court may end its inquiry and decline to analyze the public interest factors. *Baumgart*, 981 F.2d at 837 (explaining that a court need not consider certain public interest factors if there is an appropriate alternative forum and the private factors weigh in favor of dismissal); *see also In re Air Crash Disaster*, 821 F.2d at 1164.

Although the private interest factors, standing alone, support dismissal, an analysis of the public interest factors adds further support.

The Administrative Difficulties Flowing From Court Congestion. Neither party addresses this factor relating to congested courts and administrative difficulties. Since neither party has argued this factor in favor of one forum over the other, the Court will not consider this factor in its analysis.

Interest of the Forum in Resolving the Controversy. As previously explained, *see* 2-4, *supra*, both ECN and Airbus are foreign entities; Airbus designed, manufactured, and sold the Helicopters in France to foreign affiliates of CHC (Barbados), who later sold them to CHC (Barbados); ECN purchased the Helicopters from CHC (Barbados) and then leased them back to CHC (Barbados) for operation overseas; and the crash at issue occurred off the coast of Norway. Moreover, nothing in the record indicates that ECN's claims arose from or are in any way related to Airbus's contacts with the United States. In fact, without the Bankruptcy Case, it does not appear that ECN would have a basis to bring its lawsuit before an American court at all. Under these facts, France clearly has the superior interest in resolving this dispute. *See, e.g.*, *Piper Aircraft*, 454 U.S. at 260 (where aircraft accident occurred in foreign country and victims were all citizens of that country, and only the aircraft manufacturer and propeller manufacturer were American citizens, foreign forum had a "very strong interest" in the case); *Baumgart*, 981 F.2d at 837 (where aircraft was designed and manufactured in Texas, but crashed in Germany, Fifth Circuit affirmed the district court's finding that Germany had a stronger interest in the case). Thus, this factor weighs in favor of dismissal.

The Interest in Having the Trial of a Diversity Case in a Forum that is Familiar with the Law that Must Govern the Action; the Avoidance of Unnecessary Problems in Conflicts of Law,

or in Application of Foreign Law. The next two factors weigh heavily in favor of a French forum resolving this conflict.

A choice of law inquiry traditionally involves a two-step process. First, the Court must determine whether federal or state choice of law rules govern. Second, once the Court has determined which choice of law rules apply, it must apply those rules to the facts of the case to determine the appropriate substantive laws that govern the dispute. In *Klaxon*, the Supreme Court of the United States held that a federal court sitting in diversity jurisdiction must apply the choice of law rules of the forum state in which it sits. *Klaxon Co. v. Stentor Elec. Mfg. Co.*, 313 U.S. 487, 496 (1941). This Court, however, has jurisdiction over the Adversary Proceeding because it is "related to" the Bankruptcy Case under 28 U.S.C. § 1334(b). Thus, the Court does not sit in diversity jurisdiction, but federal question jurisdiction, and is not bound by *Klaxon*. *See Diamond Mortg. Corp. of Ill. v. Sugar*, 913 F.2d 1233, 1244 (7th Cir. 1990) ("Since § 1334 provides federal question jurisdiction, the sovereign exercising its authority over Barron and Jeffe Attorneys is the United States, not the State of Illinois."); *Tow v. Schumann Rafizadeh (In re Cyrus II Partnership*), 413 B.R. 609 (Bankr. S.D. Tex. 2008).

Neither the United States Supreme Court nor the Fifth Circuit has ruled on whether this Court, sitting in bankruptcy jurisdiction, is required to apply federal choice of law rules or is instead to apply the choice of law rules of the forum state. This Court need not resolve this issue here, since application of both the federal choice of law rules and the Texas choice of law rules lead to an analysis of the same factors in determining which forum's substantive law should apply to ECN's claims. *See, e.g., Woods–Tucker Leasing Corp. v. Hutcheson–Ingram Dev. Co.*, 642 F.2d 744, 749 (5th Cir. 1981) ("application of an independent federal choice of law rule and of the forum state's choice of law rule would lead to the same result, and thus 'we do not determine which

road the trial court should have traveled to arrive at the common destination' ") (quoting *Fahs v. Martin*, 224 F.2d 387, 399 (5th Cir. 1955)).

The federal choice-of-law rule is the "independent judgment" test, which is a multi-factor contacts analysis that applies the law of the state with the most significant relationship to the transaction at issue. *MC Asset Recovery, LLC. v. Commerzbank AG*, 675 F.3d 530, 536 (5th Cir. 2012). Texas applies the Restatement (Second) Conflict of Laws' (the "**Restatement**") most-significant relationship test to decide choice-of-law issues. *Id.* The independent-judgment test and the most-significant-relationship test are the same. *Id.*; *see Tow*, 413 B.R. at 615.

ECN's claims for negligence and products liability sound in tort. Therefore, both Texas courts applying Texas choice-of-law rules and federal courts applying federal choice-of-law rules would look to §§ 6 and 145 of the Restatement. *MC Asset Recovery, LLC*, 675 F.3d at 537 ("[T]he Court need not resolve which choice-of-law test applies here. In either case, Sections 6 and 145 of the Restatement (Second) of Conflict of Laws…provide the appropriate analytical framework."); *Tow*, 413 B.R. at 619; *In re The Heritage Organization, LLC*, 413 B.R. at 462.

Section 6 of the Restatement sets forth several factors relevant to the choice of law analysis: (i) the needs of the interstate and international systems, (ii) the relevant policies of the forum, (iii) the relevant policies of other interested states and the relative interests of those states in the determination of the particular issue, (iv) the protection of justified expectations, (v) the basic policies underlying the particular field of law, (vi) certainty, predictability, and uniformity of result, and (vii) ease in the determination and application of the law to be applied. Restatement, § 6(2). Specifically in a tort case, § 145 of the Restatement counsels the Court to consider: (i) the place where the injury occurred, (ii) the place where the conduct causing the injury occurred, (iii) the domicile, residence, nationality, place of incorporation, and place of business of the parties,

and (iv) the place where the relationship, if any, between the parties is centered. *Id.* § 145(2). Thus, each of the factors set forth in § 145 of the Restatement is viewed in light of the more general considerations set forth in § 6 of the Restatement. When weighing the factors under § 145, "it is not the number of contacts, but the qualitative nature of those particular contacts that determines which state has the most significant relationship to the occurrence and the parties." *Asarco LLC v. Americas Mining Corp.*, 382 B.R. 49, 62 (S.D. Tex. 2007).

An application of the above factors indicates that France has the most significant relationship to the occurrence and the parties. As discussed above, Airbus is a French company with its primary place of business in France, and it designed, manufactured, and sold the Helicopters in France. On the other hand, ECN is a Canadian company with its primary place of business in Canada. It purchased the Helicopters from, and leased them back to, a foreign Debtor for sublease and operation overseas, and there is nothing in the record to indicate that the Helicopters have ever been on American soil. Indeed, ECN has failed to present any evidence (or even argument) that demonstrates a compelling connection between the Adversary Proceeding and the United States. Thus, it is highly likely that French law would apply, making a French forum the appropriate court to hear ECN's claims. Accordingly, the relevant Restatement factors weigh in favor of dismissal.

Burden on the Citizens. The final public interest factor, the interest in avoiding an unfair burden of jury duty on citizens in an unrelated forum, weighs in favor of dismissal. As explained by the Fifth Circuit, "[j]ury duty should not be imposed on the citizens of Texas in a case that is so slightly connected with this state." *DTEX*, 508 F.3d at 503 (citing cases). As previously noted, both parties to the Adversary Proceeding are foreign entities and ECN's claims do not arise from or relate to Airbus's contacts with the United States. Neither the parties nor the Adversary

Proceeding have any connection to Texas, much less one that would justify burdening its citizens with jury duty.

For the reasons explained above, the Court concludes that France is an adequate and available forum for the claims asserted in the Adversary Proceeding and both the private and public interest factors strongly support dismissal of the Adversary Proceeding for forum non conveniens. Accordingly, in the event that this Court has both subject matter jurisdiction over the claims asserted in the Adversary Proceeding and personal jurisdiction over Airbus, the motion to dismiss on grounds of forum non conveniens should be granted.

D. Alternatively, the Court Should Permissively Abstain from Hearing the Adversary Proceeding

Should the Court have both subject matter jurisdiction over the claims asserted in the Adversary Proceeding and personal jurisdiction over Airbus, and the Adversary Proceeding not be dismissed on grounds of forum non conveniens, Airbus alternatively requests that the Court permissively abstain from hearing the Adversary Proceeding. Before turning to its abstention analysis, the Court notes that both ECN and Airbus have demanded a jury trial and neither has consented to the Bankruptcy Court entering final orders in the Adversary Proceeding. Because of this, although Airbus requests that the Bankruptcy Court abstain, it is this Court that will preside over any trial in the Adversary Proceeding.[24] Accordingly, the Court interprets Airbus's request for abstention as a request that this Court, not the Bankruptcy Court, abstain.

[24] As noted previously, the Bankruptcy Court recommends that if the Motion to Dismiss is denied, the Motion to Withdraw Reference be granted and the reference of the Adversary Proceeding to the Bankruptcy Court be immediately withdrawn. *See* n.2, *supra*.

Permissive abstention is governed by 28 U.S.C. § 1334(c)(1), which states in relevant part that:

> Except with respect to a case under chapter 15 of title 11, nothing in this section prevents a district court in the interest of justice, or in the interest of comity with State courts or respect for State law, from abstaining from hearing a particular proceeding arising under title 11 or arising in or related to a case under title 11.

When ruling on a request to abstain, courts typically consider and balance the following factors:

> (1) the effect or lack thereof on the efficient administration of the estate if the court decides to remand or abstain; (2) the extent to which state law issues predominate over bankruptcy issues; (3) the difficult or unsettled nature of applicable law; (4) the presence of a related proceeding commenced in state court or other non-bankruptcy proceeding; (5) the jurisdictional basis, if any, other than § 1334; (6) the degree of relatedness or remoteness of the proceeding to main bankruptcy case; (7) the substance rather than the form of an asserted core proceeding; (8) the feasibility of severing state law claims from core bankruptcy matters to allow judgments to be entered in state court with enforcement left to the bankruptcy court; (9) the burden on the court's docket; (10) the likelihood that the commencement of the proceeding in the bankruptcy court involves forum shopping by one of parties; (11) the existence of a right to a jury trial; (12) the presence in the proceeding of non-debtor parties; (13) comity; and (14) the possibility of prejudice to other parties in the action.

In re Heritage Southwest Medical Group, P.A., 423 B.R. 809, 815-16 (Bankr. N.D. Tex. 2010) (listing factors). The Court will analyze these in turn.

<u>The Effect or Lack Thereof on the Efficient Administration of the Estate if the Court Decides to Abstain.</u> On March 3, 2017, the Bankruptcy Court entered an Order [BC No. 1794] confirming the Debtors' Chapter 11 plan of reorganization (the "**Plan**"). The Plan went effective on March 24, 2017 [BC No. 1851]. Although the applicable Debtors have retained their claims against Airbus under the Plan, their counsel has stated on the record that they do not intend to bring those claims in the Bankruptcy Court, if they bring the claims at all. Thus, it appears that abstaining from hearing the Adversary Proceeding will have no effect on the efficient

administration of the bankruptcy estates, as the Bankruptcy Case is essentially concluded. This factor weighs in favor of abstention.

The Extent to which State Law Issues Predominate Over Bankruptcy Issues. The Adversary Proceeding, which is comprised of negligence and products liability claims, does not implicate any bankruptcy laws or issues. Thus, this factor also weighs in favor of abstention.

The Difficult or Unsettled Nature of Applicable Law. Because the Adversary Proceeding is in its infancy, the Court is unaware of whether any of the negligence and products liability issues are particularly difficult or involve an unsettled application of law. To the extent that foreign law will govern the Adversary Proceeding, that will be a novel issue but not one that is necessarily difficult or that this Court is incapable of handling. Thus, the Court finds that this factor is either neutral or weighs slightly in favor of abstention.

The Presence of a Related Proceeding Commenced in State Court or Other Non-Bankruptcy Proceeding. There is no related proceeding pending in another forum, making this factor inapplicable.

The Jurisdictional Basis, if any, Other than § 1334. There is no jurisdictional basis other than 28 U.S.C. § 1334, and this Court's jurisdiction over the Adversary Proceeding is based solely on "related to" jurisdiction. Because (i) the Adversary Proceeding is before this Court only as a result of the Bankruptcy Case and its "conceivable" effect on the bankruptcy estates, and (ii) neither of the parties to the Adversary Proceeding is a debtor, this factor also weighs in favor of abstention.

The Degree of Relatedness or Remoteness of the Proceeding to the Main Bankruptcy Case. The Adversary Proceeding is not related in any meaningful way to the Bankruptcy Case. Although certain of the Debtors may hold similar claims against Airbus, they have not asserted those claims

and it is highly unlikely they will do so in the Bankruptcy Court, if they choose to assert them at all. Moreover, the Debtors did not file bankruptcy to address claims related to the 2016 crash. As reflected in the Plan, the Debtors had an enormous debt load they were unable to manage. Under the Plan, which has gone effective, much of that debt has been converted to equity, paving the way for the reorganized Debtors' operations. Thus, other than the potential application of issue preclusion to any negligence and/or products liability claims that certain of the reorganized Debtors may later choose to bring against Airbus, the Adversary Proceeding has, at best, a very remote connection to the Bankruptcy Case. Thus, this factor weighs in favor of abstention.

The Substance Rather than the Form of an Asserted Core Proceeding. The parties both agree that the asserted claims are non-core, making this factor inapplicable.

The Feasibility of Severing State Law Claims from Core Bankruptcy Matters to Allow Judgments to be Entered in State Court with Enforcement Left to the Bankruptcy Court. There are no core bankruptcy matters to sever from the Adversary Proceeding. Instead, the Adversary Proceeding is comprised of negligence and products liability claims that the Court determined can be more properly adjudicated in another court. Thus, this factor weighs in favor of abstention.

The Burden on the Court's Docket. Because the Bankruptcy Court lacks the ability to both hold the demanded jury trial and enter a final order in this non-core proceeding, it is this Court's docket that is the relevant inquiry. Although the Adversary Proceeding is certainly something this Court is capable of handling, its dockets are relatively full and the addition of this case would be an unnecessary burden, particularly given the very tenuous relationship between the Adversary Proceeding and the Bankruptcy Case. Thus, this factor also weighs in favor of abstention.

The Likelihood that the Commencement of the Proceeding in the Bankruptcy Court Involves Forum Shopping by One of the Parties. Although ECN argues that Airbus is forum

shopping in its attempt to avoid the Bankruptcy Court's jurisdiction, the opposite appears true. The Adversary Proceeding has little direct relevance to the Bankruptcy Case. Indeed, it is undisputed that the claims asserted in the Adversary Proceeding involve foreign entities, Helicopters that were designed, manufactured, and sold in France initially and outside the United States later, and a crash that occurred in Norway. But for the Bankruptcy Case and the broad scope of related to jurisdiction, there is absolutely no reason why this suit would have been brought in the Northern District of Texas. Thus, this factor weighs in favor of abstention.

The Existence of a Right to a Jury Trial. Both parties have demanded a jury trial and have not consented to the Bankruptcy Court holding that trial. However, it is this Court that would hold such a trial, mooting the need for the parties' consent. This factor is neutral.

The Presence in the Proceeding of Non-Debtor Parties. All parties to the Adversary Proceeding are non-debtors. This factor favors abstention.

Comity. As discussed above, *see* 31-37, *supra*, it is likely that French law will apply to the claims asserted in the Adversary Proceeding and that France has the most vested interested in determining those claims. Thus, comity also weighs in favor of abstention.

The Possibility of Prejudice to Other Parties in the Action. There are no other parties to the Adversary Proceeding, making this factor inapplicable.

Overall, not a single abstention factor weighs in favor of this Court hearing the claims asserted in the Adversary Proceeding. Accordingly, and in the alternative, this Court concludes that it should permissively abstain from hearing those claims.

III. CONCLUSION

For the reasons explained above, this Court concludes that:

- Although this Court has subject matter jurisdiction over the claims asserted in the Adversary Proceeding, it lacks personal jurisdiction over Airbus. Accordingly, the Motion to Dismiss for lack of personal jurisdiction must be granted.

- Alternatively, if both subject matter jurisdiction over the claims asserted in the Adversary Proceeding and personal jurisdiction over Airbus exist, this Court is not the proper forum to hear those claims, and the Motion to Dismiss should be granted on the grounds of forum non conveniens.

- Further in the alternative, if both subject matter jurisdiction over the claims asserted in the Adversary Proceeding and personal jurisdiction over Airbus exist, this Court should permissively abstain from hearing those claims.

An Order consistent with these findings and conclusions will be entered separately.

 # # # END OF FINDINGS OF FACT AND CONCLUSIONS OF LAW # # #

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 March 28, 2017

United States Bankruptcy Judge

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

IN RE:	§	
	§	
CHC GROUP LTD., *et al.*,	§	BANKR. CASE NO. 16-31854-BJH
	§	(CHAPTER 11)
DEBTORS.	§	
	§	
	§	
ECN CAPITAL (AVIATION) CORP.,	§	CASE NO. 3:17-cv-00075-C
	§	
PLAINTIFF,	§	ADV. PROC. NO. 16-3151-BJH
v.	§	Related to ECF No. 23
	§	
AIRBUS HELICOPTERS SAS,	§	
	§	
DEFENDANT.	§	
	§	
	§	
	§	

REPORT AND RECOMMENDATION TO THE DISTRICT COURT
REGARDING CASE NO. 3:17-cv-00075-C (ADV. PROC. NO. 16-3151-BJH)

This Report and Recommendation is submitted to the District Court with respect to the Motion for Withdrawal of Reference of Adversary Proceeding, and Brief in Support [AP[1] No. 23] (the "**Motion to Withdraw Reference**") filed by Airbus Helicopters, S.A.S. ("**Airbus**").

Concurrently with this Report and Recommendation, the Court has submitted to the District Court Proposed Findings of Fact and Conclusions of Law (the "**Proposed Findings and Conclusions**") regarding Airbus's Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of Forum Non Conveniens [AP No. 24] (the "**Motion to Dismiss**"). In the Proposed Findings and Conclusions, this Court respectfully recommends that the District Court: (i) grant the Motion to Dismiss for lack of personal jurisdiction over Airbus; (ii) in the alternative, if personal jurisdiction exists over Airbus, dismiss the Adversary Proceeding on grounds of forum non conveniens; or (iii) further in the alternative, if personal jurisdiction over Airbus exists and the Adversary Proceeding is not dismissed on grounds of forum non conveniens, permissively abstain from hearing the Adversary Proceeding. If the District Court adopts any of this Court's recommendations set forth in the Proposed Findings and Conclusions, the Motion to Withdraw Reference is moot. If the District Court chooses not to adopt any of this Court's recommendations set forth in the Proposed Findings and Conclusions, it must decide the Motion to Withdraw Reference. In that regard, this Court recommends that the District Court immediately withdraw the reference of the Adversary Proceeding for the reasons explained below.

I. Factual and Procedural Background

Plaintiff ECN Capital (Aviation) Corp. ("**ECN**"), an Ontario corporation, is a commercial financing business with its headquarters located in Toronto, Canada. Complaint ¶ 5. It provides

[1] Citations to "AP No." refer to the docket number in the Adversary Proceeding (16-3151), while citations to "BC No." refer to the docket number in the Bankruptcy Case (16-31854).

commercial aviation financing to customers in the transportation and energy sectors, among others, throughout Canada and the United States. *Id.*

Defendant Airbus is a French company organized and existing under the laws of France with its principal place of business in France. *Id.* ¶ 6. It designs, manufactures, markets, and sells aircraft, including two models of helicopters sold under the name "Super Puma"—the Eurocopter EC225 (the "**EC225**") and the Eurocopter AS332 L2 (the "**AS332 L2**"). *Id.* ¶ 1.

ECN currently owns five Super Puma helicopters manufactured by Airbus—one EC225 and four AS332 L2s (collectively, the "**Helicopters**"). *Id.* ¶ 4. ECN purchased the Helicopters from CHC Helicopters (Barbados) SRL ("**CHC (Barbados)**") pursuant to a sale-leaseback transaction whereby it purchased the helicopters and then leased them back to CHC (Barbados) for operation and sublease (the "**ECN Leases**"). *Id.* ¶ 12. The ECN Leases were guaranteed by CHC Helicopter S.A., CHC Helicopter Holding S.A.R.L., 6922767 Holding SARL, and Heli-One Leasing, ULC (the "**ECN Lease Guarantors**"). *Id.* ¶ 42; *see* Proofs of Claim Nos. 543, 545, 549, 556, and 575.[2]

On April 29, 2016, an Airbus-manufactured Super Puma EC225 leased by CHC (Barbados) crashed near Turøy, Norway, killing all 13 individuals on board the aircraft. *Id.* ¶ 2. As a result of the crash and subsequent investigation, civil aviation authorities in the United States, Europe, Norway, and the United Kingdom prohibited the flight and/or commercial use of any EC225 or AS332 L2, including the Helicopters. *Id.* ECN, however, did not own the EC225 that crashed in Norway. Tr. 24:19-23 (Katz).[3]

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[2] Kurtzman Carson Consultants, the Bankruptcy Court-approved claims agent, maintains the Proofs of Claim filed in the Bankruptcy Case. The claims register may be viewed at http://www.kccllc.net/chc/register.

[3] Pursuant to Local Bankruptcy Rule ("**LBR**") 5011-1(b), the Court held a status conference on the Motion to Withdraw Reference on February 6, 2017 (the "**Status Conference**"). Citations to the transcript of the Status Conference shall take the form of "Tr. pg:line-line (speaker)." A copy of the transcript may be found at AP No. 73.

On May 5, 2015 (the "**Petition Date**"), CHC Group, Ltd. and 42 of its direct and indirect subsidiaries (collectively, the "**Debtors**") filed for protection under Chapter 11 of the Bankruptcy Code. Complaint ¶ 37. The 43 cases are jointly administered under the lead case of *In re CHC Group, Ltd.*, 16-31854-11 (collectively, the "**Bankruptcy Case**"). Among the Debtor entities are CHC (Barbados) and the ECN Lease Guarantors. In addition to the Helicopters, as of the Petition Date, the Debtors leased Super Puma helicopters from various other third parties and owned six Super Puma helicopters outright. Declaration of David W. Fowkes in Support of Third Amended Joint Chapter 11 Plan of CHC Group Ltd. and its Affiliated Debtors [BC No. 1643] ¶¶ 10, 12.[4]

During the Bankruptcy Case, CHC (Barbados) rejected the ECN Leases in accordance with § 365 of the Bankruptcy Code. *Id.* ¶ 12. ECN then filed the various Proofs of Claim in the Bankruptcy Case based on CHC (Barbados)'s rejection of the ECN Leases and the related guarantees of performance, each for "[n]o less than [$] 94,070,389." *See* Proofs of Claim Nos. 543, 545, 549, 556, and 575.

ECN filed the Complaint against Airbus on November 17, 2016, which contains the following counts: (i) Negligence, (ii) Strict Products Liability–Manufacturing Defect, (iii) Strict Products Liability–Design Defect, (iv) Strict Products Liability–Inadequate Warning, (v) Breach of Implied Warranty of Merchantability, (vi) Negligent Misrepresentation, and (vii) Fraud. Complaint ¶¶ 19-111. The Complaint also requests punitive and exemplary damages, an award of attorneys' fees and costs, and pre- and post-judgment interest. *Id.* at 30 (Prayer for Relief).[5]

[4] At the Status Conference, the Court asked the Debtors' counsel for information regarding (i) the number of EC225s and AS332 L2s that were in the Debtors' fleet as of the Petition Date and that remain in the Debtors' fleet today, and (ii) the ownership of those helicopters. This and additional information was provided in Mr. Fowkes' declaration. The information provided in the declaration did not influence this Court's recommendation, but was helpful to the Court in understanding the relationship between the parties, the claims, and certain of the Debtors.

[5] These claims are not set forth in numbered counts, but appear in the Prayer.

Airbus filed the Motion to Withdraw Reference on January 3, 2016, requesting an immediate withdrawal of the reference of the Adversary Proceeding. In accordance with local procedure, the Court initially set the Status Conference on the Motion to Withdraw Reference for January 30, 2017, but continued it to February 6, 2017 at the parties' request.[6] ECN then filed its response in opposition to the Motion to Withdraw Reference on February 2, 2016 [AP No. 65] (the "**Opposition**").[7] The Court held the Status Conference on February 6, 2017, and now issues this Report and Recommendation to the District Court in accordance with LBR 5011-1(b).

II. Report and Recommendation

In the Motion to Withdraw Reference, Airbus argues that the District Court should immediately withdraw the reference of the Adversary Proceeding because:

> This adversary proceeding brought by non-debtor ECN Capital (Aviation) Corp. ("ECN") against non-debtor [Airbus] is a complex aviation product liability and tort lawsuit that has no connection with the above-captioned main bankruptcy proceedings (the "CHC Bankruptcy Proceedings") of the CHC Group debtor entities (the "CHC Debtors" or "Debtors"). It is a standalone lawsuit over ECN's dissatisfaction with five helicopters it owns that were designed and manufactured by [Airbus]. The outcome of the adversary proceeding will have no effect on the CHC Bankruptcy Proceedings, does not involve the Debtors' property, and ECN concedes that it is noncore. Resolution of this matter outside of the Bankruptcy Court furthers the interests of judicial economy, as ECN and [Airbus] have requested a jury trial and neither consents to the orders or final judgment of this Court, making the District Court's substantive involvement inevitable. These factors weigh strongly in favor of withdrawal of the reference as to this adversary proceeding.

Motion to Withdraw Reference at 2.

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[6] *See* Agreed Order Granting Plaintiff ECN Capital (Aviation) Corp.'s and Defendant Airbus Helicopters, S.A.S.'s Joint Motion for Status Conference [AP No. 49].

[7] Although styled as an Opposition, ECN recognized at the Status Conference that this Court cannot conduct a jury trial without the parties' consent. While ECN coyly stated in the Opposition that it would consent if Airbus consented, neither party has done so. Thus, ECN's opposition to a withdrawal of reference evolved into an opposition to an immediate withdrawal of the reference, with ECN arguing that this Court should hear all pre-trial matters. At a minimum, ECN wanted this Court to consider the Motion to Dismiss, which it has and for which it has submitted the Proposed Findings and Conclusions to the District Court.

In turn, ECN argues that:

> Airbus's mischaracterizations begin in the very first sentence of the Withdrawal Motion, where Airbus falsely states that this adversary proceeding "has no connection with the above-captioned main bankruptcy proceedings." (Withdrawal Mot. 2.) The truth is that this adversary proceeding is brought by one creditor in the bankruptcy cases against another creditor in the bankruptcy cases, it concerns property of the Debtors, it will involve representatives of the Debtors as witnesses and documents of the Debtors as evidence, and its outcome will impact the Debtors' estates—all as described in ECN Capital's Opposition to Defendant's Motion to Dismiss [Docket No. 63] (the "MTD Opposition"). The adversary proceeding thus is closely connected to the Bankruptcy Cases. The very premise of Airbus's Withdrawal Motion is a fabrication, and the motion therefore should be denied.
>
> Further, the Bankruptcy Court is better positioned than any other forum to efficiently and expeditiously adjudicate ECN Capital's claims. Both ECN Capital and Airbus have appeared frequently before the Bankruptcy Court in these proceedings—indeed, Airbus even serves on the Creditors' Committee in the Bankruptcy Cases—and have engaged in discovery motion practice with respect to the "Super Puma" helicopters involved in and impacted by the April 2016 crash and subsequent grounding. Moreover, the Bankruptcy Court is already familiar with the facts and circumstances surrounding the accident and grounding, which precipitated the Debtors' chapter 11 filing and are inextricably linked to both the Bankruptcy Cases and ECN Capital's Complaint. ECN Capital's claims in this adversary proceeding are "non-core," but that carries little weight in the analysis here given how closely related those claims are to the Bankruptcy Cases and given the impact the outcome of the claims could have on the Debtors' estates.

Opposition at 1-2. The Court analyzes both Airbus's and ECN's arguments below.

A. Permissive Withdrawal of Reference[8]

Permissive withdrawal of the reference is governed by 28 U.S.C. § 157(d), which states, in relevant part, that a district court may withdraw "in whole or in part, any case or proceeding referred under this section, on its own motion or on timely motion of any party, for cause shown." In *Holland America Ins. Co. v. Succession of Roy*, 777 F.2d 992, 998-99 (5th Cir. 1985), the Fifth Circuit stated that, in ruling on a motion to withdraw the reference, a court should consider multiple factors: (1) whether the matter involves core, non-core, or mixed issues, (2) whether or not there

[8] ECN does not argue that mandatory withdrawal of the reference is appropriate.

has been a jury demand, (3) the effect of withdrawal on judicial economy, (4) the effect of withdrawal on the goal of reducing forum shopping, (5) uniformity in bankruptcy administration, (6) the effect of withdrawal on fostering the economical use of the parties' resources, and (7) the effect of withdrawal on the goal of expediting the bankruptcy process. Further, pursuant to LBR 5011-1, the Court must consider the following additional factors relevant to the Adversary Proceeding: (1) whether any response to the motion to withdraw the reference was filed, (2) whether a motion to stay the proceeding pending the district court's decision on the motion to withdraw the reference has been filed, (3) with regard to the noncore and mixed issues, whether the parties consent to entry of a final order by the bankruptcy judge, (4) whether a scheduling order has been entered in the proceeding, and (5) whether the parties are ready for trial.

Before turning to its analysis, the Court notes that because of the non-core nature of ECN's claims, coupled with the parties' respective jury demands, this Court cannot conduct the trial of the Adversary Proceeding. Thus, if the District Court does not adopt the Proposed Findings and Conclusions and the Adversary Proceeding proceeds to trial, the only role this Court may play in the Adversary Proceeding is to hear pre-trial matters. However, as explained below, this Court does not believe that it is the appropriate court to hear those pre-trial matters since the Adversary Proceeding is a complex products liability case between two foreign, non-debtor parties that in no way implicates bankruptcy law or will affect administration of the Bankruptcy Case.

1. Whether the Matter Involves Core, Non-Core, or Mixed Issues.

The parties agree that ECN's claims are non-core. *See* Motion to Withdraw Reference at 6 ("ECN concedes, and [Airbus] agrees, that the adversary proceeding against [Airbus] is a non-core proceeding…."); Complaint ¶ 13 ("This adversary proceeding is a non-core proceeding."). This Court agrees. Clearly, ECN's prepetition claims for alleged negligence and products liability

against Airbus do not arise under the Bankruptcy Code or arise in the Bankruptcy Case. Thus, this factor weighs in favor of withdrawing the reference.

2. Whether or Not there has been a Jury Demand.

The second factor, whether or not there has been a jury demand, also weighs in favor of withdrawing the reference. Notably, both parties have demanded a jury trial and neither consents to this Court conducting that trial. *See* Motion to Withdraw Reference at 7 ("ECN and [Airbus] have demanded a jury trial, and [Airbus] does not consent to a jury trial before the Bankruptcy Court."); Compliant ¶ 31 ("Plaintiff ECN Capital hereby demands a trial by jury on all issues and claims so triable.").

3. The Effect of Withdrawal on Judicial Economy.

ECN argues that, although this Court cannot hear the Adversary Proceeding or enter a final judgment, judicial economy is served by this Court hearing all pre-trial matters. According to ECN: (i) this Court is already familiar with the facts and circumstances surrounding the helicopter crash and subsequent grounding that underlies the Complaint, (ii) the Debtors' estates could benefit from a ruling in ECN's favor because they hold claims against Airbus substantially similar to those alleged by ECN in the Complaint, and (iii) various witnesses and/or evidence are located in the United States. The Court disagrees, as explained below.

First, the Adversary Proceeding and the Bankruptcy Case are, at most, only tenuously related. *See* Proposed Findings and Conclusions at 4-12.[9] In addition, despite ECN's allegations

[9] Although the hearing on the Motion to Dismiss occurred after the Status Conference on the Motion to Withdraw Reference, the parties' arguments on certain aspects of the two motions substantially overlapped. *See* Motion to Withdraw Reference at 2 ("Many of the arguments supporting [Airbus's] Motion to Dismiss also support the withdrawal of reference, and are incorporated by reference herein."); Opposition at 1 ("The truth is that this adversary proceeding is brought by one creditor in the bankruptcy cases against another creditor in the bankruptcy cases, it concerns property of the Debtors, it will involve representatives of the Debtors as witnesses and documents of the Debtors as evidence, and its outcome will impact the Debtors' estates—all as described in ECN Capital's Opposition to Defendant's Motion to Dismiss). As such, the Court will cite to the Proposed Findings and Conclusions in its

that the Court is familiar with the parties and their claims, that is simply not true in any material respect. While the Court learned, at the outset of the Bankruptcy Case, of (i) the April 29, 2016 helicopter crash near Turøy, Norway, (ii) the investigation of the crash by certain civil aviation authorities in the United States, Europe, Norway, and the United Kingdom, and (iii) the civil aviation authorities subsequent grounding of any EC225 or AS332 L2 helicopter, that is the extent of the Court's familiarity with the parties and the claims asserted in the Complaint, other than what it has learned from reading the Complaint's allegations. Overall, this Court does not believe that it has any special knowledge of, or familiarity with, the facts, parties, or allegations in the Complaint such that it would serve judicial economy by hearing all pre-trial matters.

Moreover, with the limited exception of the jurisdictional issues addressed in the Proposed Findings and Conclusions, the Adversary Proceeding does not implicate any bankruptcy law or issue. To the contrary, the lawsuit is a complex products liability suit between two non-debtor, foreign entities that will likely involve the application of foreign law. *See* Proposed Findings of Fact and Conclusions of Law at 31-37. Thus, it appears that the District Court, which deals with these types of claims far more frequently, is in a better position to hear and determine all matters leading up to the jury trial.

Second, as previously explained, certain Debtor entities own Super Puma helicopters also grounded because of the 2016 crash. Thus, it is likely that those Debtors hold the same types of negligence and products liability claims that ECN alleges in the Complaint. If ECN receives a ruling in the Adversary Proceeding (or otherwise) that a specific part was defective, that Airbus knew of the defect, or similar rulings encompassed in negligence and/or products liability claims,

Report and Recommendation where issues overlap and the Proposed Findings and Conclusions contain additional detail or analysis that the District Court may find helpful.

those Debtors could likely rely on issue preclusion in a subsequent lawsuit brought against Airbus. *See id.* at 10-12. That potential scenario, however, has no relevance to judicial economy.

Notably, ECN bases its argument on the unsupported assumptions that the relevant Debtor will sue Airbus on substantially similar grounds in this Court. The Debtors' counsel, however, has stated on the record that the Debtors do not intend to sue Airbus in this Court,[10] if they sue Airbus at all. Further, the Court confirmed the Debtors' plan of reorganization (the "**Plan**") on March 3, 2017 [BC No. 1794], and the Plan went effective on March 24, 2017 [BC No. 1851]. Accordingly, if a reorganized Debtor does sue Airbus, it will file that lawsuit after substantial consummation of the Plan, making it questionable whether this Court would retain jurisdiction to hear any such suit. *See Bank of Louisiana v. Craig's Stores of Tex., Inc. (In re Craig's Stores of Tex., Inc.)*, 266 F.3d 388, 390 (5th Cir. 2001) ("After a debtor's reorganization plan has been confirmed, the debtor's estate, and thus bankruptcy jurisdiction, ceases to exist, other than for matters pertaining to the implementation or execution of the plan.") (citing *In re Fairfield Communities, Inc.*, 142 F.3d 1093, 1095 (8th Cir.1998); *In re Johns–Manville Corp.*, 7 F.3d 32, 34 (2d Cir.1993)).

Further, as ECN acknowledges, the largest role this Court can permissibly play in the Adversary Proceeding is to hear and determine pre-trial matters. Thus, under any scenario, another court will try the Adversary Proceeding and be the court that gains the knowledge that would allegedly result in the judicial efficiency argued for by ECN.

Third, the location of witnesses and evidence may be a consideration in determining a convenient forum for the Adversary Proceeding, but it does not tip the third factor in ECN's favor. This is especially so because, based on the allegations in the Complaint, it appears that the majority

[10] At the Status Conference, the Court questioned the Debtors' counsel with respect to their intentions regarding such a lawsuit. Without waiving any rights, counsel responded that he did not anticipate bringing these types of claims in the Bankruptcy Court. Tr. 29:2-8 (Youngman).

of evidence and witnesses will be located in France or elsewhere in Europe. *See* Proposed Findings and Conclusions at 31-33.

Overall, this Court does not believe that it has any special knowledge or familiarity with the facts, the legal issues, or the parties such that it hearing all pre-trial matters would further judicial economy or foster an economical use of the parties' resources. Thus, the third factor also weighs in favor of the District Court withdrawing the reference now.

4. The Effect of Withdrawal on the Goal of Reducing Forum Shopping.

Although ECN argues that Airbus is forum shopping by attempting to avoid this Court's "lawful jurisdiction,"[11] the opposite appears true. The Adversary Proceeding has little direct relevance to the Bankruptcy Case. Indeed, it is undisputed that the claims asserted in the Adversary Proceeding involve foreign companies (ECN, a Canadian company, and Airbus, a French company); Helicopters that were designed, manufactured, and sold in France initially and outside the United States later; and a crash that occurred in Norway. But for the Bankruptcy Case and the broad scope of "related to" jurisdiction, there is absolutely no reason why this suit would have been brought in the Northern District of Texas. Indeed, ECN's pleadings make its motive abundantly clear—it is concerned that it may not receive fair treatment in a French court because Airbus is "primarily owned" by Airbus Group, S.E., a company in which France holds a 10% stake. *See* Opposition at 3. There is nothing in the record, however, indicating that ECN would not receive fair treatment in a French forum. *See* Proposed Findings and Conclusions at 28-31. Thus, this factor also weighs in favor of withdrawal of the reference.

[11] Opposition at 14.

5. Uniformity in Bankruptcy Administration.

This factor also weighs in favor of withdrawing the reference. As previously explained, the Complaint involves non-core claims between non-debtor parties that in no way implicate bankruptcy law. Moreover, the Court recently confirmed the Plan, which has now been substantially consummated. Simply put, there is nothing in the record indicating that the outcome of the Adversary Proceeding will have any effect on the uniformity of bankruptcy administration generally or on the administration of the Bankruptcy Case specifically. The Bankruptcy Case is essentially concluded.

6. The Effect of Withdrawal on Fostering the Economical Use of the Parties' Resources.

This factor also weighs in favor of withdrawing the reference. When dealing with a proceeding involving a bankruptcy estate, a significant goal is the efficient use of the parties' resources in administering the estate and resolving any related litigation. *See EbaseOne Corp. v. Nat'l Union Fire Ins. Co. of Pittsburgh, Pa. (In re EbaseOne Corp.)*, 2006 WL 2405732, at *5 (Bankr. S.D. Tex. 2006) (citing *Plan Admin'r v. Lone Star RV Sales, Inc. (In re Conseco Fin. Corp.)*, 324 B.R. 50, 55 (N.D. Ill. 2005)). In this regard, ECN argues that:

> Further, withdrawing the reference could result in inefficient use of estate resources. The Debtors' have not publicly disclosed their intentions with respect to claims against Airbus relating to the 2016 Crash and the 2016 Grounding. However, in the Debtors' motion to enter into and perform under a restructuring agreement with Airbus, the Debtors expressly reserved the right to pursue such claims. The reorganized Debtors would likely bring such claims in the Bankruptcy Court following emergence since their proposed restructuring plan includes a broad retention of jurisdiction provision that would cover the Debtors' product liability claims against Airbus concerning the Super Puma helicopters that the Debtors owned, leased and/or operated. Such claims by the Debtors against Airbus would arise from the same set of facts underlying ECN Capital's claims against Airbus in this adversary proceeding. In fact, the Debtors could even intervene or otherwise participate in ECN Capital's adversary proceeding given the estates' interest in the outcome. Retaining the reference with respect to ECN Capital's claims thus would prevent inconsistent rulings if the Debtors file claims against Airbus in the

> Bankruptcy Court, and it would reduce the administrative burden on the estates if the Debtors participate in ECN Capital's litigation.

Objection at 10-11 (footnotes omitted). As explained below, the Court finds this argument unpersuasive.

Notably, ECN bases its argument on numerous unsupported assumptions. First, it assumes that a Debtor or reorganized Debtor will sue Airbus and assert claims that are substantially similar to those alleged in the Complaint. As explained above, however, that has yet to occur. *See* p. 10, *supra*. Next, ECN assumes that, if a reorganized Debtor files a lawsuit against ECN, it will file the lawsuit in this Court. The Debtors' bankruptcy counsel, however, has stated that the Debtors have no intention of suing Airbus in this Court, if it sues Airbus at all. *See id.* Finally, ECN assumes that, should a reorganized Debtor sue Airbus in this Court, this Court will have sufficient post-confirmation jurisdiction to hear the proceeding. As explained above, though, the Plan has been confirmed and substantially consummated. *See id.* Thus, it is questionable whether this Court would have sufficient post-confirmation jurisdiction to hear any such lawsuit, even assuming it was filed in this Court. *In re Craig's Stores of Tex., Inc.*, 266 F.3d at 390. Finally, ECN argues that the Debtors may choose to intervene in the Adversary Proceeding, although they have not done so and have stated no desire to do so. Overall, ECN's chain of what-if scenarios are no basis for this Court to find that it would further judicial economy by hearing all pre-trial matters in the Adversary Proceeding.

Further, as previously explained, this Court lacks the authority to hold the requested jury trial or enter a final judgment. Thus, under any scenario, the District Court must withdraw the reference prior to trial. Because of this, any argument that this Court should hear the Adversary Proceeding to avoid inconsistent rulings or to gain knowledge associated with holding a similar trial fails.

7. The Effect of Withdrawal on the Goal of Expediting the Bankruptcy Process.

As previously explained, the Court confirmed the Plan on March 3, 2017, and the Plan has been substantially consummated. Moreover, although certain of the Debtors have retained their claims against Airbus under the Plan, their counsel has stated on the record that they have no intention of bringing those claims in this Court, if they bring the claims at all. Overall, there is nothing in the record indicating that a withdrawal of the reference would slow the bankruptcy process, which is nearing its completion. Thus, this factor also weighs in favor of the District Court withdrawing the reference.

8. Additional Considerations under LBR 5011-1.

Responsive Pleadings: The pleadings before this Court are the Motion to Withdraw Reference and the Opposition.[12] This factor appears neutral.

Lack of Stay: The Court has not stayed the Adversary Proceeding pending a determination of the Motion to Withdraw Reference, nor has any party requested such a stay. However, as explained immediately below, the Court has abated all trial-related deadlines in the Adversary Proceeding pending the disposition of the Motion to Dismiss. Thus, this factor weighs in favor of withdrawing the reference since withdrawal will not delay the yet-to-be-scheduled trial.

Scheduling Order: ECN filed its Complaint on November 17, 2016, and the Court issued its standard Scheduling Order on November 18, 2016, which set Trial Docket Call for April 4, 2017. On January 20, 2017, however, Airbus filed the Motion for Continuance of Trial, Stay of Deadlines and Brief in Support [AP No. 56] (the "**Motion to Continue Trial**"), which requested

[12] On February 2, 2017, Airbus filed the Notice of Filing Motion for Leave to File Reply Brief [AP No. 67] (the "**Motion for Leave**"). Airbus, however, neither requested a hearing on the Motion for Leave nor did it bring the motion to the Court's attention at the Status Conference. Despite Airbus's failure, the Court reviewed the reply brief attached to the Motion for Leave and does not believe that it added anything material to Airbus's arguments.

that the Court abate the Adversary Proceeding and all related discovery and deadlines pending a ruling on the Motion to Dismiss. The Court held an expedited hearing on the Motion to Continue Trial on February 6, 2017 (the same day as the Status Conference), at which time it granted the Motion to Continue in part and (i) continued trial docket call to a to-be-determined date, (ii) abated all deadlines in the Scheduling Order, and (iii) abated all discovery with the exception of discovery related to Airbus's challenges to this Court's personal jurisdiction set forth in the Motion to Dismiss. Accordingly, this factor also weighs in favor of withdrawing the reference because (i) there is no scheduling order currently in place, and (ii) either this Court or the District Court will need to issue a new scheduling order should the Adversary Proceeding survive the Motion to Dismiss.

Trial Readiness: As previously explained, the Adversary Proceeding is in its infancy and the only substantive activity that has occurred is in relation to the Motion to Dismiss and the Motion to Withdraw Reference. Thus, this factor also weighs in favor of withdrawing the reference because no trial-related discovery has occurred and withdrawal of the reference will not postpone the final trial date, which has yet to be set.

B. Recommendation.

As explained above, the Adversary Proceeding is a complex products liability lawsuit between two foreign, non-debtor parties. Other than the jurisdictional issues raised in the Motion to Dismiss, the Adversary Proceeding does not implicate bankruptcy law and it will not affect the administration of the Bankruptcy Case, which is essentially concluded. Additionally, (i) this Court lacks the constitutional authority to hear and enter a final judgment on the claims pled in the Adversary Proceeding, (ii) both parties have demanded a jury trial and neither has consented to this Court conducting that trial, and (iii) this Court has no special knowledge regarding the facts, the parties, or the issues that would make it a more efficient forum to consider pre-trial matters.

Based upon the foregoing analysis, this Court respectfully recommends that, should the District Court not adopt any of its recommendations in the Proposed Findings and Conclusions, it enter an order immediately withdrawing its reference of the Adversary Proceeding to this Court.

 # # # END OF REPORT AND RECOMMENDATION # # #

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors,	**Bankr. Case No. 16-31854-BJH** **(Chapter 11)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Case No. 3:17-cv-00075-C** **Adv. Proc. No. 16-03151-BJH** **Plaintiff's Objection To the Bankruptcy Court's Proposed Findings of Fact And Conclusions <u>Of Law And Brief in Support</u>** Related to ECF No. 94

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STATUTES

28 U.S.C. § 1334(c)(1) 21

Plaintiff ECN Capital (Aviation) Corp. ("ECN Capital"), hereby objects, in part, to the Bankruptcy Court's *Proposed Findings of Fact and Conclusions of Law Regarding Defendant Airbus Helicopters, S.A.S.'s Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of Forum Non Conveniens* (the "Proposed Determination"), filed on March 28, 2017 [Docket No. 94].

I. PRELIMINARY STATEMENT

1. Airbus sells Super Puma helicopters directly to U.S.-based customers, including in Texas, and delivers those helicopters from France into the U.S. Airbus sends its top executives from France to Texas to participate in industry events and meets with U.S.-based clients to drive further sales of Super Pumas. Airbus sold Super Pumas to Texas-based CHC, and is vulnerable to suit in this jurisdiction by CHC for product liability claims that CHC holds regarding the Super Pumas. Airbus affirmatively sought the benefits of Texas courts by filing proofs of claim on Super Pumas against CHC in the Bankruptcy Court, becoming a member of the Creditors' Committee, and objecting to ECN Capital's discovery motions in the Bankruptcy Cases. And Airbus already has consented to the personal jurisdiction of Texas courts for product liability claims on Super Pumas purchased through an intermediary. These facts demonstrate that the Bankruptcy Court has personal jurisdiction over Airbus for purposes of this Adversary Proceeding and demand that the Bankruptcy Court properly exercise that jurisdiction, rather than permissively abstaining or dismissing on grounds of *forum non conveniens*.

2. ECN Capital's claims arise out of business decisions made in Texas by Texas-based CHC with regard to ECN Capital's Super Pumas, which decisions caused harm to ECN Capital in Texas. Airbus dealt directly with CHC affiliates whose business was operated in Texas by their Texas-based parent when it sold the Super Pumas that would be sold in turn to, and leased from,

ECN Capital by CHC. CHC declared bankruptcy in Texas in part due to the April 2016 crash of a Super Puma helicopter, and the resulting groundings of virtually all Super Puma AS332 L2 and EC225s, caused by Airbus's defective manufacture and design of these Super Pumas. That led to harm to CHC and to ECN Capital in Texas, and it gave rise to identical claims by CHC and ECN Capital with respect to the Super Pumas owned by each entity—and those owned by any other operators in the Oil and Gas industry that contributes significantly to the economy and citizens of the State of Texas. These facts, too, establish the Bankruptcy Court's personal jurisdiction over Airbus and weigh heavily in favor of the exercise of that jurisdiction in connection with this Adversary Proceeding.

3. Only by disregarding these salient facts does the Bankruptcy Court reach its conclusions in the Proposed Determination that it lacks personal jurisdiction over Airbus, or that it should refrain from exercising such jurisdiction on grounds of permissive abstention or *forum non conveniens*. This is improper. Any sound analysis of the jurisdictional issues presented here must take into account *both* Airbus's extensive presence in this jurisdiction—including its substantial participation in the Bankruptcy Cases and its active litigation of similar claims in Texas courts—*and* the inextricable connection that ECN Capital's claims have to this jurisdiction, as a result of the decisions made in Texas by Texas-based CHC causing harm to ECN Capital in Texas and implicating the interests of the State of Texas and its citizens.

4. The Bankruptcy Court ignores these key facts—in its Proposed Determination, the Bankruptcy Court overlooks the connection between ECN Capital's claims and its chosen forum; downplays the presence of Airbus in Texas and the consequences of Airbus's actions in this forum, including its active litigation in this Bankruptcy Court; and misapplies the relevant law regarding personal jurisdiction in this context.

5. The same errors lie at the root of the Bankruptcy Court's improper legal conclusions in the Proposed Determination relating to the issues of *forum non conveniens* and permissive abstention. Only by disregarding Airbus's presence in this district and the connection of ECN Capital's claims to this district does the Bankruptcy Court reach the conclusion that it should not exercise the jurisdiction it has over Airbus with regard to this Adversary Proceeding. A proper analysis of the key facts and their impact on the legal issues presented in this case leads to the conclusion that the Bankruptcy Court should exercise its jurisdiction over Airbus.

6. For these reasons, as explained below, Plaintiff ECN Capital files this Objection to the Proposed Determination.

II. STATEMENT OF FACTS

7. In its Proposed Determination, the Bankruptcy Court ignores or overlooks the salient facts below, which establish the close connection of Airbus and this Adversary Proceeding to the State of Texas and to the Bankruptcy Cases.

8. ECN Capital's claims relate to five helicopters—Airbus-manufactured AS332 L2 and EC225 Super Puma models (the "Helicopters")—that ECN Capital purchased from CHC (Barbados), a foreign subsidiary of Texas-based CHC Group Ltd. ("CHC," or together with its affiliated debtors, the "Debtors"). (*See* Ex. A.)[1] The business operations of CHC (Barbados) are managed out of Irving, Texas. (*See* Ex. C ¶ 10.) Prior to the sale to ECN Capital, the Debtors purchased the Helicopters directly from Airbus. (*See* Ex. D at 3.) As part of a sale leaseback agreement with ECN Capital, CHC (Barbados)—again, with its business operations managed out of Texas—leased the helicopters from ECN Capital for sublease and operation (the "ECN

[1] All references herein to "Exhibit" or "Ex." are to the exhibits accompanying the Appendix, unless otherwise noted. All references herein to "¶ __" are to the Complaint filed by ECN Capital against Airbus in this Adversary Proceeding on November 17, 2016 (the "Complaint" or "Ex. A"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in Ex. B.

Leases"). (*See id.*) The ECN Leases were guaranteed by certain of the Debtors—CHC Helicopter S.A., CHC Helicopter Holding S.A.R.L., 6922767 Holding SARL, and Heli-One Leasing, ULC—entities whose businesses are also managed out of Irving, Texas. (*See id.*)

9. On April 29, 2016, an Airbus-manufactured EC225 Super Puma helicopter operated by CHC crashed near Turøy, Norway, killing all 13 individuals on board (the "2016 Crash"). (¶ 2.) Preliminary investigative reports from the 2016 Crash identified unsafe conditions in the design of the main gear box of AS332 L2s and EC225s, which connects to the helicopter frame the main rotor head that is attached to the main rotor blades. (¶¶ 3, 17–21.) The 2016 Crash and related investigations led various civil aviation authorities to issue regulations and directives that caused a total grounding of all AS332 L2s and EC225s (the "2016 Grounding") (*see* ¶¶ 3, 17–25), including the United States Federal Aviation Authority, which is investigating the 2016 Crash and issued from Fort Worth, Texas an Emergency Airworthiness Directive requiring the grounding of all EC225s and AS332 L2s in response to the 2016 Crash (*see* Ex. E; *see also* Ex. F at 9). AS332 L2 and EC225 helicopters are used primarily in the Oil and Gas industry, including in and off the coast of Texas.

10. Approximately one week after the 2016 Crash, on May 5, 2016, the Debtors—including CHC (Barbados), CHC Helicopter S.A., CHC Helicopter Holding S.A.R.L., 6922767 Holding SARL, and Heli-One Leasing, ULC—filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, jointly administered in the Bankruptcy Court under the caption *In re CHC Group Ltd., et al.*, No. 16-31854 (BJH) (the "Bankruptcy Cases"). (¶ 37.)

11. As part of the Bankruptcy Cases in Texas, the Debtors rejected the ECN Leases and returned the Helicopters to ECN Capital. ECN Capital lost over $94 million in revenue on the rejected ECN Leases in Texas, and filed Proofs of Claim in the Bankruptcy Cases in Texas for

$94,070,389 against CHC (Barbados), CHC Helicopter S.A., CHC Helicopter Holding S.A.R.L., 6922767 Holding SARL, and Heli-One Leasing, ULC, for obligations in connection with the ECN Leases and their guarantees. (*See* Ex. D at 4–5). ECN Capital is unable to re-lease the Helicopters due to the 2016 Grounding.

12. The Debtors have also suffered harm from the 2016 Crash in Texas. At the February 13, 2017 Plan Confirmation Hearing ("Confirmation Hearing"), David W. Fowkes of Seabury Group, restructuring advisors to the Debtors, testified that the Debtors had 56 Super Pumas in their fleet at the time of the 2016 Grounding, nine of which were owned outright by the Debtors at the time and four of which remain owned outright by the Debtors. (*See* Ex. G at 197:21–198:7.) Mr. Fowkes also testified that CHC Helicopters (Barbados) SRL—the Debtor to which ECN Capital leased the five Super Pumas it owned—owned or leased a total of 22 helicopters affected by the 2016 Grounding, rejected its leases on all five of ECN Capital's Super Pumas, and continues to own one Super Puma. (*Id.* 200:14–205:8.) Robert A. Del Genio, CHC's Chief Restructuring Officer, also testified that CHC suffered injury to its business operations of approximately $34 million as a result of the 2016 Grounding (*id.* 108:5–109:17), and that CHC suffered injury to the value of the Super Pumas in its fleet as a result of the 2016 Grounding, but that CHC is unsure of the value of its claims against Airbus arising out of the 2016 Grounding (*id.* 104:11-13, 112:22–114:1).

13. Airbus actively participated in the Bankruptcy Cases in Texas. In May 2016, the U.S. Trustee appointed Airbus to the Official Committee of Unsecured Creditors (the "Creditors' Committee"), care of Kevin Cabaniss in Grand Prairie, TX. (¶ 11.) In June 2016, Airbus's U.S. counsel filed notices of appearance in the Bankruptcy Cases on behalf of Airbus. (¶ 40.) In August 2016, Airbus filed proofs of claim in the Bankruptcy Cases against certain of the Debtors

seeking a total of over $6.2 million for claims relating to the ownership, lease, and operation of the same models of Super Puma helicopters that ECN Capital owned and suffered losses on in Texas. (*Id.*) Further, jurisdictional discovery revealed that four of Airbus's executives—Laurent Tagarian, Alain Vigneau, Eric Chartier and Valerie Le-Gall—based in Marignane, France, worked with U.S. counsel to prepare Airbus's proofs of claim in the Bankruptcy Cases. (Ex. H.) Messrs. Tagarian and Vigneau were involved, together with Airbus's representative Kevin Cabaniss, an employee of AHI, in Airbus's efforts to become a member of the Creditors' Committee. Messrs. Tagarian and Vigneau traveled from Marignane, France to the U.S. for a hearing in the Bankruptcy Cases, and Mr. Tagarian met with Mr. Cabaniss in connection with Airbus's participation in the Bankruptcy Cases. (*Id.*) Airbus's discovery also revealed that Mr. Tagarian had responsibilities for Airbus "in connection with [Airbus's] participation in the [Creditors' Committee]." (*Id.*) Airbus noted that Messrs. Tagarian and Vigneau contributed to the preparation of key filings by Airbus in the Bankruptcy Cases, including Airbus's Objection to ECN Capital's Motion for Order Directing 2004 Examination of Debtors and the Debtors' 2017 Omnibus Restructure Agreement with Airbus. (*Id.*)

14. Airbus also produced documents and information concerning Airbus's presence in the U.S., including in Texas. This information revealed that French-based Airbus and its Texas-based affiliate AHI share the same ultimate corporate parent, Airbus Group S.E. (*See* Ex. I; *see also* Ex. J at 4–5.) Further, data produced by Airbus showed that from 2011 to 2016, Airbus directly sold 30 helicopters (each costing millions of dollars) to U.S.-based customers. (*See* Ex. K; *see also* Ex. J at 5.) The majority of this business was directed at Texas—Airbus sold 28 helicopters, including six Super Pumas, to customers headquartered in Texas. (*Id.*) In addition, Airbus indirectly sold 58 Airbus-manufactured helicopters to Texas-based customers through its

Texas-based affiliate distributor AHI. (*Id.*) Discovery regarding Airbus's maintenance operations revealed that Airbus ships Super Pumas owned by U.S. customers to France in order to perform any necessary main gearbox overhauls. (Ex. L.)

15. According to publicly available sources, Airbus frequently sends executives to the U.S. and Texas, where they meet with U.S.-based customers, make and announce deals for the sale of helicopters, and attend and present at industry events. (*See* Ex. J at 6–7; Ex. M.) For example, on March 8 and 9, 2017, Airbus's CEO Guillaume Faury attended Heli-Expo 2017, an industry event at the Kay Bailey Hutchison Convention Center in Dallas, Texas, where Airbus showcased helicopters and announced that 60 helicopter orders had been placed. (*See* Ex. M at 3.)

III. PLEADINGS AND MOTIONS

16. ECN Capital filed the Complaint against Airbus in this Adversary Proceeding on November 17, 2016. The Complaint asserts, among other things, claims against Airbus for defective design and breach of implied warranty of merchantability regarding Airbus's manufacturing, marketing, and sale of the EC225 and the AS332 L2 helicopters. (*See* ¶¶ 46–111.)

17. On January 3, 2017, Airbus filed its Motion to Dismiss and on January 4, 2017, an Amended Brief in Support of Motion to Dismiss (Ex. O), asking the Bankruptcy Court to find that it lacked subject matter jurisdiction over ECN Capital's claims or personal jurisdiction over Airbus. In the alternative, Airbus requested that the Court abstain from exercising its jurisdiction, or dismiss the Complaint on grounds of *forum non conveniens*.

18. On January 9, 2017, Airbus filed its Motion for Withdrawal of Reference of Adversary Proceeding, and Brief in Support. (Ex. P.)

19. On January 27, 2017, ECN Capital filed its MTD Opposition, demonstrating that this Court has subject matter jurisdiction to hear ECN Capital's claims against Airbus in the Adversary Proceeding, which are related to the Bankruptcy Cases. Among other things, ECN Capital argued in the MTD Opposition that Airbus should not be permitted to avoid this Court's jurisdiction and benefit from blatant forum-shopping merely on account of its refusal to consent to entry of final orders by the Bankruptcy Court. (*See* Ex. B pp. 15–16 & nn.26–27.)

20. On February 2, 2017, ECN Capital filed its Opposition to Defendant's Motion for Withdrawal of Reference. (Ex. F.)

21. On February 20, 2017, ECN Capital filed its Supplemental Memorandum of Law in Opposition to Airbus's Motion to Dismiss. (Ex. Q.)

22. On February 24, 2017, ECN Capital filed its Second Supplemental Memorandum of Law in Opposition to Airbus's Motion to Dismiss. (Ex. J.)

23. On February 28, 2017, the Court held a hearing on the Motion to Dismiss.

24. On March 20, 2017, ECN Capital filed its Memorandum on Post-Hearing Developments Related to Personal Jurisdiction and Abstention. (Ex. M.)

25. On March 28, 2017, the Court issued its *Proposed Findings of Fact and Conclusions of Law Regarding Defendant Airbus Helicopters, S.A.S.'s Motion To Dismiss for Lack of Subject Matter And Personal Jurisdiction, and on the Grounds of Forum Non Conveniens* (the "Proposed Determination"). (Ex. D.) The Proposed Determination (a) finds that this Court has subject matter jurisdiction over the Adversary Proceeding, but (b) finds that this Court lacks personal jurisdiction over Airbus, and (c) in the alternative, determines that (i) the Adversary Proceeding should be dismissed on grounds of *forum non conveniens* and (ii) the Court should permissively abstain from hearing the Adversary Proceeding.

26. The Proposed Determination is factually and legally incorrect in several regards, as discussed below.

IV. OBJECTIONS TO PROPOSED FINDINGS OF FACT

27. The proposed findings of fact in the Proposed Determination omit crucial facts in the record that are highly relevant to a proper analysis of the issues before the Bankruptcy Court concerning personal jurisdiction, *forum non conveniens*, and permissive abstention.

A. First, the Bankruptcy Court makes no mention in the Proposed Determination of Airbus's extensive presence in the U.S., including in Texas. The Bankruptcy Court additionally overlooks the relevance of Airbus's active participation in the Bankruptcy Cases. As ECN Capital demonstrated in its briefing and submissions to the Bankruptcy Court:

1) Airbus directly sells Super Pumas to U.S.-based customers and delivers the helicopters into the U.S., including in Texas (*see* Ex. J at 5);

2) Airbus distributes Super Pumas throughout the U.S., including in Texas, through its Texas-based affiliate, AHI (*id.*);

3) Airbus executives routinely attend industry events in the U.S., including in Texas, where they meet with U.S.-based customers and make and announce deals for the sale of helicopters (*id.* at 6);

4) Airbus and AHI share a corporate parent, Airbus Group S.E., and enjoy a close strategic relationship for purposes of marketing and selling Super Pumas to U.S.- and Texas-based customers (*see* Ex. M at 5 n.12);

5) Airbus has consented to jurisdiction in multiple actions in the U.S. regarding product liability claims, including in one action in Texas concerning the same Super Pumas at issue here (*id.* at 3); and

6) Several of Airbus's executives in France participated in the Bankruptcy Cases by working with U.S. counsel to prepare key filings, traveling to Texas for a hearing in the Bankruptcy Cases, and meeting with Kevin Cabaniss, Airbus's representative on the Creditors' Committee and an employee of AHI, in Texas (*see* Ex. J at 5–6).

These facts must be taken into consideration in any proper analysis of (a) the Bankruptcy Court's personal jurisdiction over Airbus, (b) the propriety of the Bankruptcy Court's exercise of

its personal jurisdiction over Airbus, and (c) the diminished cost or inconvenience to Airbus of litigating the Adversary Proceeding before the Bankruptcy Court. Yet, in the Proposed Determination the Bankruptcy Court reaches conclusions on personal jurisdiction, permissive abstention, and *forum non conveniens* issues without taking these salient facts into account. To that extent, the Proposed Determination is improper.

B. Second, the Bankruptcy Court fails to acknowledge in the Proposed Determination that CHC operates the business of its foreign subsidiaries out of Texas. The record establishes that it is in Texas that CHC runs the business of CHC (Barbados), which sold the Super Pumas in question to ECN Capital, leased the Super Pumas back from ECN Capital, and carried out the lease rejections regarding the Super Pumas, which caused ECN Capital harm in Texas. (Ex. M at 5.)

C. Third, the Bankruptcy Court omits any discussion of the impact of the 2016 Crash and 2016 Grounding on the Bankruptcy Cases, including the financial impact that the 2016 Crash and 2016 Grounding had on the Debtors. As ECN Capital demonstrated in its briefing before the Bankruptcy Court, these facts are critical to understanding the relatedness of ECN Capital's claims to the Bankruptcy Cases as part of a proper permissive abstention or *forum non conveniens* analysis. (Ex. B at 7–8.)

V. OBJECTIONS TO PROPOSED CONCLUSIONS REGARDING PERSONAL JURISDICTION

28. First, the Bankruptcy Court ignores the fact that Airbus's extensive participation in the Bankruptcy Cases was enough alone to establish that Airbus consented to the personal jurisdiction of this forum for purposes of the Adversary Proceeding by filing proofs of claim in the Bankruptcy Cases and substantially participating in the Bankruptcy Cases.

29. Second, the Bankruptcy Court ignores the fact that Airbus's participation in the Bankruptcy Cases, combined with its numerous contacts and activities in Texas, is enough to give rise to specific jurisdiction in this forum for purposes of the Adversary Proceeding.

30. Third, the Bankruptcy Court ignores the fact that Airbus's extensive contacts with Texas and the U.S.—including business conducted in Texas and the U.S. and the close strategic relationship between Airbus and its U.S.-based affiliate, AHI—give rise to general jurisdiction.

31. In particular, the Bankruptcy Court makes the following mistakes in assessing personal jurisdiction, and arrives at the incorrect conclusion that it does not have personal jurisdiction over Airbus. Once these mistakes are corrected, this Court should find that it has personal jurisdiction over Airbus because Airbus has consented to personal jurisdiction, because there is specific jurisdiction over the Adversary Proceeding, or because this Court has general jurisdiction over Airbus.

A. The Bankruptcy Court adopts Airbus's mischaracterization of ECN Capital's argument, suggesting that ECN Capital seeks a ruling that "by filing a notice of appearance and participating in a bankruptcy case, a creditor subjects itself to the personal jurisdiction of the bankruptcy court *for all times or for all issues*." (Ex. D at 19; *see also* Ex. O at 12.) To the contrary, as ECN Capital explained numerous times in its briefing and at argument, the Bankruptcy Court need only follow applicable case law to find that Airbus's substantial participation in the Bankruptcy Cases opens Airbus up to claims in an adversary proceeding if those claims are *related to* the subject matter of Airbus's proofs of claims. (*See* Ex. B at 17–18.)

B. The Bankruptcy Court incorrectly concludes that ECN Capital's claims in the Adversary Proceeding are "wholly unrelated" to Airbus's proofs of claim. (Ex. D at 19). Airbus's claims against CHC concern the same model of Super Puma helicopter that ECN

Capital owned, which was affected by the 2016 Crash and 2016 Grounding that gave rise to ECN Capital's claims. Similarly, the Bankruptcy Court concludes: "The mere fact that both ECN and Airbus filed claims in the same jointly-administered bankruptcy cases involving 43 affiliated debtors is insufficient for this Court to find that Airbus has consented to the Bankruptcy Court's personal jurisdiction over it for *unrelated claims* brought against it by ECN." (*Id.* at 21.) Again, ECN Capital's claims are not "unrelated"—they are inextricably linked to the facts underlying the Bankruptcy Cases. (*See* Ex. B at 17–18.)

C. The Bankruptcy Court ignores that the Debtors could have filed the same complaint that ECN Capital filed. The Bankruptcy Court conceded that the Debtors have the very same claims that ECN Capital brought in this Adversary Proceeding. (Ex. D at 11–12.) If the Debtors had asserted these claims, there is no doubt that the Bankruptcy Court would have personal jurisdiction over Airbus. ECN Capital's claims derive from claims the Debtors would have had, and over which the Bankruptcy Court would have had personal jurisdiction, if the Debtors did not reject ECN Capital's leases. Since the Debtors rejected the ECN Leases and returned the Helicopters to ECN Capital, a creditor in the Bankruptcy Cases, personal jurisdiction should exist over Airbus with respect to the claims as brought by ECN Capital.

D. Further, the Bankruptcy Court improperly disregards analogous district court cases that demonstrate the Bankruptcy Court's personal jurisdiction over Airbus. According to the Bankruptcy Court, these cases carry no weight simply because they did not arise in the context of bankruptcy proceedings. (Ex. D at 20.) ECN Capital established that, by voluntarily filing litigation in a forum, a party avails itself of the jurisdiction of the courts in that forum and thus consents to personal jurisdiction in that forum regarding related claims, even if brought in separate proceedings by entities that are not parties to the original litigation. (*See* Ex. J at 10–13

(citing *Int'l Transactions, Ltd.* v. *Embotelladora Agral Regionmontana SA de CV*, 277 F. Supp. 2d 654 (N.D. Tex. 2002) ("*Int'l Transactions*"), *Praetorian Specialty Ins. Co.* v. *Auguillard Const. Co.*, 829 F. Supp. 2d 456 (W.D. La. 2010) ("*Praetorian*"), and *Gen. Contracting & Trading Co., LLC* v. *Interpole, Inc.*, 940 F.2d 20 (1st Cir. 1991) ("*Interpole*")).) While these precedents arose in the district court context, ECN Capital provided authority explaining that filing a proof of claim in a bankruptcy court is the equivalent of filing a lawsuit in a district court. (*See* Ex. J at 12–13 & n.10 (citing *O'Neill* v. *Cont'l Airlines, Inc.* (*Matter of Cont'l Airlines*), 928 F.2d 127, 129 (5th Cir. 1991) and *Simmons* v. *Savell*, (*In re Simmons*), 765 F.2d 547, 552 (5th Cir. 1985)).) The Bankruptcy Court should have considered this applicable case law in considering personal jurisdiction and should not have disregarded it merely on the grounds that it did not arise in the bankruptcy context. Addressing *Int'l Transactions*, the Bankruptcy Court describes the case as "distinguishable from the facts here" because "the foreign defendant had previously filed two separate lawsuits in the forum that were directly related to proceedings the plaintiff filed in the same forum." (Ex. D at 20.) The Bankruptcy Court provides no explanation why those facts meaningfully distinguish *Int'l Transactions* from this case, where the foreign defendant previously filed proofs of claim in the forum that were directly related to the proceedings ECN Capital filed in the same forum. (*Id.*) Similarly, the Bankruptcy Court found *Praetorian* and *Interpole* to be "equally distinguishable, as each involved a situation where consent was found because the defendant had filed lawsuits in the same forum based on the same operative facts." (*Id.* at 21 n.20.) Again, that is the case here, where Airbus filed multiple proofs of claim in this forum based on the same operative facts as the Adversary Proceeding, given that filing a proof of claim in a bankruptcy court is the equivalent of filing a lawsuit in a district court. (*See* Ex. J at 12–13 & n.10.)

32. In addressing the issue of specific jurisdiction, the Bankruptcy Court finds that ECN Capital did not establish any connection between the harm it suffered and Airbus's business dealings, contacts, and presence in Texas. (Ex. D at 23.) Here, the Bankruptcy Court overlooks that ECN Capital suffered harm in Texas and as a result of decisions made in Texas (connected to Airbus's wrongdoing and its business activities in Texas and with Texas-based customers), all of which give rise to specific personal jurisdiction. (Ex. M at 5.) In addition, the Bankruptcy Court fails to recognize that ECN Capital served Kevin Cabaniss, Airbus's representative on the Creditors' Committee in the Bankruptcy Cases, in Texas, and that Airbus waived service. (*See* Ex. J at 4; Ex. R 40:10-13; 48:6-10, 67:10-16.)

33. Moreover, the Bankruptcy Court failed to make any proposed conclusions of law regarding ECN Capital's argument that, in light of its substantial contacts with the U.S. including its participation in the Bankruptcy Cases, Airbus is subject to the general jurisdiction of the court. The Bankruptcy Court only makes one mention of general jurisdiction, concluding that ECN Capital "does not argue that this Court has general personal jurisdiction over Airbus *independent of Airbus's alleged consent*." (Ex. D at 15 n.16.) In reaching this mistaken conclusion, the Bankruptcy Court takes a statement from the February 28, 2017 hearing out of context. ECN Capital stated: "I don't believe we would have general jurisdiction but for their coming into this Court," (Ex. R 45:21-22), in the context of arguing that Airbus's participation in the Bankruptcy Cases is part of what gives rise to personal jurisdiction over Airbus. ECN Capital argues that the Bankruptcy Court has general personal jurisdiction over Airbus because Airbus has maintained extensive contacts in the U.S., conducted business transactions in the U.S., and availed itself of the benefits of the courts of this jurisdiction, which ECN Capital argued moments later at this same hearing: "I think the activity, whether or not we've alleged

alter ego through AHI, they sold another 649 [helicopters] - - we're talking billions of dollars of sales to Texas . . . . [W]ith coming into this jurisdiction, and seeking the benefits from this jurisdiction, I submit that [Airbus] is at-home." (*Id.* 47:12–23.)

34. The Bankruptcy Court does not consider whether, given the totality of Airbus's business dealings, contacts, and presence in the U.S. and particularly in Texas—including its substantial participation in the Bankruptcy Cases, and its consent to jurisdiction in Texas courts for related claims—Airbus has subjected itself to the general jurisdiction of the Bankruptcy Court. (*See* Ex. M at 6.)

VI. OBJECTIONS TO PROPOSED CONCLUSIONS REGARDING *FORUM NON CONVENIENS*

35. The Bankruptcy Court incorrectly concludes that this is a proper case for dismissal on grounds of *forum non conveniens*, even though ECN Capital's claims and damages are closely tied to Texas and the Bankruptcy Cases, and Airbus would face minimal cost, inconvenience, or hardship in defending this Adversary Proceeding.

36. In its *forum non conveniens* analysis, the Bankruptcy Court fails to recognize the connection between ECN Capital's claims in the Adversary Proceeding and the harm ECN Capital suffered in Texas in the Bankruptcy Cases. The Bankruptcy Court wholly ignores the fact, which ECN Capital made clear on the record, that this harm occurred as a direct result of decisions *made in Texas* by the Debtors regarding the Super Pumas owned by ECN Capital.

A. *First*, the Bankruptcy Court ignores that the sale-leaseback agreements, by which ECN Capital bought and leased the Helicopters from and to CHC, is linked to Texas. CHC is based in Texas. Foreign subsidiaries of CHC, whose businesses are managed out of Irving, Texas (*see* Ex. C ¶ 10), purchased the Helicopters directly from Airbus, sold the Helicopters to ECN Capital, and re-leased the helicopters back from ECN Capital for sublease and operation

(*see* Ex. D at 3). These ECN Leases were guaranteed by certain of the Debtors—CHC Helicopter S.A., CHC Helicopter Holding S.A.R.L., 6922767 Holding SARL, and Heli-One Leasing, ULC—whose businesses are managed out of Irving, Texas. (*See id.*) *Second*, the Bankruptcy Court ignores that ECN Capital suffered harm connected with the Bankruptcy Cases in Texas. On May 5, 2016, CHC and 42 of its direct and indirect subsidiaries—including CHC (Barbados), CHC Helicopter S.A., CHC Helicopter Holding S.A.R.L., 6922767 Holding SARL, and Heli-One Leasing, ULC—filed for protection under Chapter 11 of the Bankruptcy Code, and subsequently rejected the ECN Leases in Dallas, Texas. (*See id.* at 4.) ECN Capital filed Proofs of Claim in the Bankruptcy Cases for $94,070,389 against CHC (Barbados), CHC Helicopter S.A., CHC Helicopter Holding S.A.R.L., 6922767 Holding SARL, and Heli-One Leasing, ULC, for obligations in connection with the ECN Leases and their guarantees. (*See id.* at 4–5.)

B. CHC rejected the ECN Leases in part because CHC could not utilize the Helicopters due to the 2016 Grounding. (*See* Ex. B at 7.) CHC stated in its public filings and testimony in the Bankruptcy Cases that it has suffered harm as a result of the 2016 Grounding. (*See id.*) For example, in its 2016 Form 10-K filing with the Securities and Exchange Commission, CHC stated: "We have also suffered costs due to . . . [the April 2016] accident," and that "a significant portion of our property and equipment, funded residual value guarantees and related assets is tied to the aircraft type H225." (Ex. S at 13, 67; *see also* Ex. B at 7.) Further, at a May 6, 2016 hearing in the Bankruptcy Cases, counsel for the Debtors stated: "[The EC225] has been temporarily grounded in certain jurisdictions and *that has had an impact on our fleet reconfiguration*, which is central to our restructuring." (Ex. T 17:25–18:2 (emphasis added).)

C. Third, the Bankruptcy Court ignores that its finding of "related to" subject matter jurisdiction weighs against dismissal on grounds of *forum non conveniens.* In addition to showing the connection of the sale-leaseback transaction to the State of Texas and its harm suffered in Texas, ECN Capital has shown that the Adversary Proceeding is "related to" the Bankruptcy because ECN Capital's negligence and products liability claims "are the same types of claims likely held by certain of the Debtors that also own Super Puma helicopters that were similarly grounded." (Ex. D at 11.) The Bankruptcy Court concludes in the Proposed Determination: "If ECN receives a ruling in the Adversary Proceeding that a specific part was defective, that Airbus knew of the defect, or similar rulings encompassed in negligence and/or products liability claims, the applicable Debtor could likely rely on issue preclusion in a subsequent lawsuit brought against Airbus." (*Id.*) The Bankruptcy Court should have considered this fact to conclude that it would be improper to dismiss this Adversary Proceeding on grounds of *forum non conveniens*.

D. The Bankruptcy Court erroneously stated that the Adversary Proceeding is "a matter having no connection with Texas or the United States," (*id.* at 32), that has "little direct relevance to the Bankruptcy Case," (*id.* at 42), —even after finding that ECN Capital's claims were related to the Bankruptcy Cases and recognizing that documents and witnesses (including CHC representatives) located in the United States may be relevant to the claims, (*see id.* at 12, 32). The Bankruptcy Court's proposed conclusion is based on the false assumption that this matter has no connection to the U.S. When that assumption is corrected, there is no basis for concluding that ECN Capital's choice of forum should be disturbed.

37. The Bankruptcy Court again improperly overlooks the critically important facts regarding Airbus's presence in this forum and its concurrent litigation of related lawsuits in Texas courts,

where Airbus has consented to jurisdiction for product liability claims regarding Super Puma helicopters that Airbus did not directly sell to the owner/operator plaintiffs, and improperly concludes that the Adversary Proceeding should be dismissed on grounds of *forum non conveniens*. Airbus recently conceded jurisdiction in Texas state court on nearly identical claims made by Era Group, Inc. against Airbus regarding Super Pumas that were not purchased directly from Airbus. (*See* Ex. M at 2–3.) In addition, Airbus is currently litigating a case in Texas state court, brought by Wells Fargo Bank Northwest, National Association, based on breach of warranty and contract claims regarding Super Pumas that were not purchased directly from Airbus. (*See id.* at 2.) Airbus thus is in this district for the purposes of defending nearly identical claims to those ECN Capital asserts in the Adversary Proceeding, in cases concerning the very same helicopter models as those at issue here. Airbus cannot credibly claim that defending this Adversary Proceeding would cause undue cost, inconvenience, or hardship, since Airbus is actively litigating and has even conceded jurisdiction in the same forum on the same claims. Yet, the Bankruptcy Court chooses to ignore these facts throughout its Proposed Determination.

38. In assessing *forum non conveniens*, the Bankruptcy Court also failed to recognize that Texas has an interest in resolving this controversy.

A. The Bankruptcy Court did not mention any interest the State of Texas has in resolving a dispute regarding helicopters that operate in the Oil and Gas industry which could be used in Texas, and which are identical to scores of helicopters currently located in Texas.

B. In addition, while the Bankruptcy Court stated that it "appreciates the fact that France is a minority owner of Airbus's ultimate parent," (Ex. D at 31), the Bankruptcy Court does not consider in its *forum non conveniens* analysis the likely possibility that Airbus is forum-

shopping in its attempt to avoid the jurisdiction of a United States federal court in favor of a court in its home forum of France. (*See* Ex. B at 24.)

39. This is not the proper case for dismissal on *forum non conveniens*. The relevant private interest and public interest factors—which are based in concepts of ease, cost, and availability—weigh against dismissal because: (a) deference is owed to ECN Capital's choice of forum; (b) ECN Capital's claims in the Adversary Proceeding are closely connected to Texas and the Bankruptcy Cases; (c) Airbus is actively litigating similar lawsuits in the same forum already; (d) Airbus voluntarily made itself present in this forum through its substantial participation in the Bankruptcy Cases, (*see* Ex. B at 6–7); (e) Airbus frequently sends executives to conduct business in Texas and sell helicopters in Texas, (*see* Ex. J at 6–7; Ex. M at 3); and (f) Texas has an interest in resolving this controversy.

VII. OBJECTIONS TO PROPOSED CONCLUSIONS REGARDING PERMISSIVE ABSTENTION

40. The Bankruptcy Court wrongly concludes that abstention would be appropriate in this Adversary Proceeding, even though there is no parallel state court proceeding and the fourteen factors used to consider permissive abstention weigh heavily against abstention.

41. The Bankruptcy Court has an obligation to view the facts in the light most favorable to ECN Capital. However, the Bankruptcy Court neglects this obligation by failing to assume the reference will be withdrawn in its assessment of permissive abstention. *In re Houston Regional Sports Network, L.P.*, 514 B.R. 211, 214 (Bankr. S.D. Tex. 2014) (in considering abstention, court assumed the reference would be withdrawn in order to "assume the facts in the light most favorable to the moving parties"). In its *Report and Recommendation to the District Court Regarding Case No. 3:17-cv-00075-C (Adv. Proc. No. 16-3151-BJH)*, the Bankruptcy Court recommends "that, should the District Court not adopt any of its recommendations in the

Proposed Findings and Conclusions, it enter an order immediately withdrawing its reference of the Adversary Proceeding to this Court." (Ex. U at 16). But the Bankruptcy Court fails to acknowledge that many of the factors for permissive abstention would be moot if the reference to the bankruptcy court is withdrawn. For example, the extent to which state law issues predominate over bankruptcy issues would be irrelevant if the bankruptcy reference is withdrawn, since this Court regularly addresses state law issues. *See, e.g.*, *In re McKenzie*, No. 1:11-CV-332, 2013 WL 4268622, at *4 (E.D. Tenn. Aug. 14, 2013). Additionally, the "degree of relatedness or remoteness of the proceeding to the main bankruptcy case," "the substance rather than the form of an asserted core proceeding," and "the feasibility of severing state law claims from core bankruptcy matters," would similarly be inapplicable if the reference is withdrawn. *See In re McKenzie*, 2013 WL 4268622, at *4.

42. In assessing the difficult or unsettled nature of applicable law, the Bankruptcy Court fails to assess the claims pleaded by ECN Capital, which include: negligence, defective design, defective manufacturing, failure to warn, violation of implied warranty of merchantability, negligent misrepresentation, and fraud. (*See* ¶ 45.) ECN Capital's claims do not involve difficult or unsettled areas of law, and the Bankruptcy Court acknowledges that if foreign law applies to the Adversary Proceeding, it "will be a novel issue but not one that is necessarily difficult or that this Court is incapable of handling." (*See* Ex. D at 40.) The Bankruptcy Court should have concluded that this factor weighs against permissive abstention.

43. The Bankruptcy Court acknowledges that there is no related proceeding pending in another forum involving ECN Capital and Airbus, but draws the incorrect conclusion from that fact. The Bankruptcy Court concludes that this renders the "related proceeding" factor for permissive abstention "inapplicable." (*See id.* at 40.) To the contrary, the absence of a pending

related proceeding involving the parties weighs heavily against permissive abstention, which is a concept premised in "the interest of justice, or in the interest of comity with State courts or respect for State law." 28 U.S.C. § 1334(c)(1). Where, as here, there is no underlying state proceeding to which comity is owed, permissive abstention should be disfavored. *See, e.g.*, *In re MontCrest Energy, Inc.*, No. 13-41129-DML-7, 2014 WL 6982643, at *7 (Bankr. N.D. Tex. Dec. 9, 2014) ("Factor 4 does not favor abstention . . . because it does not appear that a state court action 'is commenced' after the removal to federal court."); *In re McKenzie*, 2013 WL 4268622, at *5 (concluding that without any information about a relevant state proceeding, the factor regarding "the presence of a related proceeding" weighs against permissive abstention) (citing *In re Weldon F. Stump & Co.*, 373 B.R. 823, 827 (Bankr. N.D. Ohio 2007) ("[T]he presence of a related proceeding commenced and timely proceeding in a state-court forum is a prime consideration in any abstention analysis under § 1334(c)(1) as it underlies the purpose of the statute: respect for federalism."), and *McDaniel* v. *ABN Amro Mortg. Grp.*, 364 B.R. 644, 655 (S.D. Ohio 2007) ("[T]here are no related proceedings in state court. This factor favors non-abstention.")).

44. In assessing relatedness to the main bankruptcy case, the Bankruptcy Court discounts the fact that the Debtors hold similar claims against Airbus. (Ex. D at 40–41.)

A. The Debtors have reserved their claims against Airbus arising out of the 2016 Crash and 2016 Grounding. (*See* Ex. V at 2–3.) In addition, at the Confirmation Hearing, David W. Fowkes of Seabury Group, restructuring advisors to the Debtors, testified that the Debtors had 56 Super Pumas in their fleet at the time of the 2016 Grounding, nine of which were owned outright by the Debtors at the time and four of which remain owned outright by the Debtors. (*See* Ex. G 197:21–198:7). Mr. Fowkes also testified that CHC Helicopters (Barbados) SRL—

the Debtor to which ECN Capital leased the five Super Pumas it owned—owned or leased a total of 22 helicopters impacted by the 2016 Grounding, rejected its leases on all five of ECN Capital's Super Pumas, and continues to own one Super Puma. (*Id.* 200:14–205:8.) Robert A. Del Genio, CHC's Chief Restructuring Officer, also testified that CHC suffered injury to its business operations of approximately $34 million as a result of the 2016 Grounding, (*id.* 108:5–109:17), and that CHC suffered injury to the value of the Super Pumas in its fleet as a result of the 2016 Grounding, but that CHC is unsure of the value of its claims against Airbus arising out of the 2016 Grounding (*id.* 104:11-13, 112:22–114:1). The fact that the Debtors have not yet brought suit against Airbus does not diminish the relatedness of ECN Capital's claims to the Bankruptcy Cases.

B. Further, the Bankruptcy Court states that "the Debtors did not file bankruptcy to address claims related to the 2016 crash," (Ex. D at 41)—but, as ECN Capital points out in its briefing, the record shows that the Debtors acknowledged that the 2016 Crash and 2016 Grounding had a financial impact on their ability to operate their business, further demonstrating the connection between the facts underlying the Adversary Proceeding and the facts underlying the Bankruptcy Cases. (*See* Ex. B at 7; Ex. J at 7–9, 14–15.) In fact, the Debtors stated, in testimony at a hearing in the Bankruptcy Cases, that the Grounding "has had an impact on our fleet reconfiguration, which is central to our restructuring." (Ex. T 17:25–18:2.)

C. Relatedly, because ECN Capital's claims are derivative of claims the Debtors would have against Airbus if not for rejecting the ECN Leases—over which the Bankruptcy Court would have personal jurisdiction—ECN Capital should be permitted to pursue its claims in its chosen forum.

45. The Bankruptcy Court again ignores the interest to this forum of resolving ECN Capital's claims and erroneously describes the case as "an unnecessary burden, particularly given the very tenuous relationship between the Adversary Proceeding and the Bankruptcy Case." (Ex. D at 41.) There is no evidence suggesting that the District Court would not be able to handle the addition of this case to its docket. This is a straightforward case between two parties, claims with which the District Court is familiar, and subject matter—five helicopters used in the Oil and Gas industry—in which the State of Texas has an interest. The burden, which the Bankruptcy Court admits the District Court could handle, is not an "unnecessary" one—it is the result of ECN Capital's choice of forum, which warrants deference; it is appropriate, given the relatedness of ECN Capital's claims to the Bankruptcy Cases; and it is relevant to the interests of the forum and its citizens.

46. The Bankruptcy Court's forum shopping analysis disregards that various jurisdictions other than France could be proposed as alternatives—including Canada, ECN Capital's home forum where its documents and witnesses are located; Norway, where the 2016 Crash occurred and the primary investigation is being carried out; or the United Kingdom, where multiple of ECN Capital's Super Puma helicopters are located.

47. In assessing comity, the Bankruptcy Court improperly assumes that France "has the most vested interest in determining" ECN Capital's claims. (Ex. D at 42). In fact, Texas has the strongest connection to the Adversary Proceeding. First, it is in Texas that the CHC entities that purchased, sold, and leased the Helicopters operate their businesses and made decisions regarding the fate of Super Puma helicopters, including those owned by ECN Capital. Second, it is in Texas that ECN Capital suffered harm as a result of CHC's rejection of the ECN Leases at issue in the Bankruptcy Cases. Third, it is in Texas that decisions regarding helicopters used in

the Oil and Gas industry are most likely to have an impact. These considerations are not undermined by any issues of comity, as there is no pending case in France or any other jurisdiction. *See In re Lorax Corp.*, 295 B.R. 83, 96 (Bankr. N.D. Tex. 2003) ("Since there is no state action in favor of which this court could abstain should it so wish, comity is not a factor."). The Bankruptcy Court improperly ignores these considerations and incorrectly concludes that Texas does not have a vested interest in the determination of ECN Capital's claims.

VIII. CONCLUSION

For the foregoing reasons, Plaintiff ECN Capital objects in part to the Bankruptcy Court's *Proposed Findings of Fact and Conclusions of Law Regarding Defendant Airbus Helicopters, S.A.S.'s Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of Forum Non Conveniens*.

Dated: April 11, 2017
New York, New York

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that, on April 11, 2017, I caused the foregoing Objection to be filed with the Court via CM/ECF and served on all parties requesting electronic notification, including the following counsel of record for the Defendant:

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors,	**Bankr. Case No. 16-31854-BJH** **(Chapter 11)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Case No. 3:17-cv-00075-C** **Adv. Proc. No. 16-03151-BJH** **Appendix in Support of Plaintiff's Objection to the Bankruptcy Court's Proposed Findings of Fact and Conclusions of Law** Related to ECF No. 94

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Dated: April 11, 2017
New York, New York

Respectfully submitted,

By: /s/ *Martin Flumenbaum*
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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	**Chapter 11**
CHC GROUP LTD., *et al.*,	**Case No. 16-31854(BJH)**
Debtor,	**(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP.,	**Adv. Proc Case No. _____**
Plaintiff,	**COMPLAINT**
v.	**(Jury Trial Demanded)**
AIRBUS HELICOPTERS (SAS),	
Defendants.	

Plaintiff ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) ("ECN Capital" or "Plaintiff"), for its Complaint against Defendant Airbus Helicopters (SAS) ("Airbus" or

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"Defendant"), respectfully alleges as follows:

NATURE OF THE ACTION

1. Defendant Airbus designs, manufactures, markets, and sells aircraft, including two models of utility helicopters sold under the name "Super Puma"—the Eurocopter EC225 ("EC225") and the Eurocopter AS332 L2 ("AS332 L2").[1]

2. On April 29, 2016, a Super Puma EC225 crashed near Turøy, Norway. All 13 individuals on board were killed. Footage of the accident recorded by a bystander showed that the main rotor blades of the helicopter detached in midair, causing the frame to fall.

3. As a result of the crash and its investigation by the Accident Investigation Board of Norway, civil aviation authorities in the United States, Europe, Norway, and the United Kingdom prohibited the flight and/or commercial use of any EC225 or AS332 L2 due to an unsafe condition caused by a design defect in the helicopters' main gear box, which connects to the helicopter frame the main rotor head that is attached to the main rotor blades. The Accident Investigation Board of Norway, the United Kingdom Civil Aviation Authority, and the United States Federal Aviation Authority specifically concluded that the Super Puma EC225s and the Super Puma AS332 L2s are not safe to fly in their current condition.

4. Plaintiff ECN Capital owns five Super Puma helicopters manufactured by Defendant Airbus—one Super Puma EC225 and four Super Puma AS332 L2s. ECN Capital has suffered damage that is the direct and proximate result of Airbus's negligence, defective

[1] Airbus Helicopters (formerly known as Eurocopter) has changed the names of some Super Puma models; the EC225 is now known as the H225. For purposes of the allegations in this Complaint, Plaintiff will refer to the helicopter models by their names when Plaintiff purchased them.

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design, defective manufacturing, failure to warn, violation of implied warranty of merchantability, negligent misrepresentation, and/or fraud regarding the unsafe helicopters. ECN Capital thus brings this action against Airbus to recover ECN Capital's damages, which include, but are not limited to, economic loss, damage to property, lost profits, and costs of recovery, maintenance, storage and replacement of the unsafe and defective helicopters.

THE PARTIES

5. Plaintiff ECN (Aviation) Capital Corp., an Ontario corporation, is a commercial financing business with headquarters in Toronto, Canada. ECN Capital provides commercial aviation financing to customers in the transportation and energy sectors, among others, throughout Canada and the United States, including in Texas.

6. Defendant Airbus Helicopters (SAS) is a *société par actions simplifiée* organized under the laws of France with its principal place of business in Marignane, France. Airbus designs, manufacturers, markets, and sells aircraft, which it markets and services around the world and throughout the United States, including in Texas.

JURISDICTION AND VENUE

7. This is an action seeking damages for negligence, strict products liability, manufacturing defect, design defect, breach of implied warranty of merchantability, negligent misrepresentation and fraud.

8. This Court has jurisdiction under 28 U.S.C. § 1334(b) and (c) because this lawsuit is related to cases filed by CHC Group Ltd. ("CHC Group") and certain of its affiliates (together with CHC Group, collectively the "CHC Debtors") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), which are being jointly administered in this Court under the caption *In re CHC Group Ltd., et al.*, No. 16-31854

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(BJH) (the "CHC Bankruptcy Cases"). The outcome of this lawsuit is likely to impact the CHC Debtors' estates in the pending CHC Bankruptcy Cases.

9. Pursuant to 28 U.S.C. §§ 157(a) and 157(b)(1) and the Order dated August 3, 1984 Referring to Bankruptcy Judges for this District any or all proceedings arising in or related to a case under the Bankruptcy Code, this Court may exercise subject matter jurisdiction over this action.

10. This Court also has supplemental jurisdiction over Plaintiff's state law claims pursuant to 28 U.S.C. § 1367(a).

11. This Court has personal jurisdiction over Defendant Airbus because Airbus has appeared in the CHC Bankruptcy Cases pending in this Court to which this action is related. Airbus has filed proofs of claim, filed briefing in connection with discovery motions, and participated as a member of the Official Committee of Unsecured Creditors in the CHC Bankruptcy Cases. Airbus thus has purposefully availed itself of the courts in this District. Additionally, Airbus directed its wrongful conduct toward this State and this District by placing into the stream of commerce defective products that Airbus knew would be reasonably likely to appear in this District or be owned and/or operated by entities doing business in this District. On information and belief, Airbus sold Super Puma EC225s through an Airbus entity that is headquartered in this District, has a substantial presence in Texas, and has accepted jurisdiction in Dallas County, Texas for contracts of sale on Super Puma EC225s.

12. Venue is proper in this District pursuant to 28 U.S.C. § 1409(a) because the CHC Bankruptcy Cases to which this lawsuit is related are pending in this Court. In addition, venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(2) because significant events

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giving rise to the claims in this action occurred in this District and because certain property at issue is located in this judicial district. Specifically among other things, on information and belief, CHC Helicopters (Barbados) Limited ("CHC (Barbados)") originally purchased the helicopters at issue from Airbus entities affiliated with Airbus Group, Inc., which has a large presence—29 centers—in the United States and has a subsidiary, Airbus Helicopters, Inc., that is headquartered in Grand Prairie, Texas. Plaintiff purchased the helicopters at issue here from CHC (Barbados), which is one of the CHC Debtors in the CHC Bankruptcy Cases pending in this Court. CHC Group, which is the holding company for CHC (Barbados), bases its corporate officers and global operations center in Irving, Texas. Plaintiff entered into a sale leaseback agreement with CHC (Barbados), whereby Plaintiff would purchase the helicopters from CHC (Barbados) and lease them back to CHC (Barbados) for sublease and operation. These leases were recently rejected by the CHC Debtors in the CHC Bankruptcy Cases. In the alternative, venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(3) because Defendant Airbus is subject to personal jurisdiction in this District.

13. Statement Pursuant to Fed. R. Bankr. P. 7008. This adversary proceeding is a non-core proceeding. The Plaintiff does not consent to entry of final orders or judgment by this Court at this time.

FACTUAL ALLEGATIONS

A. April 29, 2016 Crash

14. The fatal crash on April 29, 2016, involved a Super Puma EC225, registered LN-OJF on charter to Statoil, a Norwegian oil and gas production company. Eleven oil workers were on the flight to be transported from an oil platform in the North Sea to Bergen

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Airport, Flesland. All of the eleven passengers and two crew members on board the helicopter died in the crash.

15. Witnesses to the crash reported that they saw that the main rotor blades of the helicopter had separated from the frame in midair. Footage of the accident recorded by a bystander confirmed those accounts, showing the main rotor blades of the helicopter detached from the frame and spinning through the air. The main rotor blades were found on an outcrop approximately 300 yards away from where the helicopter frame crashed into the water of the North Sea.

16. The helicopter that crashed was operated by CHC Helikopter Service AS, a Norway subsidiary of CHC Group and an affiliate of CHC Helicopter, a Canadian company with its headquarters in Richmond, British Columbia, and its corporate officers and global operations center in Irving, Texas. CHC Group, the parent company of both CHC Helikopter Service AS and CHC Helicopter, is a Cayman Islands-based company that has filed for chapter 11 relief in the CHC Bankruptcy Cases, which are currently pending in this Court.

B. <u>Investigation and Groundings</u>

17. On the day of the crash, the Civil Aviation Authority of Norway (the "CAAN") began investigating the wreckage and issued an operational directive banning public and commercial transport flight of EC225 helicopters. The United Kingdom Civil Aviation Authority ("UK CAA") instituted a similar operational directive regarding Super Puma EC225s the next day, on April 30, 2016.

18. The Accident Investigation Board Norway ("AIBN") commenced investigating the cause of the crash. In a preliminary report on the investigation released on May 13, 2016, the AIBN stated that it was "focussing on the examination of the [Main Rotor Head] suspension bar assembly, the main gearbox and the main rotor head." In an update to the

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preliminary report issued on May 27, 2016, the AIBN stated that "[d]etailed examination work continues to focus on the MRH suspension bar assembly, the main gearbox and the main rotor head."

19. On June 1, 2016, the AIBN released a preliminary report stating that its examinations of a second stage planet gear of the main gearbox "revealed features strongly consistent with fatigue." The report continued:

> Although preliminary, the AIBN considers these findings to be of such significance that it has decided to issue the following safety recommendation to ensure the continuing airworthiness of the Main Gear Box (MGB).
>
> **Safety Recommendation**
>
> Recent metallurgical findings have revealed features strongly consistent with fatigue in the outer race of a second stage planet gear in the epicyclic module of the MGB. It cannot be ruled out that this signifies a possible safety issue that can affect other MGBs of the same type. The nature of the catastrophic failure of the LN-OJF main rotor system indicates that the current means to detect failure in advance are not effective.

20. The AIBN concluded its June 1, 2016 report with a recommendation that the European Aviation Safety Agency ("EASA") "take immediate action to ensure the safety of the [EC225] Main Gear Box" with respect to all Super Puma EC225s.

21. Widespread groundings of the Super Pumas followed. On June 2, 2016, CAAN expanded its ban on Super Puma EC225s to encompass Super Puma AS332 L2s, which have a similar main gear box design to the Super Puma EC225s, and to encompass all operations, including search and rescue. Also on June 2, 2016, the UK CAA and EASA each issued bans on the flight of Super Puma EC225s and Super Puma AS332 L2s. On June 3, 2016, the United States Federal Aviation Administration ("FAA") issued an Emergency Airworthiness Directive prohibiting all flights of Super Puma EC225s and Super Puma AS332 L2s and defining "the unsafe condition" of the helicopters to be "failure of the main

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rotor system, which will result in loss of control of the helicopter." The FAA stated that its ban would remain in place until "the design approval holder develops a modification that addresses the ***unsafe condition*** identified" by the FAA as affecting all Super Puma EC225s and all Super Puma AS332 L2s.

22. In a subsequent preliminary report issued on June 28, 2016, the AIBN concluded that "the accident most likely was the result of a fatigue fracture in one of the second stage planet gears." The AIBN concluded that fatigue to the gears caused a crack in the surface area of the metal, which created debris that should have been detected by magnetic chip detectors housed in the gear box. By Airbus's design, however, there are not adequate means of detection within the main gearbox of the Super Puma EC225s and Super Puma AS332 L2s to effectively detect debris. Airbus utilized a system called HUMS (Health and Usage Monitoring System) to monitor the health and usage of components of the aircraft. The HUMS system is intended to detect abnormal vibrations in the main gearbox area, such as would be caused by the fatigue identified by the AIBN as affecting the gears of the Super Puma EC225s and Super Puma AS332 L2s. The AIBN concluded that the chip detectors and the HUMS system in the Super Puma EC225 involved in the fatal crash failed to identify the fatigue to the gear box, or debris or abnormal vibrations caused by that fatigue.

23. The AIBN's reports and the FAA's Emergency Airworthiness Directive concluded that all Super Pumas EC225s and all Super Puma AS332 L2s had design defects relating to their gear boxes, chip detectors, and/or HUMS systems. The AIBN and the FAA concluded that these helicopters are unsafe and not airworthy.

24. EASA, too, concluded that Super Puma EC225s and Super Puma AS332 L2s are not safe to fly. On October 7, 2016, EASA partially lifted its ban on flights of Super

Puma EC225s and Super Puma AS332 L2s, but only to permit flights of such helicopters that have had their defective parts replaced. EASA also imposed extra inspections and service life limits to the Super Puma EC225s and Super Puma AS332 L2s.

25. AIBN has not made any further updates since the EASA action, and the CAAN and the UK CAA reaffirmed their bans on flights of Super Puma EC225s and Super Puma AS332 L2s after EASA issued its announcement partially lifting its ban. The FAA also has not amended its Emergency Airworthiness Directive declaring all Super Puma EC225s and Super Puma AS332 L2s unsafe and banning their flight.

C. <u>Dangers and Defects of the Super Pumas</u>

26. The designs for the Super Puma EC225 and Super Puma AS332 L2 models were based on the designs for the preceding Airbus SA330 J Puma, a twin-engine Airbus helicopter with a four-blade main rotor that gained civil certification in 1976, and the Super Puma AS332 L, which was certified in 1978. The Super Puma AS332 L2 was certified in 1991, and the Super Puma EC225 was certified in 2004. As the Super Puma family evolved, Airbus increased the power of the engines, lengthened the rotor blades (and, for the EC225, added a fifth blade), and increased the overall weight of the Super Puma AS332 L2 and the Super Puma EC225 as compared to the Super Puma AS332 L and the SA330 J Puma:

	SA330 J	AS332 L	AS332 L2	EC225
Maximum All Up Weight[2] (kg)	7,400	8,600	9,300	11,000
Engine Power (hp)	3,150	3,175	3,690	4,764
Main Rotor Diameter (m)	15	15.6	16.2	16.2
Maximum Speed (km/h)	257	262	277	275.5

27. Airbus's designs for the Super Puma EC225 and the Super Puma AS332 L2 were defective in that, among other things, Airbus did not appropriately update the gear box, chip detectors, and/or HUMS system in order to withstand the increased weight and power of the newer helicopter models, and Airbus negligently failed to sufficiently test how the existing gear box, chip detectors, and/or HUMS system would perform in the heavier and more powerful models. Had Airbus conducted the appropriate tests, it would have realized that its designs for the Super Puma EC225 and the Super Puma AS332 L2 were defective. Airbus thus knew or should have known that the helicopters were unsafe and not airworthy, and that an event like the fatal accident on April 29, 2016 was likely to occur as a natural consequence of the defective design of Airbus's Super Puma EC225 and Super Puma AS332 L2.

28. Since the April 29, 2016 crash of the Super Puma EC225 registered LN-OJF, the offshore helicopter industry has united in discontinuing operation of Super Puma EC225s and all Super Puma AS332 L2s. After all, 13 people on board the Super Puma EC225 were killed when "sudden catastrophic failure" developed in a matter of seconds, causing "the main

[2] The Maximum All Up Weight is the maximum gross weight of the aircraft at which takeoff is permitted.

rotor head [to] suddenly detach[] from the body of the helicopter" at 2,000 feet in the air and "smash[] into a tiny island and burst into flames."[3] Statoil's head of production in Norway called it "one of the worst accidents in Norwegian oil history."[4] The U.K.'s National Union of Rail, Maritime and Transport Workers (RMT) has "heard widespread, strong backlash about the aircraft . . . . This sentiment was echoed in a change.org online petition, purportedly representing North Sea Offshore Oil Workers and their families, which called for the [Super Puma EC225] to be permanently removed from service. It received over 27,000 signatures."[5] Tommy Campbell, the chair of Offshore Coordinating Group (OCG), an "umbrella body of unions representing North Sea oil workers," stated that "workers must not be forced to fly in the [Super Puma EC225]" until the cause of the crash is determined.[6] CHC itself, which is one of the world's largest operators of these aircraft, announced that it would no longer fly Super Puma EC225s "based on customer demand."[7] Even chief executive Gretchen Haskins of HeliOffshore, the global safety association for the offshore helicopter industry, admitted

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[3] *Safety Alert Issued After Metal Fatigue Found in Norway Crash Helicopter*, The Guardian (Jun. 2, 2016), https://www.theguardian.com/world/2016/jun/02/safety-alert-issued-after-metal-fatigue-found-in-norway-crash-helicopter.

[4] Stine Jacobsen & Ole Petter Skonnord, *Oil Rig Helicopter Crashes Off Norway Coast, 13 Presumed Dead*, Reuters (May 3, 2016), http://in.reuters.com/article/norway-helicopter-crash-idINKCN0XQ1GK.

[5] Thierry Dubois, *Airbus Helicopters Braces for Post-Turøy Impact*, Vertical Mag (Aug. 31, 2016), http://www.verticalmag.com/news/airbus-helicopters-braces-post-turoy-impact/.

[6] Hilary Duncanson, *'Mechanical Failure' Caused Norway Helicopter Crash*, The Huffington Post (May 4, 2016), http://www.huffingtonpost.co.uk/2016/05/03/mechanical-failure-caused-norway-helicopter-crash_n_9832530.html.

[7] Laura Paterson, *North Sea Helicopter Firm Says It Will No Longer Use Super Puma H225s Following Fatal Crash*, Daily Record (Jun. 8, 2016), http://www.dailyrecord.co.uk/news/scottish-news/north-sea-helicopter-firm-says-8141489.

that she would not feel comfortable flying in a Super Puma EC225 or a Super Puma AS332 L2: "'For me, it would have to go through all the steps and it has only been through the first ones.'"[8]

29. Members of the oil and gas industry are circulating a report that "claims to have identified a serious problem within the gearbox of the Super Puma [EC225 and AS332 L2] aircraft," according to accounts given to Scottish newspaper The Herald.[9] This report is said to conclude that EASA's "interim action" for replacing parts and monitoring is insufficient and would not eliminate the "potential for catastrophic failure." *Id.* The report also is said to conclude that the deterioration of the gear box that led to the fatal accident was an "inherent characteristic" of all Super Puma EC225s and all Super Puma AS332 L2s.[10]

30. The defects in the Super Puma EC225s and the Super Puma AS332 L2s were not discoverable through a visual or flight delivery inspection.

D. <u>Airbus's False Statements</u>

31. Despite the dangers inherent in the defective design of the Super Puma EC225s and Super Puma AS332 L2s, Defendant Airbus supplied false information in an attempt to assure the market that its products were safe and airworthy. In the Overview for the Super

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[8] Dominic Perry, *Airbus Helicopters Chief Insists Super Puma has Future in North Sea Region*, Flight Global (Oct. 12, 2016), https://www.flightglobal.com/news/articles/airbus-helicopters-chief-insists-super-puma-has-futu-430270/.

[9] Jody Harrison, *Super Puma Has 'Potentially Catastrophic' Design Failure*, The Herald (Oct. 31, 2016), http://www.heraldscotland.com/news/homenews/14832969.Super_Puma_has__potentially_catastrophic__design_failure__report_claims/.

[10] Keith Findlay, *Airbus Silent on Super Puma 'Fault' News Report*, The Press and Journal, Nov. 1, 2016, *available at* http://www.pressreader.com/uk/the-press-and-journal-inverness/20161101/282432758708830.

Puma AS332 L2 on its website, Airbus describes the helicopter as having an "excellent . . . operational safety level" making it "well suited for civil operations, as well as para-public uses."[11] Another Airbus webpage advertises the Super Puma AS332 L2 as "a highly reliable medium-weight helicopter" that "is exceptionally smooth and stable in flight."[12] A webpage advertising the Super Puma EC225 states that the helicopter is "ideally suited for public service missions such as search and rescue" and has a design that "increases operational safety."[13] And the Super Puma EC225 Overview asserts that the helicopter "offers superior . . . reliability" and "sets new standards for safety."[14]

32. In addition, Airbus made false statements to EASA, to the UK Air Accidents Investigation Branch ("AAIB"), and to the public in response to safety recommendations Airbus received after an investigation regarding an April 2009 crash of a Super Puma AS332 L2. On April 1, 2009, a Super Puma AS332 L2, registered G-REDL, crashed off the coast of the United Kingdom with the loss of 16 lives. Like the Super Puma EC225 that crashed in Norway in April 2016, the Super Puma AS332 L2 that crashed in April 2009 also lost its main rotor. The AAIB investigated the 2009 crash and concluded that the Super Puma AS332 L2 suffered a failure of the second stage planet gear of the main gearbox—the same component

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[11] *See H215 (Formerly Known as AS332) Overview*, Airbus Helicopters, Inc., http://airbushelicoptersinc.com/products/H215-overview.asp (last visited Nov. 15, 2016).

[12] *See H215 (Formerly Known as AS332)*, Airbus Helicopters, Inc., http://airbushelicoptersinc.com/products/H215-product.asp (last visited Nov. 15, 2016).

[13] *See H225 (Formerly Known as EC225)*, Airbus Helicopters, Inc., http://airbushelicoptersinc.com/products/H225-product.asp (last visited Nov. 15, 2016).

[14] *See H225 (Formerly Known as EC225) Overview*, Airbus Helicopters, Inc., http://airbushelicoptersinc.com/products/H225-overview.asp (last visited Nov. 15, 2016).

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that AIBN say failed in the Super Puma EC225 that crashed in Norway.[15] Airbus assured the AAIB and other regulators, as well as the public, that Airbus had addressed and resolved design and airworthiness issues regarding the Super Puma EC225 and the Super Puma AS332 L2 that related to the issues involved in the 2009 crash. Airbus's false statements—all made prior to Plaintiff's purchase of the Super Puma EC225 and the Super Puma AS332 L2s—gave consumers false confidence that Airbus had addressed and resolved any defects of the Super Puma EC225s or Super Puma AS332 L2s that related to the 2009 crash.

33. At all relevant times that it described the Super Puma EC225s and the Super Puma AS332 L2s as safe, reliable, and airworthy, Airbus knew or should have known that it was supplying false information on which Plaintiff and others would reasonably rely in making purchasing decisions.

E. <u>ECN Capital's Super Pumas</u>

34. Plaintiff ECN Capital owns five Super Puma helicopters manufactured by Defendant Airbus—one EC225 and four AS332 L2s. In 2013, Plaintiff purchased all five of its Super Pumas from CHC (Barbados), which, on information and belief, in turn purchased the helicopters directly from an affiliate of Defendant Airbus. Plaintiff purchased the following aircrafts on the following dates: Super Puma AS332 L2 registration mark G-PUMS on June 5, 2013; Super Puma AS332 L2 registration mark G-PUMM on June 5, 2013; Super Puma EC225LP registration mark G-OAGA on September 26, 2013; Super Puma AS332 L2

[15] AIBN stated in its June 28, 2016 Preliminary Report on the April 29, 2016 accident: "Even though some differences are observed when comparing the [April 2016 EC225] accident with the [April 2009 AS332 L2] accident, the fatigue fractured planet gears, however, show clear similarities." Preliminary Report 28 June 2016, Accident Investigation Board Norway (Jun. 28, 2016), https://www.aibn.no/Aviation/Investigations/16-286?iid=20112&pid=SHT-Report-Attachments.Native-InnerFile-File&attach=1.

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registration mark LN-OHE on September 27, 2013; and Super Puma AS332 L2 registration mark G-PUMO on December 6, 2013.

35. After purchasing the Super Pumas from CHC (Barbados), Plaintiff ECN Capital leased the five Super Puma helicopters back to CHC (Barbados) to be subleased and operated by CHC (Barbados). As part of the Sale/Purchase Agreement between Plaintiff and CHC (Barbados), CHC (Barbados) warranted that the helicopters were kept in good repair, condition and appearance in accordance with the relevant aviation authorities. In the Lease Acceptance Certificate for the leases between CHC (Barbados) and Plaintiff ECN Capital, CHC (Barbados) warranted that it fully examined and inspected each helicopter and that the helicopters were airworthy and of satisfactory quality.

36. Under the terms of the lease-back agreement between CHC (Barbados) and Plaintiff ECN Capital, CHC (Barbados) warranted that as lessee, it would at all times cause the helicopters to be "inspected, serviced maintained, overhauled, repaired, modified and tested . . . in accordance with the Manufacturer's applicable maintenance and overhaul manuals, Service Bulletins[16] and other written instructions by the Manufacturer," and in accordance with applicable written mandatory instructions issued by relevant aviation authorities. The lease agreement included a statement that "[t]he aircraft shall be maintained at maintenance facilities approved by the Lessor and the relevant Aviation Authority, so as to keep the same in as good repair and operating condition and appearance as when delivered to Lessee, ordinary wear and tear excepted; in such condition as is necessary to keep the Aircraft Serviceable and enable the certificate of airworthiness to be maintained in good

[16] The term "Service Bulletin" is defined in the agreement to mean "the document containing instructions for continued airworthiness developed by the Manufacturer of the aeronautical product."

standing at all times under the applicable Regulations; in a manner at least comparable to other reputable operators of the same type(s) of aircraft; and in compliance with all mandatory modifications and all Airworthiness Directives issued by the Aviation Authority and the relevant Aviation Authority through permanent modification or repair of the Aircraft."

F. <u>CHC's Bankruptcy</u>

37. After the grounding caused by Defendant Airbus's negligence, defective design, defective manufacturing, failure to warn, violation of implied warranty of merchantability, negligent misrepresentation, and/or fraud, the CHC Debtors filed for relief under the Bankruptcy Code on May 5, 2016 in this Court. (ECF No. 1, Docket 16-31854-bjh.)

38. In its voluntary petition, CHC Group listed its mailing address as Irving, TX, and its principal place of business as Grand Cayman, Cayman Islands. (*Id.*)

39. The CHC entities that are relevant to the present complaint—CHC Group and CHC (Barbados)—are also debtors in the CHC Bankruptcy Cases. Plaintiff purchased the five helicopters at issue from CHC (Barbados), which in turn purchased the helicopters from Airbus.

40. Airbus has been actively involved in the CHC Bankruptcy Cases. First, Airbus is a major creditor in the CHC Bankruptcy Cases. Specifically, on August 22, 2016, Airbus filed the following proofs of claim against the CHC Debtors: (a) Proof of Claim No. 353 seeking a general unsecured claim in the amount of $65,776.05 against Heli-One Canada ULC; (b) Proof of Claim No. 353 seeking an administrative priority claim in the amount of $27,295.18 against Heli-One Canada ULC; (c) Proof of Claim No. 365 seeking a general unsecured claim in the amount of $4,537,633.72 against Heli-One (Norway) AS; and (d)

Proof of Claim No. 365 seeking an administrative priority claim in the amount of $1,573,873.10 against Heli-One (Norway) AS. These claims total $6,204,578.05 and include numerous invoices submitted as part of Airbus's proofs of claim relating to the replacement or maintenance of Super Puma parts. In addition, on May 13, 2016, the United States Trustee appointed Airbus c/o Kevin Cabeniss in Grand Prairie, TX, to the Official Committee of Unsecured Creditors. (ECF No. 115.) Counsel for Airbus also filed Notices of Appearance and motions to appear pro hac vice in the CHC Bankruptcy Cases on June 2, 2016 and June 15, 2016. (ECF Nos. 227, 228, 229, 334, 335, 339.) Further, when Plaintiff ECN Capital filed a motion in the CHC Bankruptcy Cases seeking discovery from the CHC Debtors under Rule 2004 of the Federal Rules of Bankruptcy Procedure, Airbus engaged in discovery motion practice objecting to the motion. (ECF No. 862.)

41. On May 5, 2016, the CHC Debtors filed a First Omnibus Motion with the Court seeking authority to reject certain of their outstanding leases, including leases of the four Super Puma AS332 L2s owned by ECN Capital. (ECF No. 20.) On May 27, 2016, the CHC Debtors filed a Second Omnibus Motion with the Court seeking authority to reject additional outstanding leases, including the lease of the Super Puma EC225 owned by ECN Capital. (ECF No. 210.) The CHC Debtors' requests to reject these five Super Puma leases with ECN Capital were granted by the Court on June 30, 2016. (ECF Nos. 427, 428.) By these and two other motions, the CHC Debtors sought to reject leases of at least forty-six Super Puma AS332 L2s or EC225s owned by nine entities other than ECN Capital. Seven of these entities are creditors in the CHC Bankruptcy Cases.

42. As a result of the CHC Debtors' rejection of their leases with ECN Capital, ECN Capital filed Proofs of Claim Nos. 543, 545, 549, 556, and 575 in the CHC Bankruptcy

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Cases against certain of the CHC Debtors seeking over $94 million from each such CHC Debtor. Other entities subject to lease rejections by the CHC Debtors filed similar proofs of claim. To the extent that ECN Capital recovers damages against Airbus through this action, the amount of ECN Capital's claims against the CHC Debtors will be reduced by ECN Capital's recovery. Similarly, if other entities subject to lease rejections by the CHC Debtors obtain damages from Airbus on the basis of Airbus's liability in this action, their claims against the CHC Debtors will be reduced by their recovery. Accordingly, the outcome of Plaintiff's claims in this action will: (a) alter the rights, obligations, and choices of action of creditors against the CHC Debtors; (b) alter the rights, obligations, and choices of action by the CHC Debtors against Airbus; (c) impact the CHC Debtors' estates; and (d) have an effect on the administration of the CHC Debtors' estates.

43. On information and belief, in addition to the Super Pumas for which the CHC Debtors rejected leases in the CHC Bankruptcy Cases, the CHC Debtors own and/or have owned other Super Puma EC225s and/or Super Puma AS332 L2s as well. The CHC Debtors thus could stand to recover damages directly from Airbus for Airbus's negligence, defective design, defective manufacturing, failure to warn, violation of implied warranty of merchantability, negligent misrepresentation, and/or fraud, which recovery would accrue to the benefit of the CHC Debtors' estates.

G. <u>Injury to ECN Capital</u>

44. The grounding of the Super Pumas owned by Plaintiff by the civil aviation authorities, and the findings by the AIBN and FAA that the helicopters are not safe to fly in their current condition, has caused ECN Capital damage that is the direct and proximate result of Airbus's negligence, defective design, defective manufacturing, failure to warn, violation

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of implied warranty of merchantability, negligent misrepresentation, and/or fraud. ECN Capital has suffered and/or will continue to suffer damages including but not limited to economic loss (including but not limited to the amount of the value of ECN Capital's five Super Puma helicopters), damage to property, lost profits (including but not limited to the amount ECN Capital could have earned through leasing the Super Puma helicopters, were it not for Defendant Airbus's negligence that resulted in a ban on flying the Super Pumas), and costs of recovery, maintenance, storage and replacement.

45. By this action against Defendant Airbus, Plaintiff ECN Capital seeks relief for its damages caused by Defendant Airbus's negligence, defective design, defective manufacturing, failure to warn, violation of implied warranty of merchantability, negligent misrepresentation, and/or fraud.

FIRST CLAIM FOR RELIEF
(Negligence)

46. Paragraphs 1 through 45 of the Complaint are hereby repeated and realleged as if fully set forth herein.

47. Defendant had a duty to exercise reasonable care in the designing, researching, manufacturing, marketing, supplying, promoting, sale, testing, quality assurance, quality control, and/or distribution of the Super Puma EC225s and Super Puma AS332 L2s into the stream of commerce, including a duty to assure that the Super Puma EC225s and Super Puma AS332 L2s would not cause harm to purchasers.

48. Defendant failed to exercise reasonable care in the designing, researching, manufacturing, marketing, supplying, promoting, sale, testing, quality assurance, quality control, and/or distribution of the Super Puma EC225s and Super Puma AS332 L2s into interstate commerce in that Defendant knew or should have known that purchasers and

operators were at risk for suffering harmful effects from it including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

49. The negligence of Defendant, its agents, servants, and/or employees, included but was not limited to the following acts and/or omissions:

a. Negligently designing and/or manufacturing the Super Puma EC225s and Super Puma AS332 L2s in a manner that was dangerous to purchasers and operators;

b. Designing, manufacturing, marketing, selling, and/or distributing the Super Puma EC225s and Super Puma AS332 L2s without adequately, sufficiently, or thoroughly testing them to determine whether or not the Super Puma EC225s and Super Puma AS332 L2s were safe for use;

c. Negligently failing to adequately and correctly warn Plaintiff of the dangers of the Super Puma EC225s and Super Puma AS332 L2s;

d. Negligently failing to recall the dangerous and defective Super Puma EC225s and Super Puma AS332 L2s at the earliest date that it became known that the Super Puma EC225s and Super Puma AS332 L2s were, in fact, dangerous and defective;

e. Negligently advertising and recommending the use of the Super Puma EC225s and Super Puma AS332 L2s despite the fact that Defendant knew or should have known of their dangerous propensities;

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f. Negligently representing that the Super Puma EC225s and Super Puma AS332 L2s were safe for use for their intended purpose, when, in fact, they were unsafe; and

g. Otherwise acting carelessly and/or negligently.

50. Defendant knew or should have known that the Super Puma EC225s and Super Puma AS332 L2s were unsafe and unfit for use by reason of the dangers to their purchasers and operators.

51. Defendant under-reported, underestimated and downplayed the serious danger of the Super Puma EC225s and Super Puma AS332 L2s.

52. Defendant was negligent in the designing, researching, supplying, manufacturing, promoting, packaging, distributing, testing, advertising, warning, marketing and sale of the Super Puma EC225s and Super Puma AS332 L2s in that Defendant:

a. Failed to use due care in designing and manufacturing the Super Puma EC225s and Super Puma AS332 L2s so as to avoid dangers to purchasers and operators;

b. Failed to accompany the Super Puma EC225s and Super Puma AS332 L2s with proper warnings;

c. Failed to accompany the Super Puma EC225s and Super Puma AS332 L2s with proper instructions for use, maintenance and/or monitoring;

d. Failed to conduct adequate testing to determine the safety of the Super Puma EC225s and Super Puma AS332 L2s; and

e. Otherwise acted carelessly and/or negligently.

53. Despite the fact that Defendant knew or should have known that the Super Puma EC225s and Super Puma AS332 L2s caused harm to purchasers and operators, Defendant continued to market, manufacture, distribute and/or sell the Super Puma EC225s and Super Puma AS332 L2s.

54. Defendant knew or should have known that consumers such as Plaintiff would suffer foreseeable injury, and/or be at increased risk of suffering injury as a result of Defendant's failure to exercise ordinary care.

55. Defendant's negligence was the proximate cause of Plaintiff's economic loss which Plaintiff has suffered and/or will continue to suffer.

56. Plaintiff has suffered, is likely to suffer, and will continue to suffer actual damages and diverted sales in an amount to be proven at trial and irreparable injuries as a proximate result of Defendant's wrongful acts.

57. In performing the foregoing acts and omissions, Defendant acted fraudulently and with malice so as to justify an award of punitive and exemplary damages.

SECOND CLAIM FOR RELIEF
(Strict Products Liability – Manufacturing Defect)

58. Paragraphs 1 through 57 of the Complaint are hereby repeated and realleged as if fully set forth herein.

59. Defendant designed, researched, manufactured, tested, advertised, promoted, marketed, sold, and/or distributed the Super Puma EC225 and Super Puma AS332 L2s that Plaintiff purchased.

60. The Super Puma EC225 and Super Puma AS332 L2s that Plaintiff purchased were defective in their manufacture when they left the hands of Defendant, posing a serious

risk that they could fail and therefore give rise to damages including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

61. As a direct and proximate result of Defendant's placement of the defective Super Puma EC225s and Super Puma AS332 L2s into the stream of commerce, Plaintiff experienced and/or will experience severe harmful effects including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

62. Plaintiff is likely to suffer, has suffered, and/or will continue to suffer damages and irreparable injuries as a result of Defendant's wrongful acts.

63. In performing the foregoing acts and omissions, Defendant acted fraudulently and with malice so as to justify an award of punitive and exemplary damages.

THIRD CLAIM FOR RELIEF
(Strict Products Liability – Design Defect)

64. Paragraphs 1 through 63 of the Complaint are hereby repeated and realleged as if fully set forth herein.

65. Defendant designed, researched, manufactured, tested, advertised, promoted, marketed, sold, and/or distributed the Super Puma EC225 and Super Puma AS332 L2s that Plaintiff purchased.

66. The Super Puma EC225s and Super Puma AS332 L2s designed, researched, manufactured, tested, advertised, promoted, marketed, sold and/or distributed by Defendant were in an unsafe, defective, and inherently dangerous condition that was dangerous to purchasers such as Plaintiff.

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67. The Super Puma EC225s and Super Puma AS332 L2s designed, researched, manufactured, tested, advertised, promoted, marketed, sold and/or distributed by Defendant were in an unsafe, defective, and inherently dangerous condition at the time they left Defendant's possession.

68. The Super Puma EC225s and Super Puma AS332 L2s were expected to and did reach the usual purchasers and operators without substantial change in the condition in which the Super Puma EC225s and Super Puma AS332 L2s were designed, produced, manufactured, sold, distributed, and marketed by Defendant.

69. The unsafe, defective, and inherently dangerous condition of the Super Puma EC225 and Super Puma AS332 L2s was a cause of harm to Plaintiff.

70. The Super Puma EC225 and Super Puma AS332 L2s failed to perform as safely as an ordinary consumer would expect when used in an intended or reasonably foreseeable manner.

71. The Super Puma EC225 and Super Puma AS332 L2s posed a risk of danger inherent in the design which outweighed the benefits of that design.

72. Defendant knew, or should have known, that the Super Puma EC225 and Super Puma AS332 L2s were in a defective condition, and were inherently dangerous and unsafe.

73. Defendant voluntarily designed the Super Puma EC225s and Super Puma AS332 L2s in a dangerous condition for use by the public and by Plaintiff.

74. Defendant had a duty to create a product that was not unreasonably dangerous for its normal, intended use.

75. Defendant designed, researched, manufactured, tested, advertised, promoted, marketed, sold and distributed a defective product which, when used in its intended or reasonably foreseeable manner, created an unreasonable risk to consumers and to Plaintiff, and Defendant is therefore strictly liable for the damages suffered by Plaintiff.

76. As a direct and proximate result of Defendant's placement of the defective Super Puma EC225s and Super Puma AS332 L2s into the stream of commerce, Plaintiff experienced and/or will experience damages including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

77. Plaintiff is likely to suffer, has suffered, and/or will continue to suffer damages and irreparable injuries as a result of Defendant's wrongful acts.

78. In performing the foregoing acts and omissions, Defendant acted fraudulently and with malice so as to justify an award of punitive and exemplary damages.

FOURTH CLAIM FOR RELIEF
(Strict Products Liability – Inadequate Warning)

79. Paragraphs 1 through 78 of the Complaint are hereby repeated and realleged as if fully set forth herein.

80. Defendant designed, manufactured, tested, marketed and distributed into the stream of commerce the Super Puma EC225s and Super Puma AS332 L2s.

81. The Super Puma EC225s and Super Puma AS332 L2s placed into the stream of commerce by Defendant were defective due to inadequate warning, because Defendant knew or should have known that the gearboxes, chip detectors, and/or HUMS systems of the Super Puma EC225s and Super Puma AS332 L2s could fail and therefore give rise to damages including but not limited to economic loss, damage to property, lost profits, and

costs of recovery maintenance, storage and replacement, but Defendant failed to give consumers adequate warning of such risks.

82. As a direct and proximate result of Defendant's placement of the defective Super Puma EC225s and Super Puma AS332 L2s into the stream of commerce, Plaintiff experienced damages including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

83. Plaintiff is likely to suffer, has suffered, and will continue to suffer damages and irreparable injuries as a result of Defendant's wrongful acts.

84. In performing the foregoing acts and omissions, Defendant acted fraudulently and with malice so as to justify an award of punitive and exemplary damages.

FIFTH CLAIM FOR RELIEF
(Breach of Implied Warranty of Merchantability)

85. Paragraphs 1 through 84 of the Complaint are hereby repeated and realleged as if fully set forth herein.

86. Defendant Airbus designed, manufactured, tested, marketed and distributed into the stream of commerce the Super Puma EC225s and Super Puma AS332 L2s.

87. At the time Defendant designed, manufactured, tested, marketed and distributed into the stream of commerce the Super Puma EC225s and Super Puma AS332 L2s, Defendant knew the use for which the Super Puma EC225s and Super Puma AS332 L2s were intended, and impliedly warranted the Super Puma EC225s and Super Puma AS332 L2s to be of merchantable quality and safe for such use.

88. Plaintiff reasonably relied upon the skill and judgment of Defendant as to whether the Super Puma EC225s and Super Puma AS332 L2s were of merchantable quality and safe for their intended use.

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89. Contrary to Defendant's implied warranties, the Super Puma EC225s and Super Puma AS332 L2s were not of merchantable quality or safe for its intended use, because the Super Puma EC225s and Super Puma AS332 L2s were unreasonably dangerous as described above.

90. As a direct and proximate result of Defendant's breach of implied warranties regarding the safety and airworthiness of the Super Puma EC225s and Super Puma AS332 L2s, Plaintiff has suffered significant damages, including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

91. Plaintiff is likely to suffer, has suffered, and will continue to suffer damages and irreparable injuries as a result of Defendant's wrongful acts.

92. In taking the actions and omissions that caused these damages, Defendant acted fraudulently and with malice so as to justify an award of punitive and exemplary damages.

SIXTH CLAIM FOR RELIEF
(Negligent Misrepresentation)

93. Paragraphs 1 through 92 of the Complaint are hereby repeated and realleged as if fully set forth herein.

94. Defendant supplied false information to the public and to Plaintiff regarding the airworthiness and safety of the Super Puma EC225s and Super Puma AS332 L2s. Specifically, among other things, Airbus advertised the Super Puma EC225s and Super Puma AS332 L2s as "highly reliable" helicopters that set "new standards for safety".

95. Defendant provided this false information to induce the public and Plaintiff to purchase Super Puma EC225s and Super Puma AS332 L2s.

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96. Defendant knew or should have known that the information it supplied regarding the purported airworthiness and safety of the Super Puma EC225s and Super Puma AS332 L2s to induce Plaintiff to purchase Super Puma EC225s and Super Puma AS332 L2s was false.

97. Defendant was negligent in obtaining or communicating false information regarding the purported airworthiness and safety of the Super Pumas.

98. Plaintiff relied on the false information supplied by Defendant to Plaintiff's detriment by purchasing and leasing a Super Puma EC225 and Super Puma AS332 L2s.

99. Plaintiff was justified in its reliance on the false information supplied by Defendant regarding the purported airworthiness and safety of the Super Pumas.

100. As a direct and proximate result of Defendant's negligent misrepresentations, Plaintiff has suffered significant damages, including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

101. Plaintiff is likely to suffer, has suffered, and will continue to suffer damages and irreparable injuries as a result of Defendant's wrongful acts.

SEVENTH CLAIM FOR RELIEF
(Fraud)

102. Paragraphs 1 through 101 of the Complaint are hereby repeated and realleged as if fully set forth herein.

103. Defendant made representations to Plaintiff that the Super Puma EC225s and Super Puma AS332 L2s were airworthy, safe helicopters. Specifically, among other things, Airbus advertised the Super Puma EC225s and Super Puma AS332 L2s as "highly reliable" helicopters that set "new standards for safety".

104. Before it marketed the Super Puma EC225 and Super Puma AS332 L2s that Plaintiff purchased, Defendant knew or should have known of the unreasonable dangers and serious risks that the Super Puma EC225 and Super Puma AS332 L2s posed to Plaintiff.

105. As specifically described in detail above, Defendant knew that the gearboxes, chip detectors, and/or HUMS systems of the Super Puma EC225s and Super Puma AS332 L2s could fail and therefore give rise to subject owners and operators to damages including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

106. Defendant's representations that the Super Puma EC225s and Super Puma AS332 L2s were airworthy and safe were false.

107. Plaintiff did not know of the falsity of Defendant's statements regarding the Super Puma EC225s and Super Puma AS332 L2s.

108. Plaintiff relied upon and accepted as truthful Defendant's representations regarding the Super Puma EC225s and Super Puma AS332 L2s.

109. Plaintiff had a right to reply on Defendant's representations. Had Plaintiff known that the Super Puma EC225s and Super Puma AS332 L2s were unsafe and not airworthy, Plaintiff would not have purchased the Super Puma EC225 or the Super Puma AS332 L2s.

110. As a direct and proximate result of Defendant's fraudulent representations, Plaintiff has suffered significant damages, including but not limited to economic loss, damage to property, lost profits, and costs of recovery maintenance, storage and replacement.

111. Plaintiff is likely to suffer, has suffered, and will continue to suffer damages and irreparable injuries as a result of Defendant's wrongful act

PRAYER FOR RELIEF

WHEREFORE, Plaintiff ECN Capital prays for judgment against Defendant Airbus as follows:

A. That judgment be entered in favor of Plaintiff ECN Capital and against Defendant Airbus, for damages in such amounts as may be proven at trial;

B. That Plaintiff ECN Capital be awarded compensation for damages Plaintiff ECN Capital has sustained in consequence of Defendant Airbus's wrongful conduct in such amounts as may be proven at trial;

C. That punitive and exemplary damages be entered against Defendant Airbus in such amounts as may be proven at trial;

D. That Plaintiff ECN Capital be granted compensation for its attorneys' fees and costs;

E. That Plaintiff ECN Capital be granted prejudgment and postjudgment interest; and

F. That Plaintiff ECN Capital have such other relief as this Court deems just and equitable.

DEMAND FOR JURY TRIAL

Plaintiff ECN Capital hereby demands a trial by jury on all issues and claims so triable.

Dated: November 17, 2016
Dallas, Texas

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., et al., Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Adv. No. 16-03151-bjh** **Plaintiff's Opposition To Defendant's Motion To Dismiss**

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Plaintiff ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) ("ECN Capital"), by its undersigned attorneys, files this Memorandum of Law in Opposition to Defendant Airbus Helicopters S.A.S.'s ("Airbus") Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction and *Forum non Conveniens*, and respectfully would show the Court as follows:

PRELIMINARY STATEMENT

Airbus does not dispute that ECN Capital's Complaint adequately states claims against Airbus for its defective design of EC225 and AS332 L2 helicopters it manufactured and sold. Instead, Airbus moves for dismissal of the Complaint solely on the basis of jurisdictional arguments, all of which are without merit.

The Motion to Dismiss makes one thing clear: Airbus does not want to litigate ECN Capital's claims in this forum. But Airbus voluntarily came to this Court and filed claims in these bankruptcy cases in hopes of recovering millions of dollars from the Debtors, who were owners, lessors, and/or operators of Airbus's EC225 and AS332 L2 helicopters—including the EC225 helicopter that crashed in April 2016, killing all 13 passengers and crew on board; the four AS332 L2s and one EC225 owned by ECN Capital that have been grounded since the April 2016 crash and that are the subject of the Complaint; and scores more EC225 and AS332 L2 helicopters owned outright by the Debtors or by other creditors in these bankruptcy cases. As much as Airbus may wish to avoid this Court's jurisdiction over ECN Capital's claims, settled law establishes that the claims and the parties are properly before this Court.

First, Airbus incorrectly contends that this Court lacks subject matter jurisdiction to hear ECN Capital's claims. Airbus misstates the legal standard for subject matter jurisdiction in this context, and completely ignores the close connection between this adversary proceeding and the rights, liabilities, and/or property of the Debtors in the related bankruptcy cases. As made clear by allegations in the Complaint—which, for purposes of deciding Airbus's motion, must be

taken as true and interpreted in the light most favorable to ECN Capital—a recovery by ECN Capital in this adversary proceeding could provide an enormous benefit to the Debtors' stakeholders. If, for example, ECN Capital succeeds on any of its claims, Airbus could be liable to the Debtors on collateral estoppel grounds for claims arising from the April 2016 crash and subsequent grounding—which claims the Debtors have expressly preserved and which involve substantially similar facts and circumstances to those at issue here. Any recovery by the Debtors in such actions post-emergence could augment their going-concern value for the benefit of their future stakeholders—*i.e.*, the Debtors' constituents that will receive a substantial portion of the reorganized Debtors' equity. Additionally, any recovery by ECN Capital in this action or by the Debtors' creditors in separate actions against Airbus could reduce the Debtors' liability on such parties' proofs of claim. Accordingly, this adversary proceeding satisfies the relevant legal threshold for related-to jurisdiction in that it "could *conceivably* have an effect" on the Debtors' estates. The cases on which Airbus relies to argue that subject matter jurisdiction does not exist are inapplicable, as they involved plaintiffs who failed to allege any connection between their claims and the debtors' estates, or who had filed actions in state court.

Second, Airbus asks the Court to refrain from exercising its lawful jurisdiction on the grounds of permissive abstention. Airbus again relies on inapposite cases and ignores the impact of ECN Capital's claims on the rights, liabilities, and/or property of the Debtors. Contrary to Airbus's protestations, the facts here, when viewed in the context of the relevant legal standard, weigh heavily in favor of this Court exercising its jurisdiction over ECN Capital's claims.

Third, Airbus incorrectly asserts that this Court lacks personal jurisdiction over Airbus. Airbus first appeared in these cases nearly eight months ago, represented by U.S. counsel. Since then, Airbus has, among other things, filed proofs of claims against the Debtors, served on the

Creditors' Committee (and in such capacity was represented by a U.S. employee of Airbus based in Dallas, Texas), and filed briefing on discovery motions in the bankruptcy cases. After all that, Airbus audaciously claims that it has not availed itself of this Court's jurisdiction and is not present before the Court for the purpose of these proceedings. The case law is to the contrary, and makes clear that once a party avails itself of the jurisdiction of a court by filing claims before that court, the party is subject to the personal jurisdiction of the court for claims arising out of the same set of facts. Having filed proofs of claim in these bankruptcy cases concerning the same helicopters that are the subject of ECN Capital's claims, Airbus has submitted to the Court's jurisdiction for this "related to" adversary proceeding. Without citing any legal authority in support of its position, Airbus attempts to cast doubt on the common sense principle underlying "related to" jurisdiction, by absurdly mischaracterizing its impact and pretending that a finding of personal jurisdiction here would mean that Airbus necessarily is subject to the general jurisdiction of *all* U.S. courts for *any* action brought by *any* party on *any* set of facts. That plainly is not the case. Rather, courts uniformly hold that when a foreign entity submits a proof of claim in a bankruptcy case, it submits to the jurisdiction of *that bankruptcy court* for adversary proceedings *related to those proofs of claim*. Airbus cannot avoid the consequences of its assertive presence in these bankruptcy cases. Moreover, to the extent a minimum contacts analysis is required, the proper scope of such an analysis is nationwide, taking into account all of Airbus's activity in the U.S. In addition to filing litigation in this forum (represented by U.S. counsel and with a U.S. employee sitting on the Creditors' Committee), Airbus has admitted that it does business in the U.S., that its U.S.-based affiliates sell EC225 and AS332 L2 helicopters in the U.S. to U.S. companies for use in the U.S., and that Airbus and its U.S.-based affiliates

deliver EC225 and AS332 L2 helicopters to the U.S. These contacts are sufficient to establish personal jurisdiction over Airbus in these proceedings.

Fourth, Airbus requests that the Court refrain from exercising its lawful jurisdiction on the grounds of *forum non conveniens*, and instead send the case to France for adjudication. The law imposes a heavy burden on Airbus to overcome the presumption in favor of ECN Capital's choice of forum, and Airbus fails to meet it. Airbus points to forum selection clauses in third-party contracts setting France as its preferred place of adjudication, but ECN Capital is not a party to those contracts and is not limited by their provisions. Airbus again asserts that there is no connection between this adversary proceeding and the bankruptcy cases, but ECN Capital's claims are intertwined with the claims, liabilities, and property of the Debtors and the value of the consideration—*i.e.*, the Debtors' post-reorganization equity—that will be distributed to their creditors under the chapter 11 plan. Airbus contends that the Court has no familiarity with the facts underlying ECN Capital's claims, but that is plainly inaccurate—the relevant parties have appeared before this Court during these chapter 11 cases, and this Court is familiar with the nature of the helicopters at issue and the facts underlying the April 2016 accident and subsequent grounding. Airbus complains of the burden of coming to Texas to litigate this case, yet Airbus has voluntarily made itself present already in this forum, and submitted to this Court's jurisdiction, through its substantial participation in the bankruptcy cases. Moreover, Airbus is involved in civil litigation in Texas state court in connection with claims brought by plaintiffs on the same set of facts that underlie ECN Capital's claims. There is no question why Airbus wants to litigate in France—France owns 10% of the voting stock of Airbus's direct parent company, and Airbus is engaged in blatant forum shopping. Airbus has failed to meet its heavy burden for

dismissal, and the Court thus should deny Airbus's request to send the claims to France, where Airbus will all but control the proceedings and their outcome. Airbus's motion should be denied.

FACTUAL BACKGROUND

ECN Capital's well-pled claims arise out of the April 2016 crash of an Airbus-manufactured EC225 helicopter operated by CHC Group Ltd. ("CHC"), the investigations and groundings resulting therefrom, and the subsequent chapter 11 cases filed by CHC and its affiliates, in which ECN Capital and Airbus are creditors. The facts underlying the claims are set forth in the allegations of the Complaint, which must be accepted as true for purposes of this motion.[1] ECN Capital sets forth here the salient facts relating to the Motion to Dismiss.

The Parties to the Adversary Proceeding

ECN Capital, an Ontario corporation, is a commercial financing business with headquarters in Toronto, Canada. (¶ 5.)[2] With its principal place of operations in North America, ECN Capital serves customers in the transportation and energy sectors throughout Canada and the U.S., including in Texas. (*Id.*)

Airbus is organized under the laws of France with its principal place of business in Marignane, France. (¶ 6.) Airbus designs, manufactures, markets, and sells aircraft, including two models of utility helicopters sold under the name "Super Puma"—the Eurocopter EC225 ("EC225") and the Eurocopter AS332 L2 ("AS332 L2"). (¶ 1.) Airbus markets EC225 and AS332 L2 helicopters for distribution and services for operation around the world and throughout the U.S., including in Texas. (¶ 6.) Airbus is primarily owned by its parent

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[1] Airbus moves for dismissal under Fed. R. Civ. P. Rules 12(b)(1) and 12(b)(2). "[W]hen deciding whether to grant a 12(b)(1) motion, the Court 'must accept all factual allegations in the plaintiffs complaint as true.'" *In re Wilborn*, 401 B.R. 872, 877 (Bankr. S.D. Tex. 2009) (quoting *Ramming* v. *United States*, 281 F.3d 158, 161 (5th Cir. 2001)). "In determining whether a *prima facie* case for personal jurisdiction exists on a [12(b)(2)] motion to dismiss, uncontroverted factual allegations in the plaintiff's complaint must be taken as true." *Seghers* v. *El Bizri*, 513 F. Supp. 2d 694, 703 (N.D. Tex. 2007).

[2] All references herein to "¶ __" are to the Complaint filed by ECN Capital on November 17, 2016 (the "Complaint"). All references herein to "Ex. __" are to the accompanying Declaration of Pietro J. Signoracci dated January 27, 2017.

company, Airbus Group, S.E. ("Airbus Group").[3] France has a significant ownership interest in Airbus Group, holding over 10% of its voting stock.[4] Airbus Group is the direct parent company of Airbus Group, Inc. ("AGI"), a Delaware corporation headquartered in Virginia, which is the direct parent of Airbus Helicopters, Inc. ("AHI"), a Delaware corporation headquartered in Texas.[5] Airbus sells and delivers EC225 and AS332 L2 helicopters to AHI for sale, delivery, and operation in the U.S., including in Texas.

2016 Crash and Grounding

On April 29, 2016, an EC225 crashed near Turøy, Norway, killing all 13 individuals on board (the "2016 Crash"). (¶ 1.) Preliminary investigative reports from the 2016 Crash identified unsafe conditions in the design of the main gear box of AS332 L2s and EC225s, which connects to the helicopter frame the main rotor head that is attached to the main rotor blades. (¶¶ 3, 17–21.) The 2016 Crash and related investigations led various civil aviation authorities to issue regulations and directives that caused a total grounding of all AS332 L2s and EC225s (the "2016 Grounding"). (¶¶ 3, 17–25.)

CHC Bankruptcy

Approximately one week after the 2016 Crash, on May 5, 2016, CHC and certain of its affiliates (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, jointly administered in this Court under the caption *In re CHC Group Ltd., et al.*, No. 16-31854 (BJH) (the "Bankruptcy Cases"). (¶ 37.)

ECN Capital, a creditor in the Bankruptcy Cases, filed five separate proofs of claim against certain of the Debtors seeking a total of over $94 million from each such Debtor. (¶ 42.) These claims relate to the rejection by certain Debtors of outstanding leases between those

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[3] *See* Ex. A (Airbus Helicopters SAS: Private Company Information).
[4] *See* Ex. B (Airbus Group Registration Document 2015) p. 7.
[5] *See* Ex. C (Airbus Group Inc. Corporate Tree).

Debtors and ECN Capital, including leases of four AS332 L2s and one EC225 owned by ECN Capital, which were subject to the 2016 Grounding. (*Id.*; *see also* ¶¶ 4, 34.)

In May 2016, the United States Trustee appointed Airbus to the Official Committee of Unsecured Creditors (the "Creditors' Committee"), care of Kevin Cabaniss in Grand Prairie, TX. (¶ 11.) In June 2016, Airbus's U.S. counsel filed notices of appearance in the Bankruptcy Cases on behalf of Airbus. (¶ 40.) In August 2016, Airbus filed proofs of claim in the Bankruptcy Cases against certain of the Debtors seeking a total of over $6.2 million for claims relating to EC225s and AS332 L2s owned, leased, and/or operated by CHC. (*Id.*) Airbus also filed briefing in connection with discovery motions in the Bankruptcy Cases. (*Id.*)

The Debtors owned, leased, and/or operated dozens of EC225s and AS332 L2s grounded by the 2016 Crash, causing substantial harm to the Debtors' operations and restructuring.[6] The Debtors have explained that they suffered harm as a result. At a May 6, 2016 hearing in the Bankruptcy Cases, counsel for the Debtors stated: "[The EC225] has been temporarily grounded in certain jurisdictions and that has had an impact on our fleet reconfiguration, which is central to our restructuring."[7] The Chief Restructuring Officer of CHC stated at the same hearing that a halt on flight of EC225s "could have a major difference on the aircraft values" of the Debtors' fleet.[8] In its 2016 Form 10-K filing with the Securities and Exchange Commission, CHC stated:

- "A significant portion of our property and equipment, funded residual value guarantees and related assets is tied to the aircraft type H225." (Ex. I at p. 9.)
- "We have also suffered costs due to . . . [the April 2016] accident . . . ." (*Id.* at p. 3.)
- "[The 2016 Grounding] will adversely impact our business, financial condition and results of operations . . . . We may lose revenue . . . due [to] the [2016 Grounding]." (*Id.* at p. 6.)

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[6] ¶¶ 41, 43. The Debtors owned or leased at least 51 EC225s or AS332 L2s after the 2016 Grounding commenced. *See* Ex. D (Debtors' First Omnibus Motion [Dkt. No. 20]); Ex. E (Debtors' Second Omnibus Motion [Dkt. No. 210]); Ex. F (Debtors' Third Omnibus Motion [Dkt. No. 250]); Ex. G (Debtors' Omnibus Motion [Dkt. No. 275]). The original purchase price of these 51 helicopters likely exceeded $1 billion.

[7] *See* Ex. H (Excerpt of Tr. of 5/6/2016 H'r'g [Dkt. No. 105]) 17:25–18:3.

[8] *Id.*

On December 19, 2016, the Debtors filed a second amended reorganization plan (the "Plan") and a related disclosure statement (the "Disclosure Statement"). In the Disclosure Statement, the Debtors expressly stated that neither the Disclosure Statement nor the Plan:

> attempts to alter any rights or claims (whatever such rights or claims may be) that any debtor, creditor, lessor, or third party may have against any OEM (original equipment manufacturer) of any helicopter or helicopter component arising out of accidents involving the "EC 225" and "AS 332 L2" helicopter types and resulting regulatory actions, including, without limitation, the April 29, 2016 EC 225 helicopter type accident near the Flesland Airport in Bergen, Norway and resulting regulatory suspension of flight operations.[9]

On January 24, 2017, the Debtors filed a motion for an order authorizing the Debtors to settle certain claims between the Debtors and Airbus. The proposed settlement similarly reserves the Debtors' claims against Airbus arising out of the 2016 Crash and the 2016 Grounding.[10]

ECN Capital's Complaint

The Complaint asserts, among other things, claims against Airbus for defective design and breach of implied warranty of merchantability regarding Airbus's manufacturing, marketing, and sale of the EC225 and the AS332 L2. (*See* ¶¶ 46–111.) The Complaint includes uncontroverted allegations demonstrating that ECN Capital's claims would likely have an impact on the rights, liabilities, and/or property of the Debtors' estates (and, at the very least, "could conceivably have an effect" on the Debtors' estates), and thus are related to the Bankruptcy Cases. (*See, e.g.*, ¶¶ 8, 43.) The Complaint also includes uncontroverted allegations demonstrating this Court's personal jurisdiction over Airbus. (*See, e.g.*, ¶¶ 11, 40.)

Related Actions Against Airbus and Its Affiliates

Other owners of EC225s filed similar claims against Airbus and/or its affiliates in Texas state court. (¶ 11.) On July 28, 2016, Wells Fargo filed breach of warranty and contract claims

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[9] *See* Ex. J (Disclosure Statement [Dkt. No. 1379]) p. 39.
[10] *See* Ex. K (Motion for Order [Dkt. No. 1536]) p. 37 § 8(g).

against AHI regarding three EC225s Wells Fargo purchased from AHI.[11] On November 21, 2016, Era Group Inc. ("Era") filed breach of express and implied warranty claims against AHI and Airbus regarding ten EC225s Era purchased from AHI (the "Era Complaint").[12] Like ECN Capital's Complaint, the Wells Fargo Complaint and the Era Complaint state claims for, among other things, damages suffered by the plaintiffs relating to the 2016 Grounding.

ARGUMENT

I. This Court Has Subject Matter Jurisdiction over ECN Capital's Claims, Which Are Related to the Bankruptcy Cases.

As ECN Capital demonstrated in the Complaint, in allegations that must be taken as true,[13] the claims in this adversary proceeding would likely impact the CHC Debtors' estates in the Bankruptcy Cases. (¶¶ 8–12, 40–43.) Thus, this Court has subject matter jurisdiction to hear ECN Capital's claims under 28 U.S.C. § 1334(b), which provides that "the district courts shall have original but not exclusive jurisdiction of all civil proceedings arising under title 11, or arising in *or related to* cases under title 11." 28 U.S.C. § 1334(b) (emphasis added).

The Fifth Circuit has taken a broad view of claims that are "related to" bankruptcy proceedings, holding that "[a] proceeding is 'related to' a bankruptcy if the outcome of that proceeding *could conceivably have any effect* on the estate being administered in bankruptcy." *In re Bass*, 171 F.3d 1016, 1022 (5th Cir. 1999) (emphasis added) (quoting *In re Walker*, 51 F. 3d 562, 569 (5th Cir. 1995)).[14] Indeed, this Court has highlighted the Fifth Circuit's ruling that "an action is related to bankruptcy if the outcome could alter the debtor's rights, liabilities,

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[11] *See* Ex. L (Wells Fargo Complaint [*Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc.*, DC-16-09090 (Tex. Dist. Ct., filed Jul. 28, 2016) Dkt. No. 2]).

[12] *See* Ex. M (Era Complaint [*Era Group Inc.* v. *Airbus Helicopters Inc., et al.*, DC-16-15017 (Tex. Dist. Ct., filed Nov. 21, 2016) Dkt. No. 2]).

[13] *See supra* n.1.

[14] *See also Randall & Blake, Inc.,* v. *Evans* (*In re Canion*), 196 F.3d 579, 585 (5th Cir. 1999) (holding that the test for "related to" jurisdiction is whether the outcome of the proceeding could conceivably have an effect on the bankruptcy estate being administered).

options, or freedom of action (either positively or negatively)." *Kimpel* v. *Meyrowitz* (*In re Meyrowitz*), Nos. 06-31660-BJH-11, 10-03227, 2010 WL 5292066, at *5 (U.S. Bankr. N.D. Tex. Dec. 20, 2010) (Houser, J.) (quoting *In re Bass*, 171 F.3d at 1022).[15]

Here, there is no question that the outcome of ECN Capital's claims could conceivably have an effect on the rights, liabilities, claims, and/or property of the Debtors and the administration of their estates. Most significantly, ECN Capital's claims could pave the way for numerous other lawsuits against Airbus by similarly situated plaintiffs—including the Debtors. If Airbus is held liable for its defective design of the EC225s and AS332 L2s in this action, such plaintiffs could rely on collateral estoppel to recover from Airbus for similar claims arising from the 2016 Crash and the 2016 Grounding. The Debtors must believe that such claims are valuable given that, notwithstanding that they entered into a "global" settlement with Airbus, they expressly preserved these claims for the benefit of the reorganized Debtors and their creditors. The Debtors' post-emergence recovery from Airbus could enhance their going-concern value for the benefit of their equity holders—*i.e.*, the Debtors' constituents that will receive a substantial portion of the reorganized Debtors' equity under the Plan. As such, the Debtors' stakeholders could reap the rewards of ECN Capital's litigation in the form of an increase in the value of their post-emergence equity, and, thus, ECN's Capital's claims could have a significant and meaningful economic impact on these estates.

Additionally, the outcome of ECN Capital's claims against Airbus could reduce the Debtors' liability to ECN Capital on its proofs of claim. The five helicopters that are the subject

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[15] As another court explained:

> [I]if the bankruptcy estate could suffer any conceivable benefit or detriment as a result of the determination of the adversary proceeding, then bankruptcy jurisdiction exists. The benefit can take the form of disallowance of claims against the estate or the actual recovery of assets; the detriment can take the form of either the allowance of claims against the estate or the potential loss of assets due to any number of theories.

In re Michigan Real Estate Ins. Trust, 87 B.R. 447, 458 (E.D. Mich. 1988).

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of ECN Capital's claims against Airbus are the same five helicopters that ECN Capital leased to certain of the Debtors, which leases the Debtors rejected due in part to operational difficulties arising from the 2016 Grounding, and which rejection formed the basis of ECN Capital's proofs of claim against the Debtors. And, creditors who were similarly impacted by the 2016 Crash could—like the Debtors—bring successful claims against Airbus on collateral estoppel grounds, which could further reduce the Debtors' liability on account of such creditors' proofs of claim. This alone is sufficient to establish "related to" subject matter jurisdiction. *See In re Horn*, 264 B.R. 848, 849 & n.1 (Bankr. E.D. Tex. 2001) ("Courts . . . have held that a claim between two non-debtors that will potentially reduce the bankruptcy estate's liabilities produces an effect on the estate sufficient to confer 'related to' jurisdiction.").[16] The Court consequently has subject matter jurisdiction over ECN Capital's claims.[17]

Airbus argues this Court lacks subject matter jurisdiction because ECN Capital's claims are not asserted against the Debtors, are non-core claims, and do not involve the property of the

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[16] *See also Owens Illinois, Inc.* v. *Rapid American Corp* (*In re Celotex Corp.*), 124 F.3d 619, 626 (4th Cir. 1997) (finding "related to" jurisdiction when a creditor's claim against a non-debtor would reduce its claim in bankruptcy); *Kaonohi Ohana, Ltd.* v. *Sutherland*, 873 F.2d 1302, 1306–07 (9th Cir. 1989) (upholding "related to" jurisdiction over third-party action where remedy in third-party action would reduce amount of claim against bankruptcy estate). This Court, in a case cited in Airbus's own Motion to Dismiss briefing, concluded that subject matter jurisdiction is established where the outcome of non-core claims in an adversary proceeding by a creditor against a non-debtor could reduce the size of the creditor's claim against the debtor:

> To the extent the [creditor-plaintiffs] prevail on any of the[ir] claims [against non-debtor defendants], obtain judgments against [non-debtor defendants], and then ultimately collect on those judgments, the [creditor-plaintiffs'] allowable claims against the [debtors'] bankruptcy estate would be reduced by any such recovery. . . . Thus, it is "conceivable" that the outcome of the [creditor-plaintiffs'] claims against [non-debtor defendants] could "alter the debtor's liabilities and impact the handling and administration of the bankruptcy estate. Accordingly, the Court concludes that it has "related to" jurisdiction over the claims asserted against [non-debtor defendants] in the Complaint.

In re Meyrowitz, 2010 WL 5292066, at *6. Airbus's brief in fact cites a number of cases in which the bankruptcy court held that it had "related to" subject matter jurisdiction over non-core adversary claims against a non-debtor defendant. *See* Airbus Br. pp. 10–11 (citing *Barbee* v. *Colonial Healthcare Ctr., Inc.*, No. 3:03-cv-1658-N, 2004 U.S. Dist. LEXIS 4868, at *8–9 (N.D. Tex. Mar. 22, 2004), and *P.O'B. Apollo Tacoma, L.P.* v. *TJX Cos.*, No. 3:02-cv-0222-H, 2002 U.S. Dist. LEXIS 18702, at *2–5 (N.D. Tex. Oct. 3, 2002)).

[17] *See Passmore* v. *Baylor Health Care Sys.*, 823 F.3d 292, 296 (5th Cir. 2016) (finding "related to" subject matter jurisdiction where outcome of creditor's adversary proceeding could lead to claims by other parties impacting the estate); *8300 Newburgh Rd. Partnership* v. *Time Constr., Inc. (In re Time Constr., Inc.)*, 43 F.3d 1041, 1045 (6th Cir. 1995) (explicitly applying same standard as Fifth Circuit and noting that third-party action was related to bankruptcy because outcome of action would impact value of debtor's property).

Debtors' estates. (Airbus Br. pp. 6–8.) Settled case law establishes that these are not legitimate bases to deny § 1334(b) subject matter jurisdiction over claims that are related to bankruptcy cases. Courts in the Fifth Circuit and elsewhere have confirmed that "related to" jurisdiction extends to claims brought in adversary proceedings that do not involve the debtor as a party,[18] to "non-core claims",[19] and to claims that concern property that does not belong to the debtor.[20]

The authorities Airbus points to are not to the contrary. While Airbus relies on *Singer* v. *Adamson*, 334 B.R. 1, 11 (Bankr. D. Mass. 2005), the court in that case held that it was compelled to decline jurisdiction as a result of "exceptional circumstances" of the adversary proceeding, including the fact that plaintiff's claims against non-debtor defendants could "have no conceivable effect on the administration of th[e] bankruptcy estate," in part because the estate had already been fully administered. That is not the case here, where the outcome of Plaintiff's claims in this adversary proceeding will directly impact rights, liabilities, and property involved in the administration of the Debtors' estates, which have not been fully administered.[21] In

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[18] *Matter of Zale Corp.*, 62 F.3d 746, 752 (Bankr. 5th Cir. 1995) (stating that a purpose of § 1334(b) "is to force into the bankruptcy court suits to which *the debtor need not be a party* but which may affect the amount of property in the bankrupt estate") (emphasis added) (quoting *Zerand–Bernal Group, Inc.* v. *Cox*, 23 F.3d 159, 161–62 (7th Cir. 1994)).

[19] *In re Enron Corp. Sec., Derivative & "ERISA" Litig.*, No. Civ.A. G-02-0299, 2002 WL 32107216, at *10 (S.D. Tex. Aug. 12, 2002) (holding that abstention was not warranted in non-core proceeding "[e]ven though the . . . suit . . . involve[d] adjudication of rights between nondebtor parties"); *see also Carr* v. *Michigan Real Estate Ins. Trust* (*In re Michigan Real Estate Ins. Trust*), 87 B.R. 447 (E.D. Mich. 1988) (finding that adversary claims, though "not core proceedings . . . are, however, otherwise related to" bankruptcy proceedings, and therefore were "well within the subject matter jurisdiction of the district court to determine" under § 1334(b)).

[20] *Walker* v. *Cadle Co.* (*In re Walker*), 51 F.3d 562, 565 (5th Cir. 1995) ("§ 1334(b) gives bankruptcy courts jurisdiction over 'more than [] simply proceedings involving the property of the estate.'") (quoting *Celotex Corp.* v. *Edwards*, 115 S.Ct. 1493, 1498 (1995)).

[21] Subject matter jurisdiction over this adversary proceeding is determined at the time ECN Capital filed its claims, and any subsequent confirmation of a reorganization plan in the Bankruptcy Cases would not divest the bankruptcy court of subject matter jurisdiction over the adversary proceeding. *See Nuveen Mun. Trust* v. *Withumsmith Brown, P.C.*, 692 F.3d 283, 299–300 (3d Cir. 2012) (holding that subject matter jurisdiction is determined when the action is filed, regardless of whether the debtor's reorganization plan is confirmed while the action is pending) (citing *Grupo Dataflux* v. *Atlas Global Grp., L.P.*, 541 U.S. 567 (2004)); *Fried* v. *Lehman Bros. Real Estate Assocs. III, L.P.*, 496 B.R. 706, 710 (S.D.N.Y. 2013) (holding that confirmation of a plan did not divest the court of "related to" subject matter jurisdiction where it existed prior to confirmation, and that to hold otherwise would "create perverse incentives for the parties to engage in delay and gamesmanship"); *see also In re Doctors Hosp. 1997, L.P.*, 351 B.R. 813, 829 n.10 (Bankr. S.D. Tex. 2006) (holding that the

particular, under the Plan, the reorganized Debtors expressly retained all claims and "Causes of Action" (as defined in the Plan) they had prior to the effective date of the Plan (unless otherwise released), including claims against Airbus arising from the 2016 Crash and 2016 Grounding.[22]

Airbus also quotes at length from the decision in *Yashiro Co.* v. *Falchi* (*In re Falchi*), Case No. 97 B 43080, 1998 WL 274679 (Bankr. S.D.N.Y. May 26, 1998). In *Falchi*, the court held that the plaintiff's claims would not conceivably have an impact on the rights, liabilities, or property of the debtor because the claims concerned only property that was in the possession of the non-debtor adversary defendant, and would not affect any property of the debtor. 1998 WL 274679, at *7. As alleged in the Complaint and explained above, ECN Capital's claims in this adversary proceeding concern property that is the subject of ECN Capital's claims in the Bankruptcy Cases and will have a direct impact on the value of the Debtors' estates. This Court accordingly has subject matter jurisdiction over this adversary proceeding under § 1334(b).

II. This Court Should Not Abstain from Exercising Subject Matter Jurisdiction over ECN Capital's Claims.

Airbus argues that the Court should abstain, under 28 U.S.C. § 1334(c)(1), from exercising its lawful jurisdiction over these claims, but has not satisfied its burden of establishing that permissive abstention is warranted.[23] Airbus's arguments on this point suffer from the same fatal flaws as its arguments against subject matter jurisdiction. While Airbus argues that resolution of this dispute "will have no effect" on the Debtors' estates, ECN Capital's well-pled allegations demonstrate just the opposite.

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bankruptcy court has and retains subject matter jurisdiction over an adversary proceeding filed pre-confirmation if, at the time of filing, the outcome of the claims could conceivably have an impact on the debtor's estate).

[22] *See* Ex. N (Second Amended Joint Chapter 11 Plan [Dkt. No. 1371]) §§1.1, 10.7, 10.12.

[23] *See In re Residential Capital, LLC*, 515 B.R. 52, 67 ("The movant bears the burden of establishing that permissive abstention [under § 1334(c)(1)] is warranted.") (Bankr. S.D.N.Y. 2014). Airbus argues only for permissive abstention under 28 U.S.C. § 1334(c)(1). *See* Airbus Br. pp. 8–11. Airbus does not argue for mandatory abstention under 28 U.S.C. § 1334(c)(2). Mandatory abstention is appropriate only where a state court proceeding has been "commenced and can be timely adjudicated in a state forum," which is not the case here. *See* 28 U.S.C. § 1334(c)(2); *see In re TXNB Internal Case*, 483 F.3d 292, 300 (5th Cir. 2007).

Tellingly, Airbus fails to provide any framework to determine whether permissive abstention would be appropriate here. Airbus merely points to a few cases in which permissive abstention was granted and wrongly asserts that those cases involved "similar circumstances" as the case here. Airbus Br. at pp. 9, 10. To the contrary, those cases are readily distinguishable because both parties to this adversary proceeding are creditors in the Bankruptcy Cases, no state court action has been commenced concerning ECN Capital's claims, and the outcome of ECN Capital's claims will directly impact the rights, liabilities, and/or property of the Debtors estates:

- In *In re Meyrowitz*, the adversary plaintiff had not filed a proof of claim in the bankruptcy, and this Court found that the claims in the adversary proceeding "ha[d] little to do with the main [] bankruptcy case" and that their outcome would have "no real effect on the efficient administration of the [] bankruptcy estate." 2010 WL 5292066, at *7. This Court thus permissively abstained to reserve the Court's resources for "'related to' proceedings that have a more substantial impact upon an active bankruptcy estate." *Id.* at 8.

- In *Efurd* v. *Baylor Health Care Sys.*, No. 3:14-cv-556, 2015 WL 11027603 (N.D. Tex. Mar. 25, 2015), the court stated it was "likely required [] to abstain from hearing this action" on mandatory abstention grounds, given that a state court proceeding concerning the claims had been commenced. 2015 WL 11027603, at *4.

- In *Barbee* v. *Colonial Healthcare Ctr., Inc.*, No. 3:03-cv-1658-N, 2004 WL 609394, at *2 (N.D. Tex. Mar. 22, 2004), the court abstained only after finding that "the resolution [of the claims in the adversary proceeding] would not impact the bankruptcy estate."

- In *P.O'B. Apollo Tacoma, L.P.* v. *TJX Cos.*, No. 3:02-cv-0222-H, 2002 WL 31246633 (N.D. Tex. Oct. 3, 2002), the plaintiff had no involvement in the bankruptcy in question when it filed a breach of contract claim against a non-debtor defendant in state court. The defendant removed the state court action to federal court and sought to join it with the bankruptcy case on the grounds that the defendant had an indemnification agreement with the debtor. The court held that such connection was too attenuated to preclude permissive abstention, especially considering that plaintiff already had commenced its action in state court and neither plaintiff nor defendant was a debtor in the bankruptcy proceedings. *Id.* at *2.

Airbus in fact provides no applicable precedent supporting its request that the Court abstain from exercising the jurisdiction it has to adjudicate ECN Capital's claims.

Rather than taking Airbus at its word that "similar circumstances" exist here to warrant permissive abstention, the Court should look to the appropriate legal standard for analyzing

requests for permissive abstention under 28 U.S.C. § 1334(c)(1). In *In re MontCrest Energy, Inc.*, this Court set out 12 factors that may be considered in a permissive abstention analysis:

(1) the effect, or lack thereof, on the efficient administration of the estate if a court recommends abstention;
(2) the extent to which state law issues predominate over bankruptcy issues;
(3) the difficulty or unsettled nature of the applicable state law;
(4) the presence of a related proceeding commenced in state court or other nonbankruptcy court;
(5) the jurisdictional basis, if any, other than 28 U.S.C. § 1334;
(6) the degree of relatedness [] of the proceeding to the main bankruptcy case;
(7) the substance rather than form of an asserted "core" proceeding;
(8) the feasibility of severing state law claims from core bankruptcy matters to allow judgments to be entered in state court . . . ;
(9) the burden on the bankruptcy court's docket;
(10) the likelihood that the commencement of the proceeding in bankruptcy court involves forum shopping by one of the parties;
(11) the existence of a right to a jury trial; and
(12) the presence in the proceeding of nondebtor parties.[24]

Courts have held that "[t]hese factors should be flexibly applied since 'their relevance and importance will vary with the particular circumstances of each case, and no one factor is necessarily determinative.'"[25] In this case, the most important factors all weigh heavily in favor of declining Airbus's request for permissive abstention. Six of the factors—**Factors 1, 3, 4, 6, 9, and 10**—clearly weigh against abstention. Because ECN Capital's claims are closely related to the value of the Debtors' estates (**Factor 6**), abstention would negatively affect the efficient administration of the Debtors' estates by, among other things, delaying adjudication of claims by creditors against the Debtors or by the Debtors against Airbus (**Factor 1**). For the same reasons, it would not be unduly burdensome for the Court to adjudicate ECN Capital's claims in the adversary proceeding, as they are closely related to the Debtors' rights, liabilities, and property (**Factor 9**). Abstention also is strongly disfavored in cases like this one, where no proceeding

[24] *In re MontCrest*, 2014 WL 6982643, at *7 (Bankr. N.D. Tex. Dec. 9, 2014).
[25] *In re Hearthside Baking Co., Inc.*, 391 B.R. 807, 817 (Bankr. N.D. Ill. 2008) (quoting *Matter of Chicago, Milwaukee, St. Paul & Pacific R. Co.*, 6 F.3d 1184, 1189 (7th Cir. 1993)).

involving ECN Capital's claims against Airbus has been commenced in state court or any other non-bankruptcy court (**Factor 4**). Further, abstention is unwarranted because ECN Capital's claims do not involve difficult or unsettled areas of law (**Factor 3**), and because Airbus does not suggest that ECN Capital engaged in forum-shopping by commencing the adversary proceeding (**Factor 10**)—in fact, it is Airbus that has engaged in forum-shopping by seeking permissive abstention, as discussed further below in Section IV (*see infra*, pp. 23–25).

The remaining factors do not, on balance, suggest that abstention should be granted. Two of the factors—**Factors 7 and 8**—are not applicable here, because the adversary proceeding does not involve core claims. Two more factors—**Factors 2 and 5**—have very little relevance here, where Airbus does not assert that ECN Capital's claims ought to be heard in state court. Indeed, Airbus has not consented to jurisdiction in state court, and Airbus is fighting jurisdiction in related product liability actions brought against Airbus in Texas state court by other owners or operators of EC225s regarding damages arising from the 2016 Crash. One factor—**Factor 12**—is neutral in this context, as the adversary proceeding involves two non-debtor parties, but both non-debtor parties are creditors in the Bankruptcy Cases, and certain of the Debtors at a minimum will be necessary witnesses in this proceeding and will have a substantial interest in the outcome of the claims by (creditor) ECN Capital against (creditor) Airbus.[26] That leaves just one factor—**Factor 11**—favoring abstention, as the parties request a jury trial. But bankruptcy courts routinely exercise jurisdiction, and deny requests for permissive abstention, where one or more party has requested a jury trial.[27]

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[26] In any event, a bankruptcy court "may consider 'related to' actions between third party non-debtors under 28 U.S.C. § 1334(b) in appropriate circumstances." *Estate of Johnny Fisher* v. *JPMorgan Chase Bank, N.A.* (*In re Fort Worth Osteopathic Hosp., Inc.*), 406 B.R. 741, 745 (Bankr. N.D. Tex. 2009).

[27] For example, in *In re Freeway Foods of Greensboro, Inc.*, 449 B.R. 860, 889–90 (Bankr. M.D.N.C. 2011) the court explained:

> Because mandatory abstention does not apply, and because the majority of the factors in this case weigh against permissive abstention and equitable remand, the Motion to Remand will be denied. For the time

III. This Court Has Personal Jurisdiction over Airbus in this Action.

A. By Participating in the Bankruptcy Cases, Airbus Has Submitted Itself to Personal Jurisdiction for ECN Capital's Related Claims.

Airbus admits that by filing proofs of claim in the Bankruptcy Cases it has submitted itself to personal jurisdiction for related claims. (Airbus Br. p. 12.) Without citing any authority for the proposition, Airbus argues that its submission extends only to claims brought by the Debtors. (*Id.*) Airbus argues that the Court must hold that the principle "does not extend to *unrelated* claims by co-creditors," (*id.* (emphasis added)), claiming that a finding of jurisdiction here would be tantamount to a ruling that by filing a proof of claim Airbus "would be subjecting itself to the *general jurisdiction* of United States courts" for any claim arising from any set of facts. (*Id.* (emphasis added).)

Airbus's arguments are pure hyperbole. This adversary proceeding is not an "unrelated claim," as Airbus suggests. As explained above, ECN Capital's claims are inextricably linked to the facts underlying the Bankruptcy Cases and the Debtors' estates. ECN Capital by no means suggests that Airbus has submitted itself to the general jurisdiction of all U.S. courts for any claim by any party, regardless of the underlying facts giving rise to the claim. Rather, Airbus has

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being, the Adversary Proceeding will proceed in this Court. The Court realizes that issues involving the right to a jury trial will eventually need to be addressed by the parties. They can agree to a bench trial before this Court. 28 U.S.C. § 157(c)(2). They can agree to a jury trial before this Court. 28 U.S.C. § 157(e); Fed. R. Bankr. P. 9015(b). They can move the United States District Court to withdraw the reference so that a jury trial may be held there. 28 U.S.C. § 157(d); *see, e.g.*, *Hutson* v. *Bay Harbour Mgmt., L.C.*, No. 1:06CV01037, 2007 WL 1434834, at *1 (M.D.N.C. May 11, 2007) (withdrawing a matter from the bankruptcy court solely for the purpose of conducting a jury trial).

See also Snider v. *Sherman*, 2007 WL 1174441, at *44–45 (E.D. Cal. Apr. 19, 2007) (holding that request for jury trial does not preclude exercise of bankruptcy court's discretion over adversary proceeding, given availability of procedures in bankruptcy court and district court to hold jury trial at appropriate time). Courts also have held that a party, like Airbus, should not be rewarded for its refusal to consent to a jury trial before the bankruptcy court in furtherance of its attempt to seek abstention. *In re Schlotzky's, Inc.*, 351 B.R. 430, 437 (Bankr. W.D. Tex. 2006) ("Nor ought we to institute a rule of decision that in effect rewards the party seeking abstention if that party insists on being as obstructionist as possible by refusing to consent either to the entry of final judgment by the bankruptcy judge or the conduct of a jury trial by that court.").

submitted itself to the specific personal jurisdiction of this Court for claims related to the Bankruptcy Cases in which Airbus filed its own proofs of claim.

It is well established that when a party avails itself of a court's jurisdiction, it cannot escape claims related to the proceedings. In Texas, "[v]oluntarily filing a lawsuit in a jurisdiction is a purposeful availment of the jurisdiction's facilities and can subject a party to personal jurisdiction in another lawsuit when the lawsuits arise from the same general transaction."[28] That a party has previously chosen to litigate in a court eliminates any claim it has that defending another case in that forum—even if brought by other litigants—would be "unreasonably burdensome."[29] Bankruptcy courts have applied this principle to the precise issue here, holding that by filing a proof of claim in a bankruptcy case, a foreign creditor consents to personal jurisdiction of the bankruptcy court for related adversary proceedings.[30]

Moreover, Airbus has done more than simply file claims against the Debtors in the Bankruptcy Cases. Airbus jockeyed to become a member of the Creditors' Committee, represented by its Texas-based employee, Kevin Cabaniss, and subsequently has attended various Creditors' Committee meetings in this forum. When ECN Capital filed a Motion for an Order Directing 2004 Examination of Debtors in the Bankruptcy Cases, Airbus filed an objection

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[28] *Int'l Transactions, Ltd.* v. *Embotelladora Agral Regionmontana SA de CV*, 277 F. Supp. 2d 654, 667–68 (N.D. Tex. 2002) (holding that defendant had purposefully availed itself of the forum court because it had brought two lawsuits in the same district against a third party relating to a dispute arising out of similar facts) (quoting *Primera Vista S.P.R. de R.L.* v. *Banca Serfin, S.A. Institucion de Banca Multiple Grupo Financiero Serfin*, 974 S.W.2d 918, 926 (Tex. App.–El Paso 1998)).

[29] *See Hess* v. *Bumbo Int'l Trust*, 954 F. Supp. 2d 590, 597 (S.D. Tex. 2013) (holding that foreign entity purposefully availed itself of the forum court, for purposes of consumer product liability claim, when it filed litigation against its prior distributor in the federal court in Texas).

[30] *See, e.g.*, *Secs. Inv. Prot. Corp.* v. *Bernard L. Madoff Inv.*, 460 B.R. 106, 117 (Bankr. S.D.N.Y. 2011) (participation in bankruptcy cases demonstrated "consent to personal jurisdiction in . . . adversary proceeding") (citing *In re Deak & Co., Inc.*, 63 B.R. 422, 431 (Bankr. S.D.N.Y. 1986) (holding that foreign defendant-creditors effectively consented to personal jurisdiction by purposefully availing themselves of the protections afforded by United States bankruptcy law)); *In re Quality Lease and Rental Holdings, LLC*, 2016 WL 416961, at *5 (Bankr. S.D. Tex. Feb. 1, 2016) ("Filing a proof of claim brings a creditor within the equitable jurisdiction of a bankruptcy court."); *see also* U.S. Dep't of Justice, U.S. Attorneys' Manual § 1-188, https://www.justice.gov/usam/civil-resource-manual-188-bankruptcy-jurisdiction-personal-jurisdiction ("[A] foreigner filing a proof of claim submits to the personal jurisdiction of the bankruptcy court.").

and actively litigated to prevent ECN Capital from obtaining documents in the Debtors' possession regarding the EC225 and AS332 L2s that are the subject of ECN Capital's claims against Airbus here and of ECN Capital's proofs of claim against the Debtors in the Bankruptcy Cases. Given Airbus's assertive presence in the Bankruptcy Cases—including with regard to the very helicopters that are the subject of this adversary proceeding—Airbus cannot escape the personal jurisdiction to which it submitted. *See Secs. Inv. Prot. Corp.* v. *Bernard L. Madoff Inv.*, 460 B.R. 106, 114–115 (Bankr. S.D.N.Y. 2011) (exercising personal jurisdiction in adversary proceeding on grounds that defendant "has been and remains a 'player' in the bankruptcy").

B. This Court Has Specific Jurisdiction over Airbus for ECN Capital's Claims.

This Court also has specific personal jurisdiction over Airbus for the purposes of hearing ECN Capital's claims on account of Airbus's relevant contacts with the U.S. Courts in the Fifth Circuit follow a three-step analysis to determine whether specific jurisdiction exists:

> (1) whether the defendant has minimum contacts with the forum state, i.e., whether it purposely directed its activities toward the forum state or purposefully availed itself of the privileges of conducting activities there; (2) whether the plaintiff's cause of action arises out of or results from the defendant's forum-related contacts; and (3) whether the exercise of personal jurisdiction is fair and reasonable.

Luci Bags LLC v. *Younique, LLC*, 2017 WL 77943, at *2 (E.D. Tex. Jan. 9, 2017). "If the plaintiff successfully satisfies the first two steps, the burden shifts to the defendant to defeat jurisdiction by showing that its exercise would be unfair or unreasonable." *Sarkar* v. *Petrol. Co. of Trinidad & Tobago Ltd.*, 2016 WL 3568114, at *14 (S.D. Tex. June 23, 2016).

"A plaintiff may establish specific jurisdiction over a nonresident defendant by showing that the defendant purposefully directed his activities at residents of the forum and that the litigation results from injuries that arise out of *or relate to* those activities." *Verde* v. *Stoneridge, Inc.*, 2015 WL 1384373, at *3 (E.D. Tex. Mar. 23, 2015) (emphasis added) (internal quotation omitted). "Even a *single act* by a defendant may establish specific jurisdiction if the act in the

forum state is substantially related to the suit." *Luci Bags*, 2017 WL 77943, at *2 (emphasis added) (citing *Moncrief Oil Int'l* v. *OAO Gazprom*, 481 F.3d 309, 311 (5th Cir. 2007)).

In this adversary proceeding brought pursuant to § 1334(b), the relevant forum state is not Texas, but the entire U.S.[31] Airbus falsely claims in its Motion to Dismiss that it has no U.S. contacts or activity relevant to ECN Capital's claims. Airbus's own statements in its filings in other cases in the U.S.—including cases in Texas regarding the EC225 and AS332 L2 helicopters at issue here—prove otherwise. In the Era Complaint, Louisiana-based owners of EC225s asserted product liability claims regarding Airbus's defective design of EC225s, in Texas state court, against Airbus and its U.S.-based affiliate, AHI.[32] In a responsive pleading Airbus filed in the case earlier this month, Airbus admitted that it sold EC225s to its U.S. affiliate, AHI, "with final delivery [of the EC225s] occurring at [AHI's] facility in Texas." (Ex. O (Special Appearance) p. 4.) Airbus also admitted that AHI in turn sold the EC225s to U.S. purchasers (including Louisiana-based Era) for operation in the U.S. *Id.* Airbus admitted that it "has sold helicopters, including the [EC225s] at issue, to [AHI], a distributor in Texas;" and that Airbus-manufactured EC225s "passed through Texas-based transactions between [AHI] and their Louisiana purchasers, and four [EC225s] passed physically though Texas." *Id.* p. 14. Airbus also has acknowledged, as further set forth in its proofs of claim in the Bankruptcy Cases, that Airbus has sold and delivered EC225 and AS332 L2 helicopters and/or parts to Texas-based CHC and its affiliates. (*See* Ex. P (Airbus Proofs of Claim Nos. 353, 365).) These CHC entities,

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[31] *In re Celotex*, 124 F.3d at 630 ("[W]hen an action is in federal court on 'related to' jurisdiction, the sovereign exercising authority is the United States, not the individual state where the federal court is sitting."); *In re Paques*, 277 B.R. 615, 633 (Bankr. E.D. Pa. 2000) ("[T]he proper exercise of personal jurisdiction [in 'related to' proceedings] must focus upon the minimum contacts of [foreign defendant] with the United States.").

[32] *See* Ex. M (Era Complaint).

headquartered in Texas, act as nationwide distributors, sellers, and operators of Airbus-manufactured helicopters.[33]

Courts in the Fifth Circuit have held that such contacts are sufficient to establish specific personal jurisdiction on claims like those ECN Capital asserts here over a foreign defendant manufacturer on a stream of commerce theory. In *Verde* v. *Stoneridge*, *Inc.*, 2015 WL 1384373 (E.D. Tex. Mar. 23, 2015), the court held that specific personal jurisdiction existed over a defendant manufacturer for product liability, design defect, and negligence claims where the manufacturer delivered products to a distributor without limiting distribution to the forum state. 2015 WL 1384373, at *3–4. The court in *Verde* relied on the Fifth Circuit's decision in *Bean Dredging Corp.* v. *Dredge Tech. Corp.*, 744 F.2d 1081 (5th Cir. 1984), which similarly held that specific personal jurisdiction existed for product liability and negligence claims against a foreign manufacturer that did not seek to limit the sale, distribution, or use of its products in the forum state. 744 F.2d at 1085; *Verde*, 2015 WL 1384373, at *4; *see also Luv n' care, Ltd.* v. *Insta–Mix, Inc.*, 438 F.3d 465, 470–71 (5th Cir. 2006), *cert. denied*, 548 U.S. 904 (2006) (finding jurisdiction over defendant that expected its products to be purchased in the forum state).

Airbus cannot credibly claim unfairness where it submitted to the jurisdiction of this Court by actively participating in the Bankruptcy Cases and delivering products into the stream of commerce without restricting their distribution—indeed, with knowledge the products would be marketed, sold, distributed, and delivered by U.S. entities to U.S. entities for operation in the U.S. *See Verde*, 2015 WL 1384373, at *3–4; *Bean Dredging*, 744 F.2d at 1085. Airbus's burden

[33] Airbus attempts to distance itself from its U.S. affiliates, *see* Airbus Br. pp. 3, 13, but the fact that Kevin Cabaniss is both an employee of U.S.-based AHI and the designated representative for Airbus Helicopters (SAS) on the Creditors' Committee undermines this position. In any event, as explained below, Airbus's distribution of its products into the U.S.—whether through its own affiliate or through an unaffiliated distributor—gives rise to specific personal jurisdiction over ECN Capital's claims. *See, e.g.*, *Verde* v. *Stoneridge*, *Inc.*, 2015 WL 1384373, at *3–4 (E.D. Tex. Mar. 23, 2015).

of litigating in this jurisdiction—where it sold and sent its helicopters, where it chose to file its claims, and where it is currently defending other lawsuits regarding the same helicopters—does not preclude this Court's reasonable exercise of personal jurisdiction over Airbus. *See Verde*, 2015 WL 1384373, at *5.[34] In addition to Airbus's substantial participation in the Bankruptcy Cases, where both ECN Capital and Airbus have filed proofs of claims regarding EC225s and AS332 L2s, Airbus's contacts with the U.S. provide a sufficient basis for exercising specific personal jurisdiction in this case.[35]

IV. This Court Should Deny Airbus's Attempt To Forum-Shop.

Airbus argues that the Court should abstain from exercising the jurisdiction it has to hear ECN Capital's claims and dismiss this case on *forum non conveniens* grounds because the action involves two foreign entities and concerns some events that occurred in foreign districts. (Airbus Br. pp. 18–24.) Airbus fails to meet its heavy burden for dismissal on such grounds.

"'A defendant invoking *forum non conveniens* ordinarily bears a heavy burden in opposing plaintiff's chosen forum.'" *Tempur-Pedic Int'l, Inc.* v. *Go Satellite Inc.*, 758 F. Supp. 2d 366, 379 (N.D. Tex. 2010) (quoting *Sinochem Int'l Co.* v. *Malaysia Int'l Shipping Corp.*, 549 U.S. 422, 430 (2007)); *see also Alpine View Co. Ltd.* v. *Atlas Copco AB*, 205 F.3d 208, 222 (5th Cir. 2000) ("[T]he court must give the relevant deference to the plaintiff's choice of forum."). Dismissal on grounds of *forum non conveniens* is only permitted where there is an adequate alternative forum that is "substantially more convenient" *for all parties*. *Snaza* v. *Howard Johnson Franchise Sys., Inc.*, 2008 WL 5383155, at *2 (N.D. Tex. Dec. 24, 2008).

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[34] *See also First Capital Asset Mgmt., Inc.* v. *Brickellbush, Inc.*, 218 F. Supp. 2d 369, 403 (S.D.N.Y. 2002) (finding personal jurisdiction over Swiss defendant despite "significant" burden).

[35] In a case concerning alleged defects in another model of helicopter it manufactured that was sold and delivered to and operated in the U.S., Airbus admitted that it is subject to jurisdiction in the U.S. *See* Airbus Answer ¶ 2.1, *Newman* v. *Airbus Helicopters Inc., et al.*, No. 16-2-26710-6 SEA (Wash. Super. Ct., filed Nov. 1, 2016).

Airbus fails to prove, or even argue, that France is a "substantially more convenient" forum for ECN Capital, which is headquartered in North America, regularly does business in Texas, and—like Airbus—is currently participating in the Bankruptcy Cases in this Court, to which its claims in this adversary proceeding are related. In similar circumstances, courts have ruled that "related to" claims in adversary proceedings should be adjudicated in the Court where the bankruptcy cases are pending. *In re Bernard L. Madoff Inv. Secs. LLC*, 418 B.R. 75, 82 (Bankr. S.D.N.Y. 2009) ("[T]he most efficient resolution of the controversy would be in the United States, where the inextricably-related [bankruptcy] is ongoing before this Court.").

Airbus argues that dismissal is appropriate because, in certain Airbus contracts (to which ECN Capital is *not* a party), France is designated as the governing law and chosen forum. This fact is irrelevant to the *forum non conveniens* analysis, as ECN Capital is not a party to any such contract with Airbus and has not asserted breach of contract claims against Airbus. Airbus also suggests dismissal is appropriate because this matter has "no connection with Texas or the United States." (Airbus Br. 19.) That is patently false. As explained above, this adversary proceeding is closely related to the Bankruptcy Cases, in which both ECN Capital and Airbus are creditors—with each party's proofs of claim concerning the helicopters at issue in this lawsuit—and ECN Capital's claims are intertwined with the claims, liabilities, and property of the Debtors. Airbus also contends that the Court has no familiarity with the facts underlying ECN Capital's claims, but this again is false. From months of presiding over the proceedings in the Bankruptcy Cases, this Court has become familiar with the parties to this action; the factual circumstances giving rise to ECN Capital's claims; and the property that is the subject of, and will be affected by, this adversary proceeding. Airbus claims that none of the evidence relevant to ECN Capital's claims is in the U.S., but this is untrue—among the federal aviation authorities

investigating the 2016 Crash is the U.S. Federal Aviation Authority, which issued *from Fort Worth, Texas* an Emergency Airworthiness Directive requiring the grounding of all EC225s and AS332 L2s in response to the 2016 Crash.[36] Airbus also refers to issues of "comity" and the fact that certain of Airbus's contracts designate France as the governing law and chosen forum for disputes. International comity is an appropriate concern in a *forum non conveniens* analysis only if the movant shows that a true conflict of law exists, which Airbus has not done.[37] Airbus's grounds for *forum non conveniens* dismissal are pure pretext.

Airbus's real reason for wanting to escape this Court's jurisdiction and force ECN Capital to adjudicate its claims in France is clear. The government of France owns over 10% of the voting stock in Airbus's parent company, Airbus Group.[38] Until recently, France held an even greater stake in Airbus Group. In 2014, France sold off a small portion of its holdings in Airbus Group. Airbus Group's Chief Executive, Thomas Enders, acknowledged that the sale was designed to reduce—but not eliminate—the direct influence the French government held over the company, and to help Airbus Group become a more "normal" firm.[39] Courts do not dismiss cases on grounds of *forum non conveniens*, however, where one of the parties is likely to be treated unfairly. *Alpine View Co. Ltd.* v. *Atlas Copco AB*, 205 F.3d 208, 221 (5th Cir. 2000). Courts especially disfavor requests like Airbus's, where a foreign defendant attempts to move a case from its proper forum to the foreign defendant's home turf. *Magnolia Ocean Shipping Corp.* v. *M/V Marco Azul*, 1981 A.M.C. 2071, 2075, (E.D. Va. 1981) ("[T]he Supreme Court, as well as other courts in our federal system, has demonstrated a strong reluctance to applying the doctrine of *forum non conveniens* where the foreigners involved belonged to different nations.").

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36 *See* Ex. Q (June 3, 2016 FAA Airworthiness Directive).

37 *See In re Maxwell Comm. Corp.*, 93 F.3d 1036, 1049 (2d Cir. 1996) ("International comity comes into play only when there is a true conflict between American law and that of a foreign jurisdiction.").

38 *See* Ex. B (Airbus Group Registration Document 2015) p. 90.

39 *See* Ex. R (Ruth David, *France Selling $618 Million Airbus Stake to Institutions*, Bloomberg (Jan. 16, 2014)).

CONCLUSION

For the foregoing reasons, this Court should deny Defendant's Motion to Dismiss the Complaint.

Dated: January 27, 2017
Dallas, Texas

Respectfully submitted,

KANE RUSSELL COLEMAN & LOGAN PC

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CERTIFICATE OF SERVICE

I hereby certify that, on January 27, 2017, I caused the foregoing Opposition to Defendant's Motion to Dismiss to be served via electronic mail and First Class U.S. Mail, postage prepaid, to the following counsel of record for the Defendant:

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Exhibit C

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

---------- x		
	:	
In re:	:	**Chapter 11**
	:	
CHC GROUP LTD. ***et al.,***	:	**Case No. 16– _____ ( )**
	:	
	:	
Debtors.	:	**(Joint Administration Requested)**
	:	
---------- x		

DECLARATION OF ROBERT A. DEL GENIO IN SUPPORT OF
THE DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY RELIEF

I, Robert A. Del Genio, pursuant to section 1746 of title 28 of the United States Code, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am the Chief Restructuring Officer ("**CRO**") of CHC Group Ltd. ("**CHC Group**") and each of the other debtors (collectively, the "**Debtors**" and, together with their non-debtor affiliates, "**CHC**" or the "**Company**") in the above-captioned chapter 11 cases (the "**Chapter 11 Cases**").[1] I am a Managing Member and founder of CDG Group, LLC, a financial advisory firm that provides restructuring, crisis, and turnaround management services. I have been working closely with the Company for the past several months and was recently appointed as the CRO. As CRO, I report and provide strategic business advice to CHC Group's Board of Directors, Chief Executive Officer, and other members of management in connection with the Debtors' Chapter 11 Cases, and am responsible for carrying out the Debtors' restructuring strategy and objectives described herein.

[1] A list of the Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, where applicable, is attached hereto as **Exhibit A**.

2. Concurrently with the filing of this declaration (the "**Declaration**") on the date hereof (the "**Petition Date**"), the Debtors have filed voluntary petitions in this Court for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). To enable the Debtors to operate effectively and minimize the potential adverse effects of the commencement of these reorganization cases, the Debtors have requested certain relief in "first day" applications and motions filed with the Court (collectively, the "**First Day Pleadings**"). The First Day Pleadings, described in detail below, seek, among other things, relief intended to preserve the value of the Debtors and maintain continuity of operations by, among other things, (i) preserving the Debtors' relationships with their customers and employees, many of whom are located in jurisdictions outside the United States, (ii) maintaining the Debtors' cash management system and other business operations without interruption, (iii) confirming the reach of the automatic stay to protect the Debtors' assets, and (iv) establishing certain administrative procedures to facilitate an orderly transition into, and uninterrupted operations throughout, these Chapter 11 Cases. This relief is critical to the Debtors' restructuring efforts.

3. This Declaration is submitted to assist the Court and other parties in interest in understanding the circumstances that compelled the commencement of these Chapter 11 Cases and in support of (i) the petitions for relief under the Bankruptcy Code filed on the Petition Date and (ii) the First Day Pleadings. Any capitalized term not defined herein shall have the meaning ascribed to that term in the relevant First Day Pleading. Except as otherwise indicated herein, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by employees working under my supervision or my opinion based upon experience, knowledge and information concerning the operations of CHC, the oil and gas industry, and the commercial helicopter service industry. If

called upon to testify, I would testify competently to the facts set forth in this Declaration. I am authorized to submit this Declaration on behalf of the Debtors.

4. This Declaration is intended to provide a summary overview of CHC and the Debtors' Chapter 11 Cases, and is organized as follows: **Part I** describes the Debtors' businesses; **Part II** describes the Debtors' prepetition capital structure; **Part III** describes the key events that led to the commencement of these Chapter 11 Cases, the Debtors' prepetition restructuring negotiations with key creditors within the capital structure and the goals that the Debtors seek to accomplish through the commencement of these Chapter 11 Cases; and **Part IV** provides the evidentiary support for the First Day Pleadings filed concurrently herewith.

5. Unless otherwise indicated, the financial information contained herein is provided on a consolidated basis, which includes certain of the Debtors' non-debtor affiliates (collectively, the "**Non-Debtor Affiliates**").

Preliminary Statement

6. CHC is a global commercial helicopter services company primarily servicing the offshore oil and gas industry. CHC's principal business is to provide helicopter services for large, long-distance crew changes on offshore production facilities and drilling rigs for major, national, and independent oil and natural gas companies. As a result of this nexus, the Debtors' performance is closely tied to the state of the oil and gas industry.

7. Starting in the summer of 2014, oil prices began to decline precipitously. Over the next six months or so of 2014, the price of oil was cut in half. On May 2, the price for a barrel of Brent Crude was $45, down approximately 64% from a high of $125 per barrel in 2012. This rapid and unexpected decline in oil prices has led to a significant decline in offshore oil exploration, cost reduction measures for production operations, and a substantially decreased demand for offshore drilling services. As CHC's oil and gas customers have implemented

severe reductions in capital spending and cost cutting measures, the demand for CHC's helicopter services has dramatically declined. The significant and sustained drop in oil prices and related contraction of demand for offshore helicopter services, coupled with CHC's customers demanding price concessions and new flexible contract terms, has caused uncertainty regarding the Debtors' ability to maintain their leveraged capital structure and large helicopter fleet in the long term. A comprehensive balance sheet and fleet restructuring is necessary.

8. The Debtors have determined that, in the wake of the decline in oil prices and resulting declines in customer revenue, their enterprise can no longer bear the weight of its current capital structure and fleet expenses. Indeed, the Company needs to substantially reduce its debt obligations and shed at least 90 unproductive aircraft. To accomplish this, the Company began to explore options that would allow the company to deleverage its capital structure and reduce its fleet costs, paving the way toward future growth and long-term success, even in a down market. To that end, CHC launched significant out-of-court restructuring initiatives, as described in more detail below, including efforts to obtain concessions from its lessors. While these cost-cutting measures enabled the Company to mitigate some of its operating losses in Q3 2016 compared to the prior year quarter, the Company determined that it would be appropriate to consider a broader range of strategic alternatives and hired legal and financial advisors to assist with this analysis.

9. With guidance from their advisors, over the past several months, the Debtors launched negotiations with various members of the Debtors' capital structure and certain, key third-party aircraft lessors. Although the Debtors believe that these negotiations and discussions have been fruitful, and they remain ongoing, the Debtors have determined that relief under chapter 11 is the best path forward to preserve liquidity and provide a forum to streamline and expedite the restructuring process in these uncertain times. As part of the Debtors' goal to

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preserve liquidity, the Debtors expect to return, and reject, the leases and subleases related to over 90 unproductive leased aircraft during the first 60 days of these Chapter 11 Cases.

10. The breadth of the targeted restructuring, the number of creditors at issue, the global reach of the Debtors' assets and operations, the importance of accessing the relief and provisions of the Bankruptcy Code and the authority of this Court as the forum for supervising and implementing the Debtors' reorganization, cannot be over-emphasized. Although CHC manages its operations in Irving, Texas and maintains its key sales office in Houston, Texas, CHC operates a truly global business, with assets and operations scattered across six continents around the globe. CHC conducts business in numerous countries with different legal systems, including, among others, Australia, Brazil, Canada, East Timor, Equatorial Guinea, Ireland, Malaysia, Netherlands, Nigeria, Norway, Poland, Kazakhstan, the United Kingdom, and the United States. In addition, many of the Debtors are incorporated under the laws of numerous additional countries, including the Cayman Islands, Luxembourg, Bermuda, and Barbados, and many of the Debtors' key contracts are governed by the laws of foreign jurisdictions. CHC holds aircraft operating certificates and licenses from 10 different countries, employs approximately 3,800 employees worldwide, and has customers from jurisdictions across the globe.

11. Given these and other considerations, the Debtors concluded in the exercise of their business judgment and as fiduciaries for all of the Debtors' stakeholders that the best path to maximize the value of their businesses and preserve thousands of jobs was a strategic U.S. chapter 11 filing. The filing will give the Debtors a much needed breathing spell – one of the fundamental tenets of a traditional chapter 11 filing – as they continue to work with their key stakeholders. Moreover, the self-executing and global nature of sections 362, 365, 525, and 541(c) of the Bankruptcy Code, along with the other protections and tools available to chapter 11 debtors, as they have been explained to me, provide the Debtors with the best – and

only real – option to effectuate a rapid and comprehensive balance sheet restructuring and fleet optimization for this truly global business. It is the Debtors' judgment that there is no alternative forum in which the Debtors could collectively seek relief to preserve value and reorganize their businesses, and absent these Chapter 11 Cases, the Debtors likely would be left with no choice but to liquidate their businesses in a fire sale and piecemeal fashion.

12. Although the Debtors believe that they have sufficient liquidity to fund these Chapter 11 Cases, at this time, the Debtors are constrained to a short-term four week cash forecast as a result of the recent tragic accident in Norway that may have an impact on their future revenues, cost structure, and helicopter fleet.[2] On this basis, on the first day of these cases, the Debtors are only seeking limited use of cash collateral on interim basis and will seek further relief at a later date.

I.

The Debtors' Businesses

13. CHC is one of the largest global commercial helicopter service companies in the world, primarily engaged in providing helicopter services to the offshore oil and gas industry. With its senior management headquartered in Irving, Texas, CHC maintains bases on six continents with major operations in the North Sea, Brazil, Australia, and several locations across Africa, Eastern Europe, and South East Asia. CHC's business consists of two main operating segments: (i) helicopter flight operations ("**Helicopter Services**"); and (ii) helicopter

[2] On April 29, 2016, an Airbus EC 225 helicopter, or EC 225, operated in Norway by one of the Debtors' Non-Debtor Affiliates, CHC Helikopter Services AS, was involved in an accident while on approach to Flesland Airport in Bergen, Norway from the Gullfaks B platform. The EC 225 carried 11 passengers and two crew members. The cause of the accident is not yet known and full investigations are being carried out in conjunction with regulators and police authorities. In collaboration with CHC's stakeholders, customers and regulatory authorities, pending further regulatory guidance, CHC has temporarily put on hold all EC 225 commercial flights around the world (with the exception of search-and-rescue missions).

maintenance, repair, and overhaul operations ("**MRO**") carried out by its Heli-One division ("**Heli-One**"), which services CHC's helicopter fleet as well as third-party customers.

A. <u>Helicopter Services</u>

14. CHC's Helicopter Services segment consists of flying operations in the Eastern North Sea, the Western North Sea, the Americas, the Asia Pacific region and the Africa-Euro Asia region, primarily serving offshore oil and gas customers. These services facilitate large, long-distance crew changes on offshore production facilities and drilling rigs. Helicopter Services also provides helicopter services for search and rescue ("**SAR**") and emergency medical services ("**EMS**") to various government agencies, all of which are typically under long-term service contracts. In some instances, Helicopter Services also provides SAR and EMS services to its oil and gas customers.

15. The majority of CHC's customers are major, national, and independent oil and gas companies, including Statoil, Total, Apache, Petrobras, and Royal Dutch Shell, and the majority of CHC's customer contracts provide for revenues based on fixed-monthly charges and hourly flight rates. CHC's contracts with offshore oil and gas customers are typically for periods of four to five years, and normally carry extension options of one to five years; however, most of the customer contracts contain termination for convenience provisions. CHC also has long-term contracts with government agencies and commercial operators in the United Kingdom and in Ireland, as well as contracts with commercial operators, the military, and local governments in Australia to provide SAR and EMS helicopter services.

16. Helicopter Services generated approximately 90% of its revenue for the three years ended April 30, 2015 from oil and gas customers and, of this amount, the majority was tied to CHC's customers' offshore production operations, which can have long-term

transportation requirements. SAR and EMS revenue to non-oil and gas customers contributed approximately 10% of Helicopter Services revenue for the three years ended April 30, 2015.

B. Heli-One (MRO)

17. CHC's Heli-One segment includes helicopter MRO facilities in Norway, Poland, Canada, and the United States, which provide services for CHC's helicopter fleet and for CHC's external customer base primarily in Europe, Asia, and North America. CHC's MRO capabilities enable CHC to perform heavy structural repairs, and maintain, overhaul, and test helicopters and helicopter components globally across various helicopter types. Heli-One's largest customer is CHC's Helicopter Services segment. Heli-One derives the majority of its third-party revenue from "power by the hour" ("**PBH**") contracts, where the customer pays a ratable monthly charge, typically based on the number of hours flown, for all scheduled and un-scheduled maintenance. CHC is the largest commercial operator of helicopter flights in the world that also provides MRO services.

18. CHC maintains one of its primary MRO facilities in Fort Collins, Colorado, where it provides specialized engine overall capabilities for aircraft used by the United States Customs and Border Protection Service as well as the Texas Department of Transportation, and for specialized firefighting helicopters.

C. Fleet

19. CHC maintains a fleet of 230 medium (8 to 15 passengers) and heavy (16 to 26 passengers) helicopters (the "**CHC Fleet**"). A significant portion of the fleet is comprised of new technology helicopters which have greater range, higher passenger capacity, enhanced safety systems, and the ability to operate in variable conditions. Of the total 230 helicopters in the fleet, CHC owns 67 helicopters and CHC leases the remainder from various third-party lessors.

D. Organizational Structure

20. The various legal entities in CHC's organizational structure primarily consist of (i) operating affiliates, including Variable Interest Entities (as defined below), in various jurisdictions that support Helicopter Services (the "**HS Operating Entities**"), (ii) fleet entities that either own or lease aircraft from third-party lessors (the "**FleetCos**"), (iii) Heli-One entities that support the MRO business (the "**Heli-One Entities**"), and (iv) entities that provide general corporate support and administration functions to the CHC enterprise (the "**G&A Entities**"), including the provision of pilots and engineers from CHC's global touring crew (the "**Global Touring Crew**") to the HS Operating Entities.

21. The HS Operating Entities typically hold the Helicopter Services customer contracts and collect the associated revenue. In some cases, the customer contracts are held by other non-operating CHC legal entities who subcontract internally with the HS Operating Entities. The HS Operating Entities hold various aircraft operating certificates, operating licenses, and regulatory authorizations (collectively, the "**AOCs**") that are required to carry out helicopter flight operations in the various operating jurisdictions. These AOCs are issued to the HS Operating Entities by government regulated aviation bodies, and each entity holding an AOC is typically required to satisfy, among other requirements, certain financial, insurance, and ownership criteria. In certain jurisdictions in which CHC operates, in order to satisfy local ownership requirements, CHC has entered into joint venture arrangements ("**JVs**") and strategic partnerships (together with the JVs, the "**Variable Interest Entities**") with third-party nationals or entities controlled by third-party nationals in those jurisdictions. CHC currently holds 11 active AOCs, all in separate regional legal entities.

22. The HS Operating Entities typically employ local pilots and maintenance engineers, together with administrative and other support staff. In certain jurisdictions where

local experienced pilots and engineers are not available, the HS Operating Entities enter into intercompany secondment agreements for the provision of pilots and engineers from CHC's Global Touring Crew. The HS Operating Entities often perform light maintenance on their helicopters at the local base location; however, the majority of all major aircraft maintenance and the overhaul of major components is performed by Heli-One pursuant to internal PBH service contracts with the Heli-One Entities. Pursuant to these intercompany agreements, Heli-One charges fees for PBH support as well as for time and materials based maintenance and other aircraft modification services.

23. The CHC FleetCos either own or lease from third-party lessors all of the aircraft in the CHC Fleet. In most cases, the FleetCos sublease the aircraft to HS Operating Entities. These leasing structures provide maximum regulatory and business flexibility.

24. The Heli-One Entities are responsible for the majority of the MRO activities within the CHC business, including the internal PBH service arrangements with the HS Operating Entities as well as the third-party PBH contracts. These entities also manage the supply chain and logistics for moving spare parts and components between the various Heli-One facilities and CHC bases. The Heli-One Entities employ a larger number of shop employees in the Netherlands, Norway, Canada, Poland, and Fort Collins, Colorado.

25. CHC has centralized many of its general corporate and administrative functions in the G&A Entities, which typically provide services across the entire CHC enterprise. These services include, among others, executive, legal, finance, accounting, information technology, crew provision and scheduling, and certain sales functions. In most instances, the services provided by the G&A Entities are allocated to the various operating entities pursuant to intercompany service arrangements and booked as intercompany payables.

26. For the fiscal year ended April 30, 2016, the Debtors' total operating revenues were approximately $1.4 billion, representing an approximate 15% decrease in operating revenues year over year, which (as described herein) was driven by a dramatic decline in demand for CHC's helicopter services resulting from a change in customers' use of helicopter services and the price and terms on which they are willing to accept service.

II.

Prepetition Capital Structure

27. All of the Debtors are direct or indirect wholly-owned subsidiaries of Debtor CHC Group and, with the exception of CHC Cayman Investments I Ltd., together constitute the issuers and guarantors of all of the Debtors' funded debt (described in detail below). CHC's other entities, including certain operating entities, are not debtors in these Chapter 11 Cases and are continuing to conduct their businesses in the ordinary course. A chart illustrating the Debtors' organizational structure, as of the date hereof, is annexed hereto as **Exhibit B**. The following description of the Debtors' capital structure is for informational purposes only and is qualified in its entirety by reference to the documents setting forth the specific terms of such obligations and their respective related agreements.

28. As of the date hereof, the Debtors had outstanding funded debt obligations in the aggregate amount of approximately $1.6 billion, which amount consists of (i) approximately $370 million in secured borrowings under the Debtors' Revolving Facility (as herein defined), (ii) approximately $139 million in secured borrowing under the Debtors' ABL Facility (as herein defined), (iii) approximately $1.0 billion in principal amount of Senior Secured Notes (as herein defined), and (iv) approximately $95 million in principal amount of

Unsecured Notes (as herein defined). The Debtors also have approximately $644 million in Preferred Stock (as defined herein) outstanding as of the date hereof.[3]

A. <u>Equity Ownership</u>

29. CHC Group is a public company and files annual reports with, and furnishes other information to, the United States Securities and Exchange Commission (the "**SEC**"). The common stock of CHC Group traded on the New York Stock Exchange (the "**NYSE**") under the symbol "HELI" until February 1, 2016, when CHC received a delisting notice from the NYSE. Following the delisting, CHC's common stock was accepted for listing on the OTCQX Best Market ("**OTCQX**") and trading in CHC's common stock commenced on the OTCQX under the ticker symbol "HELIF" on February 2, 2016.

30. As of April 30, 2016, 544,000,000 shares of the Debtors' $0.003 par value common stock had been authorized with 2,721,592 shares of common stock issued and outstanding. As of April 30, 2016, 6,000,000 shares of the Debtors' $0.0001 par value redeemable convertible preferred shares had been authorized with 671,189 shares of redeemable convertible preferred shares issued and outstanding. As of May 3, 2016, CHC's common stock was trading at $0.65 per share.

31. As of April 30, 2016, First Reserve Management, L.P. ("**First Reserve**"), a global private equity firm focused on energy, owned 1,530,011 shares of the CHC's common stock, representing approximately 28.1% of the total voting power calculated on an as-converted basis of all stock.

32. On December 15, 2014, the Debtors completed the final of three offerings for a total of 600,000 shares of Convertible Preferred Shares (the "**Preferred Stock**" and the holders of Preferred Stock, the "**Preferred Holders**") through a private placement to Clayton

[3] All amounts listed in this Declaration are in United States dollars.

Dubilier & Rice, LLC ("**CD&R**") at the price of $1,000 per share for a total of $600 million. CHC used the net proceeds of this investment to reduce debt and other fixed charges.

33. Pursuant to that certain Rights and Restrictions of the Convertible Preferred Shares of CHC Group Ltd. Establishing the Terms of the Convertible Preferred Shares (the "**Preferred Share Rights and Restrictions**"), Preferred Holders accrue and accumulate dividends on a daily basis at a base rate of 8.50% *per annum*, which are payable, either in cash or with additional Preferred Stock, quarterly in arrears if, as and when so authorized and declared by the Board of Directors. As of April 30, 2015, 671,189 Preferred Shares were issued and outstanding, and all held directly or indirectly by CD&R.

34. At any given time, all Preferred Holders can convert any or all of their Preferred Shares into some number of common stock based upon a variable conversion rate. As of April 30, 2016, CD&R held preferred shares representing approximately 52.2% of common stock on an as-converted basis. Pursuant to the Preferred Share Rights and Restrictions, to the extent that any Preferred Holder converts some number of Preferred Shares into ordinary shares such that the Preferred Holder controls more than 49.9% of total outstanding common stock, any shares in excess of 49.9% of the total outstanding common stock are replaced with an equivalent number of non-voting common stock.

B. <u>ABL Facility</u>

35. Debtor CHC Cayman ABL Borrower Ltd. (the "**CHC ABL Borrower**"), as borrower, is a party to that certain Credit Agreement, dated as of June 12, 2015 (as amended, restated, supplemented or otherwise modified from time to time, the "**ABL Credit Agreement**" and, together with all agreements and documents delivered pursuant thereto or in connection therewith, each as amended, supplemented or otherwise modified, the "**ABL Facility Documents**"), with the lenders party thereto from time to time, Morgan Stanley Senior Funding,

Inc., as administrative agent (the "**ABL Administrative Agent**"), and BNP Paribas S.A., as collateral agent (the "**ABL Collateral Agent**"). The ABL Credit Agreement provides the borrower with a senior secured non-amortizing asset based revolving credit facility in the aggregate amount of up to $145 million (the "**ABL Facility**").

36. The obligations under the ABL Facility are guaranteed by 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., CHC Helicopter S.A. ("**CHC SA**"), pursuant to that certain Guarantee Agreement, dated as of June 12, 2015, in favor of the ABL Administrative Agent, and by CHC Cayman ABL Holdings Ltd pursuant to that certain Guarantee and Collateral Agreement, dated as of June 12, 2015 (as amended, restated, supplemented, or otherwise modified from time to time, the "**ABL GCA**"), by and among CHC Cayman ABL Holdings Ltd., CHC ABL Borrower, the ABL Administrative Agent, and the ABL Collateral Agent.

37. Pursuant to the terms of the ABL GCA and certain local law security documents, CHC Cayman ABL Holdings Ltd. has purportedly granted a security interest in the equity interests it holds in CHC ABL Borrower, and CHC ABL Borrower has purportedly granted a security interest in substantially all of its respective assets, in each case to secure the obligations under the ABL Facility, subject to the exceptions specified in the ABL Facility Documents. The ABL Facility is purportedly secured by certain of the Debtors' owned aircraft and related assets, intercompany aircraft leases, and cash on deposit in certain of the Debtors' bank accounts. Pursuant to that certain most recent Borrowing Base Certificate, dated April 6, 2016 (the "**Borrowing Base Certificate**") annexed hereto as **Exhibit C**, the total average appraised value of the aircraft currently in the facility is approximately $185 million.[4]

[4] CHC's Monthly Depreciation Schedule for the period of May 2015 through March 2016, is annexed here to as **Exhibit D**. CHC's Projected Aircraft Depreciation Schedule is annexed hereto as **Exhibit E.**

38. As of the date hereof, the aggregate principal amount outstanding under the ABL Facility is approximately $139 million in unpaid principal, plus accrued and unpaid interest, fees, and other expenses. The ABL Facility bears interest at a floating rate that varies based upon the level of utilization of the facility, and matures on June 12, 2020.

C. <u>The Revolving Facility</u>

39. Debtors CHC SA, CHC Global Operations International Inc., CHC Global Operations (2008) Inc., Heli-One Canada Inc., Heli-One Leasing Inc., CHC Den Helder B.V., CHC Holding NL B.V., CHC Netherlands B.V., CHC Norway Acquisition Co AS, and Heli-One (Norway) AS, as borrowers, are parties to that certain Credit Agreement, dated as of January 23, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "**Revolving Credit Agreement**"), with the lenders and issuing banks party thereto from time to time (collectively, the "**Revolving Facility Lenders**"), HSBC Bank PLC, as administrative agent (the "**Revolving Facility Administrative Agent**"), and HSBC Corporate Trustee Company (UK) Limited, as collateral agent (together with the Revolving Facility Lenders and the Revolving Facility Administrative Agent, the "**Revolving Facility Secured Parties**").

40. The Revolving Facility Credit Agreement governs a revolving credit facility (the "**Revolving Facility**") that provides for revolving credit commitments, including letter of credit commitments and swingline commitments, in an aggregate principal amount of up to $375 million. The Revolving Facility is guaranteed by CHC Group, 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., and certain of CHC SA's subsidiaries (the borrowers and guarantors under the Cash Flow Revolving Facility, the "**Revolving Facility Obligors**").

41. As of the date hereof, the aggregate principal amount outstanding under the Revolving Facility is approximately $328 million in unpaid principal and $43 million in face amount of undrawn Revolving Letters of Credit (as defined in the Revolving Credit Agreement),

plus accrued and unpaid interest, fees, and other expenses. The Revolving Facility bears interests at a floating interest rate that varies based upon the Company's consolidated total leverage, and matures on January 23, 2019.

D. <u>The Senior Secured Notes</u>

42. Debtor CHC SA, as issuer, is party to that certain Indenture, dated as of October 4, 2010 (as amended, modified, or otherwise supplemented from time to time, the "**Senior Secured Notes Indenture**"), with The Bank of New York Mellon, as indenture trustee (in such capacity, the "**Senior Secured Notes Indenture Trustee**"), and HSBC Corporate Trustee Company (UK) Limited, as collateral agent (together with the Senior Secured Notes Indenture Trustee and the Senior Secured Noteholders, the "**Senior Secured Notes Secured Parties**"), pursuant to which CHC SA issued 9.250% Senior Secured Notes due 2020 in the aggregate principal amount of $1.1 billion, of which approximately $1.0 billion is currently outstanding (the "**Senior Secured Notes**," and the holders of such notes, the "**Senior Secured Noteholders**").

43. The Senior Secured Notes are guaranteed by CHC Group, 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., and certain of CHC SA's subsidiaries (the issuer and the guarantors in respect of the Senior Secured Notes, the "**Senior Secured Notes Obligors**").

44. As of the date hereof, the aggregate amount outstanding under the Senior Secured Notes is $1.0 billion in unpaid principal, plus accrued and unpaid interest, fees, and other expenses. The Senior Secured Notes bear interest at a rate of 9.25% per annum with interest payable semiannually on April 15 and October 15, and mature on October 15, 2020.

E. The Security Documents for the Revolving Credit Facility and the Senior Secured Notes

45. The obligations under the Revolving Credit Agreement and the Senior Secured Notes are purportedly secured in accordance with the terms of certain local law security documents, pursuant to which the Revolving Facility Obligors and the Senior Secured Notes Obligors purportedly granted first priority *pari passu* liens on substantially all of their assets (the "**Prepetition Collateral**"). The liens on the Prepetition Collateral were purportedly granted in favor of HSBC Corporate Trustee Company (UK) Limited, which was appointed to act as agent and trustee (in such capacity the "**Collateral Agent**") for the benefit of the Revolving Facility Secured Parties and the Senior Secured Notes Secured Parties under the terms of that certain Collateral Agent and Administrative Agent Appointment Deed, dated as of October 4, 2010, among the Revolving Facility Administrative Agent, the Senior Secured Notes Indenture Trustee, the grantors party thereto, the lenders and arrangers party thereto, and the Collateral Agent.

46. The rights of the Revolving Facility Secured Parties and the Senior Secured Notes Secured Parties with respect to their shared collateral are governed by that certain Intercreditor Agreement, dated as of October 4, 2010, among CHC SA, the other grantors party thereto, the Collateral Agent, the Revolving Facility Administrative Agent and the Senior Secured Notes Indenture Trustee (as amended, modified, or otherwise supplemented from time to time, the "**Intercreditor Agreement**"). Pursuant to the Intercreditor Agreement, all Cash Flow Revolving Facility Secured Obligations and Senior Secured Notes Obligations are secured equally with respect to the "**Shared Collateral**" described therein. Under the payment priority waterfall established by the Intercreditor Agreement, the Revolving Facility Secured Parties are entitled to receive proceeds of the Shared Collateral until paid in full, at which point the outstanding Senior Secured Notes Secured Obligations are to be paid ratably.

F. The Unsecured Notes

47. Debtor CHC SA, as issuer, is party to that certain Indenture, dated as of May 13, 2013 (as amended, modified, or otherwise supplemented from time to time, the "**Unsecured Notes Indenture**"), with The Bank of New York Mellon, as indenture trustee, pursuant to which CHC SA issued 9.375% Senior Unsecured Notes due 2021 in the original aggregate principal amount of $300 million (the "**Unsecured Notes**").

48. The Unsecured Notes are guaranteed by CHC Group, 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., and certain of CHC SA's subsidiaries. The Unsecured Notes are senior unsecured obligations of the Debtors.

49. As of the date hereof, the aggregate amount outstanding under the Unsecured Notes is approximately $95 million in unpaid principal, plus accrued and unpaid interest, fees, and other expenses. The Unsecured Notes bear interest at a rate of 9.375% per annum with interest payable semiannually on June 1 and December 1, and mature on June 1, 2021.

III.

Key Events Leading to Chapter 11

50. As noted above, with a significant customer base in the oil and gas industry, CHC's performance is closely tied to and impacted by changes in oil prices. The prices of Brent crude oil and natural gas have declined dramatically since mid-year 2014, having recently reached multiyear lows, as a result of robust supply growth led by unconventional production in the United States, weakening demand in Europe and emerging markets, and the Organization of the Petroleum Exporting Countries' decision to continue to produce at current levels. These market dynamics have led many to conclude that the energy sector will remain under pressure for a prolonged period. The effects of this protracted downturn are evident in

both onshore and offshore operations and throughout the oil and gas supply chain – in both exploration and production.

51. Due to the significant and rapid downturn in market conditions, CHC is seeing its oil and gas customers reassess their exploration projects and reduce their capital expenditure plans. Offshore exploration activity has plummeted from its peak in 2013, with the majority of the drop in the last six months. Specifically, the global offshore rig count is down 27% since 2013, with deep water rigs down more than 34%. With oil and gas exploration in a lull, many of CHC's customers are using the down cycle to focus only on commitment wells and to perform plug and abandonment work. Overall, CHC's exploration revenue, which accounts for approximately 10% of CHC's revenue from the oil and gas industry, is down over 40% in 2016 versus 2014.

52. On the production side, which accounts for approximately 70% of CHC's revenue from the oil and gas industry, the sustained dip in oil prices has put the supply chains of oil and gas companies under intense pressure. As production revenue has dropped, oil and gas companies have been targeting operational inefficiencies in their supply chains to reduce costs. Pricing on existing contracts and new tenders has declined as these customers have implemented cost reduction measures and have demanded significant prices concessions. Customers also have started utilizing less frequent worker rotations and service patterns to increase their productivity of assets and employees, resulting in a reduction in the number of aircraft required for each contract. These improvements in passenger utilization, coupled with the decrease in volume of offshore personnel, have significantly reduced demand for flying hours. Some customers have even started taking advantage of clauses in their contracts that permit termination for convenience as they seek out new contracts on the lowest-price principle from competitors. CHC's customers have been able to extract more and more concessions and favorable contract

terms as the market for the remaining share of flight hours continues to shrink. Unlike exploration revenue that may come back as the oil price rebounds, these operational efficiencies on the production side are margin negative for helicopter operators and will likely remain in the supply chain even as market conditions improve.

53. Despite efforts to undertake transactions to reduce long-term debt and reduce structural costs that are discussed below, the Debtors are unable to absorb the ongoing and precipitous decline in business demand from the oil and gas industry and the corresponding decline in the Debtors' revenues and cash flows. Based on current market conditions, the Debtors believe that a significant reduction in their long-term debt and cash interest obligations, as well as a significant reduction in their fleet size and related expenses, is required to improve their financial position and flexibility and position them to take advantage of opportunities that may arise out of the current industry downturn.

A. <u>Cost Cutting Measures</u>

54. In response to these developments, the Debtors have, among other things, significantly reduced their spending and implemented a series of structural cost-cutting measures (described in more detail below). Recognizing the need to take these proactive steps in this down market, in early 2015, the Debtors brought in a new management team with substantial experience and expertise in the aircraft and leasing industry. The members of this new management team draw on experience from GE Capital, International Lease Finance Corporation, and Schlumberger, and the team is led by Chief Executive Officer, Karl Fessenden. Over the past year, the Debtors and this new management team have, through various initiatives, achieved reductions in operating expenses of approximately 18% on an FX neutral basis.

55. Specifically, these costs reductions were driven by, among other things, a significant reduction in headcount, certain base closures, organizational delayering and

centralization of back-office functions, renegotiation of certain professional fees, restructuring of the maintenance and engineering teams, and various fleet adjustments. In addition, CHC engaged a consultant to review and provide recommendations to restructure its supply chain organizational structure and approach, which led to a substantial consolidation of its suppliers along with various process changes. For example, CHC consolidated its air freight and courier carriers from 54 to 10 key accounts, reducing costs by over $4 million, and optimized its inventory, reducing repair costs by over $7 million. CHC also undertook a strategic review of its direct labor costs, which resulted in changes to its roster patterns, a reduction in travel pay for employees, and a decision to outsource certain non-essential work such as ground operations.

56. The Debtor have also taken steps to reduce their total outstanding long-term obligations through two debt repurchase transactions of their Unsecured Notes, which resulted in a reduction of their annual cash requirements by approximately $3.8 million. This restructuring complemented the debt redemption and repurchase transactions the Debtors undertook in fiscal years 2014 and 2015 to reduce their total outstanding long-term debt obligations, which reduced their cash requirements on an annualized basis approximately $41.9 million.

57. Despite the best efforts of the Debtors and their management to actively restructure and reduce their operational and financial costs, the significant and prolonged downturn in market conditions in the oil and gas sector, the cost cutting measures being deployed by their customers, and the related decrease in the Debtors' revenues and cash flows from operations, has caused uncertainty regarding the viability of the Debtors' leveraged capital structure and cash flow structure in the long term. Accordingly, the Debtors began to explore potential alternatives that would allow the Debtors to deleverage their balance sheet, reduce their fleet cost structure, and allow for growth and long-term success.

58. In response to this, in early 2016, the Debtors retained Weil, Gotshal & Manges LLP ("**Weil**"), as restructuring counsel, Debevoise & Plimpton LLP ("**Debevoise**"), as special aircraft counsel, PJT Partners LP ("**PJT Partners**"), as investment banker, Seabury Corporate Advisors LLC ("**Seabury**"), as financial advisor, and CDG Group, LLC, as restructuring advisor (together with Weil, Debevoise, PJT Partners, and Seabury, the "**Advisors**"), to assist them in developing and implementing a comprehensive restructuring plan. The Advisors quickly engaged to explore, analyze, and develop strategic alternatives for resolving the Debtors' financial issues.

B. <u>Preserving Liquidity</u>

59. One of the earliest strategies emphasized by the Debtors' Advisors was the implementation of a strict liquidity preservation policy. Consistent with this, in January 2016, the Debtors drew the remaining $233 million available under the Cash Flow Revolving Facility. In addition, in April 2016, CHC Group and CHC SA decided not to make an interest payment of approximately $46 million due with respect to the Senior Secured Notes, and to use the 30-day grace period under the Senior Secured Notes Indenture to continue working with the Advisors to review strategic alternatives for restructuring the Company's debt and leases expenses.

C. <u>Prepetition Negotiations with Creditors</u>

60. With the flexibility of the grace period, the Debtors and their Advisors commenced negotiations with certain of the Debtors' key stakeholders, including various members of the Debtors' capital structure as well as the Debtors' third-party aircraft lessors. During these early discussions, the Debtors' presented their business plan, strategies for creating a viable business model in this down market, and restructuring proposals.

61. Recognizing the importance of swift action to preserve liquidity and enterprise value, these stakeholders and their advisors quickly began conducting diligence and

engaging with the Debtors and their Advisors. These negotiations advanced through the early stages and continue to progress.

62. The Debtors decided to seek chapter 11 protection to take advantage of the breathing spell afforded by the automatic stay as they continue negotiating and working with these creditors and lessors to develop a proposal to restructure CHC's fleet and balance sheet. The Debtors are focused on quickly moving forward and ideally reaching a consensual deal that will enable the Debtors to quickly emerge from these Chapter 11 Cases with a significantly strengthened financial position.

63. The Debtors expect that their current cash on hand, combined with revenue generated from ongoing operations, will provide sufficient liquidity to support CHC's business during these Chapter 11 Cases.

V.

First Day Motions

64. Below is an overview of the First Day Motions. The First Day Motions seek relief intended to facilitate a smooth transition for the Debtors into these Chapter 11 Cases and minimize disruptions to the Debtors' business operations. Capitalized terms used but not otherwise defined in this section of the Declaration shall have the meanings ascribed to them in the relevant First Day Motions.

A. Joint Administration Motion

DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING JOINT ADMINISTRATION OF CHAPTER 11 CASES PURSUANT TO RULE 1015(B) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE

65. By the Joint Administration Motion, the Debtors seek joint administration of their Chapter 11 Cases for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Rules. Specifically, I understand that the Debtors request that the

Court maintain one file and one docket for all of these Chapter 11 Cases under the case of lead Debtor CHC Group. Further, the Debtors request that an entry be made on the docket of each of the cases of the Debtors to indicate the joint administration of these Chapter 11 Cases.

66. I understand that a court can order the joint administration of multiple Chapter 11 Cases where the debtors are "affiliates" as defined in section 101(2) of the Bankruptcy Code. Debtor CHC Group owns or controls, either directly or indirectly, 100 percent of the outstanding voting securities of each of the other Debtors. Accordingly, I understand that the Debtors are "affiliates" and this court is authorized to order joint administration of their estates. Joint administration will avoid the preparation, replication, service, and filing, as applicable, of duplicative notices, applications, and orders in each of the forty-three Debtor cases, thereby saving the Debtors' estates considerable expense and resources. The relief requested will not adversely affect creditors' rights and, in fact, the rights of all creditors will be enhanced by the reduction in costs resulting from joint administration. Further, I understand that the relief requested will also relieve the Court of the burden of entering duplicative orders and maintaining duplicative files and dockets, and, similarly, simplify supervision of the administrative aspects of these Chapter 11 Cases by the Office of the U.S. Trustee for the Northern District of Texas (the "**U.S. Trustee**").

67. Accordingly, I believe that joint administration of the Debtors' Chapter 11 Cases is in the best interests of the Debtors, their estates, and all parties in interest.

B. Extension of Time to File SOFAs and Schedules

DEBTORS' MOTION FOR ENTRY OF ORDER EXTENDING TIME TO FILE (I) SCHEDULES OF ASSETS AND LIABILITIES; (II) SCHEDULE OF CURRENT INCOME AND EXPENDITURES; (III) SCHEDULE OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES; AND (IV) STATEMENT OF FINANCIAL AFFAIRS PURSUANT TO SECTION 521 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 1007(C), AND LOCAL RULE 1007-1

68. By the Extension Motion, the Debtors request that the Court extend the fourteen-day period in which the Debtors are required, pursuant to section 521 of the Bankruptcy Code and Rule 1007(c) of the Bankruptcy Rules, to file (i) schedules of assets and liabilities, (ii) a schedule of current income and expenditures, (iii) a schedule of executory contracts and unexpired leases, and (iv) a statement of financial affairs (collectively, the "**Schedules**"), for an additional forty-five days (making the Schedules due on or before sixty days after the Petition Date), without prejudice to the Debtors' right to request further extensions.

69. I understand that, to prepare the Schedules, the Debtors must compile information from books, records, and documents maintained by each of the forty-three Debtors, relating to the claims of thousands of creditors, as well as the Debtors' many assets and contracts. With global operations and a widespread international footprint, it will take substantial time to gather and process such information. The Debtors have a limited number of employees with detailed knowledge of the Debtors' financial affairs and the skill to perform the necessary review and analysis of the Debtors' financial records. Given the size and complexity of the Debtors' businesses, and the resulting significant amount of work required to complete the Schedules, as well as the competing demands on the Debtors' employees and professionals to assist in critical efforts to stabilize the Debtors' business operations during the initial postpetition period, I believe that an extension is necessary.

70. I believe that the extension requested in the Extension Motion also will aid the Debtors in efficiently preparing accurate Schedules, as it will allow the Debtors to account for prepetition invoices not yet received or entered into their accounting systems as of the Petition Date, and will minimize the possibility that any subsequent amendments to the Schedules are necessary. As such, I believe that the extension will benefit not only the Debtors, but all creditors and other parties in interest.

71. Although the Debtors, with the assistance of their professional advisors, have begun to compile the information necessary for the Schedules, I understand that the Debtors have been consumed with a multitude of other legal, business, and administrative matters in the weeks prior to the Petition Date. Going forward, the Debtors anticipate having to devote a substantial amount of time and attention to a variety of additional, time-sensitive issues relating to their businesses and newly-commenced Chapter 11 Cases. Accordingly, I understand that the Debtors expect that they will require at least forty-five additional days to finalize the Schedules.

72. I believe that the vast amount of information that the Debtors must assemble and compile, the multiple places where the information is located, and the number of employee and professional hours required to complete the Schedules all constitute good and sufficient cause for granting the requested extension of time in the Extension Motion.

C. <u>Waiver of Requirement to File Creditor List and Equity List</u>

MOTION OF DEBTORS FOR ENTRY OF AN ORDER (I) WAIVING THE REQUIREMENT TO FILE A LIST OF CREDITORS, (II) WAIVING THE REQUIREMENT TO FILE AN EQUITY LIST, AND (III) APPROVING THE FORM AND MANNER OF NOTIFYING CREDITORS OF THE COMMENCEMENT OF THE DEBTORS' CHAPTER 11 CASES

73. By the Waiver Motion, the Debtors request, pursuant to section 105(a) of the Bankruptcy Code: (i) a waiver of the requirement to file a list of creditors on the Petition Date as required by section 521(a)(1) of the Bankruptcy Code, Rule 1007(a)(1) of the

Bankruptcy Rules, and Rule 1007-1 of the Local Rules Bankruptcy Rules for the Northern District of Texas, (ii) a waiver of the requirement to file a list of all equity security holders (the "**Equity List**") within fourteen (14) days after the Petition Date as required by Bankruptcy Rule 1007(a)(3), and (iii) authority to implement certain procedures for notifying creditors of the commencement of these Chapter 11 Cases and of the meeting of creditors to be held pursuant to section 341 of the Bankruptcy Code (the "**Notice of Commencement**").

74. I understand that the Debtors are requesting authorization to retain and employ Kurtzman Carson Consultants LLC as a notice and claims processing agent (the "**Notice and Claims Agent**") in these Chapter 11 Cases, pursuant to section 156(c) of title 28 of the United States Code and section 327(a) of the Bankruptcy Code. The Debtors propose that, pursuant to section 342(a) of the Bankruptcy Code and Bankruptcy Rules 2002(a) and (f), as soon as practicable after the Petition Date, the Debtors furnish their list of creditors to the Notice and Claims Agent so that the Notice and Claims Agent may mail the Notice of Commencement to the parties identified thereon.

75. The Notice and Claims Agent will receive the list of creditors and mail the Notice of Commencement to the parties identified thereon and the Notice of Commencement will be published in the international edition of the *Wall Street Journal*. Thus, filing a list of creditors will serve no independent purpose.

76. The Debtors will provide the parties on the Equity List with notice as required by the Bankruptcy Code. Thus, waiving the Equity List will not prejudice the equity security holders.

77. Based on the foregoing, I believe that the relief requested in the Waiver Motion is appropriate in these Chapter 11 Cases to provide adequate notice to all parties in interest

D. Customer Deposits

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS AUTHORIZING DEBTORS TO MAINTAIN, APPLY, PAY, AND HONOR PREPETITION CUSTOMER DEPOSITS PURSUANT TO SECTIONS 363(b) AND 105(a) OF THE BANKRUPTCY CODE

78. Pursuant to the Customer Deposits Motion, the Debtors request authority to, in the ordinary course of business and consistent with past practice, maintain, apply, pay, and honor prepetition customer deposits. As described more fully in the motion, the Debtors have a contractual arrangement with certain of their third-party PBH customers (the "**Customers**") whereby the Customer pays a monthly fee (the "**Deposit**"), calculated based upon estimated flight hours operated, to be allocated to pay for future maintenance performed on covered components during each component's respective maintenance cycle. Upon the termination or expiration of the Customer's contract, the Heli-One Debtors calculate what amount, if any, is owed to the Customer based upon the timing of the contract's termination or expiration within the maintenance cycle of the covered components and the amount is calculated to provide for fees accrued in anticipation of a maintenance cycle that has not yet concluded. In certain limited circumstances, additional amounts could be owed by the Customer to the Heli-One Debtors. The amount ultimately paid to the Customer also takes into account a contractually agreed upon percentage of the Deposit that is retained by the Heli-One Debtor as a holdback for capital costs.

79. The Deposits are an integral part of the Debtors' MRO business and the terms and conditions on which they are paid and applied are used elsewhere in the industry. As a result of the commencement of these Chapter 11 Cases, I have been advised that the Deposits constitute property of the Debtors' estates, leaving Customers with unsecured claims for such amounts. Absent relief from the Court permitting the Heli-One Debtors to treat those Deposits in the ordinary course of business and apply such Deposits according to the terms of the Customer contracts, the Heli-One Debtors will be left in an untenable position with their Customers. It is

crucial to the ongoing success of the Debtors' operations that the Heli-One Debtors maintain their relationships with their Customers. Without the ability to continue to honor the Deposits in the ordinary course of business, the Heli-One Debtors' reputation, market share, and revenue stream are at risk. Many of the Customers' contracts are terminable at will. If the Customers fail to receive assurance that their Deposits will be honored and applied, and that any amounts owed will be paid pursuant to the contract terms upon termination or expiration of the contracts, there is a significant risk that Customers may seek relief from the automatic stay to terminate their contracts and obtain services from one of the Heli-One Debtors' competitors. Indeed, certain of the Heli-One Debtors' Customers already have expressed concerns about the status and treatment of their Deposits.

80. It is my understanding that the Debtors estimate that, as of the Petition Date, the Heli-One Debtors hold approximately $30-40 million in Deposits on account of approximately fifteen (15) Customer contracts and estimate that approximately $18 million could potentially be owed to Customers upon termination or expiration of the Customers' contracts.

81. Accordingly, I believe that the relief requested in this motion is in the best interests of the Debtors, their estates, and all parties in interest and should be granted.

E. <u>Automatic Stay Enforcement</u>

MOTION OF DEBTORS FOR ENTRY OF ORDER ENFORCING THE PROTECTIONS OF SECTIONS 362, 365, 525, AND 541(c) OF THE BANKRUPTCY CODE PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE

82. Pursuant to the Automatic Stay Enforcement Motion, the Debtors request entry of an order enforcing the protections of sections 362, 365, 525, and 541(c) of the Bankruptcy Code to aid in the administration of their Chapter 11 Cases and to help ensure that the Debtors' global business operations are not disrupted. As previously noted, the Debtors conduct significant operations in foreign countries and, as a result, incur obligations to foreign

customers, employees, independent contractors, vendors, service providers, utility companies, taxing authorities and other entities. Many of the Debtors' foreign creditors and contract counterparties do not transact business on a regular basis with companies that have filed for chapter 11 protection and, therefore, may be unfamiliar with the scope of a debtor in possession's authority to conduct its business and may be unaware of the protections of the automatic stay and other provisions of the Bankruptcy Code that assist debtors in possession during their Chapter 11 Cases and restructuring efforts.

83. I have been informed that the protections afforded by sections 362, 365, 541, and 525 of the Bankruptcy Code are self-executing and global; however, I believe that not all parties affected or potentially affected by the commencement of a chapter 11 case are aware of these statutory provisions or their significance and impact. Consequently, I believe that it is prudent to obtain an order of the Court confirming and reinforcing the relevant sections of the Bankruptcy Code so that the Debtors may advise such parties of the existence, reach, and effects of these sections of the Bankruptcy Code.

84. I believe the requested relief is particularly appropriate in the present cases because the Debtors operate in many foreign jurisdictions with different legal systems, including, but not limited to, Australia, Canada, Norway, Denmark, Malaysia, Ireland, the United Kingdom, Poland, and Barbados. The Debtors' helicopters fly around the world. In the course of operating their helicopter services and MRO businesses, the Debtors engage with numerous foreign customers, suppliers, and other vendors, as well as foreign regulators and other governmental units. In addition, the Debtors are incorporated under the laws of numerous countries and some of the Debtors' key contracts are governed by the laws of foreign jurisdictions.

85. Based on the foregoing, I believe that the relief requested in this motion is in the best interests of the Debtors, their estates, and all parties in interest and should be approved.

F. <u>Cash Management System Motion</u>

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO (A) CONTINUE THEIR EXISTING CASH MANAGEMENT SYSTEM, (B) CONTINUE EXISTING INTERCOMPANY TRANSACTIONS, (C) MAINTAIN EXISTING BANK ACCOUNTS AND BUSINESS FORMS, AND (D) HONOR CERTAIN PREPETITION OBLIGATIONS RELATING TO THE USE OF THE CASH MANAGEMENT SYSTEM, AND (II) GRANTING EXTENSION OF TIME TO COMPLY WITH, AND PARTIAL WAIVER OF, REQUIREMENTS OF SECTION 345(B) OF THE BANKRUPTCY CODE PURSUANT TO SECTIONS 105(A), 345(B), 363(C), 364(A), AND 503(B) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004

86. By the Cash Management Motion, the Debtors request: (i) authorization to (a) continue their existing cash management system (the "**Cash Management System**"), (b) continue certain Intercompany Transactions (as defined below), including Intercompany Netting (as defined below), and afford Intercompany Transactions with Debtor entities administrative expense priority, (c) maintain existing bank accounts (collectively, the "**Bank Accounts**") located at various banks (collectively, the "**Banks**") and existing business forms, and (d) honor certain prepetition obligations relating to the use of the Cash Management System; and (ii) an extension of time to comply with, and partial waiver of, the requirements of section 345(b) of the Bankruptcy Code. CHC uses a centralized cash management system to collect and transfer the funds generated by both the Debtors and Non-Debtor Affiliates and disburse those funds to satisfy the obligations incurred in the course of operating CHC's businesses. Carefully managed and maintained by CHC's treasury personnel, all collections, transfers and disbursements of cash are accurately tracked and reported as they are made. I understand that

CHC adopted its centralized cash management system shortly before the Petition Date in response to the discontinuance of cash pooling agreements with two of the Banks.

87. I understand that the Cash Management System facilitates cash monitoring, forecasting, and reporting and enables CHC to maintain control over the administration of the Bank Accounts located at the Banks, including, but not limited to, the Debtor bank accounts listed on **Exhibit D** to the Cash Management Motion. I have been informed that the Debtors maintain 230 bank accounts comprised mainly of operating/disbursement accounts as well as a small number of specialized restricted accounts established for particular projects or business purposes.[5] As described in further detail below, the components of the Cash Management System are organized around three principal cash functions: collection, concentration, and disbursement. **Exhibit E** to the Cash Management Motion illustrates the movement of cash and flow of funds through the Cash Management System. In addition, I understand that the Debtors also use certain additional payment methods in conjunction with the Cash Management System, including: (i) a global corporate credit card program with American Express (the "**Corporate Credit Card Program**"); (ii) a pre-loaded debit card program managed by Berkeley Payment Solutions (the "**Pre-Loaded Debit Card Program**"); and (iii) petty cash.

88. Both the Debtors and the Non-Debtor Affiliates utilize CHC's centralized Cash Management System, under which CHC Cayman Investments I, Ltd. ("**Cayman Investments I**") serves as the "central banker" entity. I understand that individual CHC entities, whether Debtors or Non-Debtor Affiliates, do not have their own cash management system and must rely on the Cash Management System in the course of their day-to-day business operations.

[5] The specialized restricted accounts are used for purposes such as securing work visas for certain of the Debtors' employees in Kazakhstan, cash collateralizing letters of credit, paying certain payroll taxes in Norway, and providing security deposits to certain lessors in the ordinary course of business.

This system for cash management provides a seamless accounting function across and among all CHC entities in a single location, reducing banking expenses, permitting prompt and accurate liquidity tracking, and allowing simple and accurate intercompany allocations and transfers. To lessen the disruption caused by these Chapter 11 Cases, minimize expense, and maximize the value of their estates, it is vital that the Debtors maintain their existing system of managing cash under the Cash Management System.

Cash Collection

89. I understand that CHC's revenue is primarily generated through its operating subsidiaries. CHC's Debtor and non-debtor operating subsidiaries receive and collect revenue on account of: (i) helicopter flight operations carried out by CHC's heli-service subsidiaries (the "**Heli-Service Subsidiaries**"); (ii) helicopter maintenance, repair, and overhaul operations carried out by its Heli-One division (the "**Heli-One Subsidiaries**"), which services CHC's helicopter fleet as well as third-party customers; (iii) the provision of helicopter leases with varying levels of associated service and staffing to third-party customers (the "**Strategic Partnerships**"); and (iv) ownership interests in JVs (collectively with the Heli-Service Subsidiaries, Heli-One Subsidiaries, and Strategic Partnerships, the "**Revenue Generating Entities**").

Concentration

90. I understand that the majority of cash received by the Revenue Generating Entities is ultimately collected in one of six main operating accounts (the "**Main Operating Accounts**") held by Cayman Investments I at Bank of America, National Association ("**Bank of America**"). CHC's global reach requires it to hold separate operating accounts denominated in U.S. Dollars, Canadian Dollars, British Pounds Sterling, Norwegian Krone, Australian Dollars, and Euros.

91. I have been informed that cash collected by the Revenue Generating Entities is first used by those entities to pay for certain local costs and expenses (*e.g.*, local payroll, taxes, and other third-party direct costs and expenses). After any local minimum capital requirements are taken into account, the Revenue Generating Entities then upstream excess cash to the Main Operating Accounts. When a Revenue Generating Entity transfers such funds, Cayman Investments I books an account payable in the relevant Revenue Generating Entity's name on account of that transfer.

Disbursements

92. I understand that CHC makes most of its disbursements from the Main Operating Accounts. CHC's disbursements relate primarily to (i) payroll and employee expenses, (ii) debt service, (iii) helicopter lease payments, (iv) operating expenses, and (vi) taxes.

93. To support the operations of the Revenue Generating Entities, CHC has numerous Debtor and Non-Debtor Affiliate captive service companies (the "**Service Companies**") that provide management, personnel, corporate services, equipment, maintenance, and other forms of support to the Revenue Generating Entities. These Service Companies include, but are not limited to: (i) leasing entities, which lease helicopters directly from third-party lessors and then sublease those aircraft to the Revenue Generating Entities; (ii) Heli-One Subsidiaries, which provide maintenance, repair, and overhaul services to the Revenue Generating Entities (in addition to third party customers); (iii) CHC Helicopters (Barbados) Limited and CHC Hoofddorp BV ("**Hoofddorp**"), which license CHC's intellectual property to the Revenue Generating Entities; (iv) management and corporate service entities, which provide general and administrative support to the Revenue Generating Entities; and (v) employment entities, which provide crew and maintenance staff to the Revenue Generating Entities. Periodically, the Service Companies issue intercompany invoices (the "**Intercompany**

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Invoices") to the Revenue Generating Entities on account of the support and services they have provided. I understand that the Intercompany Invoices are booked as accounts receivable at the relevant Service Companies and as accounts payable at the relevant Revenue Generating Entities. These Intercompany Invoices are satisfied via an intercompany netting arrangement, as described below.

94. Cayman Investments I disburses funds on behalf of the Service Companies, and in some instances, certain Revenue Generating Entities, on account of amounts payable to third parties by wire transfer. I have been informed that where accounts payable must be paid directly by the relevant Service Company or Revenue Generating Entity and that entity does not have sufficient cash to meet those obligations, Cayman Investments I funds a disbursement account at the relevant entity by way of an Intercompany Transaction (as defined below). In certain situations, a Service Company or Revenue Generating Entity may pay its own third-party expenses if that entity has sufficient cash in the correct currency, and CHC's treasury team determines that making such payment directly, rather than via Cayman Investments I, is more efficient.

95. I have been informed that Cayman Investments I also provides an important foreign currency management function for the CHC businesses. When a Service Company or Revenue Generating Entity has sufficient cash to satisfy a local creditor, but that cash is in the wrong currency, that Service Company or Revenue Generating Entity can swap currencies against the Main Operating Accounts. For example, if an entity's contract revenues were collected in Euros, but the entity needs to pay an invoice in U.S. dollars, that entity can trade Cayman Investments I Euros for U.S. dollars. Such swaps are priced at a market rate set automatically by CHC's accounting system at the end of every month. Cayman Investments I

does not profit from such swaps, and CHC does not use these transactions to hedge against fluctuations in currency prices.

96. Every CHC entity is party to that certain Cash Management and Cash Pooling Agreement (Cayman Down), effective April 29, 2016 and that certain Cash Management and Cash Pooling Agreement (Cayman Up), effective April 29, 2016 (together, the "**Intercompany Netting Agreement**").[6] I understand that pursuant to the Intercompany Netting Agreement, CHC periodically nets the Intercompany Claims (as defined below) owing between the Revenue Generating Entities, the Service Companies, and Cayman Investments I ("**Intercompany Netting**"). The Intercompany Netting offsets amounts owing between Revenue Generating Entities and Services Companies on account of the Intercompany Invoices against Intercompany Claims to/from Cayman Investments I, and converts them into a single Intercompany Claim owed to or by Cayman Investments I (the "**Intercompany Balances**"). The Intercompany Balances are generated by having entities that are party to the Intercompany Netting Agreement periodically assign Intercompany Claims they hold to Cayman Investments I. The assignment is made in exchange for a receivable of equal face amount from Cayman Investments I. Cayman Investments I is then able to offset its accounts receivable from, and accounts payable to, each entity in the Cash Management System. The Intercompany Balances are carefully recorded, and track the extent to which individual CHC legal entities contribute to, or are dependent upon, the overall CHC enterprise.

97. I understand that transfers between CHC entities (including by electronic book entry, the "**Intercompany Transactions**," and each intercompany receivable and payable

[6] Lloyd Helicopter Services Pty Ltd., Lloyd Helicopters Pty Ltd., CHC Helicopter Australia Pty Ltd., Lloyd Bass Strait Helicopters Pty Ltd., and Lloyd Helicopters International Pty Ltd. (collectively, the "**Australian Entities**") and Cayman Investments I are also party to that certain Side Deed to the Cash Management and Cash Pooling Agreements, effective May 4, 2016 (the "**Australian Side Deed**"). Pursuant to the Australian Side Deed, any transfer of cash or other assets out of an Australian Entity is subject to certain review and approval rights of the board of directors of that Australian Entity.

generated pursuant to an Intercompany Transaction, an "**Intercompany Claim**") are generally recorded in CHC's intercompany books and records automatically by CHC's accounting system. Disbursements, including wires, certain automated clearing house ("**ACH**") and electronic funds transfer ("**EFT**") payments, certain accounts payable checks, and certain checks to governmental entities are issued by CHC Cayman Investments I and then allocated to the appropriate CHC entity through Intercompany Transactions.

98. I have been informed that CHC also benefits from the use of a cross-currency cash pool with Nordea Bank Norge ASA (the "**Nordea Pool**"). The Nordea Pool aggregates balances in Bank Accounts held by several Debtors and Non-Debtor Affiliates,[7] and permits CHC to carry negative balances in certain accounts so long as the overall balance in the pool remains positive. This arrangement affords CHC a degree of flexibility in certain situations where it collects revenue in one currency, but must then disburse funds in another currency. Funds from the Nordea Pool are routed through the Main Operating Accounts for cross-entity transfers.

Additional Payment Methods

99. I understand that, as noted above, CHC utilizes certain additional cash management tools in support of the ordinary course operation of its businesses, including the Corporate Credit Card Program, the Pre-Loaded Debit Card Program, and the use of petty cash.

100. I have been informed that the Corporate Credit Card Program is used in the ordinary course of business by CHC as a convenient way to allow employees to make purchases for the business where a wire, check, ACH, or EFT payment is not possible or otherwise inconvenient. In addition, CHC's procurement group uses specialized purchasing

[7] Debtor participants in the Nordea Pool are CHC Norway Acquisition Co AS, Heli-One (Norway) AS, Heli-One (UK) Ltd., Heli-One Leasing (Norway) AS, and Integra Leasing AS. CHC Helikopter Services AS, a non-Debtor, is also a participant in the Nordea Pool. The currencies covered by the Nordea Pool include Norwegian Krone, U.S. Dollars, Canadian Dollars, British Pounds Sterling, and Euros.

cards to purchase various supplies, consumables, and off-the-shelf parts. The Corporate Credit Card Program consists of 237 corporate American Express cards and five American Express purchasing cards. The 237 corporate cards consist of 17 Platinum Cards, which are held by certain CHC executives and senior managers, and 220 Green Cards, which are held by key CHC employees in different jurisdictions across the globe. The Corporate Credit Card Program features a number of safety and security measures designed to prevent fraud or misuse. For example, CHC's American Express cards have controlled merchant codes, which prevent cardholders from using their cards for certain categories of inappropriate expenses. In addition, CHC regularly receives a global credit card billing statement from American Express, confirms that the charges are attributable to CHC business expenses or appropriate employee expense reimbursements, and then remits payment to American Express. After reviewing its monthly statement, CHC has the ability to flag inappropriate charges. When an inappropriate charge is flagged, American Express seeks reimbursement from the cardholder directly rather than CHC. CHC employees who hold CHC American Express Cards are required to submit expense reports, and must support those reports with receipts for all charges greater than $25. CHC's average monthly expenses associated with the Corporate Credit Card Program are approximately $350,000. In the weeks leading up the Petition Date, CHC began paying and prepaying American Express on a weekly basis. Consequently, I do not believe that American Express holds any prepetition claims against the Debtors, and are only seeking to continue using the Corporate Credit Card Program in the ordinary course of business.

101. I have been informed that the Pre-Loaded Debit Card Program consists of approximately 100 pre-loaded Visa debit cards (the "**Berkeley Cards**") managed by Berkeley Payment Solutions ("**Berkeley**") and governed by that certain Master Prepaid Card Services Agreement, dated May 21, 2014, between Berkeley and Heli-One Canada Inc. ("**Heli-One**

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Canada").[8] I understand that the Pre-Loaded Debit Card Program is managed by CHC's treasury group, and provides a convenient way for CHC employees across the globe, including base managers and pilots, to make relatively small, one-off purchases. The cost of the Pre-Loaded Debit Card Program varies based on use, and Berkeley invoices Heli-One Canada Inc. for the Pre-Loaded Debit Card Program on a monthly basis. I have been informed that the average cost of the Pre-Loaded Debit Card Program prior to the Petition Date was $1,500 per month. The CHC treasury group has the ability to easily fund or de-fund the Berkeley Cards as the need arises, and new cards can be issued easily. The Berkeley cards are particularly useful for CHC employees performing ferry flights to move helicopters from one jurisdiction to another. During ferry flights, CHC pilots can use a Berkeley Card to pay for travel costs, fuel, and incidentals as they fly the helicopter from one jurisdiction to another – trips that often require more than one stop. The Berkeley cards are held by employees of the Debtors as well as employees of the Non-Debtor Affiliates. I understand that to fund the Pre-Loaded Debit Card Program, CHC's treasury group causes Heli-One Canada ULC to fund an escrow account at the Royal Bank of Canada ("**RBC**") in the name of RBC Prepaid Card Program. CHC's contributions to the account are tracked by Berkeley, and only CHC has the ability to direct the use of the funds that it contributes to the RBC escrow account. To fund a particular debit card, the CHC treasury group provides instructions to Berkeley, which funds the particular card from the RBC escrow account. I have been informed that as of the Petition Date, CHC has approximately $65,000 in the RBC escrow account, and approximately $115,000 distributed across the issued and outstanding Berkeley Cards. I understand that any CHC entity that requests a funded Berkeley Card immediately reimburses Heli-One Canada for any amounts

[8] Heli-One Canada ULC was formerly known as Heli-One Canada Inc. Heli-One Canada Inc. was continued as a British Columbia Unlimited Liability Company in the fall of 2014.

loaded onto a Berkeley card on its behalf. Consequently, the funds in the RBC escrow account and loaded onto the Berkeley cards are attributable not only to Heli-One Canada, but also to a number of Debtors and Non-Debtor Affiliates. I have been informed that prior to the Petition Date, the Debtors prepaid Berkeley. Consequently, because of that prepayment and because the Berkeley cards are pre-funded, I do not believe that Berkeley holds any prepetition claim against the Debtors. I have been informed that CHC will instruct its employees that the Berkeley Cards are not to be used to satisfy prepetition obligations, and are only seeking to continue using the Pre-Loaded Debit Card Program in the ordinary course of business.

102. I have been informed that in addition to the Corporate Credit Card Program and the Pre-Loaded Debit Card Program, the Debtors also use petty cash managed by CHC employees at CHC's bases around the world to satisfy certain *de minimis* obligations. I understand that CHC will instruct its employees that petty cash is not to be used to satisfy prepetition obligations, and the Debtors propose to continue using petty cash on hand in the ordinary course of business.

Mozambique Cash

103. I understand that until recently, CHC Global Operations Canada (2008) ULC ("**GO Canada**") carried out helicopter flight operations in the Republic of Mozambique ("**Mozambique**") using a local branch established in Mozambique ("**CHC Mozambique**"). I have been informed that as part of its ordinary course cash management procedures for repatriating revenue earned in Mozambique, CHC Mozambique makes intercompany transfers to Hoofddorp on account of both intellectual property royalty charges and general and administrative expenses. I have been informed that as of the Petition Date, approximately $1,300,000 of intercompany invoices issued by Hoofddorp to CHC Mozambique are due and outstanding, and such amount currently is deposited in a Bank Account controlled by CHC

Mozambique (the "**Mozambique Funds**"). Under applicable law in Mozambique, payment of the intercompany obligation owed by CHC Mozambique to Hoofddorp is the only way to repatriate that cash, and to accomplish this GO Canada was required to register the relevant intercompany service agreements with the government of Mozambique when it established CHC Mozambique. I understand that to effectuate the transfer of funds, CHC Mozambique must obtain a certification from the government that it has paid all local taxes, including applicable withholding taxes, and then it presents that tax certification, along with a copy of the registered intercompany invoice, to Standard Bank in Mozambique. I have been informed that once Standard Bank has verified that all of the paperwork is in order, it will permit CHC Mozambique to wire the Mozambique Funds to Hoofddorp. Any remaining cash related to the retained branch profits of CHC Mozambique will be repatriated once audited financial statements are issued and final tax returns are prepared in due course. By the Cash Management Motion, the Debtors are seeking authority, on a final basis only, to permit CHC Mozambique to satisfy its prepetition obligations to Hoofddorp, as the exclusive means to repatriate cash currently held by CHC Mozambique that would otherwise be unavailable to the overall CHC enterprise.

A. The Relief Requested in the Cash Management Motion Is Necessary

104. I believe that the Debtors' Cash Management System constitutes an ordinary course, essential business practice providing significant benefits to the Debtors, including the ability to: (i) control corporate funds; (ii) ensure the availability of funds when necessary; (iii) manage cross-currency transactions; and (iii) reduce costs and administrative expenses by facilitating the movement of funds and the development of more timely and accurate account balance information. Any disruption of the Cash Management System could have a severe and adverse impact upon the Debtors' reorganization efforts and, as noted above, on the day-to-day business operations of the Debtors and Non-Debtor Affiliates. I believe that

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continuing the Cash Management System is vital to continued operation of CHC's business and the efficient and economic administration of these Chapter 11 Cases. As a practical matter, because of CHC's corporate and financial structure, which includes 81 entities operating in every continent except Antarctica – I believe that it would be extremely difficult and expensive to establish and maintain a separate cash management system for each Debtor and Non-Debtor Affiliate. As discussed above, CHC's existing Cash Management System efficiently collects, disburses, and tracks the movement of funds through CHC's existing Bank Accounts. Consequently, I believe that maintaining this system is essential to CHC's operations and will allow all parties in interest, including the U.S. Trustee, to monitor the Debtors' use of cash to ensure compliance with this Court's orders and the provision of the Bankruptcy Code.

105. I believe that continued use of the Cash Management System is also essential to ensure continued access to revenue generated by operations, which originates at the Revenue Generating Entities but is attributable to services provided by numerous CHC affiliates, for the benefit of the CHC enterprise as a whole. By the Cash Management Motion, the Debtors are also requesting authority to allow Cayman Investments I to continue funding, making payments on behalf of, and borrowing from, both the Debtor and Non-Debtor Affiliate participants in the Cash Management System in the ordinary course of business pursuant to the terms of the Intercompany Netting Agreement. In addition, the Debtors are requesting authority to allow the rest of the Debtors to continue making intercompany transfers to, and borrowing from, Cayman Investments I. Recognizing the need to protect each Debtors' respective creditors, the Debtors are requesting that the Court grant all postpetition Intercompany Claims against Debtor entities, including Cayman Investments I, administrative expense priority.

106. I understand that the Debtors have a responsibility to maximize the value of their assets, for the benefit of creditors and other stakeholders. Accomplishing this requires,

among other things, maintaining the ability to support and fund the operations of the Debtors and the Non-Debtor Affiliates where (and only where) the Debtors, in the exercise of their business judgment, determine that doing so preserves value for the benefit of the estates and the Debtors' creditors. I understand that, if CHC Cayman Investments I were to stop making transfers to the entities throughout the CHC enterprise that rely on its funding from time to time, a group that includes both Debtors and certain Non-Debtor Affiliates, it would have an immediate and significant adverse effect on both the Debtors and the CHC enterprise as a whole. Not only would this diminish the value of the Debtors' estates through a reduction in the value of the Debtors' interest in such affiliates, but also it would have an immediate and potentially irreparable impact on the operations of the Debtors themselves. For example, I have been informed that failure to provide funding to the Service Companies, which serve critical roles in the Debtors' businesses, would cause such entities to cease providing intercompany services, forcing many of the Debtors' operations to grind to a halt. The relationship is one of mutual dependency. In addition, if postpetition funding needs are not honored, CHC affiliates would be forced to institute their own, separate and new cash management structures in order to continue operating on a go-forward basis. I believe that such a project, instituted on an emergency basis, would be time consuming and costly, and would preclude the Debtors and the Non-Debtor Affiliates from accessing the efficiencies and cost benefits that a centralized cash management system allows them to achieve.

107. I understand that certain Debtors and Non-Debtor Affiliates within the CHC enterprise are net users of cash. Continuing to fund such entities pursuant to the Cash Management System, to the extent the Debtors determine it is appropriate, represents a sound exercise of business judgment, and this Court should approve the ordinary course support of those entities implicit in the Cash Management System. Certain entities are net users of cash

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because CHC has compartmentalized its business functions for efficiency and to allow CHC to scale its operations across the globe. Because of this compartmentalization, I understand that revenue generation is typically isolated from the enterprise's cost centers (*e.g.*, the Service Companies). As described above, if the Debtors did not continue to fund the Service Companies, the Revenue Generating Entities would not have the support and services necessary to carry out their day-to-day operations. I believe that allowing the Cash Management System to continue functioning in the ordinary course is an acknowledgement of the impact of CHC's segmentation on its cash flows and a recognition that the value of the CHC platform should be viewed as a whole. Further, I believe that the going concern value of the enterprise, including all of its components, is worth more than if certain of the Debtors and/or the Non-Debtor Affiliates were forced to discontinue operations, liquidate and sell their assets piecemeal.

108. I believe that due in part to global macroeconomic factors beyond CHC's control, CHC, as an overall enterprise, currently spends more cash than it generates. Furthermore, I understand that at a local level, CHC is also exposed to the microeconomic climate of each region and country in which it operates. CHC management has undertaken a careful analysis of each market, and has determined, based on conservative assumptions, that certain business lines and regional operations, are worth maintaining – even if they are expected to generate losses in the near term. I believe that these investments in the future represent an important part of the going concern value of the CHC enterprise. Consequently, for all of the reasons outlined above, I believe that CHC Cayman Investments I should be permitted to continue supporting all entities, including the net users of cash throughout the CHC enterprise, and net producers of cash throughout the Cash Management System should be permitted to continue making intercompany transfers to Cayman Investments I in the ordinary course of business.

109. I have been informed that the Debtors will continue to maintain records of all receipts, disbursements, and transfers within the Cash Management System. In this way, all transfers and transactions will be properly documented, and accurate Intercompany Balances will be maintained. As a result, I understand that the Debtors will be able to accurately record the transactions within the Cash Management System, including Intercompany Balances, for the benefit of all parties in interest. Creditors of the Debtors will be protected by the fact that the relative contribution of the Debtor against which they have a claim, regardless of whether that Debtor is a net contributor or net user of cash, will be tracked by way of the Intercompany Balances such contributions or borrowings will generate. Further, if the relief requested in the Cash Management Motion is granted, postpetition Intercompany Claims against Debtors, including the Intercompany Balance attributable to any one Debtor, will be accorded administrative expense priority.

110. Based on the foregoing, I believe that authorizing the Debtors to maintain the Cash Management System will support the ongoing operations of the Debtors and the Non-Debtor Affiliates in an efficient, cost-effective, and orderly manner that will preserve the value of the enterprise and the Debtors' estates, for the benefit and protection of creditors and other parties in interest. Accordingly, I believe that continuation of the Cash Management System is in the best interests of the Debtors' estates and all parties in interest, and the relief requested herein should be approved.

111. I have been informed that the Cash Management System is similar to those commonly employed by other large corporate enterprises, in which Intercompany Transactions are tracked as Intercompany Claims. In the ordinary course operation of the Cash Management System, funds generated by the Revenue Generating Entities, both Debtors and Non-Debtor Affiliates alike, flow into the Main Operating Accounts held by Cayman Investments I, a Debtor.

Cayman Investments I then makes payments on behalf of both Debtor and Non-Debtor Affiliate entities to third parties and affiliated Service Companies if their revenue falls short of expenses, all of which generates Intercompany Claims. Consequently, at any point in time, I understand that there may be outstanding amounts due and owing among the various Debtors and the Non-Debtor Affiliates, all of which are recorded and documented as Intercompany Transactions and can be accurately tracked.

112. The Intercompany Transactions are not just a matter of ordinary course in the Debtors' businesses: they are the sorts of transactions that are common among many business enterprises that operate with a centralized cash management system through multiple affiliates. Yet, precisely because of their routine nature, I believe that the Intercompany Transactions, including the ability to fund the Service Companies that provide valuable goods and services to the Revenue Generating Entities, are integral to the Debtors' ability to operate their businesses and successfully emerge from chapter 11. Accordingly, out of an abundance of caution, the Debtors request by the Cash Management Motion express authority to engage in such transactions postpetition.

113. To ensure that each individual entity will not, at the expense of its creditors, fund the operations of an affiliated Debtor, I understand that the Debtors have requested that all Intercompany Claims against Debtors arising after the Petition Date in the ordinary course of business, including, without limitation, the Intercompany Balances, be afforded administrative expense priority. I also understand that, absent an order of this Court directing otherwise, prepetition Intercompany Claims will be frozen.

114. I have been informed that the U.S. Trustee's "Guidelines for Chapter 11 Debtors-in Possession" (the "**Guidelines**") mandate the closure of a debtor's prepetition bank accounts, the opening of new accounts, including special accounts for the payment of taxes and

segregation of cash collateral, and the immediate printing of new checks. I believe that if the Debtors were required to comply with these Guidelines, their operations would be severely harmed by the disruption, confusion, delay, and cost that would result from the closure of existing Bank Accounts, the opening of new accounts, and the immediate printing of new checks. I have been informed that these requirements are designed to establish a clear line of demarcation between prepetition and postpetition claims and payments, and to help protect against a debtor's inadvertent payment of prepetition claims by preventing banks from honoring checks drawn before the commencement of the debtor's Chapter 11 Cases. I believe that the Debotrs are still able to accomplish these goals by training their employees, implementing rigorous controls over the postpetition use of funds, and by carefully tracking all transactions in the Cash Management System.

115. I believe that in these Chapter 11 Cases, strict enforcement of the Guidelines would severely disrupt the Debtors' ordinary financial operations by reducing efficiencies, increasing administrative burdens, and creating unnecessary expenses. I understand that the Debtors maintain 230 Bank Accounts. If the Debtors were required to close these Bank Accounts and open new debtor in possession accounts, I believe that CHC would be forced to reconstruct the Cash Management System in its entirety. I believe that this reconstruction would be impractical and cost prohibitive in an enterprise like CHC, a business that requires multiple Bank Accounts all over the world. I believe that CHC's treasury department, including accounting and bookkeeping employees, would need to focus their efforts on immediately opening new bank accounts and working to establish proper cash flow controls, thereby diverting them from their daily responsibilities during this critical juncture of the Debtors' Chapter 11 Cases. I believe that many accounts could not be replaced in time to effectively continue the Debtors' businesses. Even if they could, I believe that the opening of new bank accounts would

increase operating costs, and the delays that would result from opening new accounts, revising cash management procedures, and redirecting payments would negatively impact the Debtors' ability to operate their businesses while establishing these new arrangements. I believe that this would further exacerbate the risk to the Debtors' businesses caused by these Chapter 11 Cases, in particular given their foreign customers and foreign suppliers who are unfamiliar with chapter 11.

116. I believe that the Debtors' transition to chapter 11 will be significantly smoother and more orderly, with minimum disruption and harm to CHC's global operations, if the Bank Accounts are continued following the Petition Date with the same account numbers. By preserving business continuity and avoiding the disruption and delay to the Debtors' collection and disbursement procedures that would necessarily result from closing the Bank Accounts and opening new accounts, all parties in interest, including employees, vendors, customers, and creditors will be best served. I believe that the confusion that would otherwise result, absent the relief requested herein, would ill-serve the Debtors' rehabilitative efforts. Accordingly, by the Cash Management Motion, the Debtors have requested authority to maintain the Bank Accounts in the ordinary course of business.

117. The payment of any Bank Account maintenance, administrative, use, and other fees (the "**Bank Fees**"), including those incurred prepetition, is also warranted. I understand that CHC's banks automatically debit the Bank Accounts periodically for Bank Fees incurred in connection with the Cash Management System. I have been informed that CHC's average Bank Fees are approximately $100,000 per month. I understand that the Bank Fees vary depending upon several factors, including the balances in the Bank Accounts and the number and type of transactions that are requested. I have been informed that the Debtors' Banks may hold setoff rights and therefore may be entitled to automatically debit the Bank Accounts for amounts

owed by the Debtors in connection with maintaining the Cash Management System. Consequently, I believe that payment of prepetition Bank Fees is only a matter of timing, will prevent any disruption to the Cash Management System, is in the best interests of the Debtors and their estates, and will not negatively affect Unsecured Creditors.

118. I have been informed that, in the ordinary course of business, the Debtors conduct transactions by debit, wire, ACH, EFT, and other similar methods. A large percentage of the Debtors' customers pay them through ACH, EFT, or wire transfer, and the Debtors pay a majority of their third-party vendors and service providers through ACH, EFT, or wire transfer. Accordingly, to avoid any disruption or claims against the Debtors, by way of the Cash Management Motion, the Debtors are seeking to continue their prepetition debit, wire, ACH, and EFT practices during these Chapter 11 Cases.

119. Although the Debtors request in the Cash Management Motion that they be allowed to maintain their prepetition Bank Accounts, the Banks at which such accounts are kept must adhere to certain guidelines. Specifically, the Debtors have requested that unless otherwise ordered by this Court, no Bank be permitted to honor or pay any check issued on account of a prepetition claim. The Debtors have also requested that the Banks may honor any checks issued on account of prepetition claims where this Court has specifically authorized such checks to be honored. Furthermore, the Debtors request that the Banks be authorized to accept and honor all representations from the Debtors as to which checks should be honored or dishonored consistent with any order(s) of this Court, whether or not the checks are dated prior to, on, or subsequent to the Petition Date. By the Cash Management Motion, the Debtors have requested that the Banks not be liable to any party on account of following the Debtors' instructions or representations regarding which checks should be honored. The Debtors have requested that should any Bank honor a prepetition check, draft, wire transfer, ACH transfer,

EFT transfer, or other debit drawn on a Bank Account (a) at the direction of any of the Debtors to honor such prepetition check or item, (b) in a good faith belief that the Court has authorized such prepetition item to be honored, (c) as a result of an innocent mistake made despite the implementation of customary item handling procedures, or (d) consistent with its past practices under the Cash Management System, such Bank shall not be deemed to be, nor shall be, liable to the Debtors or their estates or otherwise in violation of the Interim Order or Final Order. Further, the Debtors have requested that the Banks shall have no liability for any operational processing errors that are the result of human error.

120. I believe that to minimize expenses, the Debtors should also be permitted to maintain and continue to use their business forms substantially in the forms existing immediately before the Petition Date. I understand that the Debtors issue manual checks from time to time and use a variety of business forms (including, but not limited to letterhead, purchase orders, invoices, and other business forms) in the ordinary course of their businesses (collectively, the "**Business Forms**"). I believe that strict compliance with the Guidelines, which require reprinting such documents, would increase the Debtors' expenses and would risk unnecessarily confusing the Debtors' customers, suppliers, and employees. Accordingly, I believe that it is appropriate to continue to use all Business Forms as such forms were in existence prior to the commencement of these Chapter 11 Cases, without any reference to the Debtors' current status as debtors in possession.

121. In short, I believe that any benefits of the Debtors' strict compliance with the Guidelines would be far outweighed by the resulting expense, inefficiency, and disruption to the Debtors' businesses. Accordingly, the Debtors have requested authority to maintain their Bank Accounts and Business Forms during these Chapter 11 Cases. Furthermore, the Debtors have sought a waiver of the Guidelines to the extent that requirements outlined therein otherwise

conflict with (i) the Debtors' existing practices under the Cash Management System, or (ii) any action taken by the Debtors in accordance with the Interim Order or the Final Order, or any other order entered in these cases.

122. I have been informed that section 345(a) of the Bankruptcy Code governs a debtor's deposit and investment of cash during its chapter 11 case and authorizes such deposits or investments as will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment. Further, I understand that for deposits or investments that are not insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States, section 345(b) of the Bankruptcy Code requires that the debtor obtain from the entity with which the money is deposited or invested a bond in favor of the United States that is secured by the undertaking of an adequate corporate surety unless the court for cause orders otherwise.

123. I have been informed that many of the Bank Accounts are maintained at banks that have been approved by the U.S. Trustee as authorized depositories ("**Authorized Depositories**"). Accordingly, I believe that any funds that are deposited in these accounts are secure.

124. To the extent the Debtors hold Bank Accounts at non-Authorized Depositories (the "**Non-Approved Bank Accounts**"), the Debtors have proposed to engage in discussions with the U.S. Trustee to determine what modifications to such Non-Approved Bank Accounts, if any, are necessary under the circumstances. To enable such discussions, if they become necessary, the Debtors have requested a 45-day extension (or such additional time to which the U.S. Trustee may agree or the court may order) of the time period in which to come into compliance with section 345(b) of the Bankruptcy Code, to make other arrangements that would be acceptable to the U.S. Trustee, or to seek relief from this Court.

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125. I believe that in Chapter 11 Cases such as these, strict adherence to the requirements of section 345(b) of the Bankruptcy Code would be inconsistent with the value-maximizing purpose of chapter 11 by unduly hampering a debtor's ability under section 345(a) to invest money such as will yield the maximum reasonable net return on such money. I have been informed that Congress amended section 345(b) to provide that its strict investment requirements may be waived or modified if the court so orders for cause. I believe that there is cause to warrant a waiver of the requirements of section 345(b) because, among other things: (i) all or nearly all of the Debtors' Banks holding significant balances are highly rated, reputable banks that are typically subject to supervision by national banking regulators; (ii) the Debtors retain the right to close accounts with the Banks and establish new bank accounts as needed; (iii) the cost associated with satisfying the requirements of section 345(b) is needlessly burdensome to the Debtors and their estates; and (iv) the process of satisfying such requirements would lead to needless inconvenience and inefficiencies in the management of the Debtors' businesses. I believe that the benefits of a waiver would far outweigh any potential harm to the estates from noncompliance with section 345(b). I understand that the international nature of the Debtors' businesses requires bank accounts in multiple jurisdictions across the globe. Moreover, I believe that a bond secured by the undertaking of a corporate surety would be prohibitively expensive (if such a bond could be obtained at all). I have been informed that the Debtors intend to be in chapter 11 only a short period of time, and the costs of disruption to the businesses by having to close dozens of accounts far outweighs the risks of the Debtors continuing to maintain their historic Bank Accounts for the short period of time they remain in chapter 11. Furthermore, I have been informed that, based on the company's past experience opening new bank accounts, it would take months to create a new suite of bank accounts to service their businesses. Accordingly, I believe that the Court should grant a temporary extension of 45 days for the

Debtors to comply with the requirements of section 345(b) with respect to any Non-Approved Bank Accounts. During that 45 day period (the "**Extension Period**), I understand that the Debtors propose to conference with the U.S. Trustee and identify certain accounts for which the Court will be asked to waive the requirements of section 345(b) in these Chapter 11 Cases. I have been informed that on or before the expiry of the Extension Period, the Debtors propose to (i) seek an additional extension of time, if necessary, to comply with the requirements of section 345(b) with respect to certain Bank Accounts, or (ii) request that the Court rule upon a waiver of the requirements of section 345(b) with respect to certain Bank Accounts (the Debtors to endeavor to conference in good faith with the U.S. Trustee to consensually agree upon the identity of such accounts).

126. As described above, the Debtors have a unique cash situation with respect to their Mozambique branch. By the Cash Management Motion, the Debtors are seeking authority, on a final basis only, to permit CHC Mozambique to satisfy its prepetition obligations to Hoofddorp to repatriate the approximately $1,3000,000 held by CHC Mozambique that otherwise would be unavailable to the overall CHC enterprise. I also understand that the Debtors also intend and seek authority to continue repatriating revenue earned in Mozambique in the ordinary course of business. I have been informed that the Debtors' requested transfer will satisfy a prepetition intercompany claim between Go Canada (via CHC Mozambique) and Hoofddorp. To avoid prejudicing the creditors of GO Canada by depriving GO Canada of the Mozambique Funds, the Debtors have proposed to effect a simultaneous transfer of an amount equal to the Mozambique Funds from Hoofddorp to GO Canada (the "**Mozambique Settlement**"). To further avoid upsetting the relative prepetition position of the creditors at Hoofddorp and GO Canada, the Debtors have requested that the Court enter an order that the Mozambique Settlement be stripped of the administrative priority it otherwise would be

accorded, and that the corresponding intercompany obligation owed by GO Canada to Hoofddorp be accorded the same priority as the prepetition claim owed by GO Canada to Hoofddorp. I believe that the requested relief is in the best interests of the Debtors, their estates and all parties in interest because it will free up approximately $1,3000,000 of liquidity for use by the overall CHC enterprise that otherwise would remain trapped in Mozambique.

127. For the foregoing reasons, I believe that granting the relief requested in the Cash Management Motion is appropriate, entirely consistent with the rehabilitative purpose of chapter 11, and in the best interests of the Debtors' estates and creditors.

G. <u>Cash Collateral Motion</u>

MOTION OF DEBTORS FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO UTILIZE CASH COLLATERAL; (II) GRANTING ADEQUATE PROTECTION TO THE PREPETITION SECURED PARTIES PURSUANT TO SECTIONS 105, 361, 362, 363, AND 507 OF THE BANKRUPTCY CODE; AND (III) SCHEDULING FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001(b)

128. Pursuant to the Cash Collateral Motion, the Debtors request entry of an interim order (i) authorizing the Debtors to use cash collateral and (ii) granting adequate protection to the certain Prepetition Secured Parties (as defined in the motion) on the terms and conditions set forth in the proposed interim order. The Debtors also request a final hearing to consider the relief requested in the motion.

129. The proposed Cash Collateral the Debtors seek to use consists of proceeds or products of Prepetition Collateral or cash subject to the Prepetition Secured Parties' rights of setoff, if any. The Debtors require authorization to use Cash Collateral to maintain their existing cash management system, which includes the pooling of Cash Collateral and Unencumbered Cash. Without this authorization, the Debtors would not be able to access their cash management system and provide sufficient working capital to carry on the operation of their

businesses. This outcome could have disastrous effects on their business causing immediate and irreparable harm to the Debtors, their respective estates, and their creditors.

130. The Debtors seek authority to use Cash Collateral until such time as the Court holds a final hearing on the motion. During the interim period, the Debtors will fund operations in accordance with the forecast (as may be revised from time to time at the sole discretion of the Debtors, the "**Forecast**"), which sets forth all projected cash receipts and cash disbursements on a weekly basis over a 4-week period.[9] I worked with the Debtors and a team from Seabury Group to formulate the Forecast, which includes reasonable and foreseeable expenses to be incurred, and the costs of administering the Chapter 11 Cases during, the applicable period.

131. To protect the Prepetition Secured Parties to the extent of any aggregate diminution in value of the Prepetition Collateral resulting from the use of Cash Collateral, the Debtors propose to provide various forms of adequate protection detailed in the proposed interim order to the motion. The proposed adequate protection includes a first priority lien on, and security interest in certain unencumbered property, which includes approximately $142.6 million in a Bank of America (London branch) account owned by the Debtor CHC Cayman Investments I Ltd.

132. I believe that the proposed adequate protection provides the Prepetition Secured Parties with sufficient adequate protection to protect them from any diminution in value of their interests in the Prepetition Collateral during the Chapter 11 Cases. I believe that the relief requested in the cash collateral motion is in the best interests of the Debtors, their estates, and all parties in interests and should be approved.

[9] CHC's Weekly Cash Flow Forecast is annexed hereto at **Exhibit F.**

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H. Tax Motion

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO PAY CERTAIN PREPETITION TAXES AND ASSESSMENTS AND (II) DIRECTING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS PURSUANT TO SECTIONS 105(a), 363(b), 507(a)(8), AND 541(d) OF THE BANKRUPTCY CODE

133. Pursuant to the tax motion, the Debtors seek authority, but not direction, to satisfy all Taxes (as defined below) due and owing to various local, state and foreign taxing authorities and governmental regulatory bodies (collectively, the "**Taxing Authorities**") that arose prior to the Petition Date (as defined below), including all Taxes subsequently determined by audit or otherwise to be owed for periods prior the Petition Date. In the ordinary course of their businesses, the Debtors collect, remit, withhold, and pay certain sales, property, and foreign taxes, and also incur certain regulatory assessments and other charges.

134. **Sales Taxes**. As described more fully in the tax motion, the Debtors are required to collect sales taxes from certain customers on behalf of the applicable Taxing Authorities. The Debtors then remit these collected sales taxes to the relevant Taxing Authorities according to the requirements of such authorities. The Debtors also self-assess import sales taxes on certain asset purchases and then pay such sales taxes to the applicable Taxing Authorities according to the requirements of such authorities, which depend on the timing of the asset purchase imports. The timing and frequency of remittance and payment of the sales taxes differs depending on the tax. For example, the Debtors remit collected sales taxes in California on a monthly basis and pay the self-assessed sales taxes in British Columbia, Canada on a quarterly basis. I have been informed that the Debtors' owe approximately $35,000 in sales taxes in California and approximately $85,000 in sales taxes in Canada relating to periods prior to the Petition Date.

135. **Property Taxes**. The Debtors own or lease certain real and personal properties in domestic and non-U.S. jurisdictions that are subject to local property taxes. The Debtors pay property taxes in numerous locations, including, but not limited to, Canada, Ireland, the Netherlands, Norway, and the United Kingdom. The property taxes are generally assessed in estimated amounts once per year, although certain property taxes are assessed more frequently on a monthly or semi-annual basis. I have been informed that the Debtors' owe approximately $50,000 in property taxes relating to periods prior to the Petition Date, which the Debtors believe is due and payable in the next thirty (30) days.

136. **Foreign Taxes**. In connection with its foreign operations, the Debtors withhold and incur certain corporate income taxes, withholding taxes, customs taxes, value-added taxes, goods and services taxes, and other business taxes, and are obligated to timely collect, withhold, and remit the foreign taxes to various foreign Taxing Authorities. For instance, the Debtors incur corporate income taxes in jurisdictions including, but not limited to, Equatorial Guinea, Kazakhstan, Barbados, Luxembourg, and Ireland, business withholding taxes in jurisdictions including, but not limited to, Canada and Equatorial Guinea, and value-added taxes or goods and services taxes in jurisdictions including, but not limited to, Ireland, the United Kingdom, Canada, and the Netherlands. The timing and frequency of payment of the foreign taxes differs depending on the tax, ranging from monthly, to quarterly, to annually or with variant timing, depending upon assessment by the Taxing Authority. The Debtors estimate that they owe approximately $8,100,000 in Foreign Taxes relating to periods prior to the Petition Date, approximately $6,700,000 of which the Debtors estimate is due and payable in the next thirty (30) days. Additionally, certain of the foreign countries in which the Debtors operate require a tax paying entity to pay a security deposit or provide a bank guarantee for certain taxes. For instance, the Debtors have paid a goods and services tax security deposit of

approximately $300,000 with the Canadian Revenue Agency. This amount is adjusted up or down at the request of the Canadian Revenue Agency depending on the Debtors' import activity into Canada. Additionally, the Debtors have certain bank guarantees in the form of letters of credit posted by banks for approximately $225,000 the United Kingdom relating to the importation of goods. These bank guarantees represent security placed with the customs authorities in order to defer the payment of import value-added taxes and customs duties. The bank guarantees are posted once based on the estimated monthly value of imports and adjusted if import volume increases or decreases. Currently the Debtors have no additional deposit amounts or bank guarantees they are obligated to post.

137. Regulatory Assessments and Other Miscellaneous Payments. The Debtors incur, in the ordinary course of business, certain regulatory assessments, permitting fees, licensing and registration fees, levies, and other miscellaneous obligations to governmental authorities (collectively, the "**Regulatory Assessments**" and, collectively with the sales taxes, the property taxes, and the foreign taxes, the "**Taxes**") to governmental regulatory bodies (the "**Regulatory Bodies**"). The continued payment of these regulatory assessments, including any amounts due and owing on account of prepetition regulatory assessments, are necessary to satisfy business licensing requirements to conduct business in various jurisdictions and to operate at various airports. I have been informed that the Debtors' owe approximately $100,000 in Regulatory Assessments relating to the period prior to the Petition Date, which the Debtors believe is due and payable in the next thirty (30) days.

138. I understand that ample reasons exist to authorize the payment of the prepetition Taxes, including, among other things, that (i) the failure to pay the prepetition Taxes may interfere with the Debtors' continued operations and successful reorganization efforts; (ii) certain of the prepetition Taxes may not be property of the Debtors' estates; (iii) the failure to

pay prepetition Property Taxes and Foreign Taxes may increase the scope of secured and priority claims held by the applicable Taxing Authorities against the Debtors' estates; (iv) the payment of prepetition Taxes affects only the timing of payments as most, if not all, of the Taxes are afforded priority status under the Bankruptcy Code; and (v) the Court has authority to grant the requested relief under sections 105(a) and 363(b) of the Bankruptcy Code.

139. In summary, as of the Petition Date, the Debtors estimate that approximately $120,000 in Sales Taxes, $50,000 in Property Taxes, $8,100,000 in Foreign Taxes, and $100,000 in Regulatory Assessments are due and owing to the Taxing Authorities and Regulatory Bodies relating to periods prior to the Petition Date. I have been informed that approximately $50,000 of the Property Taxes, $6,700,000 of the Foreign Taxes, and $100,000 of the Regulatory Assessments are due and payable in the next thirty (30) days.

140. Based on the foregoing, I believe that the relief requested in the tax motion is in the best interests of the Debtors, their estates and all parties in interest and should be granted.

I. <u>Employee Wages and Benefits Motion (the "Wages Motion")</u>

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO PAY (A) CERTAIN EMPLOYEE OBLIGATIONS AND (B) PREPETITION CLAIMS OF INDEPENDENT CONTRACTORS AND (II) DIRECTING 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

141. Pursuant to the Wages Motion, the Debtors seek authorization, but not direction, to pay their current employees and independent contractors for work performed prepetition, to honor certain other prepetition employee-related obligations and benefits, and to continue paying their employee and independent contractor obligations in the ordinary course of the Debtors' business. The Debtors also seek modification of the automatic stay with respect to

Exhibit D

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 March 28, 2017

United States Bankruptcy Judge

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

IN RE:	§	
	§	
CHC GROUP LT.D, *et al.*,	§	BANKR. CASE NO. 16-31854-BJH
	§	(CHAPTER 11)
DEBTORS.	§	
	§	
	§	
ECN CAPITAL (AVIATION) CORP.,	§	CASE NO. 3:17-cv-00075-C
	§	
PLAINTIFF,	§	ADV. PROC. NO. 16-3151-BJH
v.	§	
	§	Related to ECF No. 24
AIRBUS HELICOPTERS SAS,	§	
	§	
DEFENDANT.	§	
	§	

PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW REGARDING DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S MOTION TO DISMISS FOR LACK OF SUBJECT MATTER AND PERSONAL JURISDICTION, AND ON THE GROUNDS OF FORUM NON CONVENIENS

Before the Bankruptcy Court is the motion [AP[1] No. 24] (the "**Motion to Dismiss**")[2] filed by Defendant Airbus Helicopters S.A.S. ("**Airbus**"),[3] requesting that the above-captioned adversary proceeding (the "**Adversary Proceeding**") be dismissed for lack of both subject matter and personal jurisdiction and on the grounds of forum non conveniens. Alternatively, Airbus requests that the Bankruptcy Court permissively abstain from hearing the dispute. For the reasons explained below, the Bankruptcy Court concludes that the Motion to Dismiss should be granted; however, it lacks the constitutional authority to enter a final order granting the requested relief. Accordingly, it respectfully submits these Proposed Findings of Fact and Conclusions of Law to the District Court for consideration in accordance with 28 U.S.C. § 157(c)(1).

I. PROPOSED FINDINGS OF FACT[4]

Plaintiff ECN Capital (Aviation) Corp. ("**ECN**"), an Ontario corporation, is a commercial financing business with its headquarters located in Toronto, Canada. Complaint ¶ 5. It provides

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[1] Citations to "AP No." refer to the docket number in the Adversary Proceeding (16-3151), while citations to "BC No." refer to the docket number in the Bankruptcy Case (16-31854).

[2] On the same day that Airbus filed the Motion to Dismiss, it also filed a request that the District Court withdraw its referral of the Adversary Proceeding to the Bankruptcy Court [AP No. 23] (the "**Motion to Withdraw Reference**"). In its Report and Recommendation with respect to the Motion to Withdraw Reference, which the Bankruptcy Court issued concurrently with its Proposed Findings of Fact and Conclusions of Law, the Bankruptcy Court recommends that, should this Court not dismiss the Adversary Proceeding or abstain, it immediately withdraw the reference.

[3] The related pleadings include: (i) Airbus's amended brief in support of the Motion to Dismiss [AP No. 32] ("**Airbus's Original Brief**"), (ii) Plaintiff's Opposition to the Defendant's Motion to Dismiss [AP No. 63] ("**ECN's Original Brief**"), (iii) Plaintiff's Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss [AP No. 74] ("**ECN's First Supplemental Brief**"), (iv) Defendant's Supplemental Brief in Support of Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of Forum Non Conveniens [AP No. 75] ("**Airbus's First Supplemental Brief**"), (v) Plaintiff's Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss [AP No. 78] ("**ECN Second Supplemental Brief**"), and (vi) Airbus's Supplemental (Corrective) Reply Brief [AP No. 81, as corrected by AP No. 82] ("**Airbus's Second Supplemental Brief**").

[4] Any finding of fact more properly considered a conclusion of law, or any conclusion of law more properly considered a finding of fact, should be so considered.

commercial aviation financing to customers in the transportation and energy sectors, among others, throughout Canada and the United States. *Id.*

Defendant Airbus is a French company organized and existing under the laws of France with its principal place of business in Marignane, France. Airbus Ex. A (Declaration of Michel Gouraud) ¶ 3. It designs, manufactures, markets, and sells aircraft, including two models of helicopters sold under the name "Super Puma"—the Eurocopter EC225 (the "**EC225**") and the Eurocopter AS332 L2 (the "**AS332 L2**"). Complaint ¶ 1; ECN Ex. A ¶¶ 3, 6.

ECN currently owns five Super Puma helicopters manufactured by Airbus—one EC225 and four AS332 L2s (collectively, the "**Helicopters**"). Complaint ¶ 4. The Helicopters were initially purchased in France by two foreign companies—CHC Scotia Limited and CHC Leasing (Ireland) Limited. Airbus Ex. A ¶¶ 6-7. Although the record does not disclose the chain of ownership within the CHC group of companies,[5] the CHC-affiliated entity that last owned the Helicopters was CHC Helicopters (Barbados) SRL ("**CHC (Barbados)**"). Complaint ¶ 12. It was CHC (Barbados) that sold the Helicopters to ECN as part of a sale-leaseback transaction whereby ECN purchased the Helicopters and leased them back to CHC (Barbados) for sublease and operation (the "**ECN Leases**"). *Id.* ¶ 12. The ECN Leases were guaranteed by CHC Helicopter S.A., CHC Helicopter Holding S.A.R.L., 6922767 Holding SARL, and Heli-One Leasing, ULC (the "**ECN Lease Guarantors**"). *Id.* ¶ 42; *see* Proofs of Claim Nos. 543, 545, 549, 556, and 575.[6]

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[5] As explained more fully herein, forty-three companies within the CHC group filed voluntary petitions under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court. *See infra* at 4.

[6] Kurtzman Carson Consultants, the Bankruptcy Court-approved claims agent, maintains the Proofs of Claim filed in the Bankruptcy Case. The claims register may be viewed at http://www.kccllc.net/chc/register.

On April 29, 2016, an Airbus-manufactured Super Puma EC225 leased by CHC (Barbados) crashed near Turøy, Norway, killing all 13 individuals on board the aircraft. Complaint ¶ 2. As a result of the crash and subsequent investigation, civil aviation authorities in the United States, Europe, Norway, and the United Kingdom prohibited the flight and/or commercial use of any EC225 or AS332 L2, including the Helicopters. *Id.* ECN, however, did not own the EC225 that crashed in Norway. Hr'g Tr. (2/6/17) 24:19-23 (Katz) [AP No. 73].[7]

On May 5, 2015 (the "**Petition Date**"), CHC Group, Ltd. and 42 of its direct and indirect subsidiaries (collectively, the "**Debtors**") filed for protection under Chapter 11 of the Bankruptcy Code. Complaint ¶ 37. The 43 cases are jointly administered under the lead case of *In re CHC Group, Ltd.*, 16-31854-11 (collectively, the "**Bankruptcy Case**").[8] Among the Debtor entities are CHC (Barbados) and the ECN Lease Guarantors. In addition to the Helicopters, as of the Petition Date the Debtors leased Super Puma helicopters from various other parties and owned six Super Puma helicopters outright. Declaration of David W. Fowkes in Support of Third Amended Joint Chapter 11 Plan of CHC Group Ltd. and its Affiliated Debtors [BC No. 1643] ¶¶ 10, 12.

During the Bankruptcy Case, CHC (Barbados) rejected the ECN Leases in accordance with § 365 of the Bankruptcy Code. *Id.* ¶ 12. Based on the rejections, ECN filed the following Proofs of Claim in the Bankruptcy Case, each for "[n]o less than [$] 94,070,389" (collectively, the "**ECN Proofs of Claim**"):

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[7] Citations to hearing transcripts shall take the form of "Hr'g Tr. (date) pg:line-line (speaker)."
[8] As explained further herein, the Debtors' plan of reorganization was confirmed by Order of the Bankruptcy Court on March 3, 2017 and has now gone effective. *See infra* at 39-40.

Debtor	Case No.	Claim No.	Filing Entity	Basis for Claim
CHC Helicopters (Barbados) SRL	16-31867	543	Element Capital Corporation (n/k/a ECN Capital (Aviation) Corp.)[9]	"Obligations in connection with rejected and/or restructured lease"
CHC Helicopter S.A.	16-31863	545	Element Capital Corporation	"Obligations in connection with a lease pursuant to guarantee"
CHC Helicopter Holding S.A.R.L.	16-31875	549	Element Capital Corporation	"Obligations in connection with a lease pursuant to guarantee"
6922767 Holding SARL	16-31855	556	Element Capital Corporation	"Obligations in connection with a lease pursuant to guarantee"
Heli-One Leasing, ULC	16-31891	575	Element Capital Corporation	"Obligations in connection with a lease pursuant to guarantee"

ECN filed the Complaint on November 17, 2016, which contains the following counts: (i) Negligence, (ii) Strict Products Liability–Manufacturing Defect, (iii) Strict Products Liability–Design Defect, (iv) Strict Products Liability–Inadequate Warning, (v) Breach of Implied Warranty of Merchantability, (vi) Negligent Misrepresentation, and (vii) Fraud. Complaint ¶¶ 19-111. The Complaint also requests punitive and exemplary damages, an award of attorneys' fees and costs, and pre- and post-judgment interest. *Id.* at 30 (Prayer for Relief).[10]

[9] Complaint at 1.

[10] These claims are not set forth in numbered counts, but appear in the Prayer.

II. PROPOSED CONCLUSIONS OF LAW

A. Subject Matter Jurisdiction

1. The Relevant Standard for Ruling on a Federal Rule 12(b)(1) Motion to Dismiss for Lack of Subject Matter Jurisdiction

A challenge to a bankruptcy court's subject matter jurisdiction under Federal Rule of Civil Procedure ("**Federal Rule**") 12(b)(1), as made applicable by Federal Rule of Bankruptcy Procedure ("**Bankruptcy Rule**") 7012, can be mounted as either a facial or factual challenge. *MC Comm'n Serv., Inc. v. Arizona Tel. Co. (In re Intramta Switched Access Charge Litig.),* 158 F.Supp.3d 571, 574 (N.D. Tex. 2015). When a party files a Federal Rule 12(b)(1) motion without including evidence, the challenge to subject matter jurisdiction is facial. *Id.* The court assesses a facial challenge as it does a Federal Rule 12(b)(6) motion in that it "looks only at the sufficiency of the allegations in the pleading and assumes them to be true. If the allegations are sufficient to allege jurisdiction, the court must deny the motion." *Id*. (citation omitted). If, however, the defendant supports the motion with affidavits, testimony, or other evidentiary materials, the attack is factual and the burden shifts to the plaintiff to prove subject matter jurisdiction by a preponderance of the evidence. *Id*.

Although Airbus submitted evidence in support of the Motion to Dismiss, the evidence relates solely to its challenge under Federal Rule 12(b)(2) for lack of personal jurisdiction, which is addressed below. Thus, the Motion to Dismiss is a facial challenge to subject matter jurisdiction under Federal Rule 12(b)(1). Before turning to the allegations in the Complaint, however, a brief overview of "related to" jurisdiction is helpful to understanding this Court's analysis.

2. Related To Jurisdiction Generally

The District Court for the Northern District of Texas has subject matter jurisdiction over bankruptcy cases and proceedings under 28 U.S.C. § 1334. Although bankruptcy courts do not have independent subject matter jurisdiction over bankruptcy cases and proceedings, 28 U.S.C. § 151 grants bankruptcy courts the power to exercise certain "authority conferred" upon the district courts by title 28. Under 28 U.S.C. § 157, the district courts may refer bankruptcy cases and proceedings to the bankruptcy courts for either entry of a final judgment (core proceedings) or proposed findings and conclusions (noncore, related-to proceedings). Thus, the Bankruptcy Court exercises authority over the Bankruptcy Case and the Adversary Proceeding pursuant to the Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc adopted in this district on August 3, 1984.

28 U.S.C. § 1334(b) lists three types of proceedings over which the District Court has jurisdiction – those "arising under title 11," those "arising in" a case under title 11, and those "related to" a case under title 11. The classification of a proceeding under § 1334 depends on the connection of the proceeding to the bankruptcy case. "Arising under" jurisdiction involves "causes of action created or determined by a statutory provision of title 11." *Faulkner v. Eagle View Capital Mgt. (In re The Heritage Org., L.L.C.)*, 454 B.R. 353, 360 (Bankr. N.D. Tex. 2011) (citing *Wood v. Wood (In re Wood)*, 825 F.2d 90, 96 (5th Cir. 1987)). "Arising in" jurisdiction is "not based on a right expressly created by title 11, but is based on claims that have no existence outside of bankruptcy." *Faulkner*, 454 B.R. at 360 (citing *Wood*, 825 F.2d at 97). "Arising under" and "arising in" proceedings are "core" proceedings. 28 U.S.C. § 157(b); *Stern v. Marshall*, 564 U.S. 462, 476 (2011); *U.S. Brass Corp. v. Travelers Ins. Grp., Inc. (In re U.S. Brass Corp.)*, 301 F.3d 296, 304 (5th Cir. 2002).

In comparison, "related to" jurisdiction exists if "the outcome of that proceeding could conceivably have any effect on the estate being administered in bankruptcy." *Celotex Corp. v. Edwards*, 514 U.S. 300, 308 n.6 (1995) (quoting *Pacor, Inc. v. Higgins*, 743 F.2d 984, 994 (3d Cir. 1984)); *see also U.S. Brass*, 301 F.3d at 304. A claim is related to a bankruptcy case "if the outcome could alter the debtor's rights, liabilities, options, or freedom of action (either positively or negatively)." *Kimpel v. Meyrowitz (In re Meyrowitz)*, 2010 WL 5292066, at *5 (Bankr. N.D. Tex. Dec. 20, 2010) (citations omitted). "That state law may affect a proceeding's resolution cannot be the sole basis by which a proceeding is excluded from the otherwise large net cast by 'related to' jurisdiction." *Hartley v. Wells Fargo Bank, N.A. (In re Talsma)*, 509 B.R. 535, 542 (Bankr. N.D. Tex. 2014) (citing 28 U.S.C. § 157(b)(3)). Proceedings that involve merely "related to" jurisdiction and do not otherwise arise under the Bankruptcy Code or arise in a bankruptcy case are "non-core." *Faulkner*, 454 B.R. at 360. In such an instance, a bankruptcy court may not issue a final order adjudicating the claims without the parties' consent. 28 U.S.C. § 157(c).

With this predicate in mind, the Court turns to the allegations in the Complaint.

3. The Court has Related To Jurisdiction Over the Adversary Proceeding

According to ECN's Original Brief [AP No. 63], the paragraphs in its Complaint relevant to subject matter jurisdiction are 8-12 and 40-43.[11] A review of these paragraphs, however, shows that only paragraphs 42 and 43 contain arguably non-conclusory allegations relevant to subject matter jurisdiction.[12] Those paragraphs allege the following:

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[11] *See* ECN's Original Brief [AP No. 63] at 9.

[12] Paragraphs 8 and 9 are comprised of conclusory allegations that the Bankruptcy Court has subject matter jurisdiction. A court need not accept conclusory allegations as true when ruling on a challenge to its subject matter jurisdiction. *Beene v. Aramark Healthcare Support Serv., Inc.*, 2007 WL 1468705, at *2 (N.D. Tex. May 17, 2007) (the court need not strain to find inferences favorable to the plaintiffs nor accept conclusory allegations, unwarranted

42. As a result of the CHC Debtors' rejection of their leases with ECN Capital, ECN Capital filed Proofs of Claim Nos. 543, 545, 549, 556, and 575 in the CHC Bankruptcy Cases against certain of the CHC Debtors seeking over $94 million from each such CHC Debtor. Other entities subject to lease rejections by the CHC Debtors filed similar proofs of claim. To the extent that ECN Capital recovers damages against Airbus through this action, the amount of ECN Capital's claims against the CHC Debtors will be reduced by ECN Capital's recovery. Similarly, if other entities subject to lease rejections by the CHC Debtors obtain damages from Airbus on the basis of Airbus's liability in this action, their claims against the CHC Debtors will be reduced by their recovery. Accordingly, the outcome of Plaintiff's claims in this action will: (a) alter the rights, obligations, and choices of action of creditors against the CHC Debtors; (b) alter the rights, obligations, and choices of action by the CHC Debtors against Airbus; (c) impact the CHC Debtors' estates; and (d) have an effect on the administration of the CHC Debtors' estates.

43. On information and belief, in addition to the Super Pumas for which the CHC Debtors rejected leases in the CHC Bankruptcy Cases, the CHC Debtors own and/or have owned other Super Puma EC225s and/or Super Puma AS332 L2s as well. The CHC Debtors thus could stand to recover damages directly from Airbus for Airbus's negligence, defective design, defective manufacturing, failure to warn, violation of implied warranty of merchantability, negligent misrepresentation, and/or fraud, which recovery would accrue to the benefit of the CHC Debtors' estates.

In its Original Brief, ECN elaborates on its allegations in paragraphs 42(b)-(c) and 43 by explaining that if, "for example, ECN Capital succeeds on any of its claims, Airbus could be liable to the Debtors on collateral estoppel grounds for claims arising from the April 2016 crash and subsequent grounding—which claims the Debtors have expressly preserved [under their plan of reorganization] and which involve substantially similar facts and circumstances to those at issue here." ECN's Original Brief [AP No. 63] at 2.

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deductions, or legal conclusions). Paragraph 10 alleges that the Bankruptcy Court has supplemental jurisdiction over ECN's claims. However, it is the District Court, not the Bankruptcy Court, that would try the Adversary Proceeding, making this argument moot. Paragraphs 11 and 40 contain allegations regarding personal jurisdiction, while paragraph 12 addresses venue. Finally, paragraph 40 only addresses CHC (Barbados)'s rejection of the ECN Leases.

Airbus, however, argues that the Bankruptcy Court must dismiss the Adversary Proceeding because it is a non-core proceeding that will have no effect on the Bankruptcy Case. Airbus's Original Brief [AP No. 32] at 1. According to Airbus:

> ECN's action does not involve claims against the CHC Debtors and does not involve their estates' property. The helicopters are owned by ECN, and the leases have already been rejected by the CHC Debtors. Whether ECN can recover from [Airbus] for its own, separate alleged economic loss caused by the groundings will have no effect on the Debtors' estates. The sources of damages to ECN in the proceedings are completely separate – rejected leases (bankruptcy) versus the grounding (adversary). Moreover, to the extent ECN recovers damages from [Airbus] in this lawsuit, that money would go to ECN, not the CHC Debtors.

Id. at 7-8. Simply put, Airbus believes that ECN's arguments are far too tenuous to support related to jurisdiction. Although the Court agrees that the Adversary Proceeding's potential effect on the bankruptcy estates is tenuous, that effect is still "conceivable" and thus sufficient to confer subject matter jurisdiction, as the Court will now explain.

In its briefs, ECN generically uses the term "collateral estoppel" in describing the conceivable effect that the Adversary Proceeding could have on the bankruptcy estates, without explaining whether it is referring to claim or issue preclusion. Thus, the Court must analyze both. For claim preclusion to apply,

> [f]irst, the parties in a later action must be identical to (or at least be in privity with) the parties in a prior action. Second, the judgment in the prior action must have been rendered by a court of competent jurisdiction. Third, the prior action must have concluded with a final judgment on the merits. Fourth, the same claim or cause of action must be involved in both suits.

U.S. v. Shanbaum, 10 F.3d 305, 310 (5th Cir. 1994). Here, ECN is unable to prove the first element because the Debtors are not a party to the Adversary Proceeding nor is there any allegation that they are in privity with ECN. Thus, claim preclusion could not apply under these facts.

Issue preclusion, however, could apply to the facts as alleged by ECN. As previously explained in *In re Wyly*, issue preclusion binds a party to the determination of an issue that was litigated in a prior judgment if—

> [f]irst, the issue under consideration in a subsequent action must be identical to the issue litigated in a prior action. Second, the issue must have been fully and vigorously litigated in the prior action. Third, the issue must have been necessary to support the judgment in the prior case. Fourth, there must be no special circumstance that would render preclusion inappropriate or unfair.

In re Wyly, 2015 WL 5042756, at *6 (Bankr. N.D. Tex. Aug. 25, 2015) (quotations and citations omitted). As explained by the Fifth Circuit:

> The differences between claim preclusion and issue preclusion are significant. Waiver is not a motivating principle behind issue preclusion. Instead, courts reason that if another court has already furnished a trustworthy determination of a given issue of fact or law, a party that has already litigated that issue should not be allowed to attack that determination in a second action. Moreover, under issue preclusion, unlike claim preclusion, the subject matter of the later suit need not have any relationship to the subject matter of the prior suit.

Shanbaum, 10 F.3d at 311.

As previously described, ECN has sued Airbus alleging various negligence and products liability claims arising from damages associated with its ownership of the Helicopters that were grounded after the 2016 crash. These are the same types of claims likely held by certain of the Debtors that also own Super Puma helicopters that were similarly grounded. If ECN receives a ruling in the Adversary Proceeding that a specific part was defective, that Airbus knew of the defect, or similar rulings encompassed in negligence and/or products liability claims, the applicable Debtor could likely rely on issue preclusion in a subsequent lawsuit brought against Airbus. Although the application of issue preclusion involves a hypothetical scenario at this

point,[13] ECN and the applicable Debtors each hold the right to bring these type of claims against Airbus flowing from the crash and subsequent grounding of the Super Puma helicopters, which means the application of issue preclusion *could* have a *conceivable* effect on the applicable bankruptcy estates by altering the applicable Debtor's rights, options, and freedom of action, thus meeting the very broad definition of related to jurisdiction applicable in the Fifth Circuit. Accordingly, the Court concludes that the Adversary Proceeding is related to the Bankruptcy Case.[14]

B. Personal Jurisdiction

1. The Relevant Standard for Ruling on a Federal Rule 12(b)(2) Motion to Dismiss for Lack of Personal Jurisdiction

When a nonresident defendant moves to dismiss for lack of personal jurisdiction, the plaintiff bears the burden of establishing the court's jurisdiction. *Stuart v. Spademan*, 772 F.2d 1185, 1192 (5th Cir. 1985). The court may determine the jurisdictional issue by receiving affidavits, interrogatories, depositions, oral testimony, or any combination of the recognized methods of discovery. *Id.* Here, Airbus relied on documents outside of the Complaint to challenge personal jurisdiction, which ultimately resulted in the parties undertaking discovery and the Bankruptcy Court holding an evidentiary hearing on the Motion to Dismiss on February 28, 2017 (the "**Hearing**").[15] Thus, ECN must show, by a preponderance of the evidence, that the Court has

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[13] This is because the applicable Debtors have not sued Airbus and it is unknown if they will ever sue Airbus bringing these same or substantially similar claims.

[14] On March 3, 2017, this Court entered an order [BC No. 1791] approving a settlement between the Debtors and ECN that awarded ECN "separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims" in the amount of $85,700,000 against each of CHC (Barbados) and the ECN Lease Guarantors. Because of this settlement, ECN's other argument, that its recovery in the Adversary Proceeding could reduce its claims against the estates, is moot.

[15] A copy of the Hearing transcript may be found at AP No. 86.

personal jurisdiction over Airbus. *Felch v. Transportes Lar–Mex SA DE CV*, 92 F.3d 320, 326 (5th Cir. 1996).

When analyzing personal jurisdiction, a court must first consider whether a federal statute or rule defines the extent of its personal jurisdiction. *Smith v. Matias (In re IFS Fin. Corp.),* 2007 WL 2692237 (Bankr. S.D. Tex. Sept. 11, 2007) (citing *Federalpha Steel LLC Creditors Trust v. Fed. Pipe & Steel Corp. (In re Federalpha Steel LLC),* 341 B.R. 872, 887 (Bankr. N.D. Ill. 2006)). Here, Bankruptcy Rule 7004(f) defines personal jurisdiction over defendants in an adversary proceeding, authorizing personal jurisdiction to the extent allowed by the Fifth Amendment Due Process clause. *Id.* (citing cases). Consequently, a bankruptcy court's personal jurisdiction is not affected by a state's long-arm statute or constitution. *Id.*

The Due Process Clause permits the exercise of personal jurisdiction over a nonresident defendant when: (i) the defendant has minimum contacts with the forum, and (ii) the exercise of jurisdiction does not offend "traditional notions of fair play and substantial justice." *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 474 (1985); *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945); *Paz v. Brush Engineered Materials, Inc.*, 445 F.3d 809, 813 (5th Cir. 2006). Minimum contacts are required to preserve a defendant's Due Process right not to be brought into a forum without "fair warning" that prior conduct subjected them to that forum's jurisdiction. *Burger King Corp.*, 471 U.S. at 471–72. The plaintiff bears the burden of establishing minimum contacts. *Seiferth v. Helicopteros Atuneros, Inc.*, 472 F.3d 266, 271 (5th Cir. 2006). If successful, the burden then shifts to the defendant to establish that the exercise of jurisdiction would be unfair or unreasonable. *Id*.

The minimum-contacts analysis used in diversity cases is applied to a foreign defendant in bankruptcy court adversary proceedings based on federal law, with one exception. Instead of

looking only at the defendant's contacts within the forum state, courts aggregate the defendant's contacts within the entire United States. *In re IFS Fin. Corp.*, 2007 WL 2692237, at *3; *Levey v. Hamilton (In re Teknek, LLC)*, 354 B.R. 181, 192 (Bankr. N.D. Ill. 2006).

The Supreme Court has rejected "talismanic jurisdiction formulas" to determine personal jurisdiction. *Burger King Corp.*, 471 U.S. at 485–86. However, the contacts must be "purposeful" as opposed to "fortuitous" or "attenuated," and the contacts must be significant enough that a reasonable person would foresee that their "conduct and connection with the forum State are such that he should reasonably anticipate being haled into the court there." *Id.* at 474 (quoting *World–Wide Volkswagen v. Woodson*, 444 U.S. 286, 297, 299 (1980)).

A defendant's "minimum contacts" may give rise to either general personal jurisdiction or specific personal jurisdiction. A court with general personal jurisdiction over a non-forum defendant has jurisdiction to adjudicate any claim against that defendant, including claims that do not arise in the forum state. *Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 414 n.9 (1984). A court may exercise general personal jurisdiction over any action brought against a defendant if the defendant's contacts with the forum state are "continuous and systematic." *Seiferth*, 472 F.3d at 271. When examining a general personal jurisdiction issue, courts consider the defendant's contacts occurring within the forum "over a reasonable number of years, up to the date the suit was filed." *Access Telecom, Inc., v. MCI Telecomm. Corp.*, 197 F.3d 694, 717 (5th Cir. 1999) (citing *Metro. Life Ins. Co. v. Robertson–Ceco Corp.*, 84 F.3d 560, 569 (2d Cir. 1996)).

Absent general personal jurisdiction, a court may still exercise limited specific personal jurisdiction over a defendant. Unlike general personal jurisdiction, specific personal jurisdiction does not extend to any claim against the non-forum defendant. Instead, specific personal

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jurisdiction is limited to causes of action that arise from conduct that occurred in or was directed to the forum location. *Burger King Corp.*, 471 U.S. at 472-73 n.15.

Here, ECN has alleged that: (i) by participating in the Bankruptcy Case, Airbus has submitted itself to the personal jurisdiction of the Bankruptcy Court (and thus this Court) for ECN's allegedly related claims, and (ii) the Bankruptcy Court (and thus this Court) has specific personal jurisdiction over Airbus for purposes of hearing the Adversary Proceeding.[16] The Court will address these in turn.

2. This Court Lacks Specific Personal Jurisdiction Over Airbus

a. Airbus Has Not Consented to Personal Jurisdiction in this Court

It is undisputed that Airbus has voluntarily participated in the Bankruptcy Case by, among other things: (i) filing a Notice of Appearance in which it describes itself as a party in interest to the Bankruptcy Case [BC Nos. 339, 1750], (ii) serving on the Official Committee of Unsecured Creditors appointed by the Office of the United States Trustee [BC No. 137], (iii) filing proofs of claim for goods and/or services provided to certain of the Debtors prior to the Petition Date [Claim Nos. 353, 365], and (iv) objecting to prior efforts by ECN to take a Bankruptcy Rule 2004 examination related to certain of the Debtors' potential claims against Airbus [BC No. 862]. Because of this, ECN argues that Airbus has submitted itself to the Bankruptcy Court's jurisdiction for any claim related to the proofs of claim that Airbus filed against certain of the Debtor's bankruptcy estates. ECN's Original Brief [AP No. 63] at 17.

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[16] ECN does not argue that this Court has general personal jurisdiction over Airbus independent of Airbus's alleged consent. Hr'g Tr. (2/28/16) 45:21-22 (Flumenbaum) ("I don't believe we would have general jurisdiction but for [Airbus] coming into this Court.").

In support of this argument, ECN cites to various cases where courts have exercised jurisdiction in allegedly "similar circumstances." ECN Second Supplemental Brief [AP No. 78] at 10-13. ECN's cases, however, are clearly distinguishable. For example, ECN cites to *Kriegman v. Cooper (In re LLS American, LLC)*, 2012 WL 2564722, at *7 (Bankr. E.D. Wash. 2012) for the proposition that, by filing a proof of claim and participating in motion practice, a claimant has submitted itself to the bankruptcy court's jurisdiction for related claims. *Id.* at 10-11. *LLS*, however, has several distinguishing characteristics, including that (i) a bankruptcy trustee (asserting claims on behalf of the bankruptcy estate)[17] was the plaintiff, and (ii) the defendant had participated in the adversary proceeding *before* filing a motion to dismiss for lack of personal jurisdiction. *In re LLS American, LLC*, 2012 WL 2564722, at *3. Moreover, the *LLS* defendant's proof of claim was filed for money loaned to or investments in the debtor, and the adversary proceeding against it was for allegedly preferential transfers under 11 U.S.C. § 548 related to the debtor's Ponzi scheme. *Id.* at *4. Among other things,[18] the court in *LLS* relied on the nature of the claim and the adversary, coupled with 11 U.S.C. § 502(d),[19] to find that, by filing the proof of claim, the defendant had submitted to the court's personal jurisdiction. *Id.* at *5-7. ECN's other cases on this point are similarly distinguishable.

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[17] Here, however, no Debtor claim is directly at issue. The claims pled in the Adversary Proceeding are claims of a non-debtor (ECN) against another non-debtor (Airbus).

[18] The *LLS* court also found that the defendant consented to the court's jurisdiction by previously filing and prosecuting a motion to withdraw reference. *Id.* at *7.

[19] 11 U.S.C. § 502(d) states, in relevant part, that "the court shall disallow any claim of any entity from which property is recoverable under section 542, 543, 550, or 553 of this title or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of this title, unless such entity or transferee has paid the amount, or turned over any such property, for which such entity or transferee is liable under section 522(i), 542, 543, 550, or 553 of this title."

For example, *Securities Investor Protections Corp. v. Bernard L. Madoff Investment Securities, Inc.*, 460 B.R. 106 (S.D.N.Y. 2011) *aff'd*, 474 B.R. 76 (S.D.N.Y. 2012), involved an avoidance action brought by a bankruptcy trustee, again asserting claims on behalf of the bankruptcy estate. The court found that it had personal jurisdiction over the foreign defendant because, among other things, (i) the foreign defendant had entered into and performed under an agreement with a New York choice of law clause, (ii) the foreign defendant's "investment manager" had an address in Connecticut, (iii) the foreign defendant directed investments to the United States and had engaged in a series of repeated transactions that intentionally channeled investor money into the debtor's Ponzi scheme in New York, and (iv) several of the trustee's claims arose out of or were related to the defendant's contacts with the United States such that it should reasonably have anticipated any adjudication of the transactions would take place in the United States. *Id.* at 116-19. Although the *Madoff* court took into consideration that the defendant had participated in the underlying bankruptcy case by filing a notice of appearance and attending hearings in New York through counsel, those actions were not the sole basis of its ruling. *Id.* at 119.

In *Deak & Co., Inc. v. Ir. R.M.P Soedjono (In re Deak & Co., Inc.)*, 63 B.R. 442 (Bankr. S.D.N.Y. 1986), the debtor owned substantially all of the stock of a foreign bank ("**FOCO**"). Prepetition, the debtor had pledged 8,000 of those shares to a foreign entity ("**DAMA**"). After filing for bankruptcy, the debtor sought to sell its stock in FOCO free and clear of all liens, claims, and encumbrances, including those arising from the pledge to DAMA, on the basis that the pledge was the subject of a bona fide dispute under 11 U.S.C. § 363(f)(4). *Id.* at 424-25. Prior to the proposed sale, DAMA had filed a notice of appearance in the bankruptcy case, stating that it was "a party in interest and equity security holder in these proceedings." *Id.* at 424. Although DAMA

received notice of the proposed sale and its counsel attended the sale hearing, it filed no objection to the sale. *Id.* at 424-25. The bankruptcy court ultimately approved the sale, which was "free and clear of all liens, claims, pledges, and other encumbrances," with any such interests to attach to the sale proceeds. *Id.* at 425.

After the bankruptcy court approved the sale, DAMA sought and obtained an ex parte injunction from a Swiss court in Zurich restraining the debtor from transferring the FOCO shares to the purchaser. *Id.* at 425-26. The debtor then commenced an adversary proceeding against DAMA in the bankruptcy court seeking to set aside the pledge as a preference or fraudulent conveyance. *Id.* at 426. In response, DAMA filed a motion to dismiss alleging, among other things, that the bankruptcy court lacked personal jurisdiction over it. Although the bankruptcy court held that DAMA had submitted itself to the bankruptcy court's personal jurisdiction by filing a notice of appearance and participating in the bankruptcy case, that court clearly expressed its concerns over DAMA's attempts to thwart the sale despite its knowledge of, and participation in, the bankruptcy case. *Id.* at 432 ("DAMA's commencement of the Swiss action subsequent to Deak's [bankruptcy] filing contravened the letter and spirit of § 362, and is a serious affront to this court's jurisdiction by a party who had already appeared in this bankruptcy case"). Moreover, the court specifically noted that DAMA's counsel appeared at the sale hearing, yet gave no indication of DAMA's intent to challenge the sale:

> Furthermore, DAMA's appearance at the August 6, 1985 [sale] hearing, coupled with his failure to qualify statements made by Deak with regard to DAMA's interest, were further evidence of submission to this court's jurisdiction. Deak stated clearly at the hearing that the DAMA pledge was in dispute and that its validity would be determined at a later date. The present adversary proceeding seeks to determine precisely that matter. Deak further represented that it was "aware of no objection by any of the three lienors with respect to this prong of the application." Transcript, August 6, 1985, at 19. Specifically, Deak sought to have the liens, if their validity was established, to attach to the proceeds of the sale. DAMA had an

> opportunity but never voiced his objection to this court's jurisdiction which he easily could have done. Had an objection been interposed by DAMA at this juncture or by the other lienors, this court may well have structured the order it signed allowing the sale to go forward differently. DAMA's silence throughout estops him from now raising the issue of personal jurisdiction; his acts and non-acts have amounted to a legal submission to the jurisdiction of this court.

Id. at 432-33.

From this Court's perspective, ECN reads *Deak* too broadly. It does not stand for the general proposition that, by filing a notice of appearance and participating in a bankruptcy case, a creditor subjects itself to the personal jurisdiction of the bankruptcy court for all times or for all issues. Notably, the issues in *Deak* each involved the debtor's shares in FOCO. Here, however, ECN's claims in the Adversary Proceeding (negligence and products liability against Airbus, not any Debtor) and those reflected in Airbus's proofs of claims (prepetition goods and/or service provided to certain of the Debtors) are legally distinct and wholly unrelated.

ECN's remaining cases are similarly distinguishable. *See, e.g.*, *Mobley v. Quality Lease and Rental Holdings, LLC (In re Quality Lease & Rental Holdings, LLC)*, 2016 WL 416961 (S.D. Tex. Feb. 1, 2016) (holding in relation to a jury demand that "[fi]ling a proof of claim brings a creditor within the equitable jurisdiction of a bankruptcy court and thereby waives the Seventh Amendment right to a jury trial on issues that are related to the proof of claim."); *Schwinn Plan Committee v. TI Reynolds 531 Limited (In re Schwinn Bicycle Co.*), 182 B.R. 526 (N.D. Ill. 1995) (by filing proof of claim for outstanding invoices, foreign creditor subjected itself to personal jurisdiction in adversary proceeding brought by the Chapter 11 plan committee to recover preferential transfers); *Neese v. First Nat'l Bank of Grayson, Ky. (In re Neese)*, 12 B.R. 968 (W.D. Va. 1981) (by filing proofs of claim, defendants consented to the personal jurisdiction of the bankruptcy court in adversary to disallow those claims); *Glinka v. Abraham and Rose Co. Ltd.*,

199 B.R. 484 (Bankr. D. Vt. 1996) (bankruptcy trustee and debtor's primary secured creditor commenced adversary to set aside allegedly fraudulent transfers; court found that foreign defendant had waived any objection to personal jurisdiction by voluntarily intervening in the adversary proceeding and actively participating in the proceeding for an extended period of time without challenging the court's personal jurisdiction). Thus, Airbus's actions in the Bankruptcy Case are insufficient for this Court to conclude that it has consented to the Bankruptcy Court's (and thus this Court's) personal jurisdiction over it with regard to the claims pled against it by ECN in the Adversary Proceeding.

ECN next argues that Airbus filing proofs of claim in the Bankruptcy Case is the equivalent of Airbus filing a lawsuit in the Bankruptcy Court. And, in Texas, "[v]oluntarily filing a lawsuit in a jurisdiction is a purposeful availment of the jurisdiction's facilities and can subject a party to personal jurisdiction in another lawsuit when the lawsuits arise from the same general transaction." ECN's Original Brief [AP No. 63] at 18 & n.28, 29 (citing *Hess v. Bumbo Int'l Trust*, 954 F.Supp.2d 590, 597 (S.D. Tex. 2013); *Int'l Transactions, Ltd. v. Embotelladora Agral Regionmontana SA de C*V, 277 F.Supp.2d 654, 667–68 (N.D. Tex. 2002)).

As before, ECN's cases are distinguishable from the facts here. First, neither *Int'l Transactions* nor *Hess* involved a bankruptcy case. Moreover, in *Int'l Transactions*, the court found consent to jurisdiction because the foreign defendant had previously filed two separate lawsuits in the forum that were directly related to proceedings the plaintiff filed in the same forum. 277 F.Supp.2d at 667–68. Finally, in *Hess*, the court found general personal jurisdiction based on

the defendant's forum contacts, not its involvement with prior litigation. 954 F.Supp.2d at 593-97.[20]

Moreover, even if this Court were to find that Airbus filing proofs of claim in the Bankruptcy Case is the equivalent of Airbus filing a lawsuit in the Bankruptcy Court, ECN's claims in the Adversary Proceeding do not relate to Airbus's proofs of claim. As previously explained, ECN's claims against Airbus in the Adversary Proceeding are for alleged negligence and products liability related to the Helicopters it owned at the time of the crash. On the other hand, Airbus's proofs of claim are for goods and/or services it provided to Debtors Heli-One Canada ULC (Claim No. 353) and Heli-One (Norway) AS (Claim No. 365) prior to the Petition Date.

Despite this, ECN argues that Airbus has "submitted itself to the specific personal jurisdiction of the Court for claims related to the Bankruptcy Cases in which Airbus filed its own proofs of claim." ECN's Original Brief [AP No. 63] at 18. The mere fact that both ECN and Airbus filed claims in the same jointly-administered bankruptcy cases involving 43 affiliated debtors[21] is insufficient for this Court to find that Airbus has consented to the Bankruptcy Court's personal jurisdiction over it for unrelated claims brought against it by ECN.

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[20] *Praetorian Specialty Ins. Co. v. Auguillard Const. Co.*, 829 F.Supp.2d 456 (W.D. La. 2010), and *Gen. Contracting & Trading Co., LLC v. Interpole, Inc.*, 940 F.2d 20 (1st Cir. 1991), are equally distinguishable, as each involved a situation where consent was found because the defendant had filed lawsuits in the same forum based on the same operative facts. Finally, *Fort v. SunTrust Bank (In re Int'l Payment Group, Inc.*), 2011 WL 5330783 (Bankr. D.S.C. Nov. 3, 2011), did not involve a challenge to personal jurisdiction but the constitutionality of the referral of the lawsuit to the bankruptcy court. *Id.* at *1.

[21] As noted previously, ECN filed proofs of claim against CHC (Barbados), CHC Helicopter S.A., CHC Helicopter Holding S.A.R.L., 6922767 Holding SARL, and Heli-One Leasing, ULC related to the ECN Leases and CHC (Barbados)'s rejection of the ECN Leases, while Airbus filed proofs of claim against Heli-One Canada ULC and Heli-One (Norway) AS related to goods and services it provided to those Debtors. And, as noted previously, ECN's claims

Of significance, ECN does not to cite to, nor could this Court find through its own research, a single case where a court has held that a creditor/defendant submitted itself to the personal jurisdiction of the bankruptcy court by filing a proof of claim and/or participating in the underlying bankruptcy case when the subject adversary proceeding (i) was brought by another creditor of debtor asserting its own claims (not claims of the estate), and (ii) the claims asserted in the adversary proceeding were distinct from the claims the creditor/defendant sought to recover on when it filed its proof of claim against the debtor. ECN's argument simply expands the scope of personal jurisdiction in a bankruptcy case too far.

For all of these reasons, the Court concludes that Airbus's participation in the Bankruptcy Case is, standing alone, insufficient to give rise to personal jurisdiction over Airbus in a lawsuit brought against it by ECN and arising from matters unrelated to Airbus's proofs of claim.

b. ECN Has Failed to Show a Close Nexus between Airbus's Alleged Contacts with the United States and the Claims Alleged in the Adversary Proceeding

For specific personal jurisdiction to be proper, Due Process requires (i) minimum contacts by the defendant purposefully directed at the forum state, (ii) a nexus between the defendant's contacts and the plaintiff's claims, and (iii) that the exercise of jurisdiction over the defendant be fair and reasonable. *ITL Int'l, Inc. v. Constenla, S.A.*, 669 F.3d 493, 498 (5th Cir. 2012). The plaintiff has the burden of demonstrating specific personal jurisdiction for each claim asserted against the nonresident defendant. *Seiferth*, 472 F.3d at 274-75.

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against Airbus in the Adversary Proceeding are negligence and products liability type claims relating to Airbus's design, manufacture, and sale of the Helicopters.

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For reasons it explains below, the Court will focus on the second prong of the analysis. This is so because, even assuming that ECN could meet its burden to show that Airbus had sufficient minimum contacts with the United States,[22] ECN has failed to prove (or even allege) a nexus between those contacts and its claims in the Adversary Proceeding. ECN's failure on this point is fatal because specific personal jurisdiction is "case-linked" and grants a court only the power to hear "issues deriving from, or connected with, the very controversy that establishes jurisdiction." *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 564 U.S. 915, 918-19 (2011) ("Because the episode-in-suit, the bus accident, occurred in France, and the tire alleged to have caused the accident was manufactured and sold abroad, North Carolina courts lacked specific jurisdiction to adjudicate the controversy."); *see Helicopteros Nacionales de Colombia, S.A.*, 466 U.S. at 413-16 & n.8; *Jones v. Petty–Ray Geophysical Geosource, Inc.*, 954 F.2d 1061, 1068 (5th Cir.) (specific personal jurisdiction is proper only if the cause of action arises from a particular act or activity in the forum), *cert. denied*, 506 U.S. 867 (1992).

The record before the Court is devoid of any evidence that ECN's claims arise out of or are related to Airbus's contacts with the United States. Indeed, ECN failed to address the nexus prong of specific personal jurisdiction in the Complaint and its pre-Hearing briefs. Accordingly, at the Hearing, ECN's counsel was asked to identify the nexus between ECN's negligence and products liabilities claims and Airbus's alleged contacts with the United States. According to ECN's counsel:

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[22] Because ECN has failed to prove a close nexus between its claims against Airbus and Airbus's alleged contacts with the United States, the Court need not undertake the minimum contacts prong of the personal jurisdiction analysis. This is so because, even if every contact that ECN alleges between Airbus and the United States occurred, ECN has still failed to meet its burden as there is no nexus between such contacts and its claims.

> The nexus is that [ECN's] claims are based on diminution in value of those helicopters, due to Airbus's negligence, product liability, fraud, et cetera. And the reason I have these damages is as a result, in part, of activities that occurred in Texas, with respect to the bankruptcy of CHC…. I've lost lease income, which I'm never going to regain back, because of the grounding.

Hr'g Tr. (2/28/16) 53:12-22 (Flumenbaum) [AP No. 86].

Although not particularly clear, ECN appears to argue that the nexus between ECN's injuries and Airbus's contacts with the United States is the Bankruptcy Case and the Bankruptcy Court's order permitting the rejection of the ECN Leases by CHC (Barbados), which triggered a rejection claim against it and guarantee claims against the ECN Lease Guarantors. However, CHC (Barbados)'s decision to reject the ECN Leases did not give rise to ECN's negligence and products liability claims against Airbus. Indeed, ECN's claims against Airbus (i) existed prior to the Petition Date, (ii) are wholly independent from the Bankruptcy Case, and (iii) would exist whether the ECN Leases were rejected or not. Notably, at the Hearing, ECN's counsel was unable to cite to any portion of the record supporting ECN's argument. *Id.* 53:23-66:19 (Flumenbaum).

Accordingly, this Court concludes that it does not have specific personal jurisdiction over Airbus in relation to the Adversary Proceeding and that the Motion to Dismiss must be granted.

Before moving on to Airbus's request to dismiss the Adversary Proceeding on grounds of forum non conveniens, the Court notes that, on March 20, 2017 (nearly three weeks after the evidentiary record was closed), ECN filed with the Bankruptcy Court a post-hearing brief [AP No. 87] (the "**Post-Hearing Brief**") and a 224 page appendix [AP No. 88] (the "**Appendix**"). The Bankruptcy Court did not request post-Hearing submissions from the parties, and ECN neither requested leave of Court to file its brief nor did it request that the evidentiary record be reopened with respect to the Appendix. Although Airbus moved to strike the Post-Hearing Brief and Appendix [AP No. 90], it also admitted that this Court considering the documents would not cause

it prejudice [AP No. 92 at 2 n.2]. Thus, the Court will consider the Post-Hearing Brief and Appendix.

In its Post-Hearing Brief, ECN alleges that new facts have come to light since the Hearing showing that the Declaration of Michel Gouraurd submitted at the Hearing [Airbus Ex. A] was false in several respects, including how Airbus does business in, and has contacts with, the United States. These new allegations include that: (i) post-Hearing, Airbus consented to the personal jurisdiction of a Texas state court in a lawsuit involving Super Puma helicopters, (ii) in early March 2017, an Airbus executive attended an industry event in Dallas where Airbus showcased its helicopters, and (iii) the same executive stated in a press release that 60 Airbus helicopter orders were placed at the event, and that Airbus reported that several "VIP customers" who are Texas residents testified to their satisfaction with Airbus products and customer service. Post-Hearing Brief at 3.

First, the Court finds unpersuasive ECN's arguments that the Appendix contains evidence showing that the Declaration of Michel Gouraud was false. To the contrary, the Court found portions of the Post-Hearing Brief inaccurate, often presenting documents in the Appendix from a skewed perspective. For example, citing to a press release, ECN states: "On March 10, 2017, Mr. Faury stated that 60 Airbus helicopters orders were placed at the Heli-Expo 2017 [held in Dallas]." Post-Hearing Brief at 3. That is incorrect. What the press release says is: " 'This year's Heli-Expo has shown that 2017 is already off to a good start for our best-selling products, with orders for about 60 helicopters including the H125, H135, H145, and H175 announced at the show,' said Guillaume Faury, Airbus Helicopters CEO." Appendix Ex. G [88-7] at 2. Mr. Faury did not say that 60 orders were "placed" at the Heli-Expo, and his statement did not "directly contradict" the

other evidence in the record that Airbus sells helicopters from its place of business in France, including, most importantly, the Helicopters owned by ECN.

These types of inaccuracies aside, ECN again exclusively focuses its efforts on establishing Airbus's minimum contacts with the United States to the complete exclusion of showing a nexus between those contacts and ECN's claims. Without this nexus, specific personal jurisdiction cannot exist. Thus, as previously explained, even if every contact that ECN alleges between Airbus and the United States occurred, ECN has still failed to carry its burden of proving that specific personal jurisdiction exists over Airbus.

The Court is also unpersuaded that Airbus's decision to consent to personal jurisdiction in a Texas state court with respect to another Super Puma lawsuit shows its consent to the personal jurisdiction of the Bankruptcy Court (and, in turn, this Court) with respect to the Adversary Proceeding. Notably, neither the Debtors nor ECN is a party to the other Texas state court lawsuit, and that lawsuit is wholly unrelated to the Bankruptcy Case. The Court simply sees no relevance between a Texas state court lawsuit involving other plaintiffs and Airbus's actions in the Bankruptcy Case. To the extent that ECN raises this argument in relation to the third prong of specific personal jurisdiction (that the exercise of jurisdiction be fair and reasonable), the Court does not reach that consideration because ECN has failed to establish a nexus between its claims and Airbus's alleged contacts with the United States.

For these reasons, the Post-Hearing Brief and Appendix did not alter this Court's conclusion that it lacks personal jurisdiction over Airbus.

C. Alternatively, the Adversary Proceeding Should be Dismissed on Grounds of Forum Non Conveniens

Because the Court has concluded that it lacks personal jurisdiction over Airbus, it need not consider Airbus's request that the Adversary Proceeding be dismissed on grounds of forum non conveniens. *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 504 (1947) (holding that the doctrine of forum non conveniens can never apply if there is an absence of jurisdiction). However, should an appellate court ultimately determine that this Court has both subject matter jurisdiction over the claims asserted in the Adversary Proceeding and personal jurisdiction over Airbus, the Court concludes that the Adversary Proceeding should be dismissed on the grounds of forum non conveniens.

"In all cases in which the doctrine of forum non conveniens comes into play, it presupposes at least two forums in which the defendant is amenable to process; the doctrine furnishes criteria for choice between them." *Id*. at 506–07. If a court determines that an adequate alternative forum exists, then it should consider the private interests of the litigant, including (i) the relative ease of access to proof, (ii) the availability of compulsory process for attendance of unwilling witnesses, and the cost of obtaining attendance of willing witnesses, (iii) the possibility of view of premises, if view would be appropriate to the action, and (iv) all other practical problems that make trial of a case easy, expeditious and inexpensive as well as the enforceability of the judgment. *Id.* at 508. If the private interest factors are not dispositive of the issue, the court should also consider the public interest factors, which include:

> (i) the administrative difficulties flowing from court congestion; (ii) the local interest in having localized controversies resolved at home; (iii) the interest in having the trial of a diversity case in a forum that is familiar with the law that must govern the action; (iv) the avoidance of unnecessary problems in conflicts of law, or in application of foreign law; and (v) the unfairness of burdening citizens in an unrelated forum with jury duty.

DTEX, LLC v. BBVA Bancomer, S.A., 508 F.3d 785, 794 (5th Cir. 2007).

The defendant carries the burden of persuading the court that a lawsuit should be dismissed on forum non conveniens grounds. *Id.* at 795 (citing *In re Ford Motor Co., Bridgestone/Firestone North American Tire*, 344 F.3d 648, 652 (7th Cir. 2003)). Ordinarily, a strong favorable presumption is applied to the plaintiff's choice of forum. *Id.* at 796. "[U]nless the balance is strongly in favor of the defendant, the plaintiff's choice of forum should rarely be disturbed." *Gulf Oil Corp.*, 330 U.S. at 508. The doctrine of forum non conveniens is appropriate in the bankruptcy context. *Baumgart v. Fairchild Aircraft Corp.*, 981 F.2d 824 (5th Cir.), *cert. denied* 508 U.S. 973 (1993).

Thus, the three steps of the forum non conveniens analysis are: (i) determining if an adequate alternative forum exists, (ii) considering the relevant factors of private interest, weighing in the balance the relevant deference given the particular plaintiff's initial choice of forum, and (iii) weighing the relevant public interest factors if the private interests are either nearly in balance or do not favor dismissal. *Marnavi Splendor GMBH & Co., KG v. Alstom Power Conversions, Inc.*, 706 F.Supp.2d 749, 754 (S.D. Tex. 2010) (citing *In re Air Crash Disaster Near New Orleans, La. on July 9, 1982*, 821 F.2d 1147, 1165-66 (5th Cir. 1987) (en banc), *vacated on other grounds sub nom., Pan Am. World Airways, Inc. v. Lopez*, 490 U.S. 1032 (1989)).

<u>The Availability of an Adequate Alternative Forum</u>. In *DTEX*, the Fifth Circuit described the availability of an alternative forum as follows:

> A foreign forum is available when the entire case and all the parties can come within that forum's jurisdiction. *Baumgart*, 981 F.2d at 835 (quoting *In re Air Crash*, 821 F.2d at 1164). A foreign forum is adequate when the parties will not be deprived of all remedies or treated unfairly, even though they may not enjoy the all the benefits of an American court. *Id*. "The substantive law of the foreign forum is presumed to be adequate unless the plaintiff makes some showing to the contrary, or unless conditions in the foreign forum made known to the court, plainly

> demonstrate that the plaintiff is highly unlikely to obtain basic justice there." *Tjontveit v. Den Norske Bank ASA*, 997 F. Supp. 799, 805 (S.D. Tex. 1998) (citing *Empresa Lineas Maritimas v. Schichau–Unterweser*, 955 F.2d 368, 372 (5th Cir. 1992)).

508 F.3d at 796-97. While less favorable standards or a lower potential recovery do not render an alternative forum inadequate, there may exist "rare circumstances" where the remedy offered by a forum is "clearly inadequate," such as when "the alternative forum does not permit litigation of the subject matter of the dispute." *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 254 n.22 (1981); *Gonzalez v. Chrysler Corp.*, 301 F.3d 377, 379–80 (5th Cir. 2002).

In its brief, ECN argues that:

> Airbus also suggests dismissal is appropriate because this matter has "no connection with Texas or the United States." (Airbus Br. 19.) That is patently false. As explained above, this adversary proceeding is closely related to the Bankruptcy Cases, in which both ECN Capital and Airbus are creditors—with each party's proofs of claim concerning the helicopters at issue in this lawsuit—and ECN Capital's claims are intertwined with the claims, liabilities, and property of the Debtors. Airbus also contends that the Court has no familiarity with the facts underlying ECN Capital's claims, but this again is false. From months of presiding over the proceedings in the Bankruptcy Cases, this Court has become familiar with the parties to this action; the factual circumstances giving rise to ECN Capital's claims; and the property that is the subject of, and will be affected by, this adversary proceeding. Airbus claims that none of the evidence relevant to ECN Capital's claims is in the U.S., but this is untrue—among the federal aviation authorities investigating the 2016 Crash is the U.S. Federal Aviation Authority, which issued from Fort Worth, Texas an Emergency Airworthiness Directive requiring the grounding of all EC225s and AS332 L2s in response to the 2016 Crash. Airbus also refers to issues of "comity" and the fact that certain of Airbus's contracts designate France as the governing law and chosen forum for disputes. International comity is an appropriate concern in a forum non conveniens analysis only if the movant shows that a true conflict of law exists, which Airbus has not done. Airbus's grounds for forum non conveniens dismissal are pure pretext.
>
> Airbus's real reason for wanting to escape this Court's jurisdiction and force ECN Capital to adjudicate its claims in France is clear. The government of France owns over 10% of the voting stock in Airbus's parent company, Airbus Group[.] Until recently, France held an even greater stake in Airbus Group. In 2014, France sold off a small portion of its holdings in Airbus Group. Airbus Group's Chief Executive, Thomas Enders, acknowledged that the sale was designed to reduce—

> but not eliminate—the direct influence the French government held over the company, and to help Airbus Group become a more "normal" firm….

ECN's Original Brief [AP No. 63] at 23-24. Basically, ECN argues that this Court[23] is the proper court to hear the Adversary Proceeding because (i) of the allegedly close connection between the Adversary Proceeding and the Bankruptcy Case, and (ii) Airbus's ultimate parent is partially owned by France, leaving ECN unable to receive a fair trial in France. The Court disagrees on both points, as explained below.

First, as discussed above, *see* 8-12, *supra*, the Adversary Proceeding and the Bankruptcy Case are, at the very most, tenuously related due to the potential application of issue preclusion to certain claims that certain of the Debtors *may* choose to bring against Airbus in the future (and there is no guarantee those Debtors will pursue those claims). In addition, despite ECN's allegations that the Bankruptcy Court is familiar with the parties and their claims, that is simply not true in any material respect. While the Bankruptcy Court learned, at the outset of the Bankruptcy Case, of (i) the April 29, 2016 helicopter crash near Turøy, Norway, (ii) the investigation of the crash by certain civil aviation authorities in the United States, Europe, Norway, and the United Kingdom, and (iii) the civil aviation authorities' subsequent grounding of any EC225 or AS332 L2 helicopter, that is the extent of the Bankruptcy Court's familiarity with the parties and the claims asserted in the Complaint, other than what it has learned from reading the Complaint's allegations. In short, the Bankruptcy Court has no special knowledge regarding the Adversary Proceeding, the parties, or the negligence and products liability claims asserted by ECN

[23] Although the parties direct their arguments towards the Bankruptcy Court, including the jurisdictional challenges and the requests to dismiss or abstain, both have acknowledged that the Bankruptcy Court cannot conduct the trial of the claims asserted in the Adversary Proceeding without the parties' consent, and such consent has not been given.

in the Complaint, and any appropriate forum could quickly become familiar with the parties and the claims by reading the Complaint.

Second, and more importantly, there is nothing in the record indicating that ECN could not receive a fair trial in France. Indeed, a number of federal cases reflect the availability and adequacy of French forums in general, and ECN has cited no cases to the contrary. *See, e.g.*, *Piper Aircraft Co.*, 454 U.S. at 252 n.18; *Gschwind v. Cessna Aircraft Co.*, 161 F.3d 602, 606–07 (10th Cir. 1998); *Magnin v. Teledyne Cont'l Motors*, 91 F.3d 1424, 1429–31 (11th Cir. 1996); *Marnavi Splendor*, 706 F.Supp.2d at 755; *In re Vioxx Prods. Liab. Litig.*, 448 F.Supp.2d 741, 746 (E.D. La. 2006). Although the Court appreciates the fact that France is a minority owner of Airbus's ultimate parent, there is nothing in the record indicating that a French court or other forum could not be impartial.

Thus, this Court concludes that France is an available and adequate alternative forum.

Balance of Private and Public Interest. A careful consideration of the private and public interest factors shows that France would be a much more convenient and proper forum for this litigation, as explained below.

First, it is undisputed that: (i) all parties to the Adversary Proceedings are foreign companies (Airbus is French and ECN is Canadian), (ii) the Helicopters were designed and manufactured by Airbus in France, (iii) Airbus initially sold the Helicopters to foreign CHC affiliates in France, (iii) ECN later purchased the Helicopters from CHC (Barbados), another foreign entity, for operation and sublease, (iv) there is no allegation that the Helicopters have ever been on American soil, and (v) the crash occurred off the coast of Norway. Thus, it appears that a very significant portion of the evidence relevant to ECN's claims against Airbus is located in France, including documents and witnesses related to the design, manufacture, and sale of the

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Helicopters; statements made on Airbus's website or in its marketing materials; and Airbus's involvement with the investigation of the Norway accident and related Super Puma technical issues. *See* Airbus Ex. A (Declaration of Michel Gouraud) ¶ 3.

Second, the evidence not located in France is likely located elsewhere in Europe, where the crash occurred, or in Canada, where ECN's headquarters is located. Although documents in certain of the Debtors' possession and located in the United States may be subject to production and/or CHC representatives located in the United States may be called as witnesses, that does not outweigh the simple fact that the vast majority of witnesses and documents will be located abroad. The cost and burden of bringing evidence and witnesses from Europe (or other foreign countries) to Texas for a matter having no connection with Texas or the United States weighs heavily in favor of dismissal. *See, e.g., Camejo v. Ocean Drilling & Exploration*, 838 F.2d 1374, 1381 (5th Cir. 1988) ("Compulsory process for Brazilian witnesses is unavailable in a Texas forum. The cost of bringing Brazilian witnesses to Houston is very high. All the information regarding the Plaintiff's damages is in Brazil. The rig was and still is in Brazil. The local interest of Brazil in determining a case involving the death of one of its citizens is great; Texas courts have no comparable interest in the case."); *Automated Marine Propulsion Sys. v. Aalborg Ciserv Int'l A/S*, 859 F.Supp. 263, 268 (S.D. Tex. 1994) ("The only evidence before the Court indicates that almost all of the activities forming the basis of this lawsuit occurred in Sweden and other European countries . . . Obviously, therefore, access to these sources of proof will be much less burdensome in Sweden than in Galveston.").

Third, third party witnesses and documents located in Europe (or other foreign countries) related to the 2016 accident and subsequent groundings are outside the compulsory subpoena power of this Court. Even if discovery from such witnesses could be obtained under the Court's

auspices, such witnesses could not be compelled to attend trial in Texas, depriving the jury of the opportunity to assess their demeanor and veracity. *See, e.g., Gulf Oil Corp.*, 330 U.S. at 511 ("to fix the place of trial at a point where litigants cannot compel personal attendance and may be forced to try their cases on deposition, is to create a condition not satisfactory to court, jury or most litigants"); *Seguros Comercial Americas, S.A. de C. V. v. American Pres. Lines*, 933 F.Supp. 1301, 1312 (S.D. Tex. 1996) ("conducting a substantial portion of a trial on deposition testimony…precludes the trier of fact from the important function of evaluating the credibility of witnesses").

It is likely that a French court would face far fewer of these problems. *See, e.g., In re Air Crash*, 760 F.Supp.2d at 844 n.8 (finding in lawsuit against French defendants from foreign aircraft accident that "France is also the location of significant amounts of relevant damages evidence, and it will likely be easier in France to obtain damages evidence from the other Europeans in these lawsuits.") (citing European Council Regulation 1206/2001); *Magnin*, 91 F.3d at 1429-30 ("Witnesses such as the crash investigators, eyewitnesses to the crash, the owner of the aircraft, those who maintained it, and the damage witnesses, are all in France.")). In short, this Court is likely to encounter many practical problems causing the disposition of this lawsuit to be harder, slower, and more expensive in the United States than it would be in France. Thus, the Court concludes that the private interest factors clearly weigh in favor of dismissing the Adversary Proceeding so that ECN's claims can be pursued in France.

If the private interest factors weigh in favor of dismissal, the Court may end its inquiry and decline to analyze the public interest factors. *Baumgart*, 981 F.2d at 837 (explaining that a court need not consider certain public interest factors if there is an appropriate alternative forum and the private factors weigh in favor of dismissal); *see also In re Air Crash Disaster*, 821 F.2d at 1164.

Although the private interest factors, standing alone, support dismissal, an analysis of the public interest factors adds further support.

The Administrative Difficulties Flowing From Court Congestion. Neither party addresses this factor relating to congested courts and administrative difficulties. Since neither party has argued this factor in favor of one forum over the other, the Court will not consider this factor in its analysis.

Interest of the Forum in Resolving the Controversy. As previously explained, *see* 2-4, *supra*, both ECN and Airbus are foreign entities; Airbus designed, manufactured, and sold the Helicopters in France to foreign affiliates of CHC (Barbados), who later sold them to CHC (Barbados); ECN purchased the Helicopters from CHC (Barbados) and then leased them back to CHC (Barbados) for operation overseas; and the crash at issue occurred off the coast of Norway. Moreover, nothing in the record indicates that ECN's claims arose from or are in any way related to Airbus's contacts with the United States. In fact, without the Bankruptcy Case, it does not appear that ECN would have a basis to bring its lawsuit before an American court at all. Under these facts, France clearly has the superior interest in resolving this dispute. *See, e.g.*, *Piper Aircraft*, 454 U.S. at 260 (where aircraft accident occurred in foreign country and victims were all citizens of that country, and only the aircraft manufacturer and propeller manufacturer were American citizens, foreign forum had a "very strong interest" in the case); *Baumgart*, 981 F.2d at 837 (where aircraft was designed and manufactured in Texas, but crashed in Germany, Fifth Circuit affirmed the district court's finding that Germany had a stronger interest in the case). Thus, this factor weighs in favor of dismissal.

The Interest in Having the Trial of a Diversity Case in a Forum that is Familiar with the Law that Must Govern the Action; the Avoidance of Unnecessary Problems in Conflicts of Law,

or in Application of Foreign Law. The next two factors weigh heavily in favor of a French forum resolving this conflict.

A choice of law inquiry traditionally involves a two-step process. First, the Court must determine whether federal or state choice of law rules govern. Second, once the Court has determined which choice of law rules apply, it must apply those rules to the facts of the case to determine the appropriate substantive laws that govern the dispute. In *Klaxon*, the Supreme Court of the United States held that a federal court sitting in diversity jurisdiction must apply the choice of law rules of the forum state in which it sits. *Klaxon Co. v. Stentor Elec. Mfg. Co.*, 313 U.S. 487, 496 (1941). This Court, however, has jurisdiction over the Adversary Proceeding because it is "related to" the Bankruptcy Case under 28 U.S.C. § 1334(b). Thus, the Court does not sit in diversity jurisdiction, but federal question jurisdiction, and is not bound by *Klaxon*. *See Diamond Mortg. Corp. of Ill. v. Sugar*, 913 F.2d 1233, 1244 (7th Cir. 1990) ("Since § 1334 provides federal question jurisdiction, the sovereign exercising its authority over Barron and Jeffe Attorneys is the United States, not the State of Illinois."); *Tow v. Schumann Rafizadeh (In re Cyrus II Partnership*), 413 B.R. 609 (Bankr. S.D. Tex. 2008).

Neither the United States Supreme Court nor the Fifth Circuit has ruled on whether this Court, sitting in bankruptcy jurisdiction, is required to apply federal choice of law rules or is instead to apply the choice of law rules of the forum state. This Court need not resolve this issue here, since application of both the federal choice of law rules and the Texas choice of law rules lead to an analysis of the same factors in determining which forum's substantive law should apply to ECN's claims. *See, e.g., Woods–Tucker Leasing Corp. v. Hutcheson–Ingram Dev. Co.*, 642 F.2d 744, 749 (5th Cir. 1981) ("application of an independent federal choice of law rule and of the forum state's choice of law rule would lead to the same result, and thus 'we do not determine which

road the trial court should have traveled to arrive at the common destination' ") (quoting *Fahs v. Martin*, 224 F.2d 387, 399 (5th Cir. 1955)).

The federal choice-of-law rule is the "independent judgment" test, which is a multi-factor contacts analysis that applies the law of the state with the most significant relationship to the transaction at issue. *MC Asset Recovery, LLC. v. Commerzbank AG*, 675 F.3d 530, 536 (5th Cir. 2012). Texas applies the Restatement (Second) Conflict of Laws' (the "**Restatement**") most-significant relationship test to decide choice-of-law issues. *Id.* The independent-judgment test and the most-significant-relationship test are the same. *Id.*; *see Tow*, 413 B.R. at 615.

ECN's claims for negligence and products liability sound in tort. Therefore, both Texas courts applying Texas choice-of-law rules and federal courts applying federal choice-of-law rules would look to §§ 6 and 145 of the Restatement. *MC Asset Recovery, LLC*, 675 F.3d at 537 ("[T]he Court need not resolve which choice-of-law test applies here. In either case, Sections 6 and 145 of the Restatement (Second) of Conflict of Laws…provide the appropriate analytical framework."); *Tow*, 413 B.R. at 619; *In re The Heritage Organization, LLC*, 413 B.R. at 462.

Section 6 of the Restatement sets forth several factors relevant to the choice of law analysis: (i) the needs of the interstate and international systems, (ii) the relevant policies of the forum, (iii) the relevant policies of other interested states and the relative interests of those states in the determination of the particular issue, (iv) the protection of justified expectations, (v) the basic policies underlying the particular field of law, (vi) certainty, predictability, and uniformity of result, and (vii) ease in the determination and application of the law to be applied. Restatement, § 6(2). Specifically in a tort case, § 145 of the Restatement counsels the Court to consider: (i) the place where the injury occurred, (ii) the place where the conduct causing the injury occurred, (iii) the domicile, residence, nationality, place of incorporation, and place of business of the parties,

and (iv) the place where the relationship, if any, between the parties is centered. *Id.* § 145(2). Thus, each of the factors set forth in § 145 of the Restatement is viewed in light of the more general considerations set forth in § 6 of the Restatement. When weighing the factors under § 145, "it is not the number of contacts, but the qualitative nature of those particular contacts that determines which state has the most significant relationship to the occurrence and the parties." *Asarco LLC v. Americas Mining Corp.*, 382 B.R. 49, 62 (S.D. Tex. 2007).

An application of the above factors indicates that France has the most significant relationship to the occurrence and the parties. As discussed above, Airbus is a French company with its primary place of business in France, and it designed, manufactured, and sold the Helicopters in France. On the other hand, ECN is a Canadian company with its primary place of business in Canada. It purchased the Helicopters from, and leased them back to, a foreign Debtor for sublease and operation overseas, and there is nothing in the record to indicate that the Helicopters have ever been on American soil. Indeed, ECN has failed to present any evidence (or even argument) that demonstrates a compelling connection between the Adversary Proceeding and the United States. Thus, it is highly likely that French law would apply, making a French forum the appropriate court to hear ECN's claims. Accordingly, the relevant Restatement factors weigh in favor of dismissal.

Burden on the Citizens. The final public interest factor, the interest in avoiding an unfair burden of jury duty on citizens in an unrelated forum, weighs in favor of dismissal. As explained by the Fifth Circuit, "[j]ury duty should not be imposed on the citizens of Texas in a case that is so slightly connected with this state." *DTEX*, 508 F.3d at 503 (citing cases). As previously noted, both parties to the Adversary Proceeding are foreign entities and ECN's claims do not arise from or relate to Airbus's contacts with the United States. Neither the parties nor the Adversary

Proceeding have any connection to Texas, much less one that would justify burdening its citizens with jury duty.

For the reasons explained above, the Court concludes that France is an adequate and available forum for the claims asserted in the Adversary Proceeding and both the private and public interest factors strongly support dismissal of the Adversary Proceeding for forum non conveniens. Accordingly, in the event that this Court has both subject matter jurisdiction over the claims asserted in the Adversary Proceeding and personal jurisdiction over Airbus, the motion to dismiss on grounds of forum non conveniens should be granted.

D. Alternatively, the Court Should Permissively Abstain from Hearing the Adversary Proceeding

Should the Court have both subject matter jurisdiction over the claims asserted in the Adversary Proceeding and personal jurisdiction over Airbus, and the Adversary Proceeding not be dismissed on grounds of forum non conveniens, Airbus alternatively requests that the Court permissively abstain from hearing the Adversary Proceeding. Before turning to its abstention analysis, the Court notes that both ECN and Airbus have demanded a jury trial and neither has consented to the Bankruptcy Court entering final orders in the Adversary Proceeding. Because of this, although Airbus requests that the Bankruptcy Court abstain, it is this Court that will preside over any trial in the Adversary Proceeding.[24] Accordingly, the Court interprets Airbus's request for abstention as a request that this Court, not the Bankruptcy Court, abstain.

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[24] As noted previously, the Bankruptcy Court recommends that if the Motion to Dismiss is denied, the Motion to Withdraw Reference be granted and the reference of the Adversary Proceeding to the Bankruptcy Court be immediately withdrawn. *See* n.2, *supra*.

Permissive abstention is governed by 28 U.S.C. § 1334(c)(1), which states in relevant part that:

> Except with respect to a case under chapter 15 of title 11, nothing in this section prevents a district court in the interest of justice, or in the interest of comity with State courts or respect for State law, from abstaining from hearing a particular proceeding arising under title 11 or arising in or related to a case under title 11.

When ruling on a request to abstain, courts typically consider and balance the following factors:

> (1) the effect or lack thereof on the efficient administration of the estate if the court decides to remand or abstain; (2) the extent to which state law issues predominate over bankruptcy issues; (3) the difficult or unsettled nature of applicable law; (4) the presence of a related proceeding commenced in state court or other non-bankruptcy proceeding; (5) the jurisdictional basis, if any, other than § 1334; (6) the degree of relatedness or remoteness of the proceeding to main bankruptcy case; (7) the substance rather than the form of an asserted core proceeding; (8) the feasibility of severing state law claims from core bankruptcy matters to allow judgments to be entered in state court with enforcement left to the bankruptcy court; (9) the burden on the court's docket; (10) the likelihood that the commencement of the proceeding in the bankruptcy court involves forum shopping by one of parties; (11) the existence of a right to a jury trial; (12) the presence in the proceeding of non-debtor parties; (13) comity; and (14) the possibility of prejudice to other parties in the action.

In re Heritage Southwest Medical Group, P.A., 423 B.R. 809, 815-16 (Bankr. N.D. Tex. 2010) (listing factors). The Court will analyze these in turn.

<u>The Effect or Lack Thereof on the Efficient Administration of the Estate if the Court Decides to Abstain.</u> On March 3, 2017, the Bankruptcy Court entered an Order [BC No. 1794] confirming the Debtors' Chapter 11 plan of reorganization (the "**Plan**"). The Plan went effective on March 24, 2017 [BC No. 1851]. Although the applicable Debtors have retained their claims against Airbus under the Plan, their counsel has stated on the record that they do not intend to bring those claims in the Bankruptcy Court, if they bring the claims at all. Thus, it appears that abstaining from hearing the Adversary Proceeding will have no effect on the efficient

administration of the bankruptcy estates, as the Bankruptcy Case is essentially concluded. This factor weighs in favor of abstention.

The Extent to which State Law Issues Predominate Over Bankruptcy Issues. The Adversary Proceeding, which is comprised of negligence and products liability claims, does not implicate any bankruptcy laws or issues. Thus, this factor also weighs in favor of abstention.

The Difficult or Unsettled Nature of Applicable Law. Because the Adversary Proceeding is in its infancy, the Court is unaware of whether any of the negligence and products liability issues are particularly difficult or involve an unsettled application of law. To the extent that foreign law will govern the Adversary Proceeding, that will be a novel issue but not one that is necessarily difficult or that this Court is incapable of handling. Thus, the Court finds that this factor is either neutral or weighs slightly in favor of abstention.

The Presence of a Related Proceeding Commenced in State Court or Other Non-Bankruptcy Proceeding. There is no related proceeding pending in another forum, making this factor inapplicable.

The Jurisdictional Basis, if any, Other than § 1334. There is no jurisdictional basis other than 28 U.S.C. § 1334, and this Court's jurisdiction over the Adversary Proceeding is based solely on "related to" jurisdiction. Because (i) the Adversary Proceeding is before this Court only as a result of the Bankruptcy Case and its "conceivable" effect on the bankruptcy estates, and (ii) neither of the parties to the Adversary Proceeding is a debtor, this factor also weighs in favor of abstention.

The Degree of Relatedness or Remoteness of the Proceeding to the Main Bankruptcy Case. The Adversary Proceeding is not related in any meaningful way to the Bankruptcy Case. Although certain of the Debtors may hold similar claims against Airbus, they have not asserted those claims

and it is highly unlikely they will do so in the Bankruptcy Court, if they choose to assert them at all. Moreover, the Debtors did not file bankruptcy to address claims related to the 2016 crash. As reflected in the Plan, the Debtors had an enormous debt load they were unable to manage. Under the Plan, which has gone effective, much of that debt has been converted to equity, paving the way for the reorganized Debtors' operations. Thus, other than the potential application of issue preclusion to any negligence and/or products liability claims that certain of the reorganized Debtors may later choose to bring against Airbus, the Adversary Proceeding has, at best, a very remote connection to the Bankruptcy Case. Thus, this factor weighs in favor of abstention.

The Substance Rather than the Form of an Asserted Core Proceeding. The parties both agree that the asserted claims are non-core, making this factor inapplicable.

The Feasibility of Severing State Law Claims from Core Bankruptcy Matters to Allow Judgments to be Entered in State Court with Enforcement Left to the Bankruptcy Court. There are no core bankruptcy matters to sever from the Adversary Proceeding. Instead, the Adversary Proceeding is comprised of negligence and products liability claims that the Court determined can be more properly adjudicated in another court. Thus, this factor weighs in favor of abstention.

The Burden on the Court's Docket. Because the Bankruptcy Court lacks the ability to both hold the demanded jury trial and enter a final order in this non-core proceeding, it is this Court's docket that is the relevant inquiry. Although the Adversary Proceeding is certainly something this Court is capable of handling, its dockets are relatively full and the addition of this case would be an unnecessary burden, particularly given the very tenuous relationship between the Adversary Proceeding and the Bankruptcy Case. Thus, this factor also weighs in favor of abstention.

The Likelihood that the Commencement of the Proceeding in the Bankruptcy Court Involves Forum Shopping by One of the Parties. Although ECN argues that Airbus is forum

shopping in its attempt to avoid the Bankruptcy Court's jurisdiction, the opposite appears true. The Adversary Proceeding has little direct relevance to the Bankruptcy Case. Indeed, it is undisputed that the claims asserted in the Adversary Proceeding involve foreign entities, Helicopters that were designed, manufactured, and sold in France initially and outside the United States later, and a crash that occurred in Norway. But for the Bankruptcy Case and the broad scope of related to jurisdiction, there is absolutely no reason why this suit would have been brought in the Northern District of Texas. Thus, this factor weighs in favor of abstention.

The Existence of a Right to a Jury Trial. Both parties have demanded a jury trial and have not consented to the Bankruptcy Court holding that trial. However, it is this Court that would hold such a trial, mooting the need for the parties' consent. This factor is neutral.

The Presence in the Proceeding of Non-Debtor Parties. All parties to the Adversary Proceeding are non-debtors. This factor favors abstention.

Comity. As discussed above, *see* 31-37, *supra*, it is likely that French law will apply to the claims asserted in the Adversary Proceeding and that France has the most vested interested in determining those claims. Thus, comity also weighs in favor of abstention.

The Possibility of Prejudice to Other Parties in the Action. There are no other parties to the Adversary Proceeding, making this factor inapplicable.

Overall, not a single abstention factor weighs in favor of this Court hearing the claims asserted in the Adversary Proceeding. Accordingly, and in the alternative, this Court concludes that it should permissively abstain from hearing those claims.

III. CONCLUSION

For the reasons explained above, this Court concludes that:

- Although this Court has subject matter jurisdiction over the claims asserted in the Adversary Proceeding, it lacks personal jurisdiction over Airbus. Accordingly, the Motion to Dismiss for lack of personal jurisdiction must be granted.

- Alternatively, if both subject matter jurisdiction over the claims asserted in the Adversary Proceeding and personal jurisdiction over Airbus exist, this Court is not the proper forum to hear those claims, and the Motion to Dismiss should be granted on the grounds of forum non conveniens.

- Further in the alternative, if both subject matter jurisdiction over the claims asserted in the Adversary Proceeding and personal jurisdiction over Airbus exist, this Court should permissively abstain from hearing those claims.

An Order consistent with these findings and conclusions will be entered separately.

 # # # END OF FINDINGS OF FACT AND CONCLUSIONS OF LAW # # #

Exhibit E

(o) Related Information

(1) For more information about this AD, contact Galib Abumeri, Aerospace Engineer, Airframe Branch, ANM–120L, FAA, Los Angeles Aircraft Certification Office (ACO), 3960 Paramount Boulevard, Lakewood, CA 90712–4137; phone: 562–627–5324; fax: 562–627–5210; email: *galib.abumeri@faa.gov.*

(2) Service information identified in this AD that is not incorporated by reference is available at the addresses specified in paragraphs (p)(5) and (p)(6) of this AD.

(p) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the service information listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this service information as applicable to do the actions required by this AD, unless the AD specifies otherwise.

(3) The following service information was approved for IBR on August 9, 2016.

(i) Boeing Alert Service Bulletin 737–57A1296, Revision 2, dated April 1, 2015.

(ii) Reserved.

(4) The following service information was approved for IBR on April 8, 2008 (73 FR 11538, March 4, 2008).

(i) Boeing Service Bulletin 737–57–1296, dated June 13, 2007.

(ii) Reserved.

(5) For Boeing service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P.O. Box 3707, MC 2H–65, Seattle, WA 98124–2207; telephone 206–544–5000, extension 1; fax 206–766–5680; Internet *https://www.myboeingfleet.com.*

(6) You may view this service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425–227–1221.

(7) You may view this service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202–741–6030, or go to: *http://www.archives.gov/federal-register/cfr/ibr-locations.html.*

Issued in Renton, Washington, on June 21, 2016.

Dorr M. Anderson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2016–15355 Filed 7–1–16; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2016–8032; Directorate Identifier 2016–SW–037–AD; Amendment 39–18578; AD 2016–12–51]

RIN 2120–AA64

Airworthiness Directives; Airbus Helicopters

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule; request for comments.

SUMMARY: We are publishing a new airworthiness directive (AD) for Airbus Helicopters Model AS332L2 and Model EC225LP helicopters, which was sent previously to all known U.S. owners and operators of these helicopters. This AD immediately prohibits flight of all Model AS332L2 and EC225LP helicopters. This AD is prompted by an accident involving an EC225LP helicopter in which the main rotor hub (MRH) detached from the main gearbox (MGB). These actions are intended to prevent failure of the main rotor system and subsequent loss of control of the helicopter.

DATES: This AD becomes effective July 20, 2016 to all persons except those persons to whom it was made immediately effective by Emergency AD 2016–12–51, issued on June 3, 2016, which contains the requirements of this AD.

We must receive comments on this AD by September 6, 2016.

ADDRESSES: You may send comments by any of the following methods:

- *Federal eRulemaking Docket:* Go to *http://www.regulations.gov.* Follow the online instructions for sending your comments electronically.
- *Fax:* 202–493–2251.
- *Mail:* Send comments to the U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE., Washington, DC 20590–0001.
- *Hand Delivery:* Deliver to the ''Mail'' address between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Examining the AD Docket

You may examine the AD docket on the Internet at *http://www.regulations.gov* by searching for and locating Docket No. FAA–2016–8032; or in person at the Docket Operations Office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this AD, the European Aviation Safety Agency (EASA) AD, the economic evaluation, any comments received, and other information. The street address for the Docket Operations Office (telephone 800–647–5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT: Gary Roach, Aviation Safety Engineer, Regulations and Policy Group, Rotorcraft Directorate, FAA, 10101 Hillwood Pkwy., Fort Worth, TX 76177; telephone (817) 222–5110, email *gary.b.roach@faa.gov.*

SUPPLEMENTARY INFORMATION:

Comments Invited

This AD is a final rule that involves requirements affecting flight safety, and we did not provide you with notice and an opportunity to provide your comments prior to it becoming effective. However, we invite you to participate in this rulemaking by submitting written comments, data, or views. We also invite comments relating to the economic, environmental, energy, or federalism impacts that resulted from adopting this AD. The most helpful comments reference a specific portion of the AD, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should send only one copy of written comments, or if comments are filed electronically, commenters should submit them only one time. We will file in the docket all comments that we receive, as well as a report summarizing each substantive public contact with FAA personnel concerning this rulemaking during the comment period. We will consider all the comments we receive and may conduct additional rulemaking based on those comments.

Discussion

On June 3, 2016, we issued Emergency AD 2016–12–51 to correct an unsafe condition for Model AS332L2 and EC225LP helicopters. Emergency AD 2016–12–51 immediately prohibits further flight of Model AS332L2 and EC225LP helicopters. The emergency AD was sent previously to all known U.S. owners and operators of these helicopters.

Emergency AD 2016–12–51 was prompted by Emergency AD No. 2016–0104–E, dated June 2, 2016, issued by EASA, which is the Technical Agent for the Member States of the European

Union, to correct an unsafe condition for Airbus Helicopters Model EC 225 LP helicopters. Following a fatal accident in Norway in which the MRH detached from the MGB in-flight, EASA issued Emergency AD No. 2016–0089–E, dated May 3, 2016, to require a one-time inspection of the MGB and to report findings to EASA and Airbus Helicopters. Review of the findings from the inspections prompted Airbus Helicopters to provide further inspections and replacement instructions for correctly installing the MGB suspension bars and attachment fittings. EASA subsequently issued Emergency AD No. 2016–0103–E, dated June 1, 2016, which superseded Emergency AD No. 2016–0089–E, and required inspecting the MGB suspension bar fittings and related base plate assemblies and replacing the attachment hardware. Soon after Emergency AD No. 2016–0103–E was issued, a preliminary report from the Accident Investigation Board Norway indicated metallurgical findings of fatigue and surface degradation in the outer race of a second stage planet gear of the MGB epi-cyclic module. EASA advises that it could not be determined if the fatigue and surface degradation is a contributing factor or if it resulted from another initiating factor. Therefore, pending further investigation to determine the root cause of the reported damage and pending development of mitigating measures by Airbus Helicopters, EASA decided to temporarily ground the fleet as a precautionary measure and issued Emergency AD No. 2016–0104–E on June 2, 2016. EASA included Model AS 332 L2 helicopters to the applicability due to similarities in design that make it subject to the same unsafe condition.

FAA's Determination

These helicopters have been approved by the aviation authority of France and are approved for operation in the United States. Pursuant to our bilateral agreement with France, EASA, its technical representative, has notified us of the unsafe condition described in the EASA AD. We are issuing this AD because we evaluated all information provided by EASA and determined the unsafe condition exists and is likely to exist or develop on other helicopters of these same type designs.

AD Requirements

This AD immediately prohibits flight of all Airbus Helicopters Model AS332L2 and EC225LP helicopters.

Interim Action

We consider this AD to be an interim action. Once the design approval holder develops a modification that addresses the unsafe condition identified in this AD, we might consider additional rulemaking.

Costs of Compliance

We estimate that this AD affects five helicopters of U.S. Registry. There are no costs of compliance with this AD because there are no required maintenance actions.

FAA's Justification and Determination of the Effective Date

Providing an opportunity for public comments prior to adopting these AD requirements would delay implementing the safety actions needed to address this known unsafe condition. Therefore, we find the risk to the flying public justifies waiving notice and comment prior to the adoption of this rule because the previously described unsafe condition can adversely affect the airworthiness of the helicopter and the prohibition of all flights must begin immediately.

Since it was found that immediate action was required, notice and opportunity for prior public comment before issuing this AD were impracticable and contrary to the public interest and good cause existed for making Emergency AD 2016–12–51 effective immediately on June 3, 2016, to all known U.S. operators of the specified Airbus helicopters. These conditions still exist and the Emergency AD is hereby published in the **Federal Register** as an amendment to § 39.13 of the Federal Aviation Regulations (14 CFR 39.13) to make it effective to all persons.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. ''Subtitle VII: Aviation Programs,'' describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in ''Subtitle VII, Part A, Subpart III, Section 44701: General requirements.'' Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

We determined that this AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national Government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed, I certify that this AD:

1. Is not a ''significant regulatory action'' under Executive Order 12866;
2. Is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979);
3. Will not affect intrastate aviation in Alaska to the extent that it justifies making a regulatory distinction; and
4. Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by adding the following new airworthiness directive (AD):

2016–12–51 Airbus Helicopters: Amendment 39–18578; Docket No. FAA–2016–8032; Directorate Identifier 2016–SW–037–AD.

(a) Applicability

This AD applies to Airbus Helicopters Model AS332L2 and Model EC225LP helicopters, certificated in any category.

(b) Unsafe Condition

This AD defines the unsafe condition as failure of the main rotor system, which will result in loss of control of the helicopter.

(c) Effective Date

This AD becomes effective July 20, 2016 to all persons except those persons to whom it was made immediately effective by Emergency AD 2016–12–51 issued on June 3,

2016, which contains the requirements of this AD.

(d) Compliance

You are responsible for performing each action required by this AD within the specified compliance time unless it has already been accomplished prior to that time.

(e) Required Action

Further flight is prohibited.

(f) Alternative Methods of Compliance (AMOCs)

(1) The Manager, Safety Management Group, FAA, may approve AMOCs for this AD. Send your proposal to: Gary Roach, Aviation Safety Engineer, Regulations and Policy Group, Rotorcraft Directorate, FAA, 10101 Hillwood Pkwy., Fort Worth, TX 76177; telephone (817) 222–5110; email *9-ASW-FTW-AMOC-Requests@faa.gov.*

(2) For operations conducted under a 14 CFR part 119 operating certificate or under 14 CFR part 91, subpart K, we suggest that you notify your principal inspector, or lacking a principal inspector, the manager of the local flight standards district office or certificate holding district office, before operating any aircraft complying with this AD through an AMOC.

(g) Additional Information

The subject of this AD is addressed in European Aviation Safety Agency (EASA) Emergency AD 2016–0104–E, dated June 2, 2016. You may view the EASA AD on the Internet at *http://www.regulations.gov* by searching for and locating it in Docket No. FAA–2016–8032.

(h) Subject

Joint Aircraft Service Component (JASC) Code: Main Rotor Gearbox: 6320.

Issued in Fort Worth, Texas, on June 23, 2016.

James A. Grigg,

Acting Manager, Rotorcraft Directorate, Aircraft Certification Service.

[FR Doc. 2016–15624 Filed 7–1–16; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2016–7422; Directorate Identifier 2016–NM–079–AD; Amendment 39–18579; AD 2016–13–14]

RIN 2120–AA64

Airworthiness Directives; Bombardier, Inc. Airplanes

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule; request for comments.

SUMMARY: We are adopting a new airworthiness directive (AD) for certain Bombardier, Inc. Model DHC–8–400 series airplanes. This AD requires an inspection to determine if certain left and right main landing gear (MLG) retract actuator rod ends are installed and repetitive liquid penetrant inspections (LPIs) of affected left and right MLG retract actuator rod ends, and corrective actions if necessary. This AD also provides optional terminating action for the inspections. This AD was prompted by a report of cracked MLG retract actuator rod ends. We are issuing this AD to detect and correct fatigue cracking of the left and right MLG retract actuator rod ends, which could lead to left or right MLG collapse.

DATES: This AD becomes effective July 20, 2016.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of July 20, 2016.

We must receive comments on this AD by August 19, 2016.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov.* Follow the instructions for submitting comments.
- *Fax:* 202–493–2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE., Washington, DC 20590.
- *Hand Delivery:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this final rule, contact Bombardier, Inc., Q-Series Technical Help Desk, 123 Garratt Boulevard, Toronto, Ontario M3K 1Y5, Canada; telephone: 416–375–4000; fax: 416–375–4539; email: *thd.qseries@aero.bombardier.com;* Internet: *http://www.bombardier.com.* You may view this referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425–227–1221. It is also available on the Internet at *http://www.regulations.gov* by searching for and locating Docket No. FAA–2016–7422.

Examining the AD Docket

You may examine the AD docket on the Internet at *http://www.regulations.gov* by searching for and locating Docket No. FAA–2016–7422; or in person at the Docket Operations office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Operations office (telephone: 800–647–5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT: Aziz Ahmed, Aerospace Engineer, Airframe and Mechanical Systems Branch, ANE–171, FAA, New York Aircraft Certification Office (ACO), 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone: 516–228–7329; fax: 516–794–5531.

SUPPLEMENTARY INFORMATION:

Discussion

Transport Canada Civil Aviation (TCCA), which is the aviation authority for Canada, has issued Canadian AD CF–2016–16, dated May 20, 2016 (referred to after this as the Mandatory Continuing Airworthiness Information, or ''the MCAI''), to correct an unsafe condition for certain Bombardier, Inc. Model DHC–8–400 series airplanes. The MCAI states:

> There has been a single reported case of a cracked MLG retract actuator rod end in service. A supplier disclosure letter and subsequent Bombardier analysis indicate that the MLG retract actuator rod end P/N [part number] P3A2750 and P3A2750–1 may develop fatigue cracking. This condition, if not corrected, could lead to left hand (LH) or right hand (RH) MLG collapse.
>
> This [Canadian] AD mandates the inspection [to determine if certain left and right main landing gear MLG retract actuator rod ends are installed, repetitive LPIs of affected left and right MLG retract actuator rod ends, and corrective actions if necessary], and replacement of the LH and RH MLG retract actuator rod ends P/N P3A2750 and P3A2750–1 [which is terminating action for the repetitive LPIs].

Corrective actions includes replacing cracked MLG retract actuator rod ends. You may examine the MCAI on the Internet at *http://www.regulations.gov* by searching for and locating Docket No. FAA–2016–7422.

Related Service Information Under 1 CFR Part 51

Bombardier, Inc. has issued Service Bulletin 84–32–142, dated May 4, 2016. The service information describes procedures for an inspection to determine if certain left and right MLG retract actuator rod ends are installed, repetitive LPIs of the left and right MLG retract actuator rod ends, and replacement of left and right MLG

Exhibit F

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COUNSEL FOR PLAINTIFF ECN CAPITAL (AVIATION) CORP.

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS

ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTER (SAS) Defendant.	Case No. 3:17-cv-00075-C **Plaintiff's Opposition To Defendant's Motion <u>for Withdrawal of Reference</u>**

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TO THE HONORABLE SAM R. CUMMINGS, DISTRICT COURT JUDGE:

Plaintiff ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) ("ECN Capital"), by and through its undersigned counsel, hereby files this opposition to *Defendant Airbus Helicopters S.A.S.'s* ("Airbus") *Motion for Withdrawal of Reference of Adversary Proceeding, and Brief in Support* [Docket No. 23] (the "Withdrawal Motion"), and respectfully would show the Court as follows:

INTRODUCTION

The Withdrawal Motion is Airbus's first step towards achieving its ultimate goal—avoiding the Bankruptcy Court's lawful jurisdiction and attempting to force ECN Capital to litigate its claims in France. Airbus seeks to move ECN Capital's adversary proceeding away from the Bankruptcy Court, which is familiar with the parties and relevant facts regarding the April 2016 Airbus helicopter crash, in the hope that the District Court will be more inclined to transfer ECN Capital's claims to Airbus's forum of choice. But Airbus's brazen attempt at forum shopping is based on mischaracterizations and meritless arguments.

Airbus's mischaracterizations begin in the very first sentence of the Withdrawal Motion, where Airbus falsely states that this adversary proceeding "has no connection with the above-captioned main bankruptcy proceedings." (Withdrawal Mot. 2.) The truth is that this adversary proceeding is brought by one creditor in the bankruptcy cases against another creditor in the bankruptcy cases, it concerns property of the Debtors, it will involve representatives of the Debtors as witnesses and documents of the Debtors as evidence, and its outcome will impact the Debtors' estates—all as described in ECN Capital's *Opposition to Defendant's Motion to Dismiss* [Docket No. 63] (the "MTD Opposition").[1] The adversary proceeding thus is closely

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the MTD Opposition.

connected to the Bankruptcy Cases. The very premise of Airbus's Withdrawal Motion is a fabrication, and the motion therefore should be denied.

Further, the Bankruptcy Court is better positioned than any other forum to efficiently and expeditiously adjudicate ECN Capital's claims. Both ECN Capital and Airbus have appeared frequently before the Bankruptcy Court in these proceedings—indeed, Airbus even serves on the Creditors' Committee in the Bankruptcy Cases—and have engaged in discovery motion practice with respect to the "Super Puma" helicopters involved in and impacted by the April 2016 crash and subsequent grounding. Moreover, the Bankruptcy Court is already familiar with the facts and circumstances surrounding the accident and grounding, which precipitated the Debtors' chapter 11 filing and are inextricably linked to both the Bankruptcy Cases and ECN Capital's Complaint. ECN Capital's claims in this adversary proceeding are "non-core," but that carries little weight in the analysis here given how closely related those claims are to the Bankruptcy Cases and given the impact the outcome of the claims could have on the Debtors' estates. And it is true that the parties at this time request a jury trial, but interests of efficiency still weigh heavily in favor of the Bankruptcy Court managing the pre-trial proceedings—especially considering that the Debtors may file *in this Bankruptcy Court* similar product liability claims against Airbus, arising from the same set of facts on which ECN Capital's claims are based. Finally, that Airbus would prefer to defend against this litigation in France is of no moment because the other withdrawal factors weigh strongly in favor of keeping this proceeding in the Bankruptcy Court. Accordingly, for the reasons set forth herein, Airbus's Withdrawal Motion should be denied.

BACKGROUND

ECN Capital's claims arise out of the April 2016 crash of an Airbus-manufactured EC225 helicopter operated by an affiliate of CHC Group Ltd. (together with its affiliated debtors,

the "Debtors"), the investigations and groundings resulting therefrom, and the subsequent chapter 11 cases filed by the Debtors, in which both ECN Capital and Airbus are creditors. The facts underlying ECN Capital's claims are set forth in the *Complaint by ECN Capital (Aviation) Corp. against Airbus Helicopters (SAS)* [Docket. No. 1] (the "Complaint") and the MTD Opposition. ECN Capital sets forth here the salient facts relating to the Withdrawal Motion.

The Parties to the Adversary Proceeding

ECN Capital, an Ontario corporation, is a commercial financing business with headquarters in Toronto, Canada. (¶ 5.)[2] With its principal place of operations in North America, ECN Capital serves customers in the transportation and energy sectors throughout Canada and the United States, including in Texas. (*Id.*)

Airbus is organized under the laws of France with its principal place of business in Marignane, France. (¶ 6.) Airbus designs, manufactures, markets, and sells aircraft, including two models of utility helicopters sold under the name "Super Puma"—the Eurocopter EC225 ("EC225") and the Eurocopter AS332 L2 ("AS332 L2"). (¶ 1.) Airbus markets EC225 and AS332 L2 helicopters for distribution and services for operation around the world and throughout the United States, including in Texas. (¶ 6.) Airbus is primarily owned by its parent company, Airbus Group, S.E. ("Airbus Group").[3] France has a significant ownership interest in Airbus Group, holding over 10% of its voting stock.[4] Airbus Group is the direct parent company of Airbus Group, Inc., a Delaware corporation headquartered in Virginia, which is the direct parent of Airbus Helicopters, Inc. ("AHI"), a Delaware corporation headquartered in Texas.[5]

---

[2] All references herein to "¶ __" are to the Complaint. All references herein to "Ex. __" are to the Declaration of Pietro J. Signoracci in Support of the MTD Opposition dated January 27, 2017 [Docket No. 64].
[3] *See* Ex. A (Airbus Helicopters SAS: Private Company Information).
[4] *See* Ex. B (Airbus Group Registration Document 2015) p. 7.
[5] *See* Ex. C (Airbus Group Inc. Corporate Tree).

Airbus sells and delivers EC225 and AS332 L2 helicopters to AHI for sale, delivery, and operation in the United States, including in Texas.[6]

2016 Crash and Grounding

On April 29, 2016, an EC225 crashed near Turøy, Norway, killing all 13 individuals on board (the "2016 Crash"). (¶ 1.) Preliminary investigative reports from the 2016 Crash identified unsafe conditions in the design of the main gear box of AS332 L2s and EC225s, which connects to the helicopter frame the main rotor head that is attached to the main rotor blades. (¶¶ 3, 17–21.) The 2016 Crash and related investigations led various civil aviation authorities to issue regulations and directives that caused a total grounding of all AS332 L2s and EC225s (the "2016 Grounding"). (¶¶ 3, 17–25.)

CHC Bankruptcy

Approximately one week after the 2016 Crash, on May 5, 2016, CHC and certain of its affiliates (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, jointly administered in the Bankruptcy Court under the caption *In re CHC Group Ltd., et al.*, No. 16-31854 (BJH) (the "Bankruptcy Cases"). (¶ 37.)

ECN Capital, a creditor in the Bankruptcy Cases, filed five separate proofs of claim against certain of the Debtors seeking a total of over $94 million from each such Debtor. (¶ 42.) These claims relate to the rejection by certain Debtors of outstanding leases between those Debtors and ECN Capital, including leases of four AS332 L2s and one EC225 owned by ECN Capital, which were subject to the 2016 Grounding. (*Id.*; *see also* ¶¶ 4, 34.)

In May 2016, the United States Trustee appointed Airbus to the Official Committee of Unsecured Creditors (the "Creditors' Committee"), care of Kevin Cabaniss in

[6] *See* Ex. O (Special Appearance [*Era Group Inc.* v. *Airbus Helicopters Inc., et al.*, DC-16-15017 (Tex. Dist. Ct., filed Nov. 21, 2016) Dkt. No. 20]) at 4).

Grand Prairie, TX. (¶ 11.) In June 2016, Airbus's United States counsel filed notices of appearance in the Bankruptcy Cases on behalf of Airbus. (¶ 40.) In August 2016, Airbus filed proofs of claim in the Bankruptcy Cases against certain of the Debtors seeking a total of over $6.2 million for claims relating to EC225s and AS332 L2s owned, leased, and/or operated by CHC. (*Id.*) Airbus also filed briefing in connection with discovery motions in the Bankruptcy Cases. (*Id.*)

The Debtors owned, leased, and/or operated dozens of EC225s and AS332 L2s affected by the 2016 Crash and the 2016 Grounding, causing substantial harm to the Debtors' operations and restructuring.[7] The Debtors have explained that they suffered harm as a result. At a May 6, 2016 hearing in the Bankruptcy Cases, counsel for the Debtors stated: "[The EC225] has been temporarily grounded in certain jurisdictions and that has had an impact on our fleet reconfiguration, which is central to our restructuring."[8] The Chief Restructuring Officer of CHC stated at the same hearing that a halt on flight of EC225s "could have a major difference on the aircraft values" of the Debtors' fleet.[9] In its 2016 Form 10-K filing with the Securities and Exchange Commission, CHC stated:

- "A significant portion of our property and equipment, funded residual value guarantees and related assets is tied to the aircraft type H225." (Ex. I at p. 9.)
- "We have also suffered costs due to . . . [the April 2016] accident . . . ." (*Id.* at p. 3.)
- "[The 2016 Grounding] will adversely impact our business, financial condition and results of operations . . . . We may lose revenue . . . due [to] the [2016 Grounding]." (*Id.* at p. 6.)

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[7] ¶¶ 41, 43. The Debtors owned or leased at least 51 EC225s or AS332 L2s after the 2016 Grounding commenced. *See* Ex. D (Debtors' First Omnibus Motion [Dkt. No. 20]); Ex. E (Debtors' Second Omnibus Motion [Dkt. No. 210]); Ex. F (Debtors' Third Omnibus Motion [Dkt. No. 250]); Ex. G (Debtors' Omnibus Motion [Dkt. No. 275]). The original purchase price of these 51 helicopters likely exceeded $1 billion.

[8] *See* Ex. H (Excerpt of Tr. of 5/6/2016 H'r'g [Dkt. No. 105]) 17:25–18:3.

[9] *Id.*

On December 19, 2016, the Debtors filed a second amended reorganization plan (the "Plan") and a related disclosure statement (the "Disclosure Statement"). In the Disclosure Statement, the Debtors expressly stated that neither the Disclosure Statement nor the Plan:

> attempts to alter any rights or claims (whatever such rights or claims may be) that any debtor, creditor, lessor, or third party may have against any OEM (original equipment manufacturer) of any helicopter or helicopter component arising out of accidents involving the "EC 225" and "AS 332 L2" helicopter types and resulting regulatory actions, including, without limitation, the April 29, 2016 EC 225 helicopter type accident near the Flesland Airport in Bergen, Norway and resulting regulatory suspension of flight operations.[10]

On January 24, 2017, the Debtors filed a motion for an order authorizing the Debtors to settle certain claims between the Debtors and Airbus. The proposed settlement similarly reserves the Debtors' claims against Airbus arising out of the 2016 Crash and the 2016 Grounding.[11]

ECN Capital's Complaint

The Complaint asserts, among other things, claims against Airbus for defective design and breach of implied warranty of merchantability regarding Airbus's manufacturing, marketing, and sale of the EC225 and the AS332 L2. (*See* ¶¶ 46–111.) The Complaint includes uncontroverted allegations demonstrating that ECN Capital's claims would likely have an impact on the rights, liabilities, and/or property of the Debtors' estates (and, at the very least, "could conceivably have an effect" on the Debtors' estates), and thus are related to the Bankruptcy Cases. (*See, e.g.*, ¶¶ 8, 43.) The Complaint also includes uncontroverted allegations demonstrating the Bankruptcy Court's personal jurisdiction over Airbus. (*See, e.g.*, ¶¶ 11, 40.)

Related Actions Against Airbus and Its Affiliates

Other owners of EC225s filed similar claims against Airbus and/or its affiliates in Texas state court. (¶ 11.) On July 28, 2016, Wells Fargo filed breach of warranty and contract

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[10] *See* Ex. J (Disclosure Statement [Dkt. No. 1379]) p. 39.
[11] *See* Ex. K (Motion for Order [Dkt. No. 1536]) p. 37 § 8(g).

claims against AHI regarding three EC225s Wells Fargo purchased from AHI.[12] On November 21, 2016, Era Group Inc. ("Era") filed breach of express and implied warranty claims against AHI and Airbus regarding ten EC225s Era purchased from AHI (the "Era Complaint").[13] Like ECN Capital's Complaint, the Wells Fargo Complaint and the Era Complaint state claims for, among other things, damages suffered by the plaintiffs relating to the 2016 Grounding. Further, as part of its proposed settlement with Airbus and the jurisdiction retention provision under the Plan, the Debtors have expressly reserved the right to bring suit against Airbus in this bankruptcy forum for claims similar to those that ECN Capital has brought against Airbus.[14]

ARGUMENT

Airbus fails to meet the burden it bears for demonstrating that cause exists to withdraw the reference from the Bankruptcy Court. *See* 28 U.S.C. § 157(d) (requiring a showing of "cause" for permissive withdrawal of the reference); *Holland America Ins. Co.* v. *Roy*, 777 F.2d 992, 998 (5th Cir. 1985) (stating that the movant bears the burden of establishing a "sound, articulated foundation" for permissive withdrawal). In determining whether cause exists to withdraw the reference, courts in the Fifth Circuit generally consider whether: (1) withdrawal will promote uniformity in bankruptcy administration and economical use of estate resources, and will expedite the bankruptcy process; (2) the underlying claims are core or non-core; (3) a party has demanded a jury trial; and (4) forum shopping and confusion will be reduced. *See Holland*, 777 F.2d at 999; *see also Mirant Corp.* v. *Southern Co.*, 337 B.R. 107, 115 (N.D. Tex.

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[12] *See* Ex. L (Wells Fargo Complaint [*Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc.*, DC-16-09090 (Tex. Dist. Ct., filed Jul. 28, 2016) Dkt. No. 2]).

[13] *See* Ex. M (Era Complaint [*Era Group Inc.* v. *Airbus Helicopters Inc., et al.*, DC-16-15017 (Tex. Dist. Ct., filed Nov. 21, 2016) Dkt. No. 2]).

[14] *See* Ex. K (Airbus Restructuring Motion) at 37; Ex. N (Second Amended Joint Chapter 11 Plan [Docket No. 1371]) at § 11.1.

2006). These factors, on balance, weigh heavily in favor of denying Airbus's Withdrawal Motion.

I. Judicial Economy Would Best Be Served by the Bankruptcy Court Overseeing Pre-Trial Proceedings

Efficiency is a "critical factor" in the withdrawal analysis. *City Bank* v. *Compass Bank*, 2011 WL 5442092, at *5 (W.D. Tex. Nov. 9, 2011). Where, as here, the Bankruptcy Court has institutional knowledge with respect to the parties involved in the action, the events giving rise to the underlying claims, and the products that are the subject of the claims, efficiency considerations mandate that the adversary proceeding remain with the Bankruptcy Court. *See, e.g.*, *Barry* v. *Santander Bank, N.A.* (*In re Liberty State Benefits of Delaware, Inc.*), 2015 WL 1137591, at *3 (D. Del. Mar. 12, 2015) (holding that bankruptcy court should maintain the reference because it had more knowledge of the relevant facts of the case and was "clearly more informed about the underlying facts and issues" than district court); *City Bank* v. *Compass Bank*, 2011 WL 5442092, at *4 (W.D. Tex. Nov. 9, 2011) (declining to withdraw reference as to non-core claims where bankruptcy court was familiar with the facts of the case and, thus, in the best position to monitor discovery and narrow issues to be resolved trial); *Enron Power Mktg., Inc.* v. *Va. Elec. & Power Co.* (*In re Enron Corp.*), 318 B.R. 273, 275 (S.D.N.Y. 2004) (declining to withdraw the reference because bankruptcy court was in superior position to manage complex pretrial proceedings, had extensive familiarity with contracts of the type at issue and the facts and circumstances concerning the events leading to the debtor's bankruptcy filing).

Airbus argues that concerns of judicial economy warrant withdrawal because this matter has "no United States connection." (Withdrawal Mot. 9.) However, many of the events giving rise to ECN Capital's claims (and its grounds for jurisdiction) occurred in the United States, meaning that some of the critical evidence ECN Capital will present in support of its

claims is in the United States. For example, the United States Federal Aviation Authority is among the federal aviation authorities investigating the 2016 Crash, and it issued from Fort Worth, Texas an Emergency Airworthiness Directive requiring the grounding of all EC225s and AS332 L2s in response to the 2016 Crash.[15] And Airbus's argument completely ignores that the claims in this adversary proceeding are closely connected to the Bankruptcy Cases pending in the Bankruptcy Court. As explained in the MTD Opposition, ECN Capital's claims arise from the accident that triggered the Debtors' chapter 11 filing and the grounding of the Airbus-manufactured helicopters that once formed the backbone of the Debtors' business. (*See* MTD Opp. 10–11.) More importantly, and also as explained in the MTD Opposition, ECN Capital's claims have the potential to provide the Debtors' stakeholders with a major windfall if the reorganized Debtors (or a litigation trust) rely on ECN Capital's action to bring their own successful claims against Airbus. *Id.* Any recovery from such causes of action will accrue to the benefit of the Debtors' creditors by virtue of their new equity interests in the reorganized Debtors (or, if a litigation trust is established, the proceeds of any recovery would directly benefit the Debtors' creditors). Moreover, it was the Debtors that sold the Super Pumas to ECN Capital, and it was the Debtors that rejected the leases in the Bankruptcy Cases that caused the damages to ECN Capital that are the subject of ECN Capital's proofs of claim in the Bankruptcy Cases. As such, ECN Capital's claims in this adversary proceeding are "related to" the Bankruptcy Cases, and judicial economy thus will be served by the Bankruptcy Court retaining the reference.

Airbus also argues that withdrawal would be in the interest of judicial economy simply because the parties are non-debtors. But Airbus and ECN Capital are no strangers to the Bankruptcy Court. Both parties filed proofs of claim in the Bankruptcy Cases and participated in motion practice with respect to ECN Capital's motion requesting discovery from the Debtors.

[15] *See* Ex. Q (June 3, 2016 FAA Airworthiness Directive).

And the Bankruptcy Court also has substantial familiarity with the events that gave rise to the Debtors' chapter 11 filings, including the 2016 Crash and the 2016 Grounding, which form the basis of ECN Capital's Complaint. The Debtors owned, leased and/or operated dozens of EC225 and AS332 L2 helicopters that were affected by the 2016 Crash and the 2016 Grounding, which, as the Debtors acknowledged at the first-day hearing and in SEC filings, caused substantial harm to their operations. Moreover, Airbus actively participated in the Bankruptcy Cases as a member of the Creditors' Committee. Because the Bankruptcy Court is more familiar with the facts and circumstances surrounding ECN Capital's claims than the District Court, withdrawal of the reference would only cause additional expense and delay.

Further, withdrawing the reference could result in inefficient use of estate resources. The Debtors' have not publicly disclosed their intentions with respect to claims against Airbus relating to the 2016 Crash and the 2016 Grounding. However, in the Debtors' motion to enter into and perform under a restructuring agreement with Airbus, the Debtors expressly reserved the right to pursue such claims.[16] The reorganized Debtors would likely bring such claims in the Bankruptcy Court following emergence since their proposed restructuring plan includes a broad retention of jurisdiction provision that would cover the Debtors' product liability claims against Airbus concerning the Super Puma helicopters that the Debtors owned, leased and/or operated.[17] Such claims by the Debtors against Airbus would arise from the same set of facts underlying ECN Capital's claims against Airbus in this adversary proceeding. In fact, the Debtors could even intervene or otherwise participate in ECN Capital's adversary proceeding given the estates' interest in the outcome. Retaining the reference with respect to ECN Capital's claims thus would prevent inconsistent rulings if the Debtors file claims against

[16] *See* Ex. K (Motion for Order [Dkt. No. 1536]) at 37.
[17] *See* Ex. N (Second Amended Joint Chapter 11 Plan [Docket No. 1371]) at § 11.1.

Airbus in the Bankruptcy Court, and it would reduce the administrative burden on the estates if the Debtors participate in ECN Capital's litigation.

Allowing the Bankruptcy Court to oversee pre-trial matters will also promote efficiency considerations given the potential importance of ECN Capital's claims to the Debtors' estates. As discussed herein and in the MTD Opposition, ECN Capital's claims could pave the way for an action against Airbus by the reorganized Debtors or a litigation trust, and any recovery therefrom would either indirectly (via equity interests in the reorganized Debtors) or directly (via stakes in a litigation trust) benefit the Debtors' stakeholders. Thus, the Bankruptcy Court has an interest in quickly and efficiently resolving the present dispute between ECN Capital and Airbus so that any potential recovery for the Debtors' creditors is realized as soon as possible.

II. The District Court Should Not Withdraw the Reference Even Though ECN Capital's Claims Are Non-Core

ECN Capital does not dispute that its claims against Airbus are non-core. Nevertheless, the fact that such claims are non-core is insufficient to justify withdrawal of the reference. *See, e.g.*, *In re Liberty State Benefits of Delaware*, 2015 WL 1137591, at *3 (holding that cause did not exist to withdraw reference as to non-core claims because bankruptcy court could serve in a role similar to that of a magistrate for pre-trial issues and was more informed about underlying facts and issues in the case than district court); *Lehman Bros. Holdings Inc.* v. *JPMorgan Chase Bank, N.A.* (*In re Lehman Bros. Holdings Inc.*), 480 B.R. 179, 195 (S.D.N.Y. 2012) (concluding that bankruptcy court could issue report and recommendation and need not decide whether claims at issue were core or non-core as it was not "dispositive"); *City Bank*, 2011 WL 5442092, at *4, *6 (declining to withdraw reference as to non-core claims given weight of efficiency and forum shopping factors); *Morrison* v. *Amway Corp.* (*In re Morrison*),

409 B.R. 384, 389 (S.D. Tex. 2009) (noting that the "non-core" factor, while important, is "not alone determinative").

In *Morrison*, the court declined to withdraw the reference with respect to an adversary proceeding that presented solely non-core claims (and hypothetical core claims) because a portion of the recovery would benefit some of debtors' estates and, thus, "could conceivably affect" such estates. 409 B.R. at 396. *Morrison* emphasized that, "if Congress intended for all non-core matters to be heard by district courts, then it would have stripped bankruptcy courts of all jurisdiction over non-core matters." *Id.* Instead, "Congress expressly authorized bankruptcy courts to resolve 'related to' non-core matters." *Id.* (noting that a finding of "cause" for withdrawal based solely on inefficiency of having a bankruptcy court issue a report and recommendation "would be inconsistent with Congressional intent").

The claims presented in the Complaint, like the non-core claims in *Morrison*, could "conceivably affect" the Debtors' estates by enhancing the reorganized Debtors' enterprise value for the benefit of their creditors who will own substantially all of the Debtors' post-emergence equity (or by creating a pool of recovery for the benefit of a litigation trust) or reducing the Debtors' liability on proofs of claim. If any of ECN Capital's claims against Airbus are successful, the reorganized Debtors (or a litigation trust or similar structure established for the benefit of creditors) could rely on collateral estoppel to recover from Airbus for similar causes of action. Such recovery would yield indirect economic benefits for the Debtors' creditors by virtue of their new membership interests in the reorganized Debtors, or direct economic benefits if the Bankruptcy Court requires that the Debtors establish a litigation trust or similar structure. The outcome of ECN Capital's litigation could also reduce the Debtors' liability to those creditors who rely on collateral estoppel to bring their own successful actions

against Airbus. Thus, ECN Capital's claims could impact the Debtors' estates, and the Bankruptcy Court has an interest in presiding over this adversary proceeding.

III. Although ECN Capital and Airbus Have Each Demanded a Jury Trial at This Time, the Bankruptcy Court Should Manage Pre-Trial Proceedings

Airbus argues that the reference should be withdrawn simply because the parties have demanded a jury trial and Airbus does not consent to a jury trial before the Bankruptcy Court. (Withdrawal Mot. 7.) Even if a party has demanded a jury trial, however, district courts often decline to withdraw the reference where the bankruptcy court is better positioned to conduct pre-trial matters. *See, e.g.*, *DeBaillon* v. *Goldking Capital Mgmt. LLC*, 2015 WL 3791536, at *4 (W.D. La. June 17, 2015) ("[D]emand does not mandate *immediate* withdrawal of a reference to bankruptcy court, as judicial economy may be better served by the bankruptcy court resolving pretrial matters."); *Levine* v. *M & A Custom Home Builder & Developer, LLC*, 400 B.R. 200, 206–07 (S.D. Tex. 2008) (declining to withdraw the reference where party demanded a jury trial because "[a] right to a jury trial does not arise until jury issues are presented" and noting that "a party can not use the jury right as a tool for forum shopping"). Courts reason that, during the early stages of a proceeding, efficiency concerns outweigh a jury trial request because the claims at issue "may be resolved before the matter is ripe for a trial before a jury." *In re Lehman Bros.*, 480 B.R. at 194 (quoting *In re Arbco Capital Mgmt.*, 479 B.R. 254, 267 (S.D.N.Y. 2012)). Moreover, in the context of abstention, courts have held that a party, like Airbus, should not be rewarded for its refusal to consent to a jury trial before the bankruptcy court in furtherance of its attempt to avoid the bankruptcy court's jurisdiction. *In re Schlotzky's, Inc.*, 351 B.R. 430, 437 (Bankr. W.D. Tex. 2006) ("Nor ought we to institute a rule of decision that in effect rewards the party seeking abstention if that party insists on being as obstructionist as possible by refusing to consent either to the entry of final judgment by the

bankruptcy judge or the conduct of a jury trial by that court."). The same holds true here, in the context of Airbus's Withdrawal Motion, by which Airbus seeks to avoid the Bankruptcy Court's lawful jurisdiction.

As explained above, the Bankruptcy Court is in the best position to conduct pre-trial matters relating to ECN Capital's claims, and likely will preside over any claims the Debtors file against Airbus arising out of the same set of facts that underlies ECN Capital's claims. Accordingly, immediate withdrawal of the reference should not be permitted. If, following dispositive motions and the conclusion of pre-trial proceedings, ECN Capital's claims still have not been resolved, and if Airbus continues to withhold its consent to have a jury trial before the Bankruptcy Court, ECN Capital's claims can be transferred to the District Court at such time.[18] Transferring ECN Capital's claims today, however, would only cause further cost and delay given the time it would take the District Court to gain the knowledge that the Bankruptcy Court already has with respect to the facts underlying ECN Capital's claims.

IV. Airbus's Forum Shopping Should Not Be Permitted

Airbus states that ECN Capital's grounds for pursuing its claims in the Bankruptcy Court is "the purported relationship [of the claims] to the CHC Debtors' bankruptcy." (Withdrawal Mot. 7.) As explained above, the facts here establish more than just a "purported relationship" between the adversary proceeding and the Bankruptcy Cases. ECN Capital, a creditor in the Bankruptcy Cases, brought claims against Airbus, another creditor in the Bankruptcy Cases, regarding property that is the issue of proofs of claim filed in the Bankruptcy Cases. Moreover, the outcome of ECN Capital's claims will impact the rights, liabilities, and property of the Debtors and the administration of the Debtors' estates. Of course,

[18] ECN Capital would consent to a jury trial before the Bankruptcy Court if Airbus also consents to such jury trial. *See* 28 U.S.C. § 157(c)(2).

claimants in similar circumstances often file adversary proceedings in the court that is overseeing the debtor's bankruptcy case, particularly where such an adversary proceeding raises claims that are inextricably linked to the bankruptcy case and creditor recovery. *See, e.g., In re Liberty State Benefits*, 2015 WL 1137591, at *4. Airbus should not be surprised that a co-creditor plaintiff has filed suit against it in the Bankruptcy Court concerning claims that involve the same property and underlying facts that are at issue in the Bankruptcy Cases, especially considering that Airbus filed proofs of claim in the Bankruptcy Cases, entered into a settlement agreement with the Debtors, objected to ECN Capital's motion requesting discovery from the Debtors, and participated in the Bankruptcy Cases as a member of the Creditors' Committee.

Airbus's desire to litigate ECN Capital's claims in France is not "cause" to withdraw the reference. Airbus makes no effort to hide its strong desire to transfer this adversary proceeding to its preferred forum—France. That the French government owns an equity stake in Airbus raises additional fairness concerns in the event that ECN Capital is forced to bring its claims overseas. *See City Bank*, 2011 WL 5442092, at *6 (noting that forum shopping "raises fairness concerns—*i.e.*, it is unfair for a party to have a better chance of winning the case because of the forum when the underlying law should be the same"). Accordingly, ECN Capital's claims should proceed in the Bankruptcy Court until a jury trial is necessary.

CONCLUSION

For the foregoing reasons, the Withdrawal Motion should be denied.

Dated: February 2, 2017
Dallas, Texas

Respectfully submitted,

KANE RUSSELL COLEMAN & LOGAN PC

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CERTIFICATE OF SERVICE

I hereby certify that, on February 2, 2017, I caused the foregoing Opposition to Defendant Airbus Helicopters, S.A.S's Motion for Withdrawal of the Reference of Adversary Proceeding, and Brief in Support to be served via electronic mail and First Class U.S. Mail, postage prepaid, to the following counsel of record for the Defendant:

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Exhibit G

1 IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)
2
In Re:) Case No. 16-31854-bjh-11
3) Dallas, Texas
CHC GROUP LTD., et al.,)
4)
Debtors.) February 13, 2017
5) 9:02 a.m.
_____)
6
TRANSCRIPT OF HEARING ON:
7
[#1633] CONFIRMATION HEARING RE: AMENDED CHAPTER 11 PLAN FILED
8 BY DEBTOR CHC GROUP LTD.

9 [#1090] DEBTORS' FIFTH OMNIBUS MOTION FOR ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO REJECT CERTAIN EQUIPMENT LEASES AND
10 SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

11 [#1314] DEBTORS' SIXTH OMNIBUS MOTION FOR ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO REJECT CERTAIN EQUIPMENT LEASES AND
12 SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

13 [#1406] DEBTORS' SEVENTH OMNIBUS MOTION FOR ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO REJECT CERTAIN EQUIPMENT LEASES AND
14 SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

15 [#1477] DEBTORS' THIRD MOTION FOR ENTRY OF AN ORDER PURSUANT
TO 11 U.S.C. SECTION 1121(D) AND LOCAL RULE 3016-1 EXTENDING
16 THE EXCLUSIVE PERIOD FOR THE FILING OF A CHAPTER 11 PLAN

17 [#1479] MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT TO 11
U.S.C. SECTION 365(A) AND FED. R. BANKR. P. 6006(A) AND
18 9019(A) (I) APPROVING SETTLEMENT AGREEMENT AMONG CERTAIN
DEBTORS, CHC HELICOPTER SUPPORT SERVICES (US) INC., AND
19 SIKORSKY AIRCRAFT CORPORATION AND CERTAIN OF ITS AFFILIATES,
AND (II) AUTHORIZING DEBTORS TO ASSUME CERTAIN EXECUTORY
20 CONTRACTS WITH SIKORSKY AIRCRAFT CORPORATION AND CERTAIN OF
ITS AFFILIATES
21
[#1480] MOTION OF DEBTORS FOR ENTRY OF AN ORDER PURSUANT TO 11
22 U.S.C. SECTIONS 105(A) AND 107(B) AND FED. R. BANKR. P. 9018
AUTHORIZING THE FILING OF CERTAIN INFORMATION UNDER SEAL IN
23 CONNECTION WITH MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT
TO 11 U.S.C. SECTION 365(A) AND FED. R. BANKR. P. 6006(A) AND
24 9019(A) (I) APPROVING SETTLEMENT AGREEMENT AMONG CERTAIN
DEBTORS, CHC HELICOPTER SUPPORT SERVICES (US) INC., AND
25 SIKORSKY AIRCRAFT CORPORATION AND CERTAIN OF ITS AFFILIATES,

1 AND (II) AUTHORIZING DEBTORS TO ASSUME CERTAIN EXECUTORY
CONTRACTS WITH SIKORSKY AIRCRAFT CORPORATION AND CERTAIN OF
2 ITS AFFILIATES

3 [#1481] MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT TO 11
U.S.C. SECTION 365(A) AND FED. R. BANKR. P. 6006(A) AND
4 9019(A) (I) APPROVING SETTLEMENT AGREEMENT AMONG CERTAIN
DEBTORS AND LEONARDO S.P.A. AND (II) AUTHORIZING DEBTORS TO
5 ASSUME CERTAIN EXECUTORY CONTRACTS WITH LEONARDO S.P.A.

6 [#1482] MOTION OF DEBTORS FOR ENTRY OF AN ORDER PURSUANT TO 11
U.S.C SECTIONS 105(A) AND 107(B) AND FED. R. BANKR. P. 9018
7 AUTHORIZING THE FILING OF CERTAIN INFORMATION UNDER SEAL IN
CONNECTION WITH MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT
8 TO 11 U.S.C. SECTION 365(A) AND FED. R. BANKR. P. 6006(A) AND
9019(A) (I) APPROVING SETTLEMENT AGREEMENT AMONG CERTAIN
9 DEBTORS AND LEONARDO S.P.A., AND (II) AUTHORIZING DEBTORS TO
ASSUME CERTAIN EXECUTORY CONTRACTS WITH LEONARDO S.P.A.
10
[#1500] DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105
11 AND 363 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY
PROCEDURE 6004(H) AND 9019 AUTHORIZING THE DEBTORS TO (I)
12 ENTER INTO AND PERFORM UNDER RESTRUCTURING LEASE TERM SHEETS
WITH LOMBARD NORTH CENTRAL PLC WITH RESPECT TO AIRCRAFT WITH
13 MANUFACTURER'S SERIAL NUMBERS 31155, 920034, AND 920127 AND
(II) ENTER INTO AND PERFORM UNDER SETTLEMENT AGREEMENTS WITH
14 LOMBARD NORTH CENTRAL PLC WITH RESPECT TO AIRCRAFT WITH
MANUFACTURER'S SERIAL NUMBERS 2707 AND 760720
15
[#1531] DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105,
16 363 AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF
BANKRUPTCY PROCEDURE 6004(H), 6006 AND 9019 AUTHORIZING THE
17 DEBTORS TO (I) ENTER INTO AND PERFORM UNDER A RESTRUCTURING
LEASE TERM SHEET WITH WAYPOINT LEASING (IRELAND) LIMITED AND
18 (II) ASSUME CERTAIN UNEXPIRED LEASES AND EXECUTORY CONTRACTS
WITH WAYPOINT LEASING (IRELAND) LIMITED AND CERTAIN OF ITS
19 AFFILIATES

20 [#1536] DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105,
363, AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF
21 BANKRUPTCY PROCEDURE 6004(H), 6006, AND 9019 AUTHORIZING THE
DEBTORS TO ENTER INTO AND PERFORM UNDER THE 2017 OMNIBUS
22 RESTRUCTURE AGREEMENT WITH AIRBUS HELICOPTERS (SAS) REGARDING
CERTAIN OF THE DEBTORS' EXECUTORY CONTRACTS
23
[#1538] DEBTORS' MOTION FOR AN ORDER PURSUANT TO 11 U.S.C.
24 SECTIONS 105(A) AND 107(B) AND FED. R. BANKR. P. 9018
AUTHORIZING THE FILING OF CERTAIN INFORMATION UNDER SEAL IN
25 CONNECTION WITH THE DEBTORS' MOTION FOR AN ORDER PURSUANT TO

1 SECTIONS 105, 363, AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(H), 6006, AND 9019
2 AUTHORIZING THE DEBTORS TO ENTER INTO AND PERFORM UNDER THE 2017 OMNIBUS RESTRUCTURE AGREEMENT WITH AIRBUS HELICOPTERS
3 (SAS) REGARDING CERTAIN OF THE DEBTORS' EXECUTORY CONTRACTS

4 [#1543] DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105, 362, 363 AND 364 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF
5 BANKRUPTCY PROCEDURE 6004(H) AND 9019 AUTHORIZING THE DEBTORS TO (I) ENTER INTO AND PERFORM UNDER FRAMEWORK AGREEMENTS WITH
6 EXPORT DEVELOPMENT CANADA, LOMBARD NORTH CENTRAL PLC, AND THE ROYAL BANK OF SCOTLAND PLC WITH RESPECT TO AIRCRAFT WITH
7 MANUFACTURER'S SERIAL NUMBERS 2053, 2067, 2139, 31209, 920051, 920052, AND 920097, (II) OBTAIN POST-PETITION FINANCING IN
8 ACCORDANCE WITH THE LOAN AGREEMENTS ATTACHED TO THE FRAMEWORK AGREEMENTS, AND (III) ENTER INTO AND PERFORM UNDER SETTLEMENT
9 AGREEMENTS WITH EXPORT DEVELOPMENT CANADA, LOMBARD NORTH CENTRAL PLC, AND THE ROYAL BANK OF SCOTLAND PLC WITH RESPECT
10 TO AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBERS 2395, 2567, 760687, 760711, 760743 AND 760697
11
EXPEDITED MOTION TO EXTEND TIME TO / MOTION TO DEEM LATE FILED
12 BALLOT AS TIMELY FILED, FILED BY CREDITOR ECN CAPITAL (AVIATION) CORP. (1626)
13
BEFORE THE HONORABLE BARBARA J. HOUSER
14 CHIEF UNITED STATES BANKRUPTCY COURT

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24 PROCEEDINGS RECORDED BY ELECTRONIC SOUND RECORDING.

25 TRANSCRIPT PRODUCED BY TRANSCRIPTION SERVICE

1 MR. FINK: Thank you, Your Honor.
2 THE COURT: Mr. Fink, I was going to say if you now
3 tell me you have no cross.
4 MR. FINK: I might be in trouble at that point, Your
5 Honor?
6 THE COURT: No. No trouble but it would note -- I
7 would be noting some amusement. All right.
8 CROSS-EXAMINATION
9 BY MR. FINK:
10 Q. Morning, Mr. Del Genio.
11 A. Good morning.
12 Q. I'm sure you heard already, but let me introduce myself.
13 My name is Steve Fink and I'm with the Orrick, Herrington
14 firm in New York representing ECN.
15 A. Thank you.
16 Q. Sir, the plan reserves causes of action for the
17 reorganized debtors; does it not?
18 A. It does.
19 Q. And that includes claims that the debtors have, and
20 potential claims, against Airbus arising out of a helicopter
21 crash in Norway in April 2016?
22 A. Yes.
23 Q. Also includes what are sometimes referred to as Chapter 5
24 claims, preference claims, and fraudulent transfer claims?
25 A. Possibly.

1 Q. And why do you say possibly, sir?
2 A. Until they are proven, it's hard for me to say.
3 Q. Let me phrase it slightly differently than maybe the word
4 "claims." To the extent that the debtors' have Chapter 5
5 claims, those claims are riding through under the plan to the
6 reorganized debtors; isn't that right?
7 A. That is correct.
8 Q. And have you done any evaluation of the extent to which
9 the debtors, in fact, do have Chapter 5 claims?
10 A. No.
11 Q. Have you done any valuation of the extent to which the
12 debtors have claims against Airbus?
13 A. No.
14 Q. Have you been involved in conversations about claims that
15 the debtors may have against Airbus?
16 A. Yes.
17 Q. And what conversations are those?
18 A. In conversations that I've had with the company's general
19 counsel about potential claims which, obviously, are
20 confidential.
21 MR. GENENDER: And Your Honor, I'm going to assert a
22 privilege objection to that conversation and any like that,
23 and ask if the Court -- Mr. Del Genio can flag -- give the
24 conversation to both counsel so that I can have an opportunity
25 to object.

1 THE COURT: Mr. Del Genio, Mr. Genender is concerned
2 that he wants to preserve the attorney-client privilege. So,
3 before you go into the substances of any conversation, if you
4 would identify the participants of the conversation so that if
5 he has an objection he can state that objection.
6 THE WITNESS: Okay.
7 Q. Have you --
8 THE COURT: And you did fine there, because you said
9 with general counsel. So --
10 Q. Have you been involved in conversations with anybody
11 other than the debtors' general counsel about Airbus claims?
12 A. No.
13 Q. And just to make sure, you haven't been present for
14 conversations that other people have had on that topic?
15 A. No, I have not.
16 Q. Have you reviewed any writings that discuss potential
17 claims against Airbus?
18 A. No.
19 Q. And what about Chapter 5 claims? Have you discussed
20 Chapter 5 claims with anybody?
21 A. No.
22 Q. Reviewed any writings?
23 A. No.
24 Q. Been present for conversations?
25 A. No.

1 Q. And the -- and why don't we have your declaration in
2 front of you just because some of the things that I might ask
3 you about are there and it would be a shortcut.
4 Your declaration is Exhibit 3.
5 MR. GENENDER: I think there's a notebook in front of
6 the witness but it doesn't have --
7 MR. FINK: Oh.
8 MR. GENENDER: -- the markings.
9 THE COURT: That's fine.
10 MR. FINK: We can navigate that, I think. Thank you,
11 Mr. Genender.
12 Q. Sir, if you were to turn, please, to paragraph 76 of your
13 declaration?
14 A. Yes, I'm there.
15 Q. All right. On the carryover part on page 29, at the top
16 it says, "The proceeds of any such causes of action, if
17 litigated or settled will benefit the debtors and their
18 stakeholders as a whole, including their new equity owners."
19 Do you see that?
20 A. I do.
21 Q. And just to be really clear, when you say the debtors
22 there, you're talking about the reorganized debtors, correct?
23 A. That is correct.
24 Q. Have you formed any view as to what the debtors' claims
25 and potential claims against Airbus are worth?

1 A. I have not.
2 Q. Do you know the helicopter that crashed, I think, that
3 was called a Super Puma; is that right?
4 A. That is correct.
5 Q. Okay. And the debtors had, I think, fifty-six Super
6 Pumas either that they owned or leased as of the petition
7 date; is that right?
8 A. Yeah, I know it was around fifty. I don't have the exact
9 number, but yes.
10 Q. Okay.
11 A. Somewhere in that neighborhood.
12 Q. I think Mr. Fowkes has more details --
13 A. Um-hum.
14 Q. -- so, that's fine.
15 Do you have an understanding of what each one of these
16 helicopters cost?
17 A. New?
18 Q. Yes.
19 A. A new helicopter is probably around twenty million
20 dollars.
21 Q. And after the accident in Norway, that entire fleet of
22 fifty-ish Super Pumas were grounded, right?
23 A. That's correct.
24 Q. By regulators?
25 A. That's correct.

1 Q. And same question about Chapter 5 claims, do you have any
2 view as to the value of Chapter 5 claims that the debtors
3 have?
4 A. I do not.
5 Q. Okay. Take a look, for a moment, at paragraph 42 of your
6 declaration, please? Do you see, starting on the third line,
7 you talk about adequate protection dispute that involved
8 complicated questions about asset value diminution including
9 the impact of the grounding of the debtor's EC225
10 helicopter's?
11 A. Yes.
12 Q. The EC225s, that's one of two model numbers of Airbus
13 helicopters which collectively are referred to as Super Pumas,
14 right?
15 A. That's correct.
16 Q. So, what's the adequate protection dispute you're talking
17 about?
18 A. The adequate protection dispute would be as the
19 helicopters are grounded, how does that affect the value of
20 the business, respective collateral. You had to change the
21 fleet as it related to the aircraft being grounded to provide
22 to the customers, and there was an impact on that.
23 Q. And what was that impact?
24 A. It really depends on what aspect you look at, whether
25 it's the value of those aircraft, or the costs that are

1 incurred in terms of swapping out the aircraft, and the
2 additional time and effort the company had to spend to get
3 that business -- really, to service the customers there.
4 Q. Okay. So, let's take each of those. What was the value
5 of the aircraft?
6 A. Well, the aircraft, right now, I think those values are
7 challenged from what I've seen in terms of appraisals, because
8 they're not flying. So, the market's trying to determine what
9 the value is, and it can be anywhere from parts value to if
10 there's a use for those aircraft in something else besides the
11 oil and gas market, and I think that's a pretty fluid number
12 right now.
13 In terms of the impact on the company, what we said in
14 the business plan is that number from a cash standpoint was
15 about thirty-four million dollars, and its impact on -- we
16 really need a dollar in cash from the EC -- what we call the
17 EC225 impact on the company's business line.
18 Q. And you said that the value of these helicopters is
19 currently -- I don't remember the word that you
20 used -- distress but --
21 A. I said from parts value to a value that if it could be
22 used in another form except for oil and gas because they are
23 grounded for -- in most regions, now, from what I understand.
24 Q. Right. So, the current value of these helicopters is
25 less than it was prior to the crash?

1 A. Yes.
2 Q. Significantly less?
3 A. I would -- based on just appraisal information I've seen,
4 but I would caution you to say that I think that's a pretty
5 fluid market right now until people figure out how they're
6 going to use these helicopters because if they're sitting on
7 the ground they don't have a lot of value.
8 Q. And right now, they're sitting on the ground?
9 A. In most cases, yes.
10 Q. And that's because the regulatory action that was taken
11 in reaction to the crash?
12 A. That's correct.
13 Q. Later in that same paragraph, sir -- we were looking at
14 paragraph 42 -- there's a sentence that carries over, and at
15 the end of that, you talk about "the precise recoverable
16 unencumbered value at each debtor." Do you see that?
17 A. Yes.
18 Q. And what you're talking about there by unencumbered
19 value, you're talking about the value of unencumbered assets;
20 is that right?
21 A. Yes.
22 Q. And that includes these Airbus terms?
23 A. Unencumbered value? There's a big debate in terms of
24 what's encumbered and unencumbered. This plan has to resolve
25 that through a settlement. So, there's lots of different

1 asset categories that people had strong views on which, quite
2 frankly, were never really agreed to, but the settlement of
3 the plan brought them to agreement. So, I can't tell you
4 everyone in this room would agree with me if what I said was
5 encumbered and unencumbered, but I can tell you they agree
6 with the plan is correct.
7 Q. Right. So -- but as of the effective date they'll
8 proceed with a plan, right?
9 A. As of according to the plan.
10 Q. Right.
11 A. Yes.
12 Q. Right, if the plan's confirmed by then.
13 A. Yes.
14 Q. Right. Okay. The unsecured-creditors' committee filed a
15 statement in support of plan confirmation. Is that something
16 that you've seen?
17 A. Yes.
18 Q. Okay.
19 MR. FINK: Your Honor, I'd like to show the document
20 to the witness if I may --
21 THE COURT: You may.
22 MR. FINK: -- and if you'd like a copy, I've got one
23 for you.
24 THE COURT: Please.
25 THE WITNESS: Thank you.

1 THE COURT: Thank you, Mr. Fink.
2 MR. FINK: Your Honor, I don't plan to offer this
3 document into evidence. It's in the court file, and I think
4 the Court can take judicial notice of it, but I do have a
5 couple questions for the witness.
6 THE COURT: Of course.
7 MR. FINK: Let me just find my copy while I've got my
8 notes.
9 THE COURT: No problem.
10 Q. So, if you look at paragraph 7 which begins on page 3, do
11 you see that the creditors' committee statement says that
12 "Contrary to ECN's contentions, both the committee and the
13 debtors spent significant time analyzing all potential
14 unencumbered assets available through unsecured creditors,
15 including various pre-petition causes of action that can be
16 asserted by the debtors against Airbus relating to certain of
17 their aircraft, as well as the risks and costs pertaining to
18 the litigation of bringing such claims." Do you see that?
19 A. I do.
20 Q. You agree with that statement?
21 A. I do.
22 Q. Were there discussions as between the debtors and the
23 creditors' committee?
24 A. Discussions on what?
25 Q. About -- I'm sorry; I hadn't finished the

1 question -- about those unencumbered assets and in particular,
2 the Airbus claims?
3 A. I remember there were discussions between the company's
4 litigation counsel, basically, on the Airbus claims general
5 counsel talked to the Weil litigation team.
6 Weil litigation team, I believe, had conversations -- at
7 least what I was told -- had conversations with the unsecured
8 creditors, but I wasn't involved in those because they were
9 trying to maintain privilege.
10 Q. Well, to the extent -- and I'm going to go very slowly
11 and ask you to go slowly because there's going to be an
12 objection and the Court -- I don't know what the Court will
13 do --
14 A. Fine.
15 Q. -- but were you -- just yes or no -- was there a report
16 given to you on the substance of the communications that were
17 had between counsel for the debtors and counsel for the
18 creditors?
19 A. No.
20 Q. So, you have no information about the substance of those
21 conversations?
22 A. I do not.
23 Q. Okay. So, we avoided the objection.
24 You were not a party to any conversations with the
25 creditors' committee about what those claims were worth?

1 A. I was not.
2 Q. All right. We're going to move on, then, to a different
3 topic.
4 You're familiar with what sometimes is referred to as the
5 good faith requirement for plan confirmation?
6 A. Yes.
7 Q. And I'm not going to ask you about any of your opinions
8 on it; I ask the Court to exclude them, but I just use that as
9 a point of reference to what we're going to be talking about,
10 and I'm going to ask you to look at paragraph 95.
11 A. In my declaration?
12 Q. In your declaration, yes, sir. You there with me, sir?
13 A. I am.
14 Q. Okay. The first sentence talks about my clients'
15 objection, right?
16 A. That's correct.
17 Q. And in particular the fact that we've objected to what
18 you've described here as the preservation certain causes of
19 action for the reorganized debtors?
20 A. That's correct. That's what it says?
21 Q. Right? Yes. That's what it says.
22 And then the introduction to the next sentence you say
23 that "This is a component of the global, integrated settlement
24 underlying the plan," right?
25 A. Yes.

1 Q. Okay. So, that's just to orient us for what my questions
2 are.
3 If you then go to the last sentence of this paragraph,
4 you say that, "Without the settlement, particularly the waiver
5 of the senior secured notes deficiency claim, the recovery
6 available to the general unsecured claims would be
7 substantially smaller than what is provided for under the
8 plan." You see there?
9 A. Yes.
10 Q. So, was this -- was there an express condition in
11 negotiations with creditors' committee or others, we, debtors
12 are going to retain these claims; in exchange, you, creditors'
13 committee, or whoever the counterparty was is going to give us
14 something in return?
15 A. It was a fairly exhaustive negotiation on a variety of
16 points. This was one of the points that were on the table in
17 terms of claims staying in, claims staying out. So, that's
18 why I referred to it as a global resolution. I don't remember
19 this being traded for one specific point that we traded this,
20 and we received that. This was clearly one of the numerous
21 topics that were discussed during the plan negotiations.
22 Q. Do you remember any details of discussions around the
23 retention of these claims as part of those discussions?
24 A. The only thing that I -- one of the things that we did is
25 provide the liquidation value, and PJT provided the valuation.

1 MR. FINK: Let me ask -- Mr. Genender, is there a --
2 MR. GENENDER: Third folder?
3 MR. FINK: -- third binder?
4 MR. GENENDER: There is. There is.
5 MR. FINK: Okay, great.
6 MR. GENENDER: And it should be tab 3 in that binder.
7 THE COURT: No, 3 was --
8 MR. GENENDER: Tab 3.
9 THE WITNESS: Yep. I have it.
10 MR. GENENDER: Not Exhibit --
11 THE COURT: What debtor exhibit?
12 MR. FINK: 5. 5.
13 THE COURT: Thank you.
14 MR. GENENDER: He's got a different notebook, Your
15 Honor, so.
16 THE COURT: Okay. But I want to refer to it by
17 the --
18 MR. GENENDER: Yes.
19 THE COURT: -- exhibit number.
20 Q. You're the helicopters guy?
21 A. Yes, sir.
22 Q. All right. Great. So, on the petition date, the debtors
23 had a fleet of fifty-six Super Pumas; is that right?
24 A. Technically, no.
25 Q. Why is that?

A. Super Puma is a general description of a number of airbus aircraft, both military and commercial. So, the ones that are covered in here are all Super Pumas, both EC225 and AS332 L2 starts with the Pumas. In addition to that, the company also had AS332s and AS332 Ls in their fleet.
Q. I see. So, actually the debtors had more than fifty-six Super Pumas in their fleet, but not all of them were affected --
A. Correct.
Q. -- by the regulatory shutdown --
A. Correct.
Q. -- after the crash?
A. Correct.
Q. And the reason I made you do that again is you have to wait until I finish talking, just so the court reporter can get your answer.
Okay. So, focusing, then, on the EC225s and the AS332 L2s -- those are the two models that were affected by the regulatory shutdown after the crash, correct?
A. Yes.
Q. The debtors had fifty-six of those two models in their fleet as of the petition date, either that they owned or that they leased, correct?
A. Yes.
Q. And both of those models were grounded by regulators

1 after the crash that occurred in Norway in April 2016?
2 A. Yes.
3 Q. Nine of those fifty-six helicopters were owned by one
4 or -- by the debtors on the petition date, right?
5 A. Yes.
6 Q. And the debtors now own five of them?
7 A. Yes.
8 Q. So, if you can turn your declaration, please, to the
9 chart that appears on page 5 of 10, that number that's in the
10 upper right-hand corner, and I don't want to spend too much
11 time on this, but I'd like you to just explain to me quickly,
12 if you would, what this chart represents by telling us what
13 each of the columns is.
14 A. Sure. It's -- the columns are aircraft type; the MSN,
15 which is the manufacturer's serial number; YOM, which is the
16 year of manufacture; a leased/own column, which describes the
17 type of financing that was on it or the fact that it was
18 owned; who the third-party lessor was; who -- which entity
19 within CHC owned it; the current status of that aircraft; and
20 the effective date of any rejection or abandonment.
21 Q. Okay. And which of these aircraft was the one that was
22 involved in the accident?
23 A. I don't know.
24 Q. Wasn't 2721 the third one here on your chart?
25 A. Oh. Hm.

Q. Let me show you something to try to refresh your recollection.

MR. FINK: Excuse me one moment, Your Honor.

THE COURT: Of course.

MR. FINK: Let's see.

(Pause)

MR. FINK: May I approach both the witness and Your Honor?

THE COURT: You may. Thank you.

Q. Sir, I've placed in front of you a preliminary report on accident -- I'm not going to read the rest of it because I can't pronounce the name of the place -- from the Accident Investigation Board of Norway. Do you see that there's information there about the serial number?

A. Yes.

Q. Does that refresh your recollection as to --

A. Yes, it does.

Q. -- which aircraft? And looking back at your chart, sir, which aircraft was it?

A. It was manufacturer's serial number 2721.

Q. Okay. And as reflected in the chart in your declaration, that was an aircraft that was on lease by Parilease SAS to CHC Helicopters (Barbados) SRL, correct, sir?

A. Correct.

Q. And the pilots of the aircraft, where they CHC employees?

1 MR. GENENDER: Your Honor, I'm going to object. This
2 is outside of the scope of his declaration.
3 MR. FINK: Your Honor, I'm trying to --
4 THE COURT: It seems like it is, but --
5 MR. FINK: Yeah.
6 THE COURT: Sustained.
7 MR. FINK: I don't think it's too far. I guess I --
8 I guess I wasn't persuasive on that one.
9 THE COURT: Well, show me where in his declaration
10 that he talks about who the pilots were.
11 MR. FINK: Fair enough, Your Honor.
12 I'm not sure that it's in here, Your Honor. All
13 right, I'll move on.
14 Q. So, looking at the chart, my question to you, and I
15 apologize for having you go through a counting exercise, but
16 I'd like to know how many of these helicopters -- these airbus
17 helicopters that we're looking at were owned or leased by the
18 Barbados SRL entity as of the petition date.
19 A. I think I count twenty-seven.
20 Q. Okay. And I'll just represent for the record, because I
21 know it's hard to do this on the fly, that I counted twenty-
22 two, and that there are a few that are under a Barbados
23 Limited entity, which may be causing a little bit of
24 confusion. But your answer will stand. So --
25 THE COURT: Well, I'd like us to figure out --

1 MR. FINK: You want us to figure it out, Your Honor?
2 THE COURT: -- which one is correct. Yes, I would.
3 MR. FINK: But let me do this -- maybe it's quicker.
4 Q. Aircraft 2708, sir, is the first one on the chart.
5 That's Barbados SRL?
6 A. Um-hum.
7 Q. 2715, also?
8 A. Yes.
9 Q. And 2721?
10 A. Yes.
11 Q. 2725?
12 A. Yes.
13 Q. 2739?
14 A. Yes.
15 Q. 2744?
16 A. Yes,
17 Q. 2745?
18 A. Yes.
19 Q. 2722?
20 A. Yes.
21 Q. 2729?
22 A. Yes.
23 Q. 2740?
24 A. Yes.
25 Q. And 2747?

A. Yes.
Q. All right. So, on this page, we have one, two, three --
THE COURT: Eleven.
MR. FINK: Thank you, Your Honor.
Q. Eleven on this page. On the next page, 2878?
A. Yes.
Q. 2902?
A. Yes.
Q. 2702?
A. Yes.
Q. And 2890?
A. Yes. I'm sorry that I counted the one above the 2 that didn't have the SRL.
Q. Yeah, no, I had the same problem the first time I did. So, all right. So, that's four on this page; do you agree?
A. Yes.
Q. Okay. On the next page, we've got 2911?
A. Yes.
Q. 2675?
A. Yes.
Q. 2395?
A. Yes.
Q. 2467?
A. Yes.
Q. That's another one, two, three four on this page; do you

1 agree?
2 A. Yes.
3 Q. And on the final page, we've got 2474?
4 A. Yes.
5 Q. 2477?
6 A. Yes.
7 Q. 2504?
8 A. Yes.
9 Q. So, that's three on that page?
10 A. Yes.
11 Q. So, we've got eleven plus four plus four plus three. And
12 you agree with me, that's twenty-two?
13 A. Yes.
14 Q. Thank you, sir. And all of the EC225s and AS332 L2s were
15 grounded in the aftermath of the accident, right?
16 A. Yes.
17 Q. And they're still not flying today?
18 A. They're still not flying an oil and gas service, yes.
19 Q. Now, sir, my client, I mentioned earlier, is ECN Capital.
20 Are you familiar with the fact that ECN Capital previously was
21 named Element Capital Corporation?
22 A. Yes.
23 Q. Element Capital Corporation was a lessor of airbus
24 helicopters to certain CHC debtors, correct?
25 A. Yes.

1 Q. And that includes, in particular, the Barbados SRL entity
2 that we've been talking about?
3 A. Yes.
4 Q. Okay. So, if you look on second page of the chart --
5 it's page 6 of 10 of your declaration -- do you see that
6 aircraft 2878 was on lease from Element Capital to Barbados
7 SRL?
8 A. Yes.
9 Q. Okay. And if you look on -- hold on one second because
10 I'm missing it here. If you look on the next page, aircraft
11 2467 --
12 A. Yes.
13 Q. -- was also on lease from Element Capital Corp. to
14 Barbados SRL?
15 A. Yes.
16 Q. And on the next page, there are three more: 2474, 2477,
17 and 2504, all of which were on lease from my client to
18 Barbados SRL, correct, sir?
19 A. Yes.
20 Q. And Barbados SRL also continues to own one EC225
21 outright, correct, sir? And if it makes things easier, if you
22 look at aircraft 2675 on page 7 of 10?
23 A. Yes.
24 THE COURT: I'm sorry. Which one?
25 MR. FINK: 2675. It's on page 7 of 10, a little more

1 than halfway down.
2 THE COURT: Okay.
3 Q. And Mr. Fowkes, what we see there is that in that second
4 to last column, that shows that as being owned?
5 A. Yes.
6 Q. Incidentally, those that were on lease from my client to
7 Barbados SRL, all of those leases were rejected, right?
8 A. Yes.
9 Q. What was the impact on the debtors at the grounding of
10 its fleet of EC225s and AS332 L2s?
11 MR. GENENDER: Your Honor, I'm going to object. Your
12 Honor, it's outside the declaration.
13 MR. FINK: I'm not sure that's right, Your Honor, but
14 please give me a moment.
15 THE COURT: Okay.
16 (Pause)
17 MR. FINK: Well, Your Honor, what I will say is that
18 in our exhibit list, I believe that we reserve the right to
19 call as witnesses anybody who was called by anybody else, and
20 so I call Mr. Fowkes for the limited purposes of these couple
21 of questions.
22 MR. GENENDER: Your Honor, it's our case and his
23 cross is limited to the direct testimony.
24 THE COURT: Well, it is, but do you want to have him
25 call --

1 MR. GENENDER: Well --
2 THE COURT: Mr. Fowkes later? Do you disagree that
3 he listed him as a witness on his exhibit list?
4 MR. GENENDER: I'd have to look at his exhibit list.
5 THE COURT: And certainly, we can do that, but it
6 seems like he's here, and if he did list him --
7 MR. GENENDER: We're talking about one question?
8 THE COURT: I don't know.
9 MR. FINK: I was going to back to the question in the
10 beginning with the two pilots, and then I'm going to ask a few
11 questions about the impact of the grounding of the fleet.
12 THE COURT: I assume you have his witness and exhibit
13 list.
14 MR. GENENDER: Objection. Relevance, number one.
15 And number two, they did not provide a witness list, I'm being
16 told. It's just an exhibit list.
17 MR. FINK: All right. That may be right, Your Honor,
18 in which case, I guess I'm done.
19 THE COURT: Seems like you are.
20 MR. FINK: Seems like I am. All right. I pass the
21 witness, Your Honor.
22 THE COURT: Very well.
23 Anyone else have questions for Mr. Fowkes?
24 Any further redirect?
25 MR. GENENDER: No, Your Honor.

1 C E R T I F I C A T I O N

2

3 I, Clara Rubin, the court approved transcriber, do
4 hereby certify the foregoing is a true and correct transcript
5 from the official electronic sound recording of the
6 proceedings in the above-entitled matter.

7

8

9 February 15, 2017

10 _____ _____
CLARA RUBIN DATE

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Exhibit H

From: Strain, Eric <estrain@nixonpeabody.com>
Sent: Thursday, February 16, 2017 6:36 PM
To: Signoracci, Pietro J
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters

Pietro,

Please find below answers to your questions, with the names of key people involved.

Please let us know if you have questions.

Thank you, Eric

1. The identity (name, job title, employer, location) of individuals involved in preparing and/or filing AH's proofs of claim.

   Laurent Tagarian, Alain Vigneau, Eric Chartier and Valerie Le-Gall (Airbus Helicopters, S.A.S., Marignane, France)
   Brian Hall and Steve Rossum (Smith Gambrell & Russell LLP, Atlanta, GA)

2. The identity (name, job title, employer, location) of individuals involved in AH's efforts to become a member of the UCC and/or AH's participation as a UCC member.

   Brian Hall, Ron Barab and Steve Rossum (Smith Gambrell & Russell LLP, Atlanta, GA)
   Laurent Tagarian and Alain Vigneau (Airbus Helicopters, S.A.S., Marignane, France)
   Kevin Cabaniss (Airbus Helicopters, Inc., Grand Prairie, Texas)

3. The identity (name, job title, employer, location) of individuals involved in negotiating, preparing, and/or filing the Plan Support Agreement dated as of October 11, 2016 (as amended, restated, or otherwise modified from time to time), by and among the Debtors and the Consenting Creditor Parties (as defined therein).

   Committee Counsel for the UCC and other Committee professionals negotiated and assisted in preparation of the agreement on behalf of unsecured creditors. The identities of Committee Counsel and other Committee professionals are matter of public record. Kramer Levin firm is lead Committee Counsel and Gardere Wynne firm is local counsel. Greenhill and VLC were the other Committee professionals who would have been involved in activities relating to negotiation or preparation of PSA.

4. The identity (name, job title, employer, location) of individuals involved in negotiating, preparing, and/or filing any chapter 11 plan of reorganization of the Debtors (including any appendices, exhibits, schedules, and supplements thereto).

   Same answer as on 3.

5. The identity (name, job title, employer, location) of individuals involved in preparing and/or filing AH's Objection to Element Capital Corp.'s Motion for Order Directing 2004 Examination of Debtors.

Laurent Tagarian and Alain Vigneau (Airbus Helicopters, S.A.S., Marignane, France)
Brian Hall and Jason Bell (Smith Gambrell & Russell LLP, Atlanta, GA)

6. The identity (name, job title, employer, location) of individuals involved in negotiating, preparing, and/or filing (a) the Debtors' Motion for an Order Authorizing the Debtors to Enter Into and Perform Under the 2017 Omnibus Restructure Agreement with AH Regarding Certain of the Debtors' Executory Contracts, and/or (b) the 2017 Omnibus Restructure Agreement with AH.

   Laurent Tagarian and Alain Vigneau (Airbus Helicopters, S.A.S., Marignane, France)
   Brian Hall (Smith Gambrell & Russell LLP, Atlanta, GA)

7. How AH was appointed as a member of the UCC.

   AH was selected by the U.S. Trustee.

8. How Mr. Cabaniss was selected to represent AH on the UCC.

   Mr. Cabaniss was selected based on his proximity to court in which bankruptcy filed, role in Legal department of AH's U.S. affiliate Airbus Helicopters, Inc., and litigation experience.

9. The scope of Mr. Cabaniss's responsibilities as AH's representative on the UCC.

   Attend UCC meetings, which consisted primarily of weekly conference calls, serve as AH's liaison (along with Smith Gambrell) on communications with and from the UCC and its counsel and professionals, to attend proceedings in the bankruptcy as needed, and to cast vote on behalf of AH when votes taken by UCC.

10. The scope of any other responsibilities Mr. Cabaniss has with respect to AH.

    None.

11. The scope of responsibilities of any AH personnel other than Mr. Cabaniss in connection with AH's participation in UCC.

    Laurent Tagarian had responsibilities for AH; specific information about his responsibilities is privileged.

12. The nature of communications and meetings between Mr Cabaniss and AH personnel, including:

    a. The number and dates of trips Mr. Cabaniss has made to Airbus locations in France since 2011, specifying which of those trips concerned AH's involvement in the CHC bankruptcy cases;

       None related to the bankruptcy.

    b. The number and dates of trips AH representatives made to the United States to meet with Mr. Cabaniss since 2011, specifying which of those trips concerned AH's involvement in the CHC bankruptcy cases; and

       Laurent Tagarian and Alain Vigneau came to the U.S. the week of June 27, 2016 in connection with a hearing in the bankruptcy, and Laurent Tagarian met with Mr. Cabaniss on June 28, 2016 in connection with the bankruptcy.

    c. The frequency of conference calls or other meetings between Mr. Cabaniss and AH personnel regarding the CHC bankruptcy cases.

It is estimated there have been between 5 and 6 such calls in total.

13. Whether Mr. Cabaniss recused himself from participation in UCC meetings, discussions, or other activities that related to any claims that the Debtors or other creditors may have against Airbus, and how those claims would be treated in the Plan.

    Yes.

14. Whether Mr. Cabaniss is an AH employee.

    No.

15. Whether Mr. Cabaniss is an AH agent.

    No.

16. Whether Mr. Cabaniss is an AH representative.

    No, except as defined by proxy for purposes of bankruptcy.

17. How Mr. Cabaniss is compensated in his role as AH's representative on the UCC.

    Mr. Cabaniss is not compensated by AH for that role and does not receive additional compensation from AHI for that role.

18. Whether Mr. Cabaniss receives any compensation from AH.

    No.

From: Signoracci, Pietro J [mailto:psignoracci@paulweiss.com]
Sent: Tuesday, February 14, 2017 3:33 PM
To: Strain, Eric
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters

Thanks, Eric.

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If additional questions, let me know.

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Corporate Relationship

I will get this to you on Monday.

Bankruptcy Involvement

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If questions, let me know.

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Partner
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Exhibit I

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Attachments: Bookings 2011-2016 (USA & CHC).xlsx

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Exhibit J

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Facsimile: (212) 757-3990

COUNSEL FOR PLAINTIFF ECN CAPITAL (AVIATION) CORP.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Adv. No. 16-03151-bjh** **Plaintiff's Second Supplemental Memorandum of Law in Opposition To Defendant's <u>Motion To Dismiss</u>**

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Plaintiff ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) ("ECN Capital"), by its undersigned attorneys, files this Second Supplemental Memorandum of Law in Opposition to Defendant Airbus Helicopters S.A.S.'s ("Airbus") Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction and *Forum non Conveniens* ("Motion to Dismiss"), to describe the results of jurisdictional discovery and to provide additional authority requested by the Court since Plaintiff filed its Opposition to the Motion to Dismiss (the "MTD Opposition").[1]

PRELIMINARY STATEMENT

ECN Capital adequately alleged in its Complaint that this Court has subject matter jurisdiction over ECN Capital's claims and personal jurisdiction over Airbus for purposes of this Adversary Proceeding. Now, with the benefit of discovery produced by Airbus on jurisdictional issues, together with argument and filings in the Bankruptcy Cases, the record bolsters the Complaint's allegations and proves that this Court has subject matter and personal jurisdiction.

This Court has subject matter jurisdiction over ECN Capital's claims because the claims could conceivably affect the Debtors' estates—as verified by testimony at the plan confirmation hearing in the Bankruptcy Cases and the discovery obtained from Airbus by ECN Capital.

This Court has personal jurisdiction over Airbus because of Airbus's substantial participation in the Bankruptcy Cases before this Court, combined with Airbus's purposeful presence in Texas regarding the very Super Puma helicopters at issue—both of which are verified by the documents and information produced and stipulated to by Airbus.

The jurisdictional discovery from Airbus, together with testimony provided by the Debtors in the Bankruptcy Cases, further demonstrates why this Court should deny Airbus's requests for dismissal on grounds of *forum non conveniens* or for abstention. Airbus's discovery

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the MTD Opposition. All references herein to "¶ __" are to the Complaint.

shows that Airbus sent executives from France to this jurisdiction and coordinated with its U.S. affiliates in order to pursue its interests in litigation in this forum, as well as for the purpose of conducting business in Texas. The Debtors' testimony and the data produced by Airbus regarding Airbus's direct sales of Super Puma helicopters to the Debtors, show that the Debtors have claims for damages against Airbus relating to the same models of Super Puma helicopters at issue in this Adversary Proceeding. Those claims of the Debtors—and thus the rights, liabilities, and value of property of the Debtors—will be directly affected by the outcome of ECN Capital's claims in this Adversary Proceeding. Based on this record, neither dismissal on grounds of *forum non conveniens* nor abstention would be appropriate, and Airbus's attempts to avoid this Court's jurisdiction should be denied.

Numerous precedents support this Court's exercise of its subject matter and personal jurisdiction in this Adversary Proceeding. In similar adversary proceedings, bankruptcy courts have exercised personal jurisdiction over a foreign non-debtor defendant in a non-core proceeding that was related to an underlying bankruptcy case. Additionally, in the analogous context of civil litigation, district courts have found that a claimant submits itself to the personal jurisdiction of the district court in which its claims were filed for all related suits and countersuits—including those pursued by entities that were not parties to the original litigation.

This Court's subject matter and personal jurisdiction is established by the facts in the record and supported by case law. Accordingly, ECN Capital respectfully submits that this Court should exercise its jurisdiction and deny Airbus's Motion to Dismiss.

BACKGROUND[2]

Pleadings and Motions

ECN Capital filed the Complaint against Airbus in this Adversary Proceeding on November 17, 2016, asserting claims against Airbus for defective design and breach of implied warranty of merchantability regarding Airbus's manufacturing, marketing, and sale of the EC225 and the AS332 L2 helicopters. *See* ¶¶ 46–111. The allegations in the Complaint sufficiently demonstrate that ECN Capital's claims "could conceivably have an effect" on the Debtors' estates, and thus are related to the Bankruptcy Cases. *See, e.g.*, ¶¶ 8, 43.[3] The Complaint also sufficiently alleges facts demonstrating this Court's personal jurisdiction over Airbus for the purpose of this Adversary Proceeding. *See, e.g.*, ¶¶ 11, 40.

On January 3, 2017, Airbus filed its Motion to Dismiss [Docket No. 24], asking this Court to hold that it lacked subject matter jurisdiction over ECN Capital's claims or personal jurisdiction over Airbus. In the alternative, the Motion to Dismiss requested that the Court abstain from exercising its jurisdiction or dismiss the Complaint on grounds of *forum non conveniens*. In support of its Motion to Dismiss, Airbus submitted a declaration from its executive, Michel Gouraud, dated December 23, 2016 [Docket No. 26] ("Gouraud Declaration"). The Gouraud Declaration stated that Airbus "does not transact its business in the United States," Gouraud Decl. ¶ 5, that Airbus "does not sell Super Puma helicopters in the United States," *id.* ¶ 9, and that Airbus does not own Airbus Helicopters, Inc. ("AHI"), *id.* ¶ 11.

Also on January 3, 2017, Airbus filed its Motion for Withdrawal of Reference of Adversary Proceeding, and Brief in Support [Docket No. 23] (the "Withdrawal Motion").

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[2] The facts underlying ECN Capital's claims are set forth in the Complaint and in ECN Capital's MTD Opposition. ECN Capital sets forth here the salient facts relating to this Second Supplemental Memorandum of Law in Opposition to the Motion to Dismiss.

[3] As this Court recognized, for purposes of deciding Airbus's Motion to Dismiss, the factual allegations in the Complaint must be taken as true. *See* Transcript of 2/6/2017 H'r'g on Withdrawal Motion ("Tr.") 56:3-7.

On January 27, 2017, ECN Capital filed its MTD Opposition, demonstrating that this Court has personal jurisdiction over Airbus and subject matter jurisdiction to hear ECN Capital's claims against Airbus in the Adversary Proceeding, which are related to the Bankruptcy Cases.

On February 6, 2017, the Court held a hearing on Airbus's Withdrawal Motion (the "February 6 Hearing"). The Court recognized that the Motion to Dismiss raised issues that were intertwined with the Bankruptcy Cases, making it appropriate for the Court to retain the reference at least through the adjudication of the Motion to Dismiss. *See* Tr. 7:5-24; 19:4-9.

Jurisdictional Discovery

On December 30, 2016, ECN Capital served Airbus with ECN Capital's First Request for Production of Documents. On January 23, 2017, ECN Capital served Airbus with notices of depositions for Airbus employees and representatives, and a notice of a subpoena for the deposition of an employee of Airbus's U.S.-based affiliate, AHI. ECN Capital's document requests and deposition notices and subpoena were aimed in part at eliciting information regarding Airbus's presence in the U.S., including in Texas, and its substantial participation in the Bankruptcy Cases. Airbus opposed ECN Capital's discovery requests, filing a motion to stay discovery and a separate motion for a protective order seeking to quash and/or limit ECN Capital's depositions of Airbus or AHI employees. At the February 6 Hearing, the Court ruled that ECN Capital was entitled to discovery on the jurisdictional issues that were the subject of Airbus's Motion to Dismiss. *See* Tr. 36:2-3, 40:2-5.

After the February 6 Hearing, Airbus agreed to produce to ECN Capital documents and information concerning Airbus's presence in the U.S., including in Texas, and its substantial participation in the Bankruptcy Cases. Airbus produced information describing its corporate structure, which revealed that French-based Airbus and its U.S.-based affiliate AHI share the

same ultimate corporate parent, Airbus Group S.E. *See* Ex. A.[4] Airbus provided information regarding sales from 2011 to 2016 of helicopters manufactured by Airbus in France to U.S.-based customers made directly by Airbus. *See* Ex. B. The data show that Airbus directly sold 30 helicopters (each costing millions of dollars) to U.S.-based customers. The majority of this business was directed at Texas—Airbus sold 28 helicopters, including six Super Pumas, to customers headquartered in Texas. *Id.* The data also show that from 2011 to 2016, Airbus indirectly sold 58 Airbus-manufactured helicopters to Texas-based customers through its U.S.-based affiliate distributor AHI. *Id.* Airbus sold another 649 helicopters for AHI to distribute to U.S.-based customers outside of Texas. *Id.* Airbus's sales data also show that Airbus sold 19 Super Pumas to CHC Leasing (Ireland) Limited, one of the Debtors in the Bankruptcy Cases.[5] According to filings in the Bankruptcy Cases, CHC Ireland's business is run by its parent company, CHC Group, Ltd., out of Irving, Texas.[6] Airbus produced discovery regarding its maintenance operations, and revealed that Airbus ships Super Pumas owned by U.S. customers to France in order to perform any necessary main gearbox overhauls. *See* Ex. C.

ECN Capital also requested information from Airbus regarding its participation in the Bankruptcy Cases. *See* Ex. D. Airbus explained that four of its executives—Laurent Tagarian, Alain Vigneau, Eric Chartier and Valerie Le-Gall—based in Marignane, France, worked with U.S. counsel to prepare Airbus's proofs of claim in the Bankruptcy Cases. *Id.* Messrs. Tagarian and Vigneau were involved, together with Airbus's representative Kevin Cabaniss, an employee of AHI, in Airbus's efforts to become a member of the Creditors' Committee. Messrs. Tagarian

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[4] All references herein to "Ex. __" are to the accompanying Declaration of Martin Flumenbaum dated February 23, 2017.

[5] *Id.*; *see* Motion of Debtors for Entry of an Order Waiving the Requirement to File a List of Creditors . . . [16-31854 Docket No. 4] ("First Day Motion") Exhibit A (listing CHC Leasing (Ireland) Limited as a Debtor).

[6] *See* First Day Motion ¶ 6 ("CHC manages its domestic and overseas businesses from Irving, Texas."); *see id.* (defining "CHC" to include "[t]he Debtors, together with their non-debtor affiliates").

and Vigneau traveled from Marignane, France to the U.S. the week of June 27, 2016 in connection with a hearing in the Bankruptcy Cases, and Mr. Tagarian met with Mr. Cabaniss on June 28, 2016 in connection with Airbus's participation in the Bankruptcy Cases. *Id.* Airbus's discovery also revealed that Mr. Tagarian had responsibilities for Airbus "in connection with [Airbus's] participation in the [Creditors' Committee]," but Airbus withheld specific information about Mr. Tagarian's responsibilities on grounds of privilege. *Id.* Airbus noted that Messrs. Tagarian and Vigneau contributed to the preparation of key filings by Airbus in the Bankruptcy Cases, including Airbus's Objection to ECN Capital's Motion for Order Directing 2004 Examination of Debtors and the Debtors' 2017 Omnibus Restructure Agreement with Airbus.

In addition to the jurisdictional discovery produced by Airbus, publicly available sources reveal that Airbus frequently sends executives to the U.S., including to Texas, to attend and present at industry events. For example, Airbus is a Gold Level sponsor of the HAI Heli-Expo, a major helicopter industry event taking place in Dallas, Texas. *See* Ex. E. (CHC is also a Gold Level sponsor of the event. *Id.*) Airbus's logo is prominently featured on the front page of the HAI Heli-Expo website, along with a link to Airbus's webpage that directs visitors to sales and marketing materials for Airbus's helicopters, including the Super Pumas. Airbus regularly sends executives to attend and present at the HAI Heli-Expo in the U.S. For example, in 2014, Airbus's President and CEO Guillaume Faury spoke about Airbus's customer service at a breakfast during the HAI Heli-Expo in Anaheim, California. *See* Ex. F. In 2016, Airbus executive Gilles Bruniaux delivered a presentation regarding helicopter accidents on behalf of Airbus and others at the HAI Heli-Expo in Orlando, Florida. *See* Ex. G. Last year, Mr. Faury, attended the HAI Heli-Expo when it was held in Orlando, Florida. *See* Ex. H. According to a March 4, 2015 press release on Airbus's website, Airbus announced at the Heli-Expo that it had

signed a contract for the sale of helicopters to Bristow Group, a helicopter owner and operator based in Houston, Texas with a fleet of Airbus-manufactured helicopters including multiple Super Pumas. *Id.*

Plan Confirmation Hearing

Further information regarding jurisdictional issues was produced by Airbus and elicited by ECN Capital at the February 13, 2017 Plan Confirmation Hearing ("Confirmation Hearing") held before this Court in the Bankruptcy Proceedings. At the Confirmation Hearing, David W. Fowkes of Seabury Group, restructuring advisors to the Debtors, testified that the Debtors had 56 Super Pumas in their fleet at the time of the 2016 Grounding, nine of which were owned outright by the Debtors at the time and four of which remain owned outright by the Debtors. *See* Ex. I (Confirmation H'r'g Tr.) 197:21–198:7. Mr. Fowkes also testified that CHC Helicopters (Barbados) SRL—the Debtor to which ECN Capital leased the five Super Pumas it owned—owned or leased a total of 22 helicopters impacted by the 2016 Grounding, rejected its leases on all five of ECN Capital's Super Pumas, and continues to own one Super Puma. *Id.* 200:14–205:8. Robert A. Del Genio, CHC's Chief Restructuring Officer, also testified that CHC suffered injury to its business operations of approximately $34 million as a result of the 2016 Grounding, *id.* 108:5–109:17, and that CHC suffered injury to the value of the Super Pumas in its fleet as a result of the 2016 Grounding, but that CHC is unsure of the value of its claims against Airbus arising out of the 2016 Grounding, *id.* 104:11-13, 112:22–114:1.

ARGUMENT

I. This Court's Subject Matter Jurisdiction over ECN Capital's Claims Is Established by the Debtors' Testimony and the Discovery ECN Capital Obtained from Airbus.

The Debtors' testimony at the Confirmation Hearing proved what the Complaint adequately alleged: this Adversary Proceeding is "related to" the Bankruptcy Cases because the outcome of ECN Capital's claims could conceivably impact the rights, liabilities, causes of

action, and/or value of property of the Debtors. The Debtors suffered two types of injury as a result of the 2016 Grounding. *First*, the Debtors were harmed by the detrimental impact to their business, which contributed to their need to reject their leases on the five Super Pumas owned by ECN Capital. The Debtors calculated this harm to be approximately $34 million, *id.* 109:13-15, and this impact also led to a number of creditor proofs of claim filed against the Debtors in the Bankruptcy Cases. *Second*, the Debtors were harmed by the decrease in the value of the 56 helicopters in their fleet, including the four Super Pumas the Debtors continue to own outright. *Id.* 108:5–109:17. While the Debtors could not place a value on these claims, they acknowledged that each helicopter is valued at "around $20 million." *Id.* 107:19-20.

With respect to each of these harms, the outcome of ECN Capital's claims against Airbus likely would impact the Debtors' rights and/or liabilities. If ECN Capital establishes liability against Airbus for the 2016 Grounding, the reorganized Debtors would be able to rely on collateral estoppel to recover from Airbus for the injuries the Debtors incurred as a result of the 2016 Grounding, which recovery would inure to the benefit of the Debtors' creditors by virtue of the equity interests in the reorganized Debtors that such creditors are to receive under the Plan. The Debtors also potentially could offset claims by ECN Capital and other creditors arising out of lease rejections that resulted from the 2016 Grounding. Courts in the Fifth Circuit and elsewhere have found this type of potential impact on a debtor's rights or liabilities to be sufficient to establish "related to" jurisdiction over claims in an adversary proceeding brought by one non-debtor against another non-debtor. *See Passmore* v. *Baylor Health Care Sys.*, 823 F.3d 292, 296 (5th Cir. 2016) (finding "related to" subject matter jurisdiction where outcome of adversary proceeding could lead to claims by other parties impacting the estate); *8300 Newburgh Rd. Partnership* v. *Time Constr., Inc.* (*In re Time Constr., Inc.*), 43 F.3d 1041, 1045 (6th Cir.

1995) (explicitly applying same standard as Fifth Circuit and noting that third-party action was related to bankruptcy because outcome of action would affect value of debtor's property).[7]

Moreover, the discovery that Airbus produced to ECN Capital further substantiates the relatedness of the Adversary Proceeding to the Bankruptcy Cases. Airbus explained that its executives, Laurent Tagarian and Alain Vigneau, were responsible for preparing the proofs of claim Airbus filed against the Debtors in the Bankruptcy Cases—which concerned the same models of Super Pumas at issue in this Adversary Proceeding. Ex. D. Messrs. Tagarian and Vigneau also were responsible for preparing Airbus's objection to ECN Capital's requests for discovery from the Debtors in the Bankruptcy Cases regarding the Super Pumas the Debtors owned or leased, and the potential claims the Debtors might have against Airbus in connection with those Super Pumas. *Id.* Airbus's discovery now proves that Airbus sold 19 Super Pumas directly to the Debtors in the last five years, *see* Ex. B; the Debtors acknowledge that they have suffered harm in connection with those Super Pumas (and other Super Pumas the Debtors leased or owned) as a result of the 2016 Grounding, and the Debtors have claims against Airbus as a result. *See* Ex. I 104:11-13, 112:22–114:1; *see also* Ex. J 48:3-11. The outcome of ECN Capital's claims against Airbus could impact the rights, liabilities, and property value of the Debtors with respect to these Super Pumas. This Court accordingly has "related to" subject matter jurisdiction under § 1334(b) over this Adversary Proceeding.

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[7] *See also In re Canion*, 196 F.3d 579, 586–87 (5th Cir. 1999) (finding "related to" jurisdiction, since the outcome of an adversary proceeding between two non-debtors could have affected the bankruptcy estate at the time the district court referred the case to the bankruptcy court); *In re Mission Bay Ski & Bike, Inc.*, 398 B.R. 250, 253–55 (Bankr. N.D. Ill. 2010) (explaining that while "the Seventh Circuit interprets 'related to' jurisdiction more narrowly than other circuits," "related to" jurisdiction exists "when the non-debtor plaintiff is a creditor in the bankruptcy case and recovery in the action will reduce its claim against the bankruptcy estate"); *In re WorldCom, Inc. Secs. Litig.*, 293 B.R. 308, 323 (Bankr. S.D.N.Y. 2003) (finding "related to" jurisdiction over a claim against defendants connected to the debtor, because of "[t]he potential alteration of the liabilities of the estate and change in the amount available for distribution to other creditors"); *In re Edwards*, 100 B.R. 973, 982 (Bankr. E.D. Tenn. 2001) (finding "related to" jurisdiction over plaintiff's claims against a third-party lender "because of the impact a judgment against the [defendant] could have upon the bankruptcy estate").

II. This Court's Personal Jurisdiction over Airbus Is Established by Airbus's Significant Participation in the Bankruptcy Cases, Combined with Its Substantial Business in the U.S.

Airbus has submitted to this Court's personal jurisdiction through its substantial participation in the Bankruptcy Cases in this forum, where Airbus filed proofs of claim, participated as a member of the Creditors' Committee, and objected to ECN Capital's Motion for an Order Directing 2004 Examination of Debtors. *See* MTD Opp. 2–3, 25–26. The discovery shows that Airbus's actions were directed from France toward this forum, where Airbus availed itself of the benefits and protections of this Court's jurisdiction. Airbus's executives worked with U.S. counsel to prepare the filings in the Bankruptcy Cases. *See* Ex. D. The same Airbus executives traveled to this district to participate in the Bankruptcy Cases, including in connection with the Creditors' Committee meetings. *Id.* Airbus also has directed relevant business into this forum, directly selling hundreds of millions of dollars' worth of Super Pumas and other helicopters to U.S. customers based in this district, and using its U.S.-based affiliate to distribute even more helicopters in this district and to other U.S.-based customers. *See* Ex. B. This evidence—voluntarily produced and stipulated to by Airbus—directly contradicts the statements in the Gouraud Declaration submitted by Airbus in support of its attempt to avoid this Court's jurisdiction. *See* Gouraud Decl. ¶¶ 5, 9.

Courts have exercised personal jurisdiction over a creditor in an adversary proceeding in similar circumstances—where the defendant participated in the bankruptcy case and the claims in the adversary proceeding were related to the facts underlying the bankruptcy cases. *See*, *e.g.*, *In re LLS America, LLC*, 2012 WL 2564722, *7 (Bankr. E.D. Wash. 2012) (holding that by filing proof of claim and participating in motion practice, claimant submitted to bankruptcy court's jurisdiction for related claims); *Glinka* v. *Abraham and Rose Co. Ltd.*, 199 B.R. 484 (Bankr. D. Vt. 1996) (finding extensive participation in adversary proceeding, coupled with

contacts in relevant forum, sufficient for bankruptcy court to exercise personal jurisdiction over foreign non-debtor defendant); *In re Schwinn Bicycle Co.*, 182 B.R. 526, 531–32 (Bankr. N.D. Ill. 1995) (finding jurisdiction over creditor defendant for adversary proceedings and noting that "[e]stablishing jurisdiction over a party already voluntarily before a court is markedly different from doing so over a party not before it because he or she must first be hailed into court"); *In re Neese*, 12 B.R. 968, 971 (Bankr. W.D. Va. 1981) ("Having filed their proofs of claims in the underlying bankruptcy case, the defendants cannot now deny this Court's personal jurisdiction over them in a proceeding directly related to that case.").[8]

In the highly analogous district court context, courts have expressly held that filing a claim in one lawsuit subjects the claimant to the personal jurisdiction of the court in a subsequent related case, *even if the subsequent case is brought by an entity that was not a party to the first lawsuit.* For example, in *Int'l Transactions, Ltd.* v. *Embotelladora Agral Regionmontana SA de CV*, 277 F. Supp. 2d 654 (N.D. Tex. 2002), the court held that the defendant had purposefully availed itself of the forum court because it had brought two lawsuits in the same district against a third party relating to a dispute arising out of similar facts. 277 F. Supp. 2d at 667–68 ("Voluntarily filing a lawsuit in a jurisdiction is a purposeful availment of the jurisdiction's facilities and can subject a party to personal jurisdiction in another lawsuit when the lawsuits arise from the same general transaction."). That a party has previously chosen to litigate in a court eliminates any claim it has that defending a subsequent case filed in that forum—even if the subsequent case is brought by litigants who were not involved in the first case—would be "unreasonably burdensome." *See Hess* v. *Bumbo Int'l Trust*, 954 F. Supp. 2d 590, 597 (S.D.

[8] While some courts have held that submitting a proof of claim in a bankruptcy case does not subject an entity to general jurisdiction in the forum, those holdings have been limited to situations where "the bankruptcy proceeding was unrelated to" the subsequent action in which personal jurisdiction was challenged. *See Encompass Holdings, Inc.* v. *Daly*, No. C09–1816 BZ, 2010 WL 5088878, at n.9 (N.D. Cal. Dec. 8, 2010).

Tex. 2013) (holding that foreign entity purposefully availed itself of the forum court, for purposes of consumer product liability claim, when it filed litigation against its prior distributor in the federal court in Texas).

District courts outside the Fifth Circuit also have exercised personal jurisdiction over a party because it filed a related suit in the same jurisdiction against a third party. For example, in *Praetorian Specialty Ins. Co.* v. *Auguillard Const. Co.*, 829 F. Supp. 2d 456 (W.D. La. 2010), plaintiffs who filed a suit for permanent injuries suffered in a car accident moved to dismiss for lack of personal jurisdiction a separate action filed against them by a non-party insurer seeking a declaratory judgment recognizing that its insurance policies did not cover the accident. *Id.* at 460–61. The court followed the First Circuit Court of Appeals' analysis from *Gen. Contracting & Trading Co., LLC* v. *Interpole, Inc.*, 940 F.2d 20 (1st Cir. 1991), and held that the plaintiffs "waived objection to or consented to the personal jurisdiction" of the court by electing to file a lawsuit in the same forum arising from the same nucleus of operative facts. *Id.* at 465.[9]

It is well-established law that "the filing of a proof of claim" in a bankruptcy proceeding is "analogous to the filing of a complaint in a civil action." *O'Neill* v. *Cont'l Airlines* (*Matter of Cont'l Airlines*), 928 F.2d 127, 129 (5th Cir. 1991); *see also Simmons* v. *Savell,* (*In re Simmons*),

[9] Courts have continued to apply this principle after the issuance of the Supreme Court's ruling in *Daimler AG* v. *Bauman*, 134 S. Ct. 746 (2014). *Daimler* concerns *general* jurisdiction over a foreign corporation, *see* 134 S. Ct. at 754–58. When a defendant has consented to the personal jurisdiction of a court by filing a separate lawsuit arising from the same general transaction, it has not submitted itself to the court's general jurisdiction, but has rather submitted itself to jurisdiction of that court on the specific transaction at issue. *See Int'l Transactions, Ltd.*, 277 F. Supp. 2d at 667–68 (recognizing that filing a lawsuit voluntary constitutes "purposeful availment" of the jurisdiction in the context of a specific personal jurisdiction analysis). Since *Daimler*, courts have continued to recognize the principle that a defendant consents to the personal jurisdiction of a court when it has availed itself of the court's jurisdiction in a case arising out of similar facts. *See Furnari* v. *Wallpang, Inc.*, 2014 WL 1678419, at *11 (Del. Super. Ct. Apr. 16, 2014) (defendant consented to personal jurisdiction by filing suit on a related matter, since "[a] party may waive personal jurisdiction 'on the ground that the party consented to jurisdiction by submitting itself to a court's jurisdiction by instituting another, related suit'") (quoting *Foster Wheeler Energy Corp.* v. *Metallgesellschaft AG*, 1993 WL 669447, at *1 (D. Del. Jan. 4, 1993)); *New Media Holding Co., LLC* v. *Kagalovsky*, 985 N.Y.S.2d 216, 222 (2014) (finding that defendants "waived the right to challenge personal jurisdiction by freely using the protections of the New York courts when pursuing rights related to the partnership [at issue in the present case]").

765 F.2d 547, 552 (5th Cir. 1985) (stating that "the filing of a proof of claim is tantamount to the filing of a complaint in a civil action").[10]

In *In re Int'l Payment Grp., Inc.*, 2011 WL 5330783 (Bankr. D.S.C. Nov. 3, 2011), a federal bankruptcy court denied a motion to dismiss an adversary proceeding asserting "causes of action unrelated to or far beyond the scope of Defendant's claims against the estate," which was brought by the debtor's trustee against a creditor. *Id.* at *1. The court concluded that a creditor's proof of claim was akin to filing a complaint for the purposes of an adversary proceeding of a non-debtor against a creditor, even though "resolution of Defendant's claim against the estate [would] not result in a resolution of the disputes raised in this lawsuit," and the claims made in the adversary proceeding "dwarf[ed] those involved in any dispute that may arise over allowance of the proof of claim." *Id.* at *2.

District courts exercise personal jurisdiction over parties that have availed themselves of the court in related lawsuits, and claimants submit to bankruptcy courts' personal jurisdiction in the same respect as complainants in civil actions before district courts. Thus, a bankruptcy court also has personal jurisdiction over a creditor in an adversary proceeding brought by a non-debtor, when the non-debtor's claims are sufficiently related to the issues underlying the creditor-defendant's proofs of claim in the bankruptcy cases.

III. The Jurisdictional Discovery Demonstrates That the Court Should Deny Airbus's Requests for *Forum Non Conveniens* Dismissal and Abstention.

The discovery ECN Capital obtained from Airbus further shows that Airbus's attempts to avoid this Court's jurisdiction should be denied.

[10] *See also* U.S. Dep't of Justice, U.S. Attorneys' Manual § 1-188, https://www.justice.gov/usam/civil-resource-manual-188-bankruptcy-jurisdiction-personal-jurisdiction ("[A] foreigner filing a proof of claim submits to the personal jurisdiction of the bankruptcy court because a proof of claim is analogous to a complaint.").

Airbus seeks dismissal on the grounds of *forum non conveniens*, arguing in its Motion to Dismiss that it would be significant cost and burden for Airbus to bring witnesses to Texas and that this Adversary Proceeding has "no connection with Texas or the United States." Am. Br. in Supp. of Mot. to Dismiss 28. The record proves otherwise. Airbus voluntarily sent executives from France to this district for purposes of participating in the Bankruptcy Cases to which this Adversary proceeding is related. *See* Ex. D. And Airbus frequently sends executives to Texas for business purposes, including to attend industry events and to market and sell the very same models of Super Puma helicopters that are at issue here. *See* Ex. E. Further, Airbus sells helicopters to customers based in this district, and Airbus works with AHI—its U.S. affiliate based in Grand Prairie, Texas—to sell and distribute even more helicopters to customers in Texas and throughout the U.S. Along with sending its executives from France to Texas, Airbus's coordination with Mr. Cabaniss of AHI (together with U.S. counsel) for purposes of representing Airbus's interest in the Bankruptcy Cases further ties Airbus to this district and demonstrates Airbus's ability and willingness to appear in this district for legal proceedings. *See* Ex. D.

The discovery ECN Capital has obtained and the Debtors' testimony also support denial of Airbus's request that this Court abstain from exercising the jurisdiction it has to hear the Adversary Proceeding. In its MTD Opposition, ECN Capital set forth the criteria for the Court's consideration of Airbus's abstention request, which include "the degree of relatedness [] of the proceeding to the main bankruptcy case." MTD Opp. 22 (quoting *In re MontCrest*, 2014 WL 6982643, at *7 (Bankr. N.D. Tex. Dec. 9, 2014)). As explained in Section I above, Mr. Del Genio's testimony makes clear that the Debtors were harmed by the 2016 Grounding, which contributed to their need to cancel leases on certain helicopters, including the Super Pumas

owned by ECN Capital that are the subject of ECN Capital's proofs of claim in the Bankruptcy Cases. *See* Ex. I 108:5–109:17. And Airbus's jurisdictional discovery shows that Airbus sold 19 Super Pumas directly to certain of the Debtors, and the Debtors may have product liability or express or implied warranty claims to bring against Airbus with respect to these helicopters (along with others the Debtors owned or leased). *See* Ex. B. Thus, the testimony and discovery prove that the outcome of ECN Capital's claims in this Adversary Proceeding could significantly impact the rights, liabilities, and/or value of property of the Debtors: If ECN Capital establishes liability against Airbus, the Debtors could rely on collateral estoppel to recover significant damages from Airbus, and the Debtors potentially could offset proofs of claims from various creditors to the extent they relate to the Super Pumas. For these reasons and the reasons set forth in ECN Capital's MTD Opposition (pp. 13–16), this Court should deny Airbus's request for abstention.

CONCLUSION

For the foregoing reasons, and the reasons stated in ECN Capital's MTD Opposition and MTD Opposition Supplement, this Court should deny Defendant's Motion to Dismiss the Complaint.

Dated: February 23, 2017
Dallas, Texas

Respectfully submitted,

By: /s/ *Martin Flumenbaum*
Martin Flumenbaum

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CERTIFICATE OF SERVICE

I hereby certify that, on February 23, 2017, I caused the foregoing Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss to be filed with the Court via CM/ECF and served on all parties requesting electronic notification, including the following counsel of record for the Defendant:

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Exhibit K

ORDER BOOKINGS - AH GROUP

FROM 01/01/2011 TO 31/12/2016

DATE of the CONTRACT in force	FROM	TO			AIRCRAFT	QTY
		REGION	COUNTRY	CUSTOMER	TYPE	
June 2011	AH-AHD	EBRG	USA	BRISTOW	EC225	1
June 2011	AH-AHD	EBRG	USA	BRISTOW	EC225	1
October 2011	AH-AHD	EBRG	USA	WELLS FARGO / OMNI (Portugal)	EC225	2
TOTAL SUPER PUMA / COUGAR						**4**
March 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	4
March 2011	AHI	EBU	USA	Vulcan Flight Inc*	EC145	1
June 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	14
July 2011	AHI	EBU	USA	WEST PENN ALLEGHENY*	EC145	1
August 2011	AHI	EBU	USA	Sanford Health*	EC145	1
August 2011	AHI	EBU	USA	OSF Aviation*	EC145	4
September 2011	AHI	EBU	USA	Heli Transport*	EC145	1
October 2011	AHI	EBU	USA	Duke University Health System Inc*	EC145	2
October 2011	AHI	EBU	USA	Sanford Health*	EC145	2
December 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	39
December 2011	AHI	EBU	USA	University of Utah*	EC145	1
December 2011	AHI	EBU	USA	Metro Aviation INC*	EC145	1
TOTAL H145						**71**
May 2011	AHI	EBU	USA	HMA*	EC135	3
May 2011	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	-1
August 2011	AHI	EBU	USA	Era Helicopters LLC*	EC135	3
October 2011	AHI	EBU	USA	Massachusetts State Police*	EC135	1
November 2011	AHI	EBU	USA	Era Helicopters LLC*	EC135	4
November 2011	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
December 2011	AHI	EBU	USA	REACH, dba Mediplane*	EC135	1
TOTAL H135						**13**
May 2011	AHI	EBU	USA	Air Commander International Ltd*	EC130	1
September 2011	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	3
September 2011	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	7
October 2011	AHI	EBU	USA	Milestone Aviation Group LLC*	EC130	5
TOTAL H130						**16**
January 2011	AHI	EBU	USA	WINCO INC*	AS350 B3	1
January 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
February 2011	AHI	EBU	USA	Extreme Crafts LLC*	AS350 B3	-1
February 2011	AHI	EBU	USA	Helicopter Express Inc*	AS350 B3	-1
February 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B3	1
March 2011	AHI	EBU	USA	Air Medical Resources Group*	H125	3
March 2011	AHI	EBU	USA	Air Commander International Ltd*	H125	1
March 2011	AHI	EBU	USA	BHI Helicopters Inc* / BRAINERD	H125	1
March 2011	AHI	EBU	USA	Spiegel Aviation*	H125	1

April 2011	AHI	EBU	USA	Rotor Aviation Inc*	AS350 B2	1
April 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
May 2011	AHI	EBU	USA	Air Methods Corporation (AMC)*	AS350 B3	4
May 2011	AHI	EBU	USA	DHS/CBP National Air Training Center*	AS350 B3	3
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	H125	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B2	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B2	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
August 2011	AHI	EBU	USA	Kenneth Lian Corp*	AS350 B2	1
August 2011	AHI	EBU	USA	Central Copters Inc*	AS350 B2	1
August 2011	AHI	EBU	USA	The Boeing Company*	AS350 B3	1
August 2011	AHI	EBU	USA	Heli LLC*	AS350 B3	1
August 2011	AHI	EBU	USA	LLOYD HELICOPTERS US INC*	AS350 B3	1
August 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
August 2011	AHI	EBU	USA	Eaglemed LLC*	AS350 B3	1
August 2011	AHI	EBU	USA	Air Medical Resources Group*	H125	2
September 2011	AHI	EBU	USA	Pima Co Sheriff's Department*	AS350 B3	1
September 2011	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	1
November 2011	AHI	EBU	USA	Mountain West Helicopters LLC*	H125	1
December 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
December 2011	AHI	EBU	USA	LA Grant Aviation Inc*	H125	1
December 2011	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	5
December 2011	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
December 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
December 2011	AHI	EBU	USA	RAI LLC*	AS350 B2	2
December 2011	AHI	EBU	USA	Pratte Transportation Inc*	H125	2
TOTAL ECUREUIL I / FENNEC						**54**
October 2011	AHI	EBU	USA	Baltimore Police Department*	H120	4
November 2011	AHI	EBU	USA	Icarus Copters LLC*	H120	1
TOTAL COLIBRI						**5**
TOTAL 2011						**163**
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
TOTAL SUPER PUMA / COUGAR						**3**
February 2012	AHI	EBU	USA	Shier Aviation Corporation*	H155	1
July 2012	AHI	EBU	USA	Shands Hospital*	H155	1
November 2012	AHI	EBU	USA	Miami valley*	AS365	1
TOTAL DAUPHIN / PANTHER						**3**
April 2012	AHI	EBU	USA	Metro Aviation INC*	EC145	2
August 2012	AHI	EBU	USA	Dare County*	H145	1
September 2012	AHI	EBU	USA	Speedway Aviation*	EC145	1
September 2012	AHI	EBU	USA	University of Pennsylvania*	EC145	1

September 2012	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	2
November 2012	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	34
November 2012	AHI	EBU	USA	Geisinger Medical Center Attn: Gerald Splitt*	EC145	1
December 2012	AHI	EBU	USA	Boston Medflight*	EC145	1
December 2012	AHI	EBU	USA	Metro Aviation INC*	EC145	1
December 2012	AHI	EBU	USA	Caribbean Buzz LLC*	EC145	1
TOTAL H145						**45**
February 2012	AHI	EBU	USA	Broward County Sheriff's Deptartment*	EC135	1
June 2012	AHI	EBU	USA	CALSTAR*	EC135	2
July 2012	AHI	EBU	USA	Metro Aviation INC*	EC135	1
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	4
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
September 2012	AHI	EBU	USA	Massachusetts State Police*	EC135	1
November 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	CALSTAR*	EC135	2
December 2012	AHI	EBU	USA	HMA*	EC135	2
December 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	3
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	3
TOTAL H135						**28**
February 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	6
February 2012	AHI	EBU	USA	Nevada Helicopter Leasing LLC* / Blue Hawaiian	H130	10
February 2012	AHI	EBU	USA	Second Wind LLC*	H130	1
February 2012	AHI	EBU	USA	Enloe Flightcare*	H130	1
February 2012	AHI	EBU	USA	Air Commander International Ltd*	H130	1
February 2012	AHI	EBU	USA	Laughlin Aviation Inc*	H130	2
February 2012	AHI	EBU	USA	Indiana Helicopters LLC* / N13C LLC	H130	1
March 2012	AH-AHD	EBE	USA	Highland Copter LLC / M. LAIDLAW	EC130	1
March 2012	AHI	EBU	USA	Modern Industrial Services Inc*	EC130	1
March 2012	AHI	EBU	USA	CNH LLC*	EC130	-1
April 2012	AHI	EBU	USA	EC 130 LLC*	EC130	1
May 2012	AHI	EBU	USA	Helicopter Flight Services*	H130	1
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	EC130	2
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	2
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	H130	2
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC130	-4
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	3
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	7
December 2012	AHI	EBU	USA	Memphis Medical Center*	EC130	1
TOTAL H130						**42**
February 2012	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
February 2012	AHI	EBU	USA	Cathexis Oil and Gas LLC*	H125	1

February 2012	AHI	EBU	USA	Texas DPS*	H125	1
April 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
April 2012	AHI	EBU	USA	Chase Farms*	H125	1
May 2012	AHI	EBU	USA	Elling Halvorson Inc*	H125	1
June 2012	AHI	EBU	USA	Elling Halvorson Inc*	H125	2
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	2
June 2012	AHI	EBU	USA	State of Utah*	H125	1
June 2012	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	1
June 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	2
August 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
August 2012	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
August 2012	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	2
August 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
August 2012	AHI	EBU	USA	Eaglemed LLC*	H125	1
August 2012	AHI	EBU	USA	AUSTIN POLICE DEPARTMENT*	H125	1
September 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
October 2012	AHI	EBU	USA	Alaska DPS*	H125	1
November 2012	AHI	EBU	USA	Bear Defense Services*	AS350 B2	1
November 2012	AHI	EBU	USA	Brevard County Mosquito Control*	H125	2
November 2012	AHI	EBU	USA	Happyheight Inc*	AS350 B2	1
December 2012	AHI	EBU	USA	NiSource Corporate Services Company*	AS350 B2	1
December 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	2
December 2012	AHI	EBU	USA	Reeder Flying service*	H125	1
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	2
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	4
December 2012	AHI	EBU	USA	Oklahoma DPS*	H125	1
TOTAL ECUREUIL I / FENNEC						**42**
TOTAL 2012						**163**
December 2013	AHI	EBU	USA	CHI Aviation*	H175	1
TOTAL H175						**1**
October 2013	AHI	EBU	USA	Helicopter Exchange Ltd*	H155	1
TOTAL DAUPHIN / PANTHER						**1**
July 2013	AHI	EBU	USA	Speedway Aviation*	EC145	-1
August 2013	AHI	EBU	USA	Boston Medflight*	EC145	1
August 2013	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	1
November 2013	AHI	EBU	USA	Air Commander International Ltd*	EC145	1
December 2013	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	6
TOTAL H145						**8**
January 2013	AHI	EBU	USA	WASHINGTON CORP*	EC135	1
February 2013	AHI	EBU	USA	Midwest Medical Transport Company*	EC135	1
February 2013	AHI	EBU	USA	Valkyrie*	EC135	1
March 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
April 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
April 2013	AHI	EBU	USA	Tentacle Corp*	EC135	2
April 2013	AHI	EBU	USA	CALSTAR*	EC135	1
June 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1

July 2013	AHI	EBU	USA	Healthnet Aeromadical Services*	EC135	1
August 2013	AHI	EBU	USA	CALSTAR*	EC135	1
September 2013	AHI	EBU	USA	Massachusetts State Police*	EC135	1
December 2013	AHI	EBU	USA	IHL Acquisition*	EC135	2
TOTAL H135						**14**
January 2013	AHI	EBU	USA	Advantage Systems Inc*	EC130	1
August 2013	AHI	EBU	USA	Sundance Helicopters Inc*	H130	4
August 2013	AHI	EBU	USA	DBD Properties LLC*	H130	1
November 2013	AHI	EBU	USA	Elling Halvorson Inc*	H130	4
November 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	1
November 2013	AHI	EBU	USA	Sundance Helicopters Inc*	H130	16
December 2013	AHI	EBU	USA	Air Commander International Ltd*	H130	1
December 2013	AHI	EBU	USA	Air Commander International Ltd*	H130	1
TOTAL H130						**29**
January 2013	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	1
February 2013	AHI	EBU	USA	MacNeil Aviation LLC*	H125	1
February 2013	AHI	EBU	USA	Timberline Helicopters Inc*	H125	1
March 2013	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
April 2013	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	1
April 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	2
April 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	4
April 2013	AHI	EBU	USA	Air Medical Resources Group*	H125	7
May 2013	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
May 2013	AHI	EBU	USA	Elling Halvorson Inc*	H125	2
June 2013	AHI	EBU	USA	Alaska DPS*	H125	1
June 2013	AHI	EBU	USA	Commonwealth of Pennsylvania*	AS350 B2	1
July 2013	AHI	EBU	USA	PHI Air Medical*	H125	6
July 2013	AHI	EBU	USA	BHI Helicopters Inc*	H125	1
August 2013	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	-2
August 2013	AHI	EBU	USA	Meridian Consulting Company*	AS350 B2	1
August 2013	AHI	EBU	USA	Seminole County Sheriff's Office*	H125	1
September 2013	AHI	EBU	USA	Central Copters Inc*	H125	1
September 2013	AHI	EBU	USA	City of Philadelphia*	AS350 B2	1
September 2013	AHI	EBU	USA	Seminole Tribe of Florida*	H125	1
September 2013	AHI	EBU	USA	City of Tulsa*	AS350 B2	1
September 2013	AHI	EBU	USA	Meridian Consulting Company*	AS350 B2	1
October 2013	AHI	EBU	USA	Island Helicopter Kauai*	AS350 B2	1
October 2013	AHI	EBU	USA	Reeder Flying service*	H125	1
October 2013	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
November 2013	AHI	EBU	USA	Elling Halvorson Inc*	H125	3
November 2013	AHI	EBU	USA	Oklahoma DPS*	H125	2
November 2013	AHI	EBU	USA	University of Miami*	H125	1
December 2013	AHI	EBU	USA	Mississippi DPS*	H125	1
December 2013	AHI	EBU	USA	LAG AVIATION*	H125	1
December 2013	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
December 2013	AHI	EBU	USA	Caribbean Helicorp Inc*	H125	1
December 2013	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
December 2013	AHI	EBU	USA	Air Medical Resources Group*	H125	3
TOTAL ECUREUIL I / FENNEC						**52**

June 2013	AHI	EBU	USA	City of San Antonio*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2013						**107**
April 2014	AHI	EBU	USA	Macquarie Bank Limited* / PHOENIX	EC225	3
October 2014	AH-AHD	EBRG	USA	BRISTOW	EC225	1
TOTAL SUPER PUMA / COUGAR						**4**
February 2014	AHI	EBU	USA	CHI Aviation*	H175	1
TOTAL H175						**1**
February 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	4
March 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	6
April 2014	AHI	EBU	USA	July 10 LLC*	H145	1
May 2014	AHI	EBU	USA	AVALON CAPITAL GROUP INC*	H145	1
May 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	10
May 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
September 2014	AHI	EBU	USA	Vulcan Flight Inc*	H145	1
October 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	17
November 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	12
November 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	2
November 2014	AHI	EBU	USA	Suffolk County Police Department*	EC145	1
TOTAL H145						**56**
May 2014	AHI	EBU	USA	CALSTAR*	EC135	2
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	-6
November 2014	AHI	EBU	USA	Metro Aviation INC*	EC135	1
TOTAL H135						**-3**
March 2014	AHI	EBU	USA	TUDOR INVESTMENT CORPORATION*	AS355	1
TOTAL ECUREUIL II / FENNEC						**1**
January 2014	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	3
March 2014	AHI	EBU	USA	Memphis Medical Center*	H130	1
April 2014	AHI	EBU	USA	Liautaud Development Group*	H130	1
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	6
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	3
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	6
December 2014	AHI	EBU	USA	Mustang Leasing*	H130	5
TOTAL H130						**25**
January 2014	AHI	EBU	USA	Petr Lukes*	H125	1
February 2014	AHI	EBU	USA	Air Commander International Ltd*	AS350 B2	1
February 2014	AHI	EBU	USA	Elling Halvorson Inc*	H125	3
February 2014	AHI	EBU	USA	Helicopter Express Inc*	H125	3
March 2014	AHI	EBU	USA	Helotex Aviation LLC*	H125	1
March 2014	AHI	EBU	USA	Valion Holdings LLC*	H125	1
March 2014	AHI	EBU	USA	Hillsborough County Sheriff's Office*	AS350 B2	1
May 2014	AHI	EBU	USA	PHI*	H125	1
May 2014	AHI	EBU	USA	Texas Parks & Wildlife*	H125	1
May 2014	AHI	EBU	USA	Eaglemed LLC*	H125	1
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	3
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	-6
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	-2
August 2014	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	3

August 2014	AHI	EBU	USA	Elling Halvorson Inc*	H125	1
August 2014	AHI	EBU	USA	Bear Defense Services*	H125	1
September 2014	AHI	EBU	USA	Eaglemed LLC*	H125	1
September 2014	AHI	EBU	USA	DB Projects LLC*	H125	1
September 2014	AHI	EBU	USA	JR Helicopters LLC*	H125	1
October 2014	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
November 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	1
November 2014	AHI	EBU	USA	The Boeing Company*	H125	1
December 2014	AHI	EBU	USA	Sky High Leasing*	H125	1
December 2014	AHI	EBU	USA	Riverside County Sheriff Department*	H125	2
December 2014	AHI	EBU	USA	LAPD*	H125	1
December 2014	AHI	EBU	USA	Hillsboro Aviation*	H125	1
December 2014	AHI	EBU	USA	Indiana Helicopters LLC*	H125	1
December 2014	AHI	EBU	USA	Helicopter Express Inc*	H125	2
December 2014	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
December 2014	AHI	EBU	USA	COASTAL HELICOPTERS*	H125	1
TOTAL ECUREUIL I / FENNEC						**30**
June 2014	AHI	EBU	USA	Tennessee Valley Authority*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2014						**116**
March 2015	AH-AHD	EBRG	USA	BRISTOW	H175	17
December 2015	AHI	EBU	USA	CHI Aviation*	H175	-1
December 2015	AHI	EBU	USA	CHI Aviation*	H175	-1
TOTAL H175						**15**
February 2015	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	41
March 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
April 2015	AHI	EBU	USA	Metro Aviation INC*	EC145	1
May 2015	AHI	EBU	USA	Tennessee Valley Authority*	EC145	1
June 2015	AHI	EBU	USA	Buckeye Leasing LLC*	EC145	5
July 2015	AHI	EBU	USA	FLIGHT MANAGEMENT LLC*	H145	1
August 2015	AHI	EBU	USA	Air Medical Resources Group*	EC145	2
November 2015	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	12
December 2015	AHI	EBU	USA	Air Medical Resources Group*	EC145	-2
TOTAL H145						**62**
June 2015	AHI	EBU	USA	Stat-Medevac*	H135	2
August 2015	AH-AHD	EBE	USA	AEROHEAD AVIATION	H135	1
September 2015	AHI	EBU	USA	CALSTAR*	H135	3
October 2015	AHI	EBU	USA	CALSTAR*	H135	2
October 2015	AHI	EBU	USA	Air Medical Group Holdings*	H135	6
December 2015	AHI	EBU	USA	Dartmouth Hitchcock*	H135	1
December 2015	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
TOTAL H135						**16**
June 2015	AHI	EBU	USA	Nevada Helicopter Leasing LLC*	H130	1
September 2015	AHI	EBU	USA	Richardson Aviation*	H130	1
November 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	-1
December 2015	AHI	EBU	USA	Air Medical Resources Group*	H130	4
December 2015	AHI	EBU	USA	Ten X Inc*	H130	1
TOTAL H130						**6**

February 2015	AHI	EBU	USA	PETER FENTON*	H125	1
May 2015	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	2
May 2015	AHI	EBU	USA	OHIO STATE HIGHWAY PATROL*	H125	1
July 2015	AHI	EBU	USA	PHI*	H125	2
August 2015	AHI	EBU	USA	ONTARIO POLICE AIR SUPPORT UNIT*	H125	1
August 2015	AHI	EBU	USA	PHI*	H125	2
August 2015	AHI	EBU	USA	Air Medical Resources Group*	H125	3
September 2015	AHI	EBU	USA	LAPD*	H125	1
November 2015	AHI	EBU	USA	PINELLAS SHERIFF'S OFFICE*	AS350 B2	1
November 2015	AHI	EBU	USA	Lee County Sheriff's Office*	H125	1
November 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	1
December 2015	AHI	EBU	USA	Raven Aviation LLC*	AS350 B2	1
December 2015	AHI	EBU	USA	Hillsboro Aviation*	H125	1
December 2015	AHI	EBU	USA	State of Utah*	H125	1
December 2015	AHI	EBU	USA	Air Medical Resources Group*	H125	4
December 2015	AHI	EBU	USA	SG Equipment Finance*	AS350 B2	1
December 2015	AHI	EBU	USA	Helicopter Express Inc*	H125	-2
TOTAL ECUREUIL I / FENNEC						**22**
August 2015	AHI	EBU	USA	City of San Antonio*	H120	1
TOTAL COLIBRI						**1**
TOTAL 2015						**122**
September 2016	AH-AHD	EBRG	USA	BRISTOW	H175	5
TOTAL H175						**5**
March 2016	AHI	EBU	USA	MacNeil Aviation LLC*	H145	1
March 2016	AHI	EBU	USA	Las Vegas Metro Police Department*	H145	1
April 2016	AHI	EBU	USA	JS Leasing* / Dallas Cowboys	H145	1
April 2016	AHI	EBU	USA	Mayo Medical Transport*	EC145	1
April 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
May 2016	AHI	EBU	USA	Han-Mac Holdings International*	H145	1
June 2016	AHI	EBU	USA	Stat-Medevac*	EC145	1
September 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	2
October 2016	AHI	EBU	USA	PHI*	H145	2
December 2016	AHI	EBU	USA	Palantir Technologies*	H145	1
TOTAL H145						**12**
March 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	CALSTAR*	H135	-1
August 2016	AHI	EBU	USA	CALSTAR*	H135	-2
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
December 2016	AHI	EBU	USA	Stat-Medevac*	H135	3
TOTAL H135						**4**
January 2016	AHI	EBU	USA	Lightnin Production Rental*	H130	1
May 2016	AHI	EBU	USA	Air Medical Resources Group*	H130	3
June 2016	AHI	EBU	USA	H&J Aviation LLC*	H130	1
July 2016	AHI	EBU	USA	Memphis Medical Center*	H130	1
October 2016	AHI	EBU	USA	Sundance Helicopters Inc*	H130	-10
October 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	-9

December 2016	AHI	EBU	USA	WFP Aviation*	H130	1
December 2016	AHI	EBU	USA	Palantir Technologies*	H130	1
TOTAL H130						**-11**
February 2016	AHI	EBU	USA	CHI Aviation*	H125	1
February 2016	AHI	EBU	USA	CHI Aviation*	H125	1
March 2016	AHI	EBU	USA	County of Orange Sheriff*	H125	1
March 2016	AHI	EBU	USA	Comanche Maverick Air*	H125	1
March 2016	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	3
April 2016	AHI	EBU	USA	Spurr Mountain*	H125	1
June 2016	AHI	EBU	USA	Miami Dade Police*	AS350 B2	1
August 2016	AHI	EBU	USA	RW Aviation*	H125	1
August 2016	AHI	EBU	USA	LADWP*	H125	2
August 2016	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	-1
September 2016	AHI	EBU	USA	Dement Construction Company*	H125	1
September 2016	AHI	EBU	USA	San Bernardino County Sheriff*	H125	2
October 2016	AHI	EBU	USA	Sky High Leasing*	H125	1
November 2016	AHI	EBU	USA	SG Equipment Finance*	H125	1
November 2016	AHI	EBU	USA	LAPD*	H125	2
November 2016	AHI	EBU	USA	Conrad & Bischoff*	H125	1
December 2016	AHI	EBU	USA	Air Medical Group Holdings*	H125	5
December 2016	AHI	EBU	USA	Studer Fertilizer Inc*	H125	1
December 2016	AHI	EBU	USA	Metro Aviation INC*	H125	1
TOTAL ECUREUIL I / FENNEC						**26**
November 2016	AHI	EBU	USA	Shier Aviation Corporation*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2016						**38**

ORDER BOOKINGS - AH GROUP

FROM 01/01/2011 TO 31/12/2016

DATE of the CONTRACT in force	FROM	TO			AIRCRAFT	QTY
		REGION	COUNTRY	CUSTOMER	TYPE	
February 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
February 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						5
TOTAL 2011						5
January 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						7
TOTAL 2012						7
February 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						5
TOTAL 2013						5
January 2014	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
January 2014	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						2
TOTAL 2014						2
TOTAL 2015						0
TOTAL 2016						0

Exhibit L

From: Strain, Eric <estrain@nixonpeabody.com>
Sent: Friday, February 10, 2017 4:13 PM
To: Signoracci, Pietro J
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: ECN v. Airbus Helicopters
Attachments: AH Sales to USA 2011-2016.pdf; AH Sales to CHC 2011-2016.pdf; AHI Sales 2011-2016.pdf

Pietro,

Aircraft Sales

Attached are:

1. A spreadsheet showing sales by Airbus Helicopters, S.A.S. ("AH") to customers having a US address on the purchase agreement for the years 2011 through 2016. The sales were made by AH to the companies listed under the "From" heading, not the "Customer" heading. Thus, you will see that the sales were made by AH to Airbus Helicopters, Inc. ("AHI"). The "Customer" heading refers to the customers to whom AHI sold and delivered the helicopters in the US.

2. A spreadsheet showing sales by AH to CHC entities.

3. Documents summarizing AHI's sales to customers having US addresses on the purchase agreements. The entries that are blacked out were sales to customers not having US addresses.

Maintenance

1. AH does not perform maintenance in the US.

2. If a Super Puma customer in the US needs a main gearbox overhaul, the overhaul would be done by AH in France (or Helibras in Brazil); AHI does not perform Super Puma main gearbox overhauls.

3. AH, not AHI, would perform retrofit work to bring Super Pumas into compliance with the EASA AD and FAA approved AMOC allowing return to service following the groundings.

Corporate Relationship

I will get this to you on Monday.

Bankruptcy Involvement

I hope to get back to on Monday.

If questions, let me know.

Thank you, Eric

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Exhibit M

Case 16-03151-bjh Doc 104-17 Filed 04/12/17 Entered 04/12/17 18:15:38 Page 280 of 419

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COUNSEL FOR PLAINTIFF ECN CAPITAL (AVIATION) CORP.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Adv. No. 16-03151-bjh** **Plaintiff's Supplemental Memorandum on Post-Hearing Developments Related to Personal <u>Jurisdiction and Abstention</u>**

Plaintiff ECN Capital (Aviation) Corp. ("ECN Capital") files this Supplemental Memorandum to bring to the Court's attention new facts critical to the personal jurisdiction and abstention issues raised in Defendant Airbus Helicopters S.A.S.'s ("Airbus") Motion to Dismiss.[1] These new facts, developed after the Court held argument on the Motion to Dismiss, directly contradict representations Airbus made to the Court in briefing and argument.

BACKGROUND

On January 3, 2017, Airbus filed its Motion to Dismiss asking this Court to hold that it lacked personal jurisdiction over Airbus, or to abstain from exercising its jurisdiction. Airbus also submitted a declaration from its executive, Michel Gouraud (the "Gouraud Declaration"), which stated that: Airbus "does not transact its business in the United States," Gouraud Decl. ¶ 5; Airbus "does not sell Super Puma helicopters in the United States," *id.* ¶ 9; and Airbus Helicopters, Inc. ("AHI") "is a separate and independent company from [Airbus]," *id.* ¶ 11. On February 28, 2017, the Court held a hearing on the Motion to Dismiss (the "MTD Hearing"), during which Airbus's counsel Eric Strain stated that "[Airbus] . . . doesn't transact [] business in the United States," and "when [Airbus] sells its helicopters . . . it does so from its place of business in France."[2]

On November 21, 2016, Era Group Inc. ("Era"), a Texas-based owner of ten EC225s, filed a complaint (the "Era Complaint") in Texas state court against Airbus and AHI alleging that the EC225s were defectively designed.[3] On January 12, 2017, Airbus filed a Special

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in ECN Capital's Opposition to Defendant's Motion to Dismiss [Dkt. No. 63] (the "MTD Opposition").

[2] *See* Tr. of 2/28/2017 H'r'g [Dkt. No. 86] 17:23-24; 18:2-3.

[3] *See* Era Complaint (Ex. M to Declaration of Pietro J. Signoracci in Support of Plaintiff's MTD Opposition dated Jan. 27, 2017 [Dkt. No. 64 Attach. 13]).

Appearance (the "SA") in response to the Era Complaint objecting to personal jurisdiction.[4] Airbus stated: "[Airbus] does not have a place of business in Texas and does not transact business in Texas." SA at 1. Airbus attached to the SA a declaration from Michel Gouraud (the "Era Gouraud Declaration").[5] Mr. Gouraud declared that Airbus "does not sell Super Puma helicopters in Texas," *id.* ¶ 7, and that "[Airbus] and AHI are separate and independent companies," *id.* ¶ 9. Airbus relied on the Era Gouraud Declaration in stating that Airbus: "has never – even temporarily – had offices or operational activities in Texas" and "does not sell Super Puma or any other helicopters in Texas." SA at 2. These statements from the Era Gouraud Declaration are nearly identical to statements in the Gouraud Declaration that Airbus filed in this Adversary Proceeding.

On July 28, 2016, Wells Fargo Bank Northwest, National Association ("Wells Fargo") filed breach of warranty and contract claims in Texas state court against AHI regarding three EC225s Wells Fargo purchased from AHI.[6] On February 7, 2017, Wells Fargo added Airbus as a defendant in its Texas state court case by filing an Amended Petition.[7]

ARGUMENT

New facts have developed regarding Airbus's activities in the U.S., including in Texas, and the ability of Texas courts to exercise personal jurisdiction over Airbus—*specifically with regard to product liability claims concerning Super Pumas purchased through an intermediary*.

---

[4] *See* Ex. A (Special Appearance of Defendant Airbus Helicopters, S.A.S. [*Era Group Inc.* v. *Airbus Helicopters Inc. et al.*, DC-16-15017 (Tex. Dist. Ct., filed Nov. 21, 2016) filed on Jan. 12, 2017]). Unless otherwise stated herein, all references herein to "Ex. __" are to the accompanying Declaration of Pietro Signoracci dated March 20, 2017.

[5] *See* Ex. B (Declaration of Michel Gouraud in Support of Defendant Airbus Helicopters, S.A.S.'s Special Appearance [*Era Group Inc.* v. *Airbus Helicopters Inc. et al.*, DC-16-15017 (Tex. Dist. Ct., filed Nov. 21, 2016) filed on Jan. 12, 2017]).

[6] *See* Ex. C (Wells Fargo Complaint [*Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc. et al.*, DC-16-09090 (Tex. Dist. Ct., filed Jul. 28, 2016) filed on Jul. 28, 2016]).

[7] *See* Ex. D (Wells Fargo First Amended Petition [*Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc. et al.*, DC-16-09090 (Tex. Dist. Ct., filed Jul. 28, 2016) filed on Feb. 7, 2017]).

These facts directly contradict representations Airbus made to the Court in its Motion to Dismiss briefing and argument. They also demonstrate that this Court has personal jurisdiction over Airbus, which the Court should exercise here.

The following facts developed since the MTD Hearing:

- On March 17, 2017, Airbus withdrew the Era Gouraud Declaration and the SA and consented to the personal jurisdiction of the state court of Texas in the Era case for product liability claims regarding Super Pumas that were not purchased directly from Airbus.[8]

- On March 8 and 9, 2017, Airbus's CEO Guillaume Faury attended Heli-Expo 2017, an industry event at the Kay Bailey Hutchison Convention Center *in Dallas, Texas*. *Id.* The event was sponsored by Airbus and attended by over 15,000 customers from around the world and in the U.S., including Texas.[9] At the event, Airbus showcased to customers four models of Airbus helicopters.[10]

- On March 10, 2017, Mr. Faury stated that 60 Airbus helicopter orders were placed at the Heli-Expo 2017. *Id.* Airbus further reported that new "VIP customers," such as Dallas Cowboys Owner and CEO Jerry Jones and Texas-based oil business executive Mike Wallace, had "testif[ied] to their satisfaction with [Airbus] products and customer service," based on "their experiences operating Airbus helicopters and working with the [AHI] team." *Id.* Airbus pointed to this customer service, provided by AHI, to assert that Airbus is "[e]ver committed to improving customer satisfaction." *Id.*

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[8] *See* Ex. E (Defendant Airbus Helicopters, S.A.S.'s Notice of Withdrawal of Special Appearance [*Era Group Inc.* v. *Airbus Helicopters Inc. et al.*, DC-16-15017 (Tex. Dist. Ct., filed Nov. 21, 2016) filed on Mar. 17, 2017]).

[9] *See* Ex. F (Hai-Heli-Expo, http://heliexpo.rotor.org/ (last visited Mar. 17, 2017)).

[10] *See* Ex. G (Press Release, Airbus, Airbus Helicopters wraps up a successful Heli-Expo 2017 in Dallas (Mar. 10, 2017), *available at* http://www.airbushelicopters.com/website/en/press/Airbus-Helicopters-wraps-up-a-successful-Heli-Expo-2017-in-Dallas_2100.html).

- On March 8, 2017, Mr. Faury was served directly in the State of Texas, while attending the Heli-Expo at the Kay Bailey Hutchinson Convention Center, with a subpoena to attend a deposition in the Wells Fargo case in Dallas, Texas on April 24, 2017.[11]

These newly available facts directly contradict statements in the Gouraud Declaration and representations Airbus made to this Court in an attempt to avoid this Court's jurisdiction. Mr. Gouraud's statement that AHI "is a separate and independent company from [Airbus]" is directly contradicted by the fact that Airbus and AHI appeared together at the Heli-Expo 2017 to market and sell helicopters and meet with "VIP customers" of Airbus *and* AHI.[12] Mr. Gouraud's statement also is undermined by Airbus's consent to personal jurisdiction in Texas in a case brought by a customer of AHI that did not purchase Super Pumas directly from Airbus. Further, Mr. Gouraud's statement that Airbus "does not transact its business in the United States" is directly contradicted by Airbus's recent press release stating that 60 helicopters were sold by Airbus at the 2017 Heli-Expo in Dallas, Texas.[13] The Gouraud Declaration is the only evidence Airbus has advanced in its attempt to avoid this Court's jurisdiction. The record now makes clear the Gouraud Declaration is contradicted by fact, and it should be ignored.

These new facts also support ECN's well-pleaded allegations that this Court has personal jurisdiction over Airbus, which this Court should exercise. *See Glinka* v. *Abraham and Rose Co. Ltd.*, 199 B.R. 484 (Bankr. D. Vt. 1996) (exercising personal jurisdiction over foreign non-debtor

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[11] *See* Ex. H (Notice of Deposition of Guillaume Faury [*Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc. et al.*, DC-16-09090 (Tex. Dist. Ct., filed Jul. 28, 2016) served on Mar. 8, 2017]).

[12] *See* Ex. B. This is consistent with the information ECN Capital obtained from Airbus regarding its corporate structure, which revealed that French-based Airbus and its U.S.-based affiliate AHI share the same ultimate corporate parent, Airbus Group S.E. *See* Ex. I (E-mail from Eric Strain to Pietro Signoracci (Feb. 14, 2017)).

[13] *See* Exs. B, G. These new sales demonstrate personal jurisdiction especially when viewed in context of the evidence ECN Capital obtained through jurisdictional discovery, which shows that from 2011 to 2016 Airbus directly sold 30 helicopters to U.S.-based customers, including six Super Pumas and 22 other helicopters to customers headquartered in Texas; indirectly sold 58 helicopters to Texas-based customers through its U.S.-based affiliate distributor AHI; and sold another 649 helicopters for AHI to distribute to U.S.-based customers outside of Texas. *See* Ex. J. (Order Bookings – AH Group).

defendant in adversary proceeding in light of defendant's extensive participation in the bankruptcy, coupled with its contacts in the relevant forum). In addition to Airbus's extensive participation in the Bankruptcy Cases, this Court's personal jurisdiction over Airbus is evident from Airbus's strong U.S. and Texas contacts. Airbus sold Super Pumas to a foreign subsidiary of CHC. CHC, which is based in Texas, submitted testimony by declaration in the Bankruptcy Cases acknowledging that it manages its businesses from Irving, Texas—including the business of its foreign subsidiaries.[14] CHC entities subsequently sold those Super Pumas to ECN Capital, entered into leases on the Super Pumas, and rejected the leases of the Super Pumas in Texas in the Bankruptcy Cases. Airbus also has a close strategic relationship with AHI for purposes of marketing and selling Super Pumas to U.S.- and Texas-based customers. Airbus even sent its CEO into this forum last week for the purpose of collaborating with AHI to market and sell Super Pumas to U.S- and Texas-based customers. The strength of Airbus's contacts with this forum is demonstrated by the fact that Airbus conceded personal jurisdiction in Texas state court regarding claims brought by a U.S.-based customer that purchased Super Pumas from AHI.

The same facts that give rise to this Court's personal jurisdiction over Airbus also weigh heavily in favor of this Court exercising its jurisdiction over Airbus, rather than abstaining. Airbus has misrepresented its business contacts in the U.S. and Texas in an effort to avoid this Court's personal jurisdiction and to engage in forum-shopping. Airbus has a substantial presence in the U.S. and Texas—despite its misrepresentations to this Court designed to avoid jurisdiction and shop for a more favorable forum. If this Court is inclined to abstain, it should abstain only on the condition that Airbus consents to personal and subject matter jurisdiction in Texas state court for ECN Capital's claims this case. Since Airbus is now litigating in Texas state court,

[14] *See* Ex. K (Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 1 Petitions and First Day Relief [16-31854 Dkt. No. 13]) ¶ 10.

Airbus cannot credibly claim that it would be costly or burdensome to defend this lawsuit in this jurisdiction, especially after Airbus sent its CEO to this jurisdiction to market and sell Airbus helicopters to customers in the U.S. As a result of its concession of jurisdiction, Airbus will be litigating *in this forum* claims nearly identical to those ECN Capital asserts in this Adversary Proceeding. On this newly developed record, there is no basis for Airbus to complain of costs of litigating the claims in this forum, where jurisdiction lies.

In its Brief in Support of its Motion to Dismiss, Airbus stated that Airbus "structures its transactions by conducting them in France . . . specifically to avoid being subject to the general jurisdiction of courts outside of France." Airbus Br. at 13. While Airbus may wish to "avoid being subject to the general jurisdiction of courts outside of France," it must face the consequences of its actions. The Gouraud Declaration is demonstrably false. Airbus transacts business in this district, avails itself of the courts of this district, sends its executives to this district, and has now conceded jurisdiction in this district regarding claims that Super Puma helicopters were defectively designed. Airbus should not be permitted to escape this Court's jurisdiction, and ECN Capital's appropriate choice of venue.

CONCLUSION

For the foregoing reasons, and the reasons stated in ECN Capital's MTD Opposition, Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss, and Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss, this Court should deny Defendant's Motion to Dismiss the Complaint.

Dated: March 20, 2017
New York, New York

Respectfully submitted,

By: /s/ *Martin Flumenbaum*
Martin Flumenbaum

Martin Flumenbaum (*pro hac vice*)
(New York Bar No. 1143387)
Roberta A. Kaplan (*pro hac vice*)
(New York Bar. No. 2507093)

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Counsel for Plaintiff
ECN Capital (Aviation) Corp.

CERTIFICATE OF SERVICE

I hereby certify that, on March 20, 2017, I caused the foregoing Supplemental Memorandum on Post-Hearing Developments Related to Personal Jurisdiction and Abstention to be filed with the Court via CM/ECF and served on all parties requesting electronic notification, including the following counsel of record for the Defendant:

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/s/ *Martin Flumenbaum*
Martin Flumenbaum

Exhibit N

AIRBUS HELICOPTERS

Press Release

Heli-Expo 2017

Airbus Helicopters wraps up a successful Heli-Expo 2017 in Dallas

Orders for about 60 H125, H135, H145 and H175 announced at the show

Dallas, Texas, 10 March 2017 – Airbus Helicopters showcased its best-selling light singles and light twins during Heli-Expo 2017 at the Kay Bailey Hutchison Convention Center in Dallas, Texas. The H125, H130, H135, and the H145, on display at the show, represented 381 bookings for Airbus Helicopters in 2016, and accounted for a vast majority of the deliveries of the civil helicopter market last year.

"This year's Heli-Expo has shown that 2017 is already off to a good start for our best-selling products, with orders for about 60 helicopters including the H125, H135, H145, and H175 announced at the show", said Guillaume Faury, Airbus Helicopters CEO.

Milestone Aviation Group Limited announced a €200 million firm order for H135, H145 and H175 helicopters, while Waypoint Leasing (Ireland) Limited committed to ordering an additional 16 Airbus helicopters including the H135, H145 and adding the H175 to its order book for the first time.

Absent from the show floor as it's working hard on the field, the H175 has recently seen its maximum take-off weight being extended to 7.8 tonnes, allowing customers to benefit from an additional payload of 300 kg or an extra 40NM radius of action. Launch customer NHV also celebrated its 10,000 flight hours with the H175 on the Airbus Helicopters' booth during the show.

At Heli-Expo this year, Airbus Helicopters introduced the H135 equipped with the Helionix digital avionics suite. STAT MedEvac will soon be the first air medical transport service in North America to operate this type, following an order for three new H135s announced at the show. The Helionix-equipped H135 will soon be leaving Dallas for a demo tour of the US and Mexico.

The H125 also saw continued success with REACH Air Medical Services, a subsidiary of Air Medical Group Holdings, placing an order for five new Airbus H125s. Ruo'er General Aviation Development Group (Ruo'er Group), one of the biggest general aviation companies operating flight support base and airport with comprehensive services in China, signed a letter of intent for a total of 12 H125s with a first confirmed order of four aircraft.

Another highlight of the show was Airbus Helicopters' Voice of the Customer where the U.S. Coast Guard celebrated 30-plus years of collaboration with Airbus, as well as the milestone of 1.5 million flight hours on the MH-65 Dolphin. Also, two new VIP customers related their experiences operating Airbus helicopters and working with the Airbus Helicopters Inc. team.

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Follow us on twitter: twitter.com/AirbusHC

AIRBUS HELICOPTERS

Press Release

"We're very proud to have customers like Dallas Cowboys Owner and CEO Jerry Jones as well as oil business executive Mike Wallace testify to their satisfaction with our products and customer service, and share their Airbus experience with everyone," said Chris Emerson, President of Airbus Helicopters Inc.

Ever committed to improving customer satisfaction, Airbus Helicopters announced at the show that its efforts in this domain are paying off with a recent independent survey confirming a significant reduction in direct maintenance and direct operating costs (DMC and DOC) for the H125, H130 and H135 helicopters, further strengthening the competitiveness of these types.

About Airbus

Airbus is a global leader in aeronautics, space and related services. In 2016, it generated revenues of € 67 billion and employed a workforce of around 134,000. Airbus offers the most comprehensive range of passenger airliners from 100 to more than 600 seats. Airbus is also a European leader providing tanker, combat, transport and mission aircraft, as well as Europe's number one space enterprise and the world's second largest space business. In helicopters, Airbus provides the most efficient civil and military rotorcraft solutions worldwide.

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Exhibit O

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS, S.A.S., Defendant.	Adv. Pro. No. 16-3151 (BJH)

DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S AMENDED BRIEF IN SUPPORT OF MOTION TO DISMISS FOR LACK OF SUBJECT MATTER AND PERSONAL JURISDICTION, AND *FORUM NON CONVENIENS*

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INTRODUCTION

This adversary proceeding is a complex tort and aviation products liability lawsuit. Plaintiff ECN Capital (Aviation) Corp. ("ECN") owns five *Super Puma* helicopters that were designed and manufactured in France by Defendant Airbus Helicopters S.A.S. ("AH"). AH sold and delivered the helicopters in France to European purchasers, not ECN, which later purchased them from third parties. The helicopters are registered and located outside of the United States. ECN asserts that it has suffered economic loss due to an alleged defect in the helicopters. Its claim is based on an unfinished investigation being conducted by European authorities into a Super Puma accident in Norway and precautionary flight bans imposed on Super Puma helicopters by European and other authorities, many of which have been lifted.

This is a standalone lawsuit about ECN's dissatisfaction with its Super Pumas, and it was not properly brought as an adversary proceeding. ECN concedes that it is a non-core proceeding, as it must since the lawsuit does not involve claims arising under the Bankruptcy Code, does not involve any of the debtors in the above-captioned main bankruptcy proceedings of the CHC Group debtor entities (the "CHC Debtors" or "Debtors"), does not pertain to Debtors' property, and its resolution will not affect the bankruptcy proceeding. The adversary proceeding is not "related to" the bankruptcy, and because there is no other basis for federal jurisdiction, the action should be dismissed pursuant to Fed. R. Civ. P. 12(b)(1). The action is also unrelated to any contacts between France-based AH and the United States. AH should therefore be dismissed pursuant to Fed. R. Civ. P. 12(b)(2) for lack of personal jurisdiction.

Even if the Court finds that it has jurisdiction, it should exercise its discretion to abstain from hearing this foreign-centered dispute under 28 U.S.C. § 1334(c)(1) or on the grounds of *forum non conveniens*. Abstention is appropriate because the parties to this noncore proceeding

do not consent to the bankruptcy court's orders or judgments, and have demanded a jury trial, and the tort claims are not governed by bankruptcy laws. This Court has previously abstained in the interest of comity and judicial efficiency under very similar circumstances. Dismissal on *forum non conveniens* grounds is appropriate because the action does not involve parties from the United States, does not pertain to events or property in the United States, will almost certainly be governed by foreign law, and involves witnesses and evidence located entirely outside of the United States, much of it in a foreign language. France has a far superior interest in adjudicating claims made by a Canadian company against a French company over alleged conduct that, if it occurred at all, happened in France.[1]

STATEMENT OF FACTS

ECN is an Ontario corporation headquartered in Toronto, Canada. [Complaint, ¶ 5.] AH is a French company organized and existing under the laws of France. [Declaration of Michel Gouraud, ¶ 3. (Appx. Ex. A, at 2).] AH designs, obtains certification of, manufactures, sells and supports certain Airbus Helicopters model helicopters in France, including the Super Puma, and it maintains a website and produces marketing materials for the helicopters it distributes in France. [*Id.* (Appx. Ex. A, at 2-3).] AH does not sell helicopters through its website. [*Id.* at ¶ 4 (Appx. Ex. A, at 3).] AH conducts aircraft certification and technical activities, including accident investigation, from France. [*Id.* at ¶ 3 (Appx. Ex. A, at 3).] AH has never temporarily

[1] AH has also filed a motion to withdraw the reference as it relates to this adversary proceeding. AH agrees with ECN that this proceeding is non-core, and AH does not consent to the entry of final orders or judgments by the Bankruptcy Court in, nor in matters connected with, this adversary proceeding. Further, AH's motion to dismiss is brought without prejudice to the right to later supplement it with additional information and without waiver of any rights, privileges, or defenses including, but not limited to the arbitrability of ECN's claims.

moved its primary offices or these business operations to the United States. [*Id.* at ¶ 5 (Appx. Ex. A, at 3).] AH has no real property, offices, phone numbers, bank accounts, or employees who are permanently assigned in the United States. [*Id.*] AH is not licensed to do business in the United States and does not transact its business in the United States. [*Id.*] AH does not sell Super Puma helicopters in the United States. [*Id.* at ¶ 9 (Appx. Ex. A, at 3).] Two Airbus affiliated entities are located in the United States – Airbus Group, Inc. ("AGI"), headquartered in Virginia, and Airbus Helicopters, Inc. ("AHI"), headquartered in Texas. [*Id.* at ¶¶ 11-12 (Appx. Ex. A, at 4).] However, both are separate and independent companies from AH, are not owned by AH, and have their own separate management, facilities, bank accounts, employees and internal operational control. [*Id.* (Appx. Ex. A, at 4).]

AH designed and manufactured the following Super Puma helicopters in France: AS332 L2, Serial No. 2467, U.K. Reg. No. G-PUMO; AS332 L2, Serial No. 2474, Norway Reg. No. LN-OHE; AS332 L2, Serial No. 2477, U.K. Reg. No. G-PUMM; AS332 L2, Serial No. 2504, U.K. Reg. No. G-PUMS; EC225 LP, Serial No. 2878, U.K. Reg. No. G-OAGA. [*Id.* at ¶ 6 (Appx. Ex. A, at 3).] AH sold and delivered the first four of these helicopters (Serial Nos. 2467, 2474, 2477 and 2504) in France to CHC Scotia Limited of Great Yarmouth in Norfolk, Great Britain. [*Id.* at ¶ 7 (Appx. Ex. A, at 3).] Helicopter Serial No. 2878 was sold and delivered by AH in France to CHC Leasing (Ireland) Limited, of Dublin, Ireland. [*Id.*] AH's standard sale agreements are governed under French law, and mandate as a first step an attempt to resolve any dispute by negotiation lasting no less than three months. [AH Obj. to ECN Mot. for 2004 Examination of Debtors, Case No. 16-31854-bjh11, ¶ 11 (ECF No. 862).] If that requirement is satisfied and the dispute is not yet resolved, disputes must be resolved pursuant to binding

arbitration in Paris, France, conducted in accordance with International Chamber of Commerce ("ICC") international arbitration rules. [*Id.*]

ECN alleges that it purchased these five helicopters from a company called CHC Helicopters (Barbados) Limited ("CHCB"), and then leased them back to CHCB, which is a debtor in the CHC Group bankruptcy cases. [Complaint, ¶ 34.] Debtors report the physical location of the helicopters in Canada, Poland and Scotland. [May 5, 2016 Omnibus Mot., Case No. 16-31854, at Schedule 1 – Page 6-7 (ECF No. 20); May 27, 2016 Omnibus Mot., Case No. 16-31854, Schedule 1 – Page 24 (ECF No. 210).] As part of its efforts to reduce its fleet by as much as 90 helicopters by rejecting leases, including other manufacturer's helicopters such as Sikorsky and Augusta Westland, Debtors rejected their leases for ECN's five Super Pumas. [Oct. 28, 2016 Omnibus Mot., Case No. 16-31854, ¶ 12 and generally Schedule 1 (ECF No. 1090).] Debtors explained the reason for the lease rejections:

> As part of their ongoing efforts to reduce costs and maximize fleet flexibility, the Debtors have identified Excess Equipment that no longer fits into the Debtors' business plan and, accordingly, will no longer be utilized by the Debtors and have no utility or value to the Debtors. The Debtors entered into the Leases and related agreements in a different economic climate than the one facing the Debtors' industry today. Today, with the ongoing downturn in the Debtors' industry, these same helicopters are no longer necessary to the Debtors' operations.

[May 5, 2016 Omnibus Mot., Case No. 16-31854, ¶ 40 (ECF No. 20); May 27, 2016 Omnibus Mot., Case No. 16-31854, ¶ 41 (ECF No. 210).] At a May 6, 2016 hearing in the Bankruptcy Court, the CHC Debtors further explained:

> A few important points about CHC: Its principal business is to provide those helicopter services for large, long-distance, crew changes on offshore production facilities and drilling rigs for major national and international oil and gas companies. Although CHC manages its operations in Irving, Texas, it operates a global business across six continents. As a result, CHC's business is closely tied to the state of the oil and gas industries.

> The rapid and unexpected decline in oil prices that the industry has had in the past couple years has led to a significant decline in offshore oil exploration, cost reduction measures for production, operation, and there's been a substantial decrease in the demand for those offshore drilling services. As a result, the demand for helicopter services has declined.

[Transcript of May 6, 2016 Hearing, Case No. 16-31854, 17:5-19 (ECF No. 1435-19).]

On April 29, 2016 a Super Puma helicopter operated by a CHC-related entity crashed in Norway killing all on board. [Complaint, ¶ 14.] The cause of that accident is under investigation by the Civil Aviation Authority of Norway (the "CAAN") and the Accident Investigation Board of Norway ("AIBN"). [*Id.* at ¶¶ 17-18.] AH has provided technical support to investigative and certification authorities from its place of business in France. [Gouraud Decl., ¶ 3 (Appx. Ex. A, at 3).] Following the lead of the European Aviation Safety Agency ("EASA"), civil aviation authorities in various parts of the world issued temporary flight restrictions following the accident while its cause is investigated. [Complaint, ¶ 17.] EASA has since lifted the flight ban, subject to certain maintenance requirements. [*Id.* at ¶ 24.]

On November 17, 2016, citing the Norway accident and grounding as evidence of a defect, ECN filed this adversary proceeding asserting negligence, strict products liability, breach of implied warranty of merchantability, negligent misrepresentation and fraud causes of action against AH seeking economic loss. [*Id.* at ¶¶ 42, 44, 46-111.] ECN's Complaint states that it is a non-core proceeding, that ECN does not consent to the entry of final orders or judgment by this Court, and that ECN demands a jury trial. [*Id.* at ¶ 13, p. 31.]

ARGUMENT

I. The Court Lacks Subject Matter Jurisdiction over this Action

This action between two foreign corporations lacks diversity of citizenship jurisdiction, and does not involve a claim arising under federal law. 28 U.S.C. §§ 1331, 1332(a). ECN concedes that it is a non-core proceeding that does not arise under title 11. [Complaint, ¶¶ 8, 13.] ECN asserts that federal jurisdiction exists under 28 U.S.C. § 1334(b) because it is "related to" the bankruptcy and because the Court can exercise its supplemental jurisdiction. [*Id.* at ¶¶ 8-10.] Neither basis for federal jurisdiction exists.

A matter is related to bankruptcy when "the outcome of that proceeding could *conceivably* have any effect on the estate being administered in bankruptcy." *Matter of Walker*, 51 F.3d 562, 569 (5th Cir. 1995) (internal citations omitted). A proceeding could conceivably affect the estate "if the outcome could alter the debtor's rights, liabilities, options, or freedom of action (either positively or negatively) and which in any way impacts upon the handling and administration of the bankrupt estate.' Conversely, 'bankruptcy courts have no jurisdiction over proceedings that have no effect on the debtor.'" *Id.* at 569 (internal citations omitted).

While it may be broad, "related to" jurisdiction "cannot be limitless." *Celotex Corp. v. Edwards*, 514 U.S. 300, 308 (1995) (citing *Pacor, Inc. v. Higgins*, 743 F.2d 984, 994 (3d Cir. 1984); *In re TMT Procurement Corp.*, 764 F.3d 512, 526 (5th Cir. 2014). Bankruptcy jurisdiction does not extend, for example, to actions based on state law between non-debtors over non-estate property because it would not have any effect on the bankruptcy. *In re TMT Procurement Corp.*, 764 F.3d at 526. The Fifth Circuit has explained:

> We note that a bankruptcy court does have jurisdiction to resolve a dispute between third parties 'if it is impossible to administer completely the estate of the bankrupt without determining the controversy.' Even if resolution of the

> controversy might have a 'chilling effect' on the financing of the arrangement plan, or might reduce claims against the debtor's estate, exercising jurisdiction over a collateral controversy is improper where it is 'possible' to administer the estate without resolving the controversy.

Matter of Paso Del Norte Oil Co., 755 F.2d 421, 425 (5th Cir. 1985) (internal citations omitted).

Moreover, "[b]ankruptcy courts do not ordinarily have jurisdiction over disputes between non-debtors where the dispute does not involve property of the estate, does not affect the administration of the estate and the resolution of the inter-creditor dispute will not affect the recovery of creditors under a confirmed plan." *Harbour Oaks Dev. Corp. v. Southtrust Bank, N.A.*, 224 B.R. 228, 230 (Bankr. M.D. Fla. 1998) (citations omitted). Further, "'[a] bankruptcy court only has jurisdiction over property owned by or in the actual or constructive possession of the debtor.'" *Herd v. Herd*, Case Nos. 06-10851, 06-1128, 2007 Bankr. LEXIS 2958, *14 (U.S. Bankr. E.D. Tenn. Aug. 28, 2007) (quoting *Weng v. Farb (In re K & L Ltd)*, 741 F.2d 1023 (7th Cir. 1984)). "When property is no longer part of a bankruptcy estate and when the determination of rights thereto would not affect any dispute by creditors over property that was part of the estate, the bankruptcy court lacks jurisdiction to determine the rights to the property." *Id.* (citing *Matter of Edwards*, 962 F.2d 641, 643 (7th Cir. 1992)).

ECN's action does not involve claims against the CHC Debtors and does not involve their estates' property. The helicopters are owned by ECN, and the leases have already been rejected by the CHC Debtors. Whether ECN can recover from AH for its own, separate alleged economic loss caused by the groundings will have no effect on the Debtors' estates. The sources of damages to ECN in the proceedings are completely separate – rejected leases (bankruptcy) versus the grounding (adversary). Moreover, to the extent ECN recovers damages from AH in

this lawsuit, that money would go to ECN, not the CHC Debtors. Courts decline to find "related to" jurisdiction in such circumstances:

> Likewise, if Yashiro succeeds against the Non-Debtor Defendants on its breach of contract and fraud claims, its recovery will not effect debtor's estate because it will be payable to Yashiro, and Yashiro does not allege or demonstrate otherwise. Non-Debtor Defendants are correct that because Yashiro's claims against them will not impact Falchi's estate, they are not "related to" his chapter 11 case and must be dismissed pursuant to Rule 12(b)(1).

Yashiro Co. v. Falchi (In re Falchi), Case Nos. 97 B 43080, 97-9057A, 1998 Bankr. LEXIS 622, *17-20 (U.S. Bankr. S.D.N.Y. May 26, 1998) (citations omitted); *Singer v. Adamson*, 334 B.R. 1, 11 (Bankr. D. Mass. 2005) ("if Singer were to prevail on her claims against the non-debtor defendants, any damages she could recover would not be available for distribution to the Debtor's creditors as they would not be assets of the bankruptcy estate").

ECN's assertion that the Court may exercise supplemental jurisdiction contravenes clear Fifth Circuit law. *Matter of Walker*, 51 F.3d at 573; *Matter of Bass*, 171 F.3d 1016, 1023-24 (5th Cir. 1999) ("we have held that bankruptcy courts cannot exercise supplemental jurisdiction"). This Court lack subject matter jurisdiction over this action.

II. The Court Should Abstain from Hearing this Foreign Dispute

Even if the Court finds jurisdiction, it should exercise its discretion to abstain from hearing this matter. Title 28 U.S.C. § 1334(c)(1) states: "nothing in this section prevents a district court in the interest of justice, or in the interest of comity with State courts or respect for State law, from abstaining from hearing a particular proceeding arising under title 11 or arising in or relating to a case under title 11." While this statute speaks in terms of the states, the Fifth Circuit has explained that it applies to foreign tribunals. *Baumgart v. Fairchild Aircraft Corp.*, 981 F.2d 824, 833 (5th Cir. 1993); *see also In re Regus Bus. Ctr. Corp.*, 301 B.R. 122, 127-29

(Bankr. S.D.N.Y. 2003) (bankruptcy court abstained from hearing dispute between two English corporations over a transaction that was negotiated in England and governed by English law).

This Court abstained from hearing claims asserted in an adversary proceeding against a non-debtor defendant under very similar circumstances. *See Kimpel v. Meyrowitz*, Nos. 06-31660-BJH-11, 10-03227, 2010 Bankr. LEXIS 4853, at *18-23 (U.S. Bankr. N.D. Tex. Dec, 20, 2010) (Houser, J.). The Court abstained for multiple reasons, including: abstention would have no effect on the efficient administration of the bankruptcy and would not affect the adversary proceeding's parties' rights in the bankruptcy; the Complaint raised purely state law claims; there was no federal jurisdiction other than "related-to" bankruptcy jurisdiction; the claims had little to do with the bankruptcy; the claims were non-core; it was feasible for the claims to proceed in a non-bankruptcy court; a jury trial was demanded; one party did not consent to the Court's entry of final judgment; and the Court knew nothing more about the claims other than what was alleged in the Complaint, which any other judge could learn. *Id.*

"It is a burden on this Court's docket to litigate state law claims against non-debtor defendants," the Court explained, "when the outcome of that litigation will have such little effect on the bankruptcy estate, causing this factor to weigh in favor of abstention." *Id.* at *21-22. Further, "resources are better spent hearing live disputes in (i) [the Court's] active bankruptcy cases, and (ii) 'related to' proceedings that have a more substantial impact upon an active bankruptcy estate. If [the adversary proceeding plaintiffs] believe that they have legitimate claims against the non-debtor defendants, they can sue them in whatever other forum they believe is appropriate and credit their claim here with any recoveries received in that other forum." *Id.* at *23.

ECN's action presents many of the same reasons for abstention that compelled this Court to abstain in *Kimpel*. It is a dispute between non-debtors that will have no effect on the efficient administration of the CHC Debtors' bankruptcy cases. There is no possible basis for federal jurisdiction other than "related-to" bankruptcy jurisdiction. This matter involves complex aviation product liability claims that are highly technical and can take years to prepare for trial, with discovery taking place in at least two foreign countries, and could take several weeks to try to a jury. It does not involve rights arising under bankruptcy or federal law, is non-core, and involves parties who demand a jury trial and do not consent to this Court's entry of orders or final judgment. There is no reason for this Court to expend its resources on this matter having no United States connection when a French forum has a far greater interest in adjudicating claims of alleged misconduct by a French company that will likely be governed by French law.

Other judges in this district have abstained under similar circumstances. *See, e.g.*, *Efurd v. Baylor Health Care Sys.*, No. 3:14-cv-556, 2015 U.S. Dist. LEXIS 179080, at *10 (N.D. Tex. March 25, 2015) (abstaining from hearing non-core action based solely on state law medical malpractice claims where there was no independent basis for jurisdiction other than "related to" jurisdiction); *Barbee v. Colonial Healthcare Ctr., Inc.*, No. 3:03-cv-1658-N, 2004 U.S. Dist. LEXIS 4868, at *8-9 (N.D. Tex. March 22, 2004) (affirming bankruptcy court's permissive abstention of cross-claim between two non-debtors where there was no federal jurisdiction absent the bankruptcy case, the action involved state law matters, resolution of the matter would not affect the bankruptcy and would be better accomplished in alternative forum); *P.O'B. Apollo Tacoma, L.P. v. TJX Cos.*, No. 3:02-cv-0222-H, 2002 U.S. Dist. LEXIS 18702, at *2-5 (N.D. Tex. Oct. 3, 2002) (abstaining from hearing non-core proceeding where remand of claims

between non-debtors would have little or no effect on the efficient administration of the estate of the debtor, the matter involved purely state law).

III. The Court Lacks Personal Jurisdiction over AH

Even if the Court has subject matter jurisdiction, it should dismiss AH because ECN cannot meet its burden of establishing personal jurisdiction over AH. *Seiferth v. Helicopteros Atuneros, Inc.*, 472 F.3d 266, 270 (5th Cir. 2006) (plaintiff bears the burden on personal jurisdiction). When subject matter jurisdiction is premised on bankruptcy jurisdiction, the relevant inquiry for personal jurisdiction, under the nationwide contacts standard of Fed. R. Bankr. P. 7004(f) in cases involving a foreign defendant, is whether the defendant has constitutionally-sufficient minimum contacts with the United States. *Searcy v. Knight*, 2009 Bankr. LEXIS 5586, at *18-22 (U.S. Bankr. W.D. La. Dec. 22, 2009).

A court may exercise either general or specific jurisdiction. *Id.* at *21. For general jurisdiction, the defendant's contacts with the United States must be so continuous and systematic as to render it "at home" in the United States. *Daimler AG v. Bauman*, 134 S. Ct. 746, 761 (2014); *Patterson v. Aker Solutions Incorporated*, 826 F.3d 231, 234 (5th Cir. 2016). For specific jurisdiction, the plaintiff's causes of action must arise out of or result from the defendant's purposeful contacts with the United States. *Monkton Ins. Servs., Ltd. v. Ritter*, 768 F.3d 429, 432-33 (5th Cir. 2014).

ECN asserts that AH is subject to personal jurisdiction because it has appeared as a creditor in the bankruptcy proceeding, because AH has placed Super Puma helicopters into the stream of commerce knowing that they might be operated or owned by entities in Texas, and because an affiliated company, AHI, has sold Super Puma helicopters with contracts calling for

jurisdiction in Texas. [Complaint, ¶ 11.] None of these allegations, if true, would establish personal jurisdiction over AH.

A. AH Did Not Consent to Personal Jurisdiction

ECN asserts personal jurisdiction exists over AH because it filed proofs of claim and briefing in the bankruptcy proceeding and participated in related meetings. Courts recognize that by filing a proof of claim a creditor may submit itself to personal jurisdiction for counterclaims asserted by the debtor. *See, e.g., In re Schwinn Bicycle Co.*, 182 B.R. 526, 530–31 (U.S. Bankr. N.D. Ill. 1995); *see also In re Sun W. Distributors, Inc.*, 69 B.R. 861, 864 (U.S. Bankr. S.D. Cal. 1987). This principle does not extend to unrelated claims by co-creditors. If filing a proof of claim in the jurisdiction selected by a debtor meant that a creditor submitted to the bankruptcy court's jurisdiction for any claims by co-creditors, then every time a foreign creditor like AH protected its rights in a United States bankruptcy proceeding, said defendant would be subjecting itself to the general jurisdiction of United States courts. This result would violate a fundamental tenet of personal jurisdiction law – that jurisdiction must be based on the *defendant's* purposeful contacts with the forum, not third party actions. *Pervasive Software, Inc. v. Lexware GMBH & Co. KG*, 688 F.3d 214, 220 (5th Cir. 2012); *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 474-75 (1985) ("The unilateral activity of those who claim some relationship with a nonresident defendant cannot satisfy the requirement of contact with the forum State.")).

B. The Court Lacks General Jurisdiction Because AH is not "At Home" in the US

In *Daimler*, the Supreme Court explained that the general jurisdiction inquiry "is not whether a foreign corporation's in-forum contacts can be said to be in some sense 'continuous and systematic,' it is whether that corporation's 'affiliations with the State are so 'continuous and systematic' as to render [it] essentially at home in the forum State.'" 134 S. Ct. at 761 (quoting

Goodyear Dunlop Tires Operations, S.A. v. Brown, 564 U.S. 915, 919, 131 S. Ct. 2846, 180 L. Ed. 2d 796 (2011)). Only in an "exceptional case," will a corporation be deemed "at home" in a place other than its principal place of business or place of incorporation. *Id.* at 761 n.19. The Court cited to *Perkins v. Benguet Consol. Mining Co.*, 342 U.S. 437 (1952) as an example of such an exceptional case where the Court found general jurisdiction over a Philippines company whose president had temporarily moved the company's headquarters to Ohio during the Second World War, from where the president conducted the company's day-to-day business activities. *Id.* at 756 n.8. The Fifth Circuit recognizes that after *Daimler* it is "incredibly difficult to establish general jurisdiction in a forum other than the place of incorporation or principal place of business." *Monkton*, 768 F.3d at 432.

AH's place of incorporation and principal place of business are in France. [Complaint, ¶ 6; *see also* Gouraud Decl., ¶ 3 (Appx. Ex. A, at 2).] ECN does not allege any facts showing this to be an "exceptional case," as in *Perkins*, and AH has never temporarily moved its operations to the United States [Gouraud Decl., ¶ 5 (Appx. Ex. A, at 3).] That two separate and independent Airbus affiliated companies (AGI and AHI) are located in the United States does not support the exercise of general jurisdiction over AH. *Daimler*, 134 S. Ct. at 759-62 (no general jurisdiction over a German manufacturer whose exclusive United States distributor was "at home" in the forum); *see also Patterson*, 826 F.3d at 234-37 (no general jurisdiction over Norwegian company that had an American affiliate in Houston, and had agreements to assign employees to the affiliate). Moreover, AH structures its transactions by conducting them in France and selling helicopters with contracts governed by French arbitration forum clauses and French law provisions specifically to avoid being subject to the general jurisdiction of courts outside of France. *Bearry v. Beech Aircraft Corp.*, 818 F.2d 370, 375-76 (5th Cir. 1987) ("But Beech

exercised its right to structure its affairs in a manner calculated to shield it from the general jurisdiction of the courts of other states such as Texas, carefully requiring the negotiation, completion, and performance of all contracts in Kansas. Beech has not afforded itself the benefits and protections of the laws of Texas, but instead has calculatedly avoided them.").

C. The Court Lacks Specific Jurisdiction Over AH for ECN's Claims

1. AH Has No United States Contacts Related to ECN's Causes of Action

Specific jurisdiction "focuses on the relationship among the defendant, the forum, and the litigation." *Monkton*, 768 F.3d at 432–33 (quoting *Walden v. Fiore*, 134 S.Ct. 1115, 1121 (2014)). "For a [forum] to exercise jurisdiction consistent with due process, the defendant's suit-related conduct must create a substantial connection with the [forum]." *Id.* at 433; *Pervasive Software*, 688 F.3d at 220 ("Specific jurisdiction . . . depends on an 'affiliatio[n] between the forum and the underlying controversy,' principally, activity or an occurrence that takes place in the forum State and is therefore subject to the State's regulation.") (internal quotation omitted).

To establish specific jurisdiction, ECN must show that AH "purposely directed its activities toward the [United States] or purposefully availed itself of the privileges of conducting activities [here]" and that each of its causes of action "arises out of or results from the [AH's] forum-related contacts." *Monkton*, 768 at 433 (quoting *Seiferth v. Helicopteros Atuneros, Inc.*, 472 F.3d 266, 271 (5th Cir. 2006)). AH has not purposefully directed activity or purposefully availed itself of the United States in any way related to ECN's claims.

ECN's design and manufacturing defect claims arise out of AH's actions in France. *See Sulak v. American Eurocopter Corp.*, 901 F. Supp. 2d 834, 837, 844 (N.D. Tex. 2012) (finding for choice of law purposes that AH designed the helicopter at issue in France and that "any defects in the helicopter would have occurred where it was designed and manufactured:

France.") (citing *Perez v. Lockheed Corp. (In re Air Disaster at Ramstein Air Base, Ger.),* 81 F.3d 570, 577 (5th Cir. 1996) (holding strict-liability place of conduct is where product was designed, manufactured, and entered the commerce stream)). ECN's failure to warn claim arises where the helicopters are operated, which is not the United States. *Id.* Further, the Super Puma accidents that ECN alleges are proof of the defect took place outside of the United States and were investigated by foreign authorities with assistance from AH in France. To the extent ECN can assert a warranty claim as a subsequent purchaser of used goods, it would be for a breach of a warranty that allegedly occurred when the helicopters left AH's possession as part of their original sale in France. *See, e.g., Shows v. Man Engines & Components, Inc.*, 364 S.W.3d 348, 354 (Tex. App. 2012).[2]

ECN's claims for negligent misrepresentation and fraud also arise from alleged conduct by AH that would not have occurred in the United States. Maintaining a passive website in France does not subject AH to personal jurisdiction in the United States. *McFadin v. Gerber*, 587 F.3d 753, 762 (5th Cir. 2009); *Mink v. AAAA Dev. LLC*, 190 F.3d 333, 336-37 (5th Cir. 1999). Moreover, even if ECN had shown that AH made a false statement in the United States, ECN is located in Canada, and none of the relevant transactions occurred in or involved parties from the United States. *Panda Brandywine Corp. v. Potomac Elec. Power Co.*, 253 F.3d 865, 869-70 (5th Cir. 2001) (affirming district court's finding of no specific jurisdiction when plaintiff made only conclusory jurisdictional allegations that were unrelated to defendant's claims); *cf. Wien Air Alaska, Inc. v. Brandt*, 195 F.3d 208, 213 (5th Cir. 1999) (contrasting exercise of personal jurisdiction over defendant where the actual content of the communication with the

[2] AH cites Texas law for illustrative purposes only and does not contend or otherwise concede that Texas law applies to ECN's claims.

forum gives rise to the tort from cases where it did not); *Fairchild v. Barot*, 946 F. Supp.2d 573, 578-79 (N.D. Tex. 2013) (applying Fifth Circuit's approach in *Wien* to find specific jurisdiction because communications to the forum formed the basis of the claim).

2. Stream of Commerce Jurisdiction Over AH Does Not Exist

Stream of commerce jurisdiction may exist if a nonresident defendant "delivered the product into the stream of commerce with the expectation that it *would be purchased by or used by consumers in the forum state*." *Ainsworth v. Moffett Eng'g, Ltd.*, 716 F.3d 174, 177 (5th Cir. 2013) (emphasis added). ECN does not allege that the helicopters were owned, operated or caused an injury in the United States, as they are registered and located abroad.

ECN asserts that AHI in Texas has sold other Super Puma helicopters manufactured by AH. Even if ECN had alleged that these helicopters are located in the United States, the United States Supreme Court and the Fifth Circuit have rejected stream of commerce jurisdiction when the claim is not related to the actual product in the forum. *Goodyear Dunlop Tires Ops., S.A. v. Brown*, 564 U.S. 915, 927, 930 n.6 (2011) (no jurisdiction over French tire manufacturing defendant in North Carolina for injuries caused by a defective tire located in France where other tires manufactured by the defendant were found in North Carolina – "even regularly occurring sales of a product in a State do not justify the exercise of jurisdiction over a claim unrelated to those sales."); *cf. World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 297 (1980) (where "the sale of a product . . . is not simply an isolated occurrence, but arises from the efforts of the manufacturer or distributor to serve . . . the market for its product in [several] States, it is not unreasonable to subject it to suit in one of those States if its allegedly defective merchandise *has there been the source of injury to its owner or to others*") (emphasis added)); *Alpine View Co. Ltd. v. Atlas Copco AB*, 205 F.3d 208, 216 (5th Cir. 2000) (no specific jurisdiction over a

Swedish corporation whose products entered the forum when the alleged harm in the forum did not stem from the corporation's delivery of products into the stream of commerce); *Bearry*, 818 F.2d 370 at 375 ("We disagree with the district court's conclusion that the 'stream of commerce' will support a finding of general jurisdiction. In specific jurisdiction cases, the defendant may have, at a minimum, one contact with the forum state – *the product or conduct that caused injury there*.") (emphasis added).

3. The Exercise of Jurisdiction Would Offend Traditional Notions of Fair Play and Substantial Justice

If this Court finds that ECN's claims arise from purposeful contacts by AH in the United States, it should still decline to exercise jurisdiction because doing so would be unreasonable and unfair to AH. *Seiferth*, 472 F.3d at 276. To make this determination, the Court should evaluate:

> (1) the burden on the nonresident defendant; (2) the interests of the forum state; (3) the plaintiff's interest in obtaining relief; (4) the interstate judicial system's interest in the most efficient resolution of controversies; and (5) the shared interests of the several states in furthering fundamental social policies.

Id. All of these factors weigh heavily against the exercise of personal jurisdiction over AH in this case. As discussed, the United States has no interest in hearing a dispute between a Canadian company and a French company regarding helicopters that were designed, manufactured and sold in France, were not owned or operated in the United States, and did not cause an injury in the United States. ECN's interest in efficient relief may be met using dispute resolution procedures available in France, where AH and its documents and witnesses are located, which can efficiently apply French law, and which have a great interest in resolving ECN's claim that a French company designed, manufactured and sold a defective product and made false statements about the product on French soil. Under these circumstances, it would be unfair to force AH to defend against these claims in a court in Texas, where its witnesses would

be forced to testify in a second language, when AH has done nothing in or directed at Texas, or the United States, related to the helicopters, ECN's claims or its alleged damages.

IV. This Action Should Be Dismissed Pursuant to the Doctrine of *Forum Non Conveniens*

The doctrine of *forum non conveniens* allows a court to decline jurisdiction if after weighing private and public interest factors it decides that the case should be heard in an alternative forum. *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 507 (1947); *Moreno v. LG Elecs., USA Inc.*, 800 F.3d 692, 699 (5th Cir. 2015). "The essence of the *forum non conveniens* doctrine is that a court may decline jurisdiction and may actually dismiss a case, even when the case is properly before the court, if the case more conveniently could be tried in another forum." *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 313 (5th Cir. 2008). An adversary proceeding may be dismissed on *forum non conveniens* grounds. *Baumgart*, 981 F.2d at 834 (bankruptcy code venue provisions do not abrogate the doctrine of *forum non conveniens* in the context of foreign transfers); *Bancredit Cayman Ltd. v. Santana*, Nos. 06-11026, 08-1147, 2008 Bankr. LEXIS 3544, at *24-28 (U.S. Bankr. S.D.N.Y. Nov. 25, 2008).

A. France is an Available, Alternative Forum That Offers an Adequate Remedy

France is an alternate forum because AH is amenable to process there and its tribunals offer some remedy. *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 254 n. 22 (1981); *Moreno*, 800 F.3d at 699. Federal courts in the United States recognize that the French legal system provides an adequate alternative forum. *E.g.*, *Reyno*, 454 U.S. at 252 n.18 ("[r]ules roughly equivalent to American strict liability are effective in France").[3]

[3] *See also In re Air Crash over the Mid-Atlantic on June 1, 2009*, 760 F. Supp. 2d 832, 842 (N.D. Cal. 2010) ("the Court concludes that France is an adequate, alternative forum" for claims involving French airline and French aircraft manufacturer over foreign aircraft accident) (citing *Dattner v. Conagra Foods, Inc.*, 91 Fed. Appx. 179, **2 (2d Cir. 2004) (affirming district
(Footnote continued on next page)

B. The Public and Private Interest Factors Weigh Heavily in Favor of Dismissal

1. The Private Interest Factors

The private-interest factors include "the relative ease of access to sources of proof; availability of compulsory process for attendance of unwilling, and the cost of obtaining attendance of willing, witnesses; possibility of view of premises, if view would be appropriate to the action; and all other practical problems that make trial of a case easy, expeditious and inexpensive." *Gilbert*, 330 U.S. at 508; *Weber v. PACT XPP Techs., AG*, 811 F.3d 758, 766-67 (5th Cir. 2016).

The evidence relevant to ECN's claims against AH is located in France, including documents and witnesses related to: the design, manufacture, certification of and sale of the helicopters; statements made on AH's website or in its marketing materials; AH's involvement with investigation of the Norway accident and related Super Puma technical issues. [Gouraud Decl., ¶ 3 (Appx. Ex. A, at 2-3).] What little is not in France is likely elsewhere in Europe (where European authorities are investigating the Norway accident) or in Canada where ECN is located; none of it would be in the United States. *See supra* at 2-5. The cost and burden of bringing evidence and witnesses from Europe to Texas for a matter having no connection with Texas or the United States weigh heavily in favor of dismissal. *See, e.g., Camejo v. Ocean Drilling & Exploration*, 838 F.2d 1374, 1381 (5th Cir. 1988) ("Compulsory process for Brazilian witnesses is unavailable in a Texas forum. The cost of bringing Brazilian witnesses to Houston

court dismissal on *forum non conveniens* grounds following conclusion that France was an adequate alternative forum); *Gschwind v. Cessna Aircraft Co.*, 161 F.3d 602, 606-07 (10th Cir. 1998) (France is an adequate forum)); *Mediterranean Golf, Inc. v. Hirsh*, 783 F. Supp. 835, 841, 841 n.6 (D.N.J. 1991) (observing that "French law does permit recovery for claims based in fraud, breach of fiduciary duty and breach of contract," and has "a very broad statutory basis for tort liability.").

is very high. All the information regarding the Plaintiff's damages is in Brazil. The rig was and still is in Brazil. The local interest of Brazil in determining a case involving the death of one of its citizens is great; Texas courts have no comparable interest in the case."); *Automated Marine Propulsion Sys. v. Aalborg Ciserv Int'l A/S*, 859 F. Supp. 263, 268 (S.D. Tex. 1994) ("The only evidence before the Court indicates that almost all of the activities forming the basis of this lawsuit occurred in Sweden and other European countries . . . Obviously, therefore, access to these sources of proof will be much less burdensome in Sweden than in Galveston.").

Moreover, third party witnesses and documents located in Europe related to the Norway accident and groundings are outside the compulsory subpoena power of this Court. Likewise, third party witnesses and documents related to ownership, operation, and maintenance of the helicopters are presumably located in Poland, Scotland, and Canada. *See supra* at 4. Even if discovery from such witnesses could be obtained under this Court's auspices, such witnesses still could not be compelled to attend trial in Texas, depriving the jury the opportunity to assess their demeanor and veracity. *See, e.g.*, *Gilbert*., 330 U.S. at 511 ("to fix the place of trial at a point where litigants cannot compel personal attendance and may be forced to try their cases on deposition, is to create a condition not satisfactory to court, jury or most litigants"); *Seguros Comercial Americas, S.A. de C. V. v. American Pres. Lines*, 933 F. Supp. 1301, 1312 (S.D. Tex. 1996) ("conducting a substantial portion of a trial on deposition testimony. . . precludes the trier of fact from the important function of evaluating the credibility of witnesses"). A French court would face none of these problems. *See In re Air Crash over the Mid-Atlantic*, 760 F. Supp. 2d at 844 n.8 (finding in lawsuit against French defendants from foreign aircraft accident that "France is also the location of significant amounts of relevant damages evidence, and it will likely be easier in France to obtain damages evidence from the other Europeans in these

lawsuits.") (citing European Council Regulation 1206/2001; *Magnin v. Teledyne Cont. Motors*, 91 F.3d 1424, 1429-30 (11th Cir. 1996) ("Witnesses such as the crash investigators, eyewitnesses to the crash, the owner of the aircraft, those who maintained it, and the damage witnesses, are all in France.")). At best, these third-party witnesses and documents would only be available in the United States, if at all, through reliance on the Hague Convention or letters rogatory, but the need to rely on these "incredibly burdensome" processes supports dismissal. *Vivendi S.A. v. T-Mobile USA, Inc.*, No. C06-1524, 2008 U.S. Dist. LEXIS 118523, at *37 (W.D. Wash. June 5, 2008), *aff'd* 586 F.3d 689 (9th Cir. 2009).

The United States Supreme Court has stated, and the Fifth Circuit agrees, that a *forum non conveniens* "dismissal will ordinarily be appropriate where trial in the plaintiff's chosen forum imposes a heavy burden on the defendant or the court, and where the plaintiff is unable to offer any specific reasons of convenience supporting his choice." *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 249 (1981); *Moreno v. LG Elecs., USA Inc.*, 800 F.3d 692, 699 (5th Cir. 2015). In terms of "practical problems that make trial of a case easy, expeditious and inexpensive," *Gilbert*, 330 U.S. at 508, this forum selected by ECN is very inconvenient for AH and the Court. In this case, convenience could not have been a reason supporting ECN's choice of a Texas forum. Moreover, the Supreme Court and Fifth Circuit agree that, as a foreign plaintiff, ECN's choice of forum is subject to less deference than would a resident plaintiff. *Reyno*, 454 U.S. at 255-56; *Moreno*, 800 F.3d at 699. [4]

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[4] Addressing U.S. companies with international operations, the Fifth Circuit has instructed that "'parties who choose to engage in international transactions should know that when their foreign operations lead to litigation they cannot expect always to bring their foreign opponents into a United States forum when every reasonable consideration leads to the conclusion that the site of the litigation should be elsewhere.'" *DTEX, LLC v. BBVA Bancomer, S.A.*, 508 F.3d 785, 795 (5th Cir. 2007) (per curiam) (quoting *Contact Lumber Co. v. P.T. Moges Shipping Co., Ltd.*,
(Footnote continued on next page)

2. The Public Interest Factors

The public-interest factors include "the administrative difficulties flowing from court congestion; the 'local interest in having localized controversies decided at home'; the interest in having the trial of a diversity case in a forum that is at home with the law that must govern the action; the avoidance of unnecessary problems in conflict of laws, or in the application of foreign law; and the unfairness of burdening citizens in an unrelated forum with jury duty." *Reyno*, 454 U.S. at 241 n.6 (quoting *Gilbert*, 330 U.S. at 509). "The central question a court must answer when considering the public interest is whether the case has a general nexus with the forum sufficient to justify the forum's commitment of judicial time and resources to it." *Seguros Comercial Americas*, 933 F. Supp. at 1313.

The taxpayers of the United States, this Court, and jurors within this district should not be burdened with this dispute brought by a Canadian company against a French company that relates to the sales of helicopters built and sold in France. *Boonma v. Bredimus*, No. 3:05-cv-0684-D, 2005 U.S. Dist. LEXIS 15587, at *17 (N.D. Tex. July 29, 2005) ("Jury duty is a burden that ought not to be imposed upon the people of a community which has no relation to the litigation. Texas jurors have little connection with the case because the plaintiff is Thai and all the conduct occurred in Thailand.") (quoting *Gulf Oil*, 330 U.S. at 508-09); *Pain v. United Tech. Corp.*, 637 F.2d 775, 792 (D.C. Cir. 1980) (where helicopter that was owned, operated and maintained by a Norwegian corporation crashed in Norwegian waters and the resulting investigation evidence and wreckage were located in Norway, "jury duty for this matter ought

918 F.2d 1446, 1450 (9th Cir. 1990)). This injunction applies with even greater force where, as here, ECN also is a foreign company that seeks to use U.S. courts to litigate claims arising from a foreign transaction against another foreign company.

not be imposed upon the people of the District of Columbia, nor should local dockets be clogged by appeals in this case.”).

France, by contrast, has a strong interest in a claim regarding alleged misconduct committed in France by a French company subject to French and European regulations. *E.g.*, *Jennings v. The Boeing Co.*, 660 F. Supp. 796, 808 (E.D. Pa. 1987) (dismissing a Scottish helicopter crash case, recognizing that “the English and Scottish governments have an intensely local interest in regulating the sale and operation of aircraft within their territory”); *Dahl v. United Technologies Corp.*, 632 F.2d 1027, 1031-1033 (3d Cir. 1980) (finding that Norway’s interest in regulating aircraft safety was equal if not superior to the United States’ even where the aircraft was manufactured in the United States).

French tribunals are also in a far better position to apply what will most likely be French laws and/or European regulations on the claims against AH. The Fifth Circuit “has not determined whether the independent judgment test or the forum state’s choice-of-law rules should be applied in bankruptcy.” *MC Asset Recovery LLC v. Commerzbank A.G.*, 675 F.3d 530, 536 (5th Cir. 2012) (citing *Woods—Tucker Leasing Corp. v. Hutcheson—Ingram Dev. Co.*, 642 F.2d 744, 748 (5th Cir. 1981)). Because the most significant relationship test that Texas courts apply to tort claims and the independent judgment test are “essentially synonymous,” this Court need not decide which applies in this case. *Id.* (citations and quotations omitted). Under either test, it is clear on the facts discussed herein that the laws of France would apply to these claims against a French manufacturer for conduct that occurred in France, where not a single interest of the United States is involved. *In re Air Crash over the Mid-Atlantic*, 760 F. Supp. 2d at 847 (noting that while “the Court need not definitively determine which law will apply to these actions before dismissing on forum non conveniens grounds . . . the possibility that French law

will apply is an additional factor favoring dismissal") (citations omitted); *Simcox v. McDermott Int'l, Inc.*, 152 F.R.D. 689, 697-698 (S.D. Tex. 1994) ("It would be far more practical to try this case in the courts of a country well-versed in the applicable law."); *Villar v. Crowley Maritime Corp.*, 780 F. Supp. 1467, 1485 (S.D. Tex. 1992) ("A Philippine court is better placed to apply Philippine law, and at least as well placed to apply Panamanian and Saudi Arabian law, than is a Texas court.").

The United States Supreme Court and the Fifth Circuit have affirmed many dismissals of product liability lawsuits on *forum non conveniens* grounds when the controversy centers in another country and involves foreign products, foreign plaintiffs and foreign injuries. *See, e.g.*, *Reyno*, 454 U.S. at 257-61 (dismissal of Scottish air crash products liability action brought by foreign plaintiffs where the crash and most of the evidence was located abroad); *Moreno*, 800 F.3d at 699 (dismissal of action by Mexican resident against Mexican defendants over injuries that occurred in Mexico); *Vasquez v. Bridgestone/Firestone, Inc.*, 325 F.3d 665, 672-73 (5th Cir. 2003) (same); *Gonzalez v. Chrysler Corp.*, 301 F.3d 377, 382–83 (5th Cir. 2002)(dismissal where victim and plaintiff were Mexican, the accident took place in Mexico, where the car was purchased, and the car was not manufactured in Texas); *Baumgart*, 981 F.2d at 836-37 (dismissal of German air crash products liability case involving foreign plaintiffs – "The airline crash itself and other principal events surrounding the accident took place in Germany, the vast majority of the expected evidence and anticipated witnesses are located in Germany, and Germany is the residence of all plaintiffs and of three potential third-party defendants."); *Empresa Lineas Maritimas Argentinas, S.A. v. Schichau-Unterweser, A.G.*, 955 F.2d 368, 370-76 (5th Cir. 1992) (dismissal of action brought by Argentinian company against Dutch company over boat that sank

off Bermuda while en route to the United States). This Court should do the same and dismiss this action on *forum non conveniens* grounds.

CONCLUSION

For the foregoing reasons, Defendant Airbus Helicopters, S.A.S. requests that this Court dismiss ECN's adversary proceeding and award AH all further relief to which it may be entitled.

DEMAND FOR JURY TRIAL

Without waiver of its objection to the Court's personal jurisdiction, the convenience of the forum, or any other rights, privileges, or defenses, including but not limited to the arbitrability of the claims, AH hereby demands a trial by jury on all issues and claims so triable, and does not consent to jury trial before the bankruptcy court.

Dated: January 4, 2017.

Respectfully submitted,

HIERSCHE, HAYWARD, DRAKELEY & URBACH, P.C.

By: */s/ Jason M. Katz*

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ATTORNEYS FOR DEFENDANT AIRBUS HELICOPTERS, S.A.S.

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on January 4, 2017, a true and correct copy of the above and foregoing document was filed with the court via CM/ECF and served on all parties requesting electronic notification.

/s/ Jason M. Katz
Jason M. Katz

Exhibit P

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS, S.A.S., Defendant.	Adv. Pro. No. 16-3151 (BJH)

DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S MOTION FOR WITHDRAWAL OF REFERENCE OF ADVERSARY PROCEEDING, AND BRIEF IN SUPPORT

\TO THE HONORABLE UNITED STATES DISTRICT COURT JUDGE[1]:

[1] Pursuant to Local Rule 5011.1, this Motion is directed to the Honorable District Judge, but is filed in the Bankruptcy Court.

COMES NOW, Defendant Airbus Helicopters, S.A.S. ("AH"), subject to and without waiving its objection to the Court's personal jurisdiction (discussed below), respectfully moves the Court for an order withdrawing the Order of Reference of Bankruptcy Cases and Proceedings *Nunc Pro Tunc* (Miscellaneous Rule No. 33 of the United States District Court Northern District of Texas) (the "Standing Order") as it relates to the above-captioned adversary proceeding.

INTRODUCTION

This adversary proceeding brought by non-debtor ECN Capital (Aviation) Corp. ("ECN") against non-debtor AH is a complex aviation product liability and tort lawsuit that has no connection with the above-captioned main bankruptcy proceedings (the "CHC Bankruptcy Proceedings") of the CHC Group debtor entities (the "CHC Debtors" or "Debtors"). It is a standalone lawsuit over ECN's dissatisfaction with five helicopters it owns that were designed and manufactured by AH. The outcome of the adversary proceeding will have no effect on the CHC Bankruptcy Proceedings, does not involve the Debtors' property, and ECN concedes that it is noncore. Resolution of this matter outside of the Bankruptcy Court furthers the interests of judicial economy, as ECN and AH have requested a jury trial and neither consents to the orders or final judgment of this Court, making the District Court's substantive involvement inevitable. These factors weigh strongly in favor of withdrawal of the reference as to this adversary proceeding.

AH has separately moved to dismiss (the "Motion to Dismiss") the adversary proceeding pursuant to Fed. R. Bankr. P. 7012(b) and Fed. R. Civ. P. 12(b)(1) and (b)(2) for lack of subject matter and personal jurisdiction, and because the Court should abstain under 28 U.S.C. § 1334(c)(1) from hearing this matter or dismiss it on *forum non conveniens* grounds. That motion is based on the fact that the adversary proceeding has no connection to the United States, involves only foreign (Canadian and French) parties, pertains solely to foreign subject matter and conduct,

involves evidence located entirely outside of the United States, will be governed by foreign law, and involves the strong interest of a foreign sovereign – France. Many of the arguments supporting AH's Motion to Dismiss also support the withdrawal of reference, and are incorporated by reference herein.

FACTUAL BACKGROUND

On May 5, 2016, the Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code in United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court" or "the Court"). The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and N.D. Tex. L.B.R. 1015-1.

On November 17, 2016, ECN commenced its adversary proceeding against AH in the Bankruptcy Court. [*See* ECN Complaint ("Complaint"), Case No. 16-03151 (ECF No. 1).] None of the Debtors are parties. [*Id.*] ECN has demanded a jury trial. [Complaint, 31.] ECN states that the proceeding is non-core, and that it does not consent to the entry of final orders or judgment by the Bankruptcy Court. [*Id.* at ¶ 13.]

ECN's Complaint seeks damages related to five Super Puma helicopters that AH designed, manufactured and sold from its place of business in France to European purchasers other than ECN, which bought from third parties. [*See* Brief in Support of Motion to Dismiss, 3-4.] ECN is located in Canada, and the helicopters are registered and located outside of the United States. [*Id.* at 4.] ECN claims that its helicopters are defective based on accidents that occurred in Norway in 2016 and in the North Sea off of Scotland in 2009 involving different Super Puma helicopters, and related government aviation authority activity in Europe, including a temporary flight ban. [Complaint, *passim*.] ECN also asserts that AH has made false statements about the safety,

reliability and design of Super Puma helicopters. [*Id.* at ¶¶ 93-111.] ECN asserts that it has suffered economic loss due to reduced value and loss of use of the helicopters as a result of the alleged defect and flight ban. [*Id.* at ¶¶ 42, 44.] ECN has not alleged any connection between its product defect, negligence, breach of warranty, fraud or misrepresentation causes of action, or its damages, and any conduct, events or transactions that occurred in the United States. [*Id.* at *passim.*]

ECN leased the helicopters to Debtor CHC Helicopters Barbados ("CHC Barbados"). [*See Id.* at ¶ 12.] Those leases (the "ECN Leases") were rejected in the CHC Bankruptcy Proceedings. [*Id.*] The Debtors' stated reason for rejecting the ECN Leases was that "with the ongoing downturn in the Debtors' industry, these same helicopters are no longer necessary to the Debtors' operations." [May 5, 2016 Omnibus Mot., Case No. 16-31854, ¶ 40 (ECF No. 20); May 27, 2016 Omnibus Mot., Case No. 16-31854, ¶ 41 (ECF No. 210).] ECN's Adversary Proceeding does not seek damages from AH related to the rejection of the ECN Leases. [Complaint, *passim.*]

RELIEF REQUESTED AND BASIS FOR RELIEF

Subject to and without waiving its personal jurisdiction objection, AH respectfully requests that the District Court enter an order withdrawing the reference to the Bankruptcy Court pursuant to 28 U.S.C. § 157(d).

ARGUMENT

Section 157(a) of Title 28 and the Standing Order in this District work in conjunction to automatically refer to the Bankruptcy Court all cases under title 11 and all proceedings arising in, under or related to title 11 to the Bankruptcy Court. The District Court may permissively withdraw reference pursuant to 28 U.S.C. § 157(d) which states that the "district court may withdraw, in

whole or in part, any case or proceeding referred under this section, on its own motion or on timely motion for any party, for cause shown." 28 U.S.C. § 157(d).

In *Holland Am. Ins. Co. v. Succession of Roy*, the Fifth Circuit explained that "Article I bankruptcy courts may not have original jurisdiction over adversary proceedings that do not intimately involve the debtor-creditor relationship and rest solely in issues of state law." 777 F.2d 992, 999 (5th Cir. 1985). Although "cause" is not defined in the Bankruptcy Code or Title 28, courts weigh six factors outlined in *Holland* to determine if cause exists: "1) promoting uniformity in bankruptcy administration, 2) reducing forum shopping and confusion, 3) fostering the economical use of the debtors' and creditors' resources, 4) expediting the bankruptcy process, 5) whether jury demands have been made, and 6) core versus non-core matters." *Mobley v. Quality Lease & Rental Holdings, LLC (In re Quality Lease & Rental Holdings, LLC)*, Nos. 14-60074, 14-6005, 2016 Bankr. LEXIS 297, at *14-15 (U.S. Bankr. S.D. Tex. Feb. 1, 2016); *Holland*, 777 F.2d at 999 (outlining factors); *Mirant v. The Southern Co.*, 337 B.R. 107, 123 (N.D. Tex. 2006) (McBryde, J.); *see also* N.D. Tex. L.B.R. 5011-1(a) (listing some of the same factors). These factors weigh heavily in favor of withdrawal of reference for ECN's adversary proceeding.

A. <u>The Adversary Proceeding is Non-Core</u>

"The majority of courts evaluating a request to withdraw the reference place paramount importance on whether the claims at issue are core or non-core." *Mobley*, 2016 Bankr. LEXIS 297, at *18. Absent consent, bankruptcy courts do not have authority to enter final judgment on non-core claims. *Id.* at *19. In *Mobley*, the court explained,

> Absent consent, this Court does not have the authority to enter a final judgment on non-core claims. If the bankruptcy court were to try the case and then enter a judgment on core claims and a report and recommendation to the district court on the non-core claims, the ultimate resolution would be complex and time-consuming . . . The United States District Court is the only court with the jurisdiction and authority to consider all claims in this proceeding.

Id. at *19-20.

In this case, ECN concedes, and AH agrees, that the adversary proceeding against AH is a non-core proceeding [Complaint, ¶ 13], since it does not include any claims based on a right expressly created by title 11, has existence outside of the bankruptcy, and ECN does not invoke the Court's jurisdiction to adjudicate claims by or against a debtor. *Southmark Corp. v. Coopers & Lybrand (In re Southmark Corp.),*163 F.3d 925, 932 (5th Cir. 1999). Further, neither ECN nor AH consent to the entry of final orders or judgment by this Court. [Complaint, ¶ 13; Brief in Support of Motion to Dismiss, 2 n.1.] Thus, as in *Mobley*, only the District Court has the authority and jurisdiction to issue its orders and judgments for ECN's lawsuit, and there is no reason for the Bankruptcy Court to hear this complex and potentially time-consuming lawsuit.

Moreover, as more fully explained in AH's Motion to Dismiss, the adversary proceeding is not "related to" the Bankruptcy Proceedings. ECN alleges that "[t]he outcome of this lawsuit is likely to impact" (i) the CHC Debtors' estates and their administration, and (ii) and the rights, obligations and "choices of action" of the CHC Debtors and their creditors. [Complaint, ¶¶ 8, 42.] The adversary proceeding, however, does not name the CHC Debtors, and does not involve their estates' property. The helicopters are owned by ECN. Although the Debtors have made certain assertions about the financial impact of the flight ban, the stated reason for rejection of the ECN Leases was that the Debtors no longer needed the helicopters for their operations due to changed market conditions.

While ECN asserts that "[t]o the extent that ECN Capital recovers damages against Airbus through this action, the amount of ECN Capital's claims against the CHC Debtors will be reduced by ECN Capital's recovery," [*Id.* at ¶ 42], the source of damages to ECN in the two proceedings are completely separate – rejected leases (bankruptcy) versus the grounding (adversary). To the

extent that ECN recovers from AH in the adversary proceeding, the recovery would go to ECN, not the CHC Debtors. *Yashiro Co. v. Falchi (In re Falchi)*, Nos. 97 B 43080, 97-9057A, 1998 Bankr. LEXIS 622, *17-20 (U.S. Bankr. S.D.N.Y. May 26, 1998) (finding no "related to" jurisdiction in dispute between non-debtors where recovery would go to adversary proceeding plaintiff, not debtors) (citations omitted); *Singer v. Adamson*, 334 B.R. 1, 11 (Bankr. D. Mass. 2005) ("if Singer were to prevail on her claims against the non-debtor defendants, any damages she could recover would not be available for distribution to the Debtor's creditors as they would not be assets of the bankruptcy estate"). Thus, the fact that ECN alleges that the helicopters have a lower value is irrelevant as to the CHC Debtors Bankruptcy Proceeding.

B. <u>ECN Has Demanded a Jury Trial</u>

"When a party that is entitled to a jury trial properly requests a jury and does not consent to a jury trial before the bankruptcy court, the bankruptcy court must recommend that the adversary proceeding be withdrawn to the district court for trial." *Mobley*, 2016 Bankr. LEXIS 297, at *16-18 (citing *In re Clay*, 35 F.3d 190, 196-97 (5th Cir. 1994)). ECN and AH have demanded a jury trial, and AH does not consent to a jury trial before the Bankruptcy Court. This factor weighs strongly in favor of withdrawal of the reference. N.D. Tex. L.B.R. 5011-1(a)(4); *see also Levine v. M&A Custom Home Builder & Developer, LLC*, 400 B.R. 200, 203 (S.D. Tex. 2008) (withdrawing reference because defendant "demanded a jury trial, had not waived his right to a jury trial, and had not consented to a jury trial held in the bankruptcy court").

C. <u>Forum Shopping</u>

As explained, there is no basis for ECN to pursue its claim against AH for the helicopters in the United States absent the purported relationship to the CHC Debtors' bankruptcy. [*See* Brief

in Support of Motion to Dismiss, 6.] It is clear that ECN has brought this action as an adversary proceeding only to try to gain access to a United States forum.

Moreover, where a bankruptcy court can only issue proposed findings of fact and conclusion of law (subject to *de novo* review), as would be the case here, a motion to withdraw the reference is not forum shopping but a "reasonable effort to have a non-core proceeding litigated with a minimum of time and expense." *See Waldon v. Nat'l Fire Ins. Co*, No. 01-31527, 2006 Bankr. LEXIS 1861, at *16 (U.S. Bankr. S.D. Tex. June 14, 2006). Since the Bankruptcy Court cannot enter final orders or judgment in this proceeding, this Motion is a reasonable effort to have these non-core claims litigated efficiently in a forum that can resolve the dispute, assuming *arguendo* that jurisdiction exists in the United States.

D. <u>Judicial Economy</u>

The remaining factors considered (furthering bankruptcy uniformity, fostering economical use of resources, and expediting the bankruptcy process) are all essentially questions of judicial economy. *See Guff, v. Brown (In re Brown Med. Ctr., Inc)*, No. 16-0084, 2016 U.S. Dist. LEXIS 12646, at *4-5 (S.D. Tex. Feb. 3, 2016). Judicial economy favors immediate withdrawal of the reference when, as here, a bankruptcy court cannot enter final orders or judgments on dispositive motions, and instead can only issue proposed findings of fact and conclusions of law. *Mirant*, 337 B.R. at 122-23 (referral to the District Court often results in more efficient and less costly results for "non-core" matters). "Adjudicating all of the claims . . . dispenses with the need for the district court to conduct a <u>de novo</u> review. . . [and] will foster the economical use of the resources of the litigants." *Id.*

Moreover, the reference should be withdrawn in this adversary proceeding against non-debtor defendants because it involves complex aviation product liability claims that are highly

technical and can take years to prepare for trial (with discovery taking place in foreign countries), and requires the expenditure of resources on a matter having no United States connection. [*See* Brief in Support of Motion to Dismiss, 10.] It also makes the most sense for the District Court to resolve the initial procedural matters raised by AH's Motion to Dismiss because their facts bear on the ultimate issues in the case. This Motion is an "effort to have a non-core matter litigated with a minimum of time and expense." *Waldon*, 2006 Bankr. LEXIS 1861, at *16.

CONCLUSION

In light of the overwhelming weight of the factors favoring withdrawal of the reference, Defendant Airbus Helicopters, S.A.S. respectfully requests that the Bankruptcy Court issue a report and recommendation to the District Court recommending immediate withdrawal of the reference pursuant to 28 U.S.C. § 157(d), and that AH be granted all other relief to which it is justly entitled.

DEMAND FOR JURY TRIAL

Subject to and without waiving its objection to the Court's personal jurisdiction, defendant AH hereby demands a trial by jury on all issues and claims so triable, and does not consent to jury trial before the bankruptcy court.

Dated: January 3, 2017.

Respectfully submitted,

HIERSCHE, HAYWARD, DRAKELEY & URBACH, P.C.

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CERTIFICATE OF CONFERENCE

On January 3, 2017, the undersigned attorney had a conference via e-mail with counsel for all Plaintiff to discuss the relief sought in this opposed motion. At that time, an agreement could not be reached among the parties.

/s/ Eric C. Strain
Eric C. Strain

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on January 3, 2017, a true and correct copy of the above and foregoing document was filed with the court via CM/ECF and served on all parties requesting electronic notification.

/s/ Jason M. Katz
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Exhibit Q

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.* Debtors,	**Chapter 11** **Case No. 16-31854(BJH)** **(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTER (SAS) Defendant	**Adv. No. 16-03151-bjh** **Plaintiff's Supplemental Memorandum of Law in Opposition to Defendant's <u>Motion to Dismiss</u>**

Plaintiff ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) ("ECN Capital"), by its undersigned attorneys, files this Supplemental Memorandum of Law in Opposition to Defendant Airbus Helicopters S.A.S.'s ("Airbus") Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction and *Forum non Conveniens* ("Motion to Dismiss"), at the direction of the Court.

PRELIMINARY STATEMENT

This Court has jurisdiction over this Adversary Proceeding and is authorized to enter an order denying Airbus's Motion to Dismiss. The Adversary Proceeding is a non-core matter in which the parties have not consented to final orders by the Bankruptcy Court, and the Court therefore is not authorized to enter a final order in the matter. In precisely these circumstances, however, courts in the Fifth Circuit and elsewhere have held that the bankruptcy court has jurisdiction to deny a defendant's motion to dismiss the complaint, as the denial of a dispositive motion does not constitute a final order.

This Court, however, is not authorized to enter an order granting Airbus's Motion to Dismiss, as such a judgment would constitute a final order in a non-core matter in which the parties have not consented to entry of final orders by the bankruptcy court. Thus, if this Court were to rule that the Motion to Dismiss should be granted, such a ruling would have to be submitted as a proposed finding of fact and conclusion of law to the District Court.

The Complaint and the Motion to Dismiss raise issues regarding the facts underlying the Bankruptcy Cases to which this Adversary Proceeding is related, as well as questions regarding the extent of this Court's subject matter and personal jurisdiction. Airbus sought to have the reference of this Adversary Proceeding withdrawn immediately, such that Airbus could present these questions in the first instance to the District Court. The District Court, of course, is not as

familiar with the parties, the Bankruptcy Cases, and the facts underlying both the Bankruptcy Cases and this Adversary Proceeding—which is exactly why Airbus wants the District Court to rule on its Motion to Dismiss in the first instance.

As ECN Capital has maintained in its briefing and argument before the Court, the reference should stay with this Court, at the very least for purposes of hearing the Motion to Dismiss. This Court should exercise its jurisdiction and enter an order denying Airbus's Motion to Dismiss.

BACKGROUND

The facts underlying ECN Capital's claims are set forth in the Complaint by ECN Capital (Aviation) Corp. against Airbus Helicopters (SAS) [Docket. No. 1] (the "Complaint") and in ECN Capital's Opposition to Defendant's Motion to Dismiss [Docket No. 63] (the "MTD Opposition").[1] ECN Capital sets forth here the salient facts relating to this Supplemental Memorandum of Law.

ECN Capital filed the Complaint against Airbus in this Adversary Proceeding on November 17, 2016. The Complaint asserts, among other things, claims against Airbus for defective design and breach of implied warranty of merchantability regarding Airbus's manufacturing, marketing, and sale of the EC225 and the AS332 L2 helicopters. *See* ¶¶ 46–111. The allegations in the Complaint demonstrate that ECN Capital's claims would likely have an impact on the rights, liabilities, and/or property of the Debtors' estates (and, at the very least, "could conceivably have an effect" on the Debtors' estates), and thus are related to the Bankruptcy Cases. *See, e.g.*, ¶¶ 8, 43.[2] The Complaint also states that the Adversary Proceeding

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[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the MTD Opposition. All references herein to "¶ __" are to the Complaint.

[2] As this Court recognized, for purposes of deciding Airbus's Motion to Dismiss, the factual allegations in the Complaint must be taken as true. *See* Transcript of 2/6/2017 H'r'g on Withdrawal Mot. ("Tr.") 56:3-7; *see also*

is a "non-core proceeding," and that ECN Capital "does not consent to entry of final orders or judgment by this Court at this time." ¶ 13.

On January 3, 2017, Airbus filed its Motion to Dismiss [Docket No. 24], asking this Court to find that it lacked subject matter jurisdiction over ECN Capital's claims or personal jurisdiction over Airbus. In the alternative, the Motion to Dismiss requested that the Court abstain from exercising its jurisdiction, or dismiss the Complaint on grounds of *forum non conveniens*.

Also on January 3, 2017, Airbus filed its Motion for Withdrawal of Reference of Adversary Proceeding, and Brief in Support [Docket No. 23] (the "Withdrawal Motion"), requesting that this Court "issue a report and recommendation to the District Court recommending immediate withdrawal of the reference." Withdrawal Mot. p. 9. Airbus argued in the Withdrawal Motion that "[i]t also makes the most sense for the District Court to resolve the initial procedural matters raised by [Airbus's] Motion to Dismiss because their facts bear on the ultimate issues in the case." *Id.*

On January 27, 2017, ECN Capital filed its MTD Opposition, demonstrating that this Court has subject matter jurisdiction to hear ECN Capital's claims against Airbus in the Adversary Proceeding, which are related to the Bankruptcy Cases. Among other things, ECN Capital argued in the MTD Opposition that Airbus should not be permitted to avoid this Court's jurisdiction and benefit from blatant forum-shopping merely on account of its refusal to consent to entry of final orders by the Bankruptcy Court. *See* MTD Opposition pp. 15–16 & nn.26–27.

In re Wilborn, 401 B.R. 872, 877 (Bankr. S.D. Tex. 2009) ("[W]hen deciding whether to grant a 12(b)(1) motion, the Court 'must accept all factual allegations in the plaintiffs complaint as true.'") (quoting *Ramming* v. *United States*, 281 F.3d 158, 161 (5th Cir. 2001); *Seghers* v. *El Bizri*, 513 F. Supp. 2d 694, 703 (N.D. Tex. 2007) ("In determining whether a prima facie case for personal jurisdiction exists on a [12(b)(2)] motion to dismiss, uncontroverted factual allegations in the plaintiff's complaint must be taken as true.").

On February 2, 2017, ECN Capital filed its Opposition to Airbus's Withdrawal Motion ("Withdrawal Motion Opposition") [Docket No. 65]. In the Withdrawal Motion Opposition, ECN Capital explained that this Court is better positioned that any other forum to adjudicate ECN Capital's claims against Airbus in the Adversary Proceeding, which are related to the Bankruptcy Cases. *See* Withdrawal Mot. Opp'n 5, 17. Again, ECN Capital argued that Airbus should not be permitted to benefit from its attempt at forum-shopping, and that the reference should remain with this Court at this time. *Id.* 16–18.

On February 2, 2017, Airbus filed a Reply in Further Support of Its Withdrawal Motion ("Withdrawal Motion Reply") [Docket No. 67-1].[3] Airbus again contended that the reference should be withdrawn immediately, on the purported grounds that "it is more efficient for the District Court to become familiar with the case earlier rather than later, particularly because the District Court will need to rule on dispositive motions." Withdrawal Mot. Reply 4.

On February 6, 2017, the Court held a hearing on Airbus's Withdrawal Motion. The Court recognized that the Motion to Dismiss raised issues that were intertwined with the Bankruptcy Cases, making it appropriate for the Court to retain the reference at least through the adjudication of the Motion to Dismiss. Tr. 7:5-24; 19:4-9. Ultimately, the Court requested supplemental briefing from the parties on the issue whether the Court has authority to finally adjudicate the Motion to Dismiss, or is required to submit its ruling as a proposed recommendation to the District Court. Tr. 36:4-13. ECN Capital respectfully submits this Supplemental Memorandum of Law to demonstrate, as explained below, that this Court is authorized to enter an order denying Airbus's Motion to Dismiss.

[3] The Withdrawal Motion Reply was attached as Exhibit A to Airbus's motion for leave to file the Withdrawal Motion Reply [Docket No. 67].

ARGUMENT

I. This Court Is Authorized To Enter an Order Denying Airbus's Motion To Dismiss.

Airbus relies on 28 U.S.C. § 157(c), and cases interpreting the statute, as the basis for concluding that "the District Court will need to rule on dispositive motions." Withdrawal Mot. Reply 3–4 & n.4; *see also* Withdrawal Mot. 5–6.

28 U.S.C. § 157(c) provides that the bankruptcy court may hear non-core proceedings that are related to a bankruptcy case, but that the bankruptcy court may not enter final orders in such proceedings without the consent of all parties. *Id.*; *see also, e.g.*, *In re Blackwell ex rel. Estate of I.G. Services, Ltd.*, 279 B.R. 818, 822–24 (Bankr. W.D. Tex. 2002) ("Non-core matters . . . can be heard by the bankruptcy court, but [28 U.S.C. § 157(c)] says that only the district court can enter 'final judgments and orders,' absent consent of the parties."). This provision does not limit the bankruptcy court's ability to enter *interlocutory* orders in "related to" non-core matters. *See, e.g.*, *In re Almasri*, 378 B.R. 550, 553 (Bankr. N.D. Ohio 2007) ("Because 28 U.S.C. § 157(c)(1) speaks only to 'final' orders or judgments, the plain language of that provision dictates that this Court has the authority to enter interlocutory orders in non-core proceedings and courts have consistently held such to be within the power of the bankruptcy court.").

An order denying Airbus's Motion to Dismiss the Complaint in the Adversary Proceeding would be an interlocutory order, not a final order. In the Fifth Circuit, "numerous courts have held that a bankruptcy court's denial of a motion to dismiss is not a final order." *Smith* v. *AET Inc., Ltd.*, 2007 WL 1644060, at *3–4 (S.D. Tex. June 4, 2007) (collecting cases and concluding that "a denial of a motion to dismiss is an interlocutory, not a final order"); *see also In re Smith*, 514 B.R. 838, 842 (Bankr. S.D. Tex. 2014) ("[D]enying the [motion to dismiss] does not end the litigation on the merits; therefore, there is no final order to be entered at this

time."). "In general, an order denying a motion to dismiss is considered a nonappealable interlocutory order. The same rule applies in bankruptcy appeals. A bankruptcy court's order denying a motion to dismiss generally is not a 'final' order." *In re Pickle*, 149 F.3d 1174, 1998 WL 413023, at *2 (5th Cir. 1998); *see Kelley* v. *Cypress Financial Trading Co.*, 518 B.R. 373, 377 (N.D. Tex. July 30, 2014) (citing *In re Pickle* and holding that a bankruptcy court's order denying a motion to dismiss is not a final order); *In re Ted A. Petras Furs, Inc.*, 100 F.3d 943, 1996 WL 49255, at *2 (2d Cir. 1996) (holding that bankruptcy court order denying defendants' motion to dismiss adversary proceeding was an interlocutory order).

Bankruptcy courts have exercised the authority to enter an order denying a dispositive motion in a non-core proceeding, rather than submitting such a ruling to the district court as a report and recommendation. *See, e.g.*, *In re Holloway*, 538 B.R. 137, 140, 145 (Bankr. M.D. Ala. 2015) (holding that "[a] denial of a motion to dismiss is not a final order" and denying 12(b)(6) motion to dismiss adversary complaint including non-core claims); *In re Freeway Foods of Greensboro, Inc.*, 467 B.R. 853, 868 & n.7 (Bankr. M.D.N.C. 2012) (denying motion to dismiss non-core claims in adversary proceeding).

In re Freeway Foods is an instructive example. There, the bankruptcy court considered a motion for judgment on the pleadings with regard to eight non-core claims brought in an adversary proceeding. The bankruptcy court entered an order denying the motion with respect to seven of the claims, explaining that it had the power to do so because "denial of a dispositive motion does not constitute a final order." *In re Freeway Foods*, 467 B.R. at 868 & n.7 (citing *Bryan* v. *BellSouth Commc'ns, Inc.*, 492 F.3d 231, 240 (4th Cir. 2007)). The court ruled that the motion to dismiss should be granted with respect to one of the non-core claims, but clarified that

"the Court's ruling as to this cause of action is a proposed finding of fact and conclusion of law [to the District Court], and not a final judgment." *Id.* at n.6.

This Court is authorized under 28 U.S.C. § 157(c) and well-settled case law to enter an order denying Airbus's Motion to Dismiss. Airbus's claim that "the District Court will need to rule on dispositive motions" therefore is not accurate, and does not justify withdrawal of the reference in this Adversary Proceeding. As this Court has acknowledged, the claims asserted in ECN Capital's Complaint against Airbus and the issues raised by Airbus in the Motion to Dismiss are intertwined with the Bankruptcy Cases (*see* Tr. 7:5-24; 19:4-9), and an adjudication of the Motion to Dismiss would benefit from this Court's familiarity with the facts underlying the Bankruptcy Cases. Accordingly, this Court should exercise its jurisdiction and authority to enter an order denying Airbus's Motion to Dismiss.

II. If This Court Does Not Deny Airbus's Motion To Dismiss, It Must Submit Its Ruling to the District Court As a Proposed Finding of Fact and Conclusion of Law.

Unlike an order denying a dispositive motion, an order granting a dispositive motion is a "final order" for purposes of 28 U.S.C. § 157(c). In non-core adversary proceedings, such orders may not be entered by a bankruptcy court without consent of all parties. *See, e.g.*, *Stern* v. *Marshall*, 564 U.S. 462, 475 (2011) (holding that under 28 U.S.C. § 157(c) only the district court may enter a final judgment in a non-core proceeding); *In re Blackwell*, 279 B.R. at 822 ("[O]nly the district court can enter 'final judgments and orders,' [in non-core matters] absent consent of the parties."). Since all parties do not consent at this time to the entry of final orders by this Court with respect to the Adversary Proceeding (*see, e.g.*, Am. Br. in Supp. of Mot. to Dismiss 2 & n.1), this Court is not authorized to enter a final order granting Airbus's Motion to Dismiss. If the Court does not deny the Motion to Dismiss, its ruling must be submitted to the District Court

as "a proposed finding of fact and conclusion of law, and not a final judgment." *In re Freeway Foods*, 467 B.R. at 868 & n.6.

CONCLUSION

For the foregoing reasons, this Court is authorized to enter an order denying Defendant's Motion to Dismiss the Complaint.

Dated: February 20, 2017
Dallas, Texas

Respectfully submitted,

KANE RUSSELL COLEMAN & LOGAN PC

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- and -

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CERTIFICATE OF SERVICE

I hereby certify that, on February 20, 2017, I caused the foregoing Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss to be filed with the Court via CM/ECF and served on all parties requesting electronic notification, including the following counsel of record for the Defendant:

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/s/ *George H. Barber*
George H. Barber

Exhibit R

1 IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)
2
In Re:) Case No. 16-31854-bjh
3) Dallas, Texas
CHC GROUP LTD., et al.,)
4)
Debtor.) February 28, 2017
5) 9:49 AM
----------)
6 ECN CAPITAL (AVIATION) CORP.,) Adv. Proc. 16-03151-bjh
)
7 Plaintiff,)
v.)
8)
AIRBUS HELICOPTERS (SAS),)
9)
Defendant.)
10 ----------)

11 TRANSCRIPT OF HEARING ON

12 MOTION TO DISMISS ADVERSARY PROCEEDING FOR LACK OF SUBJECT MATTER AND PERSONAL JURISDICTION AND ON THE GROUNDS OF FORUM
13 NON CONVENIENS FILED BY DEFENDANT AIRBUS HELICOPTERS (SAS) (24)
14
BEFORE THE HONORABLE BARBARA J. HOUSER
15
UNITED STATES BANKRUPTCY COURT
16
17
18
19
20
Transcription Services: eScribers, LLC
21 352 Seventh Avenue
Suite #604
22 New York, NY 10001
(973) 406-2250
23
PROCEEDINGS RECORDED BY ELECTRONIC SOUND RECORDING.
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25

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1 this issue. So --
2 MR. FLUMENBAUM: Oh, all right.
3 THE COURT: -- why are we spending so much time on --
4 MR. FLUMENBAUM: Right.
5 THE COURT: -- it?
6 MR. FLUMENBAUM: Let me --
7 THE COURT: I told you at the outset that I think --
8 MR. FLUMENBAUM: All right.
9 THE COURT: -- have related-to jurisdiction --
10 MR. FLUMENBAUM: I apologize. I --
11 THE COURT: -- and the big argument that Mr. Katz
12 made is really that Pacor is -- that this case is like Pacor
13 in the conclusion that there wasn't related-to jurisdiction.
14 And I'm fearful that he has misread Pacor.
15 So, unless you have something to add on the Pacor
16 analysis --
17 MR. FLUMENBAUM: I would ask Your Honor to look at
18 Passmore, Inray Canyon (ph.), which are two Fifth Circuit,
19 recent Fifth Circuit cases --
20 THE COURT: And trust me, we have.
21 MR. FLUMENBAUM: -- which I think -- which support
22 the related-to jurisdiction.
23 Let me turn to the personal jurisdiction. There are
24 actually -- let me start with the concept of consent, because
25 we believe we have consent jurisdiction, in terms of personal

1 jurisdiction here, which is slightly different than general,
2 and slightly different than specific. The mere participation
3 of Airbus, in this proceeding, gives us personal jurisdiction
4 over Airbus to file related-to claims. I think the law is
5 clear on that, in terms of their active participation in this
6 proceeding.
7 And what we have here is that they voluntarily
8 appeared, they filed proofs of claim, seeking over six million
9 dollars. They voluntarily joined the unsecured creditors.
10 They appointed a Texas resident, Kevin Cabanas, as its
11 representative. We served Mr. Cabanas in Texas with the
12 complaint. There's been no challenge to service of process in
13 this case.
14 So, we think that they participated in the 2004
15 proceeding, which had nothing to do with them, which was
16 between ECN and the debtor; they filed briefs in that case.
17 And they've obviously entered into a settlement and a
18 restructuring agreement with the debtor, in which Airbus will
19 receive recovery, and in which these particular claims, that
20 are similar to ours, are preserved.
21 So, we think that just that, under the law, gives us
22 jurisdiction over Airbus. But there is much more than just
23 this consensual, purposeful activity. And I think it's clear
24 that voluntarily filing a lawsuit in the jurisdiction is
25 purposeful availment of the jurisdiction's facilities, and can

1 subject the party to personal jurisdiction in another lawsuit,
2 when the lawsuits arise from the same general transactions.
3 And, in this case, we believe we meet that standard.
4 And I would refer Your Honor to Schwinn and Blenko, these are
5 some of the cases we assigned in terms of personal
6 jurisdiction.
7 THE COURT: Yeah, but that -- but those cases are
8 different. And we've read them all. Those are all cases
9 where it was the debtor or the trustee asserting claims, not a
10 third party.
11 MR. FLUMENBAUM: Well --
12 THE COURT: You don't have a single third party case,
13 that you cite, where the fact that a creditor filed a proof of
14 claim in a bankruptcy case and participated in the bankruptcy
15 case. I agree that that can give rise to jurisdiction by the
16 debtor or trustee back against that creditor that relates to
17 the proof of claim.
18 But, no offense, the claim filed here doesn't have
19 anything to do with the product's liability claim you're
20 asserting against it.
21 MR. FLUMENBAUM: Well --
22 THE COURT: And again, you didn't cite a single case
23 where the fact that a creditor came in to the bankruptcy case
24 and participated in the bankruptcy case gives rise to some
25 other creditor suing, yet --

1 MR. FLUMENBAUM: It's not some other creditors.
2 Another creditor --
3 THE COURT: Well, it is some other creditor.
4 MR. FLUMENBAUM: -- in the bankruptcy case.
5 THE COURT: Yeah, but on unrelated claims. Debtor
6 doesn't have an interest in your outcome, other than it may
7 get bound by it.
8 MR. FLUMENBAUM: Well --
9 THE COURT: But it has no economic interest in your
10 lawsuit.
11 MR. FLUMENBAUM: Well, but for personal jurisdiction
12 purposes, I don't think the debtor's concern, whether they
13 will file or won't file, is really relevant. I think what is
14 relevant is that CHC is in the middle of the transaction; we
15 purchased these helicopters from CHC, which, as Your Honor
16 knows, operates its businesses from Texas. We leased it back
17 to CHC. CHC had these helicopters in its possession; they
18 purchased them from Airbus, originally.
19 THE COURT: Right.
20 MR. FLUMENBAUM: So --
21 THE COURT: In France, pursuant to documents --
22 MR. FLUMENBAUM: Well --
23 THE COURT: -- that established French laws, the
24 governing --
25 MR. FLUMENBAUM: Well --

1 THE COURT: -- law, et cetera, et cetera.
2 MR. FLUMENBAUM: We haven't seen all of those
3 documents, Your Honor. So I can't verify that, and they are
4 not in the record. I do know that in terms of personal --
5 THE COURT: Which CHC entity purchased your five
6 helicopters and then turned around and sold them to you?
7 Because the answer is --
8 MR. FLUMENBAUM: I think it was Barbados.
9 THE COURT: -- it was CHC Barbados --
10 MR. FLUMENBAUM: Yeah.
11 THE COURT: -- which is not a Texas corporation --
12 MR. FLUMENBAUM: It's not a --
13 THE COURT: -- the parent is in Texas.
14 MR. FLUMENBAUM: Right, but --
15 THE COURT: But ECN has many, many, many, many, many
16 subsidiaries, many of which are foreign entities --
17 MR. FLUMENBAUM: But in this --
18 THE COURT: -- including Barbados SRL.
19 MR. FLUMENBAUM: But in this particular case, CHC has
20 acknowledged that it operates its foreign subsidiaries from
21 Texas; it stated so in its initial filings with this Court.
22 THE COURT: Where is that in my record?
23 MR. FLUMENBAUM: I (indiscernible). If CHC
24 acknowledged that it operates its -- it is in the record, Your
25 Honor.

1 THE COURT: Okay.
2 So --
3 THE COURT: But, nevertheless, you agree that the CHC
4 entity that bought the five helicopters, and then turned
5 around and sold them to you, is a foreign entity, and that the
6 contractual relationships between Airbus Helicopters, SAS,
7 which is a French entity --
8 MR. FLUMENBAUM: Correct.
9 THE COURT: -- and Barbados, all occurred outside the
10 jurisdiction of the United States.
11 MR. FLUMENBAUM: Well, I don't agree to that because
12 CHC said it directs its operations from Texas. So it may have
13 used its CHC Barbados entity, but I think the decision-making,
14 as to what to buy and not to buy, was done out of Texas.
15 THE COURT: Okay. You --
16 MR. FLUMENBAUM: So --
17 THE COURT: -- think you've got evidence of that?
18 MR. FLUMENBAUM: I think that's what CHC --
19 THE COURT: I'll be very anxious --
20 MR. FLUMENBAUM: -- has admitted.
21 THE COURT: I'll be very anxious to see that.
22 MR. FLUMENBAUM: Okay. I will --
23 Now, again, talking about personal jurisdiction, the
24 documents that we received from Airbus during the short period
25 of discovery that we had -- and I appreciate Your Honor's

1 moving that discovery, and permitting it -- really shows, in
2 addition to what we believe is consensual jurisdiction,
3 specific jurisdiction. They --
4 THE COURT: Okay, so your argument's -- I'm correct,
5 you're not arguing general jurisdiction; you're not arguing
6 that CH -- I mean --
7 MR. FLUMENBAUM: Well --
8 THE COURT: -- that Airbus Helicopters SAS is at-home
9 in the United States?
10 MR. FLUMENBAUM: For purposes of this case, where
11 they purposely avail --
12 THE COURT: No, no, no.
13 MR. FLUMENBAUM: -- of the Texas court to -- nobody
14 forced them to come into this Court --
15 THE COURT: Two different issues: consent, you've
16 covered that; now we're down to the more traditional, general,
17 personal jurisdiction --
18 MR. FLUMENBAUM: Right.
19 THE COURT: -- and specific. You are not alleging
20 general personal jurisdiction, correct?
21 MR. FLUMENBAUM: I don't believe we would have
22 general jurisdiction but for their coming into this Court.
23 THE COURT: Other than consent.
24 MR. FLUMENBAUM: Other than consent. But --
25 THE COURT: Okay, see, I don't think that creates

1 general jurisdiction.
2 MR. FLUMENBAUM: Well --
3 THE COURT: But I hear ya.
4 MR. FLUMENBAUM: Daimler is not -- I've argued the
5 Daimler position from both sides in different matters. But
6 what Daimler says is it sets a standard of -- is an entity at-
7 home in the jurisdiction. And --
8 THE COURT: And the entity is not at home here.
9 MR. FLUMENBAUM: Well --
10 THE COURT: The entity may --
11 MR. FLUMENBAUM: -- the entity --
12 THE COURT: The entity may have come to the United
13 States to file a proof of claim against CHC in these
14 bankruptcy proceedings. But that does not make it at-home for
15 all purposes.
16 MR. FLUMENBAUM: Not for all purposes, but for
17 certainly -- we have evidence, direct evidence, and I want to
18 make sure I have the right data; Airbus sold -- Airbus France
19 sold thirty helicopters to U.S.-based companies directly,
20 twenty-eight, including six Super Pumas, the customer's
21 headquartered in Texas.
22 The data that we've put before you shows that Airbus
23 sold indirectly through its Texas affiliate, AHI, which is a
24 sister company, and a distributor for SAS, another fifty-eight
25 Airbus helicopters to Texas-based entities.

1 THE COURT: Right.
2 MR. FLUMENBAUM: The data shows that --
3 THE COURT: But unless under the Fifth Circuit
4 precedent, Mr. Flumenbaum, unless you have alleged alter ego
5 status between the two sister companies, which you have not,
6 that's not enough to make them at-home for general
7 jurisdiction.
8 MR. FLUMENBAUM: Well, I --
9 THE COURT: The --
10 MR. FLUMENBAUM: We have not alleged --
11 THE COURT: -- Fifth Circuit has so held.
12 MR. FLUMENBAUM: Right, I understand that. But I
13 think the activity, whether or not we've alleged alter ego
14 through AHI, they sold another 649 -- we're talking billions
15 of dollars of sales --
16 THE COURT: But that doesn't make it --
17 MR. FLUMENBAUM: -- to Texas.
18 THE COURT: -- that doesn't make it at-home.
19 MR. FLUMENBAUM: By itself, it might not, but --
20 THE COURT: That's through the affiliate --
21 MR. FLUMENBAUM: -- with coming into this
22 jurisdiction, and seeking the benefits from this jurisdiction,
23 I submit that it is at-home. So, I'm not willing to limit
24 Daimler just to that particular fact.
25 And I think in Daimler there was an issue as to

1 whether the California entity was an alter ego, but it had
2 been abandoned in the lower courts.
3 But, in this case, it's not. We believe that by
4 coming into this jurisdiction and participating as fully as it
5 did by appointing a Texas representative, by -- that we have
6 personal jurisdiction over them. And again, we serve them
7 through their representative in this jurisdiction. So, we
8 have location as well. We didn't serve them through the Hague
9 in France; we served them here, and they've accepted that
10 service.
11 So we believe that -- and they also sold nineteen
12 Super Pumas to CHC, four of which, I believe, CHC still owns.
13 We have evidence of four executives from France coming over
14 here to participate in the bankruptcy proceeding, that they
15 were in court -- two of them were in court, I believe in June,
16 again, all before we filed our complaint here.
17 And, as I said, they were actively involved in the
18 2004 proceedings. Airbus France also participates in
19 activities in the United States -- sales activities in the
20 United States. And we have evidence in our papers about the
21 Heli Expo in Dallas next week, which Airbus France is the gold
22 sponsor for that. Their CEO, as I said before, attended the
23 Orlando Heli Expo last year. And I believe they announced the
24 sale, at that conference, of seventeen helicopters to the
25 Bristow Group of Texas in 2015.

1 So there is direct linkage between our case, which
2 talks about these Super Pumas and other activities of Airbus
3 in the United States. Now, true, we did not buy these
4 aircraft from Airbus in the United States; that is true. But
5 we did get them back from CHC in Texas through the bankruptcy
6 proceeding. The deliveries of these were made in foreign
7 jurisdictions; but that's -- but the order granting
8 us -- giving us back these helicopters, occurred right here in
9 Texas. And so we -- and that's not a order that we can appeal
10 or fight; it's now ours. So now we have to deal with it in
11 Texas.
12 And as --
13 THE COURT: No, you don't have to deal with anything
14 in Texas.
15 MR. FLUMENBAUM: Well, I mean --
16 THE COURT: No offense, the helicopters are outside
17 of Texas.
18 MR. FLUMENBAUM: Correct. But --
19 THE COURT: You got possession of them, wherever they
20 were located, on the date of rejection.
21 MR. FLUMENBAUM: Right.
22 THE COURT: Yes, I signed an --
23 MR. FLUMENBAUM: But all --
24 THE COURT: -- order.
25 MR. FLUMENBAUM: But all that comes out of this Texas

1 proceeding, which Airbus voluntarily participated in.
2 THE COURT: As it relates to the debtor.
3 MR. FLUMENBAUM: Correct, correct. And as it related
4 to us, because they actively involved in our 2004 proceeding.
5 They objected to our discovery.
6 THE COURT: That you filed in the bankruptcy case,
7 and they are --
8 MR. FLUMENBAUM: Correct.
9 THE COURT: -- unquestionably a party in interest in
10 the bankruptcy case.
11 MR. FLUMENBAUM: Right. But --
12 THE COURT: But that doesn't create general
13 jurisdiction.
14 MR. FLUMENBAUM: Well, what it does -- well, I'm sort
15 of merging the arguments for specific and general in this
16 case.
17 THE COURT: Do not do that.
18 MR. FLUMENBAUM: Okay.
19 THE COURT: I've asked you to be very specific.
20 MR. FLUMENBAUM: Well, I -- what I've been saying
21 right now, in terms of the Texas activity, I believe relates
22 to specific jurisdiction.
23 THE COURT: To the first prong.
24 MR. FLUMENBAUM: Right.
25 THE COURT: I don't disagree. And I keep pointing

1 THE COURT: For whatever it's worth.
2 MR. FLUMENBAUM: For whatever it's worth.
3 THE COURT: But it's not worth anything; I'll tell
4 you that now.
5 MR. FLUMENBAUM: Okay.
6 THE COURT: Lawyer talk is just lawyer talk.
7 MR. FLUMENBAUM: I think those were the references
8 that I had.
9 THE COURT: I mean, Mr. Holtzer has no personal
10 information; anything Mr. Holtzer knows is hearsay, just like
11 anything you tell me would be hearsay. You may firmly believe
12 it, your client may have told it to you, but it's not
13 evidence.
14 MR. FLUMENBAUM: I think, Your Honor can infer, from
15 the evidence before you, that the grounding of those
16 helicopters would have an impact on decisions by CHC, as to
17 which aircraft to keep and which aircraft to reject. I
18 believe that is a proper inference that Your Honor can make
19 from the evidence that is before you.
20 Let me -- so, I've talked about personal
21 jurisdiction. I've talked about what I believe are the strong
22 ties to Texas. The fact that the helicopters were purchased
23 from CHC, were purchased by CHC from Airbus; they were
24 purchased from CHC by ECN, that ECN leased the helicopters to
25 CHC. CHC rejected the leases, transferring ownership fully

1 back to CHC.
2 CHC owns the helicopter that crashed in Norway; I
3 think that's also related to our claims. Airbus markets the
4 EC225 and the AS332L helicopters for distribution and services
5 around the world and through the United States, including
6 Texas.
7 And, as I said, Airbus Group owns AH. And Airbus
8 Group also owns, through another entity, Airbus Helicopters
9 Inc., which was a Delaware Corporation headquartered in Texas.
10 So, I think when you take all that into account, and
11 you take into account the fact that Airbus sells these very
12 same helicopters, both directly into Texas, and through its
13 distributor into Texas, that that gives us personal
14 jurisdiction with the extra benefit that we get, because of
15 their consent and their coming here, and because of the fact
16 that we served Airbus in this jurisdiction.
17 So, I think, when you add all those together, we do
18 have specific jurisdiction, and maybe even have general
19 jurisdiction.
20 THE COURT: I'm still struggling, because I think
21 that specific nexus requires that your claims against Airbus,
22 that's the nexus that the cases talk about. And I see no
23 nexus.
24 MR. FLUMENBAUM: Your Honor, let me refer you to the
25 Hess v. Bumbo international case.

1 THE COURT: Okay.
2 MR. FLUMENBAUM: I think that case -- I think there
3 was a -- this was an injury, and I was going to rely on this
4 case also, for when we talk about abstention. I think this
5 was a injury that occurred in Arizona, you got a foreign
6 entity; and they sued in Texas.
7 And again, on specific jurisdiction grounds, they did
8 not have specific jurisdiction, unlike what we believe we do;
9 but the court found that they had general jurisdiction,
10 because of Bumbo, which was a South African entity, I believe,
11 had continuous and systematic commercial contacts with Texas,
12 but its central base for distributing product was in the
13 United States, and in Texas, that they sued their distributor
14 in Texas, and that was a big factor in that. And they also
15 found that Texas has an interest in policing entities that do
16 business in Texas, and that involve product liability claims.
17 So I think the Bumbo International Trust case, I
18 think gives you a case that supports what I've been arguing,
19 in terms of the general jurisdiction point. But I think, in
20 this case, we have both consent jurisdiction; and I think it
21 also gives us general jurisdiction, given the central role
22 that Texas has played in this proceeding.
23 Let me --
24 THE COURT: But the problem there is that case is
25 distinguishable. Bumbo sued its distributor first, and then

C E R T I F I C A T I O N

I, Elisheva Elbaz, the court approved transcriber, do hereby certify the foregoing is a true and correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

March 5, 2017

ELISHEVA ELBAZ DATE

Exhibit S

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED APRIL 30, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _ to _

Commission file number: 001-36261

CHC Group Ltd.

(Exact Name of Registrant as Specified in Its Charter)

Cayman Islands	**98-0587405**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

190 Elgin Avenue
George Town
Grand Cayman, KY1-9005
Cayman Islands
(Address of principal executive offices, including zip code)
(604) 276-7500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Name of Each Exchange on Which Registered
Ordinary Shares, par value $0.003	

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Ernst & Young LLP, have included an emphasis of matter paragraph in their auditors' report which states certain conditions exist which raise substantial doubt about our ability to continue as a going concern in relation to the foregoing. Our plans in regard to these matters are described in note 2(a). The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. See "Report of Independent Registered Public Accounting Firm" included elsewhere in this Annual Report on Form 10-K.

Risks Related to Our Net Losses and Indebtedness

We have a history of net losses.

We have incurred net losses since our acquisition on September 16, 2008 of the entity formerly known as CHC Helicopter Corporation, including losses of approximately $170.9 million, $794.8 million and $437.8 million in the last three fiscal years ended April 30, 2014, 2015 and 2016, respectively. Our net losses since September 16, 2008 have resulted from a number of factors, including non-cash impairments of goodwill and other assets totaling $1.7 billion and interest charges related to substantial leverage incurred to acquire additional helicopters and grow our business. We may continue to incur net losses in the future and our net losses may increase in the future and we cannot assure you that we will achieve or sustain profitability, or that we will continue to generate sufficient cash flow and liquidity through access to the capital markets to meet our debt and interest obligations as and when they become due.

Our substantial level of indebtedness, operating lease commitments, purchase and other commitments could materially adversely affect our ability to fulfill our obligations under our debt agreements, our ability to react to changes in our business and our ability to incur additional debt to fund future needs.

We have a substantial amount of indebtedness, operating lease commitments, purchase and other commitments. As of April 30, 2016, we had $1.7 billion of indebtedness, an additional $1.3 billion of operating lease commitments, as well as $236.8 million in purchase commitments and $258.3 million of additional flexible orders for the purchase of aircraft. The terms of certain of our debt instruments and helicopter lease agreements impose operating and financial limitations on us.

As of April 30, 2016, included within our indebtedness was $1.0 billion of senior secured notes due 2020, $94.7 million of senior unsecured notes due 2021, $327.5 million under our revolving credit facility and $139.0 million under our ABL Facility. As of April 30, 2016, we had cash and cash equivalents of approximately $266.1 million.

Our substantial debt has had important consequences in the past and may continue to do so in the future. These consequences include:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- placing us at a competitive disadvantage compared to our competitors that have relatively less debt; and
- limiting our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures and other purposes.

In addition, because we are currently in Chapter 11 proceedings, we may have to undertake alternative financing plans, such as:

- refinancing or restructuring our debt;
- selling assets;
- reducing or delaying capital investments; or
- seeking to raise additional capital.

However, any alternative financing plans that we undertake will not likely allow us to meet our debt obligations. Our inability to pay off our debt obligations and our inability to obtain alternative financing due to our current Chapter 11 proceedings, could materially and adversely affect our business, financial condition, results of operations or prospects. Additionally, we must obtain Bankruptcy Court approval for these actions, which will place us at a competitive disadvantage and limit our flexibility to react to changes in our business or our industry.

Table of Contents

Risks Related to Our Business and Industry

All flights with the aircraft type H225 and AS332 L2 have been temporarily grounded which may cause a material and adverse impact to our financial viability.

On April 29, 2016, one of our H225 helicopters was involved in a tragic accident in Norway resulting in the loss of life for 11 passengers and two crew members. Immediately after the accident on April 29, 2016, out of respect for passengers and crew members, and in order to evaluate any implications associated with the April 29, 2016 accident, all flights with the aircraft type H225 were temporarily put on hold in the Norwegian and UK sectors. In collaboration with our stakeholders, customers and regulatory authorities, pending further regulatory guidance, we then temporarily put on hold all H225 commercial flights around the world (with the exception of SAR missions).

This incident resulted in the Civil Aviation Authorities in the U.K. and Norway issuing safety directives, requiring operators to suspend all commercial operations, including SAR missions, of the affected aircraft globally for a period of time pending determination of the root cause of the accident. Additionally, the European Aviation Safety Agency issued an Emergency Airworthiness Directive on June 2, 2016, and temporarily grounded H225 and AS332 L2 flights as a precautionary measure, but does permit single ferry flights without passengers to recover aircraft to a suitable maintenance location. On June 28, 2016, the AIBN released a preliminary report which is available at http://www.aibn.no/Aviation/Investigations/16-286. Neither the foregoing website nor the information contained on the website nor the report accessible through such website shall be deemed incorporated into, and neither shall be a part of, this Annual Report on Form 10-K.

We have suspended all H225 and AS332 L2 operations (including those committed to SAR and Medevac) until further feedback is received from the European Aviation Safety Agency. In addition to any loss of property, liability or litigation risks associated with helicopter crashes, our revenue, profitability and margins would decline to the extent the helicopters were voluntarily or mandatorily grounded. We have also suffered costs due to a reduction in various choices of helicopter types and the necessity to retrain our employees how to operate different helicopters due to this accident. There is uncertainty surrounding H225 and AS332 L2 operations in the foreseeable future. Additionally, many of our contracts with our customers require us to provide H225 aircraft to them and we may possibly face legal liability for breach of contract if we are unable to provide these helicopters for safety reasons. A protracted grounding of the H225 and AS332 L2 helicopters will cause us to face significant uncertainty regarding our ability to continue as a going-concern.

Our operations and fleet are reliant on Airbus helicopters.

Our operations and fleet are reliant on Airbus helicopters. This reliance may increase our risk of losses due to any unforeseen safety incidents. Safety incidents involved with any Airbus helicopter will negatively impact our ability to continue operations and will impact a significant amount of our fleet.

Operating helicopters involves a degree of inherent risk and we are exposed to the risk of losses from safety incidents.

Hazards, such as adverse weather conditions, darkness, collisions and fire are inherent in the provision of helicopter services and can result in personal injury and loss of life, accidents, reduced number of flight hours, severe damage to and destruction of property and equipment and suspension of operations or grounding of helicopters.

For example, on October 22, 2012, one of our H225 helicopters made a controlled water landing in the North Sea with no injuries to crew or passengers. Given that this was the second such event, the first having occurred to another operator in May 2012, all flights of almost all commercial operators worldwide using the same type of helicopter were subsequently suspended for the duration of a lengthy investigation and subsequent corrective action from the manufacturer. In addition, on August 23, 2013, one of our AS332 L2 helicopters was involved in a tragic accident in the North Sea, resulting in four fatalities among the 16 passengers and two crew members on board. The U.K. Air Accident Investigation Branch released a final report stating that the cause of the accident was pilot error.

On April 29, 2016, one of our H225 helicopters was involved in a tragic accident in Norway resulting in the loss of life for 11 passengers and two crew members. We voluntarily restricted the use of this model of helicopter worldwide while investigating the cause of the accident. This incident resulted in the Civil Aviation Authorities in the U.K. and Norway issuing safety directives, requiring operators to suspend commercial operations of the affected aircraft globally for a period of time pending determination of the root cause of the accident. On June 28, 2016, the AIBN released a preliminary report which is available at http://www.aibn.no/Aviation/Investigations/16-286. Neither the foregoing website nor the information contained on the website nor the report accessible through such website shall be deemed incorporated into, and neither shall be a part of, this

Annual Report on Form 10-K. In addition to any loss of property or liability associated with helicopter crashes, our revenue, profitability and margins would decline to the extent any of our helicopters were voluntarily or mandatorily grounded. We have suspended all H225 and AS332 L2 operations (including those committed to SAR and Medevac) until further feedback is received from the European Aviation Safety Agency. While we seek to mitigate the financial impact of such risks and preserve our rights through commercial and other arrangements with all those involved, when available, these mitigation efforts may not be successful or available for all incidents. Our performance, profitability and margins may fluctuate from period to period as a result of such incidents and our mitigation efforts.

If other operators experience accidents with aircraft models that we operate or lease, obligating us to take such aircraft out of service until the cause of the accident is rectified, we would lose revenue and might lose customers. In addition, safety issues experienced by a particular model of aircraft could result in customers refusing to use that particular aircraft model or a regulatory body grounding that particular aircraft model. The value of the aircraft model might also be permanently reduced in the market if the model were to be considered less desirable for future service and the inventory for such aircraft may be impaired.

If we are unable to mitigate potential losses through a robust safety management and insurance coverage program, our financial condition would be jeopardized in the event of a safety or other hazardous incident.

We attempt to protect ourselves against potential losses through our safety management system and insurance coverage. However, portions of our insurance coverage are subject to deductibles and maximum coverage amounts, and we do not carry insurance against all types of losses. We cannot ensure that our existing coverage will be sufficient to protect against all losses, that we will be able to maintain our existing coverage in the future or that the premiums will not increase substantially, including potentially, in connection with the AS332 L2 accident that occurred in August 2013 or the H225 accident that occurred in April 2016. Our safety management system may not be effective. In addition, terrorist activity, risk of war, accidents or other events could increase our insurance premiums. Our inability to renew our aviation insurance coverage or the loss, expropriation or confiscation of, or severe damage to, a large number of our helicopters could adversely affect our operations and possibly our financial condition and results of operations. Furthermore, we are not insured for loss of profit, loss of use of our helicopters, business interruption or loss of flight hours. The loss of, or limited availability of, our liability insurance coverage, inadequate coverage from our liability insurance or substantial increases in future premiums could have a material adverse effect on our business, financial condition and results of operations.

Failure to maintain standards of acceptable safety performance could have an adverse impact on our ability to attract and retain customers and could adversely impact our reputation, operations and financial performance.

Our customers consider safety and reliability as the two primary attributes when selecting a provider of helicopter transportation services. If we fail to maintain standards of safety and reliability that are satisfactory to our customers, our ability to retain current customers and attract new customers may be adversely affected. Moreover, helicopter crashes or similar disasters of another helicopter operator could impact customer confidence and lead to a reduction in customer contracts or result in the grounding of our helicopters, particularly if such helicopter crash or disaster were due to a safety fault in a type of helicopter used in our fleet. In addition, the loss of any helicopter as a result of an accident could cause significant adverse publicity and the interruption of air services to our customers, which could adversely impact our reputation, operations and financial results. Our helicopters have been involved in accidents in the past, some of which have included loss of life and property damage.

Our operations are largely dependent upon the level of activity in the offshore oil and gas industry.

To varying degrees, activity levels in the oil and gas industry are affected by long-term trends in oil and gas prices. Historically, the prices for oil and gas have been volatile and subject to wide fluctuations in response to changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond our control, such as:

- actions of the Organization of Petroleum Exporting Countries and other oil producing countries to control prices or change production levels;
- general economic and political conditions, both worldwide and in the regions in which we operate;
- governmental regulation;
- the price and availability of alternative fuels;

Variable Interest Entities

The Company has variable interest in entities that are not consolidated, as we are not the primary beneficiary, which provide operating lease financing to us and an entity that provides flying services to third party customers. At April 30, 2016, the Company had operating leases for 103 helicopters with variable interest entities that were not consolidated. See note 3(b)(ii) of the audited annual consolidated financial statements for the fiscal years ended April 30, 2014, 2015 and 2016 included elsewhere in this Annual Report on Form 10-K.

Guarantees

The Company has provided limited guarantees to third parties under some of its operating leases relating to a portion of the residual helicopter values at the termination of the leases. The leases have terms expiring between fiscal 2017 and 2025. At April 30, 2016, the Company's exposure under the asset value guarantees including guarantees in the form of funded and unfunded residual value guarantees is approximately $171.8 million.

Contingencies

The Company has exposure for certain legal matters as disclosed in note 25 of the audited annual consolidated financial statements for the fiscal years ended April 30, 2014, 2015 and 2016 included elsewhere in this Annual Report on Form 10-K. There have been no material changes in our exposure to contingencies.

We have entered into fee arrangements with financial advisors to assist us with our Bankruptcy filing. The arrangements include contingent fee payments up to $15.0 million, payable upon completion of Chapter 11 reorganization. At April 30, 2016, no contingent fee amounts were accrued.

Critical Accounting Policies and Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Areas where significant estimates and assumptions have been made include: flying asset impairment assessment, provision for obsolete and excess inventories, indefinite life intangible asset and goodwill impairment assessment, flying asset depreciation, classification of helicopter leases as operating or capital leases, consolidation of variable interest entities, defined benefit pensions, contingent liabilities, and income taxes.

Flying asset impairment assessment

Our audited annual consolidated financial statements include property and equipment related to flying assets. Flying assets include both owned and leased helicopters, in addition to rotable and repairable assets. In addition to property and equipment, our consolidated balance sheet includes funded residual value guarantees related to helicopter operating leases. The assessment of impairment for flying assets and funded residual value guarantees are subject to significant estimates and assumptions related to helicopter future cash flows and fair values.

Where events or circumstances indicate that the carrying amount of held for use flying assets may not be recoverable, the carrying value of the assets or asset groups is compared to the future projected undiscounted cash flows. We review the carrying amounts of the property and equipment either on an annual basis or earlier when the asset is classified as held for sale or when events or circumstances indicate that the carrying amount of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition.

We estimate the future projected undiscounted cash flows for helicopters at the helicopter type level as this is the lowest level which earns independent cash flows. The cash flows are based on management's expectation of future revenues and expenses including costs to maintain the assets over their respective service lives. Revenues are derived from the expected contractual cash flows for each helicopter. Costs are based on expected amounts for crew, helicopter lease costs, insurance, PBH, and any other cost directly related to the operation of the helicopter. An impairment loss is recognized as the excess of the carrying value over the fair value when an asset or asset group is not recoverable. Fair value is based on third party appraisals and market transactions. Significant estimates and judgments are applied in determining these cash flows and fair values, in particular due to the long life of these assets.

For the fiscal years ended April 30, 2014, 2015, and 2016, we recorded impairment charges of $5.5 million and $128.0 million and $31.9 million, respectively, on assets held for use, as their carrying values were not deemed to be recoverable. We have made a strategic decision to exit certain older helicopter types upon completion of their flying obligations. Impairment charges were recorded to write down the carrying value of held for use helicopters, the major airframe inspections of leased

helicopters, related rotable parts and embedded equity to their fair values and the carrying value of held for sale helicopters to their fair value less costs to sell.

Long-lived assets that have been classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell and are not amortized once they are classified as held for sale. An impairment loss is recognized as the excess of the carrying amount over the fair value less costs to sell. In the fiscal years ended April 30, 2014, 2015, and 2016, we recorded impairment charges of $18.5 million, $5.5 million and $4.1 million, respectively, on assets classified as held for sale.

Helicopter operating lease funded residual value guarantees are made at the inception of an operating lease where we have guaranteed a portion of the helicopter residual values at the end of the lease term and advanced an amount to the lessor in respect of this. Funded residual value guarantees are recoverable based on the residual value of the helicopter under the terms of the distribution of proceeds contained within the lease agreements. We recognize an impairment on funded residual value guarantees where our assessed value of each individual helicopter means that we would not be able to recover the full amount of our funded residual value guarantee. Fair value is based on third party appraisals. Significant estimates and judgments are applied in determining these fair values. In the fiscal years ended April 30, 2015, and 2016, we recorded impairment charges of $13.4 million and $93.4 million, respectively, on helicopter operating lease funded residual value guarantees.

A significant portion of our property and equipment, funded residual value guarantees and related assets is tied to the aircraft type H225. As at April 30, 2016, we have performed our impairment assessment using valuations informed by third party appraisals using available valuation information at that point in time. However, there may be significant risk and judgment associated with the fair values of this helicopter type. See “Item 1A. Risk Factors” and “Item 7. Aviation Safety and Regulatory Developments” included elsewhere in this Annual Report on Form 10-K for further information.

Subsequent to April 30, 2016, the Debtors filed motions with the Bankruptcy Court for the rejection of a number of helicopter lease contracts. See “Item 1. Business” included elsewhere in this Annual Report on Form 10-K for further information. The impact of the rejected leases on our fleet plan or on helicopter fair values is not reflected in the assessment of impairment of these assets as at April 30, 2016.

Provision for obsolete and excess inventories

We maintain inventories that primarily consist of consumable parts and supplies to service our aircraft. We record provisions to reduce inventories to the lower of cost or market value to reflect changes in market conditions, fleet strategy, expected utilization and the secondary market for consumable parts and supplies. During the fiscal year ended April 30, 2016, we recorded an impairment charge of $17.9 million to increase our provision on certain consumable inventories. Consumable inventories identified as excess have been measured at estimated market value, based on our experience with past sales of surplus consumable inventories and our assessment of resale market conditions.

Subsequent to April 30, 2016, the Debtors filed motions with the Bankruptcy Court for the rejection of a number of helicopter lease contracts. See “Item 1. Business” included elsewhere in this Annual Report on Form 10-K for further information. Changes in our fleet plan subsequent to April 30, 2016, pending the outcome of decisions by the Bankruptcy Court, may significantly impact the assessment of the provision for obsolete and excess inventories going forward.

Indefinite life intangible asset and goodwill impairment assessment

The recoverability of goodwill and indefinite life intangible assets is assessed on an annual basis or more frequently if events or circumstances indicate that the carrying value may not be recoverable. If the carrying amount of an indefinite life intangible asset exceeds its fair value, we shall recognize an impairment loss equal to that excess.

The fair value of trademarks and trade names, which we have assessed as indefinite life intangible assets, is determined based on the present value of estimated future cash flows, discounted at a risk-adjusted rate. The fair value of trademarks and trade names is allocated to both our Helicopter Services and Heli-One segments. No impairment was recognized in the fiscal years ended April 30, 2014 and 2015 for trademarks and trade names based on our estimated cash flow projections and assessed risk-adjusted discount rates. However, due to a decrease in customer activity and our estimated revenue projections from operations, in conjunction with a risk-adjusted rate reflecting the inherent risks given increased oil and gas market uncertainty, we recognized an impairment charge of $75.3 million as at April 30, 2016. The discount rate for the carrying value to exceed the fair value of the trade names and trademarks of Helicopter Services would be 11.6% and for Heli-One would be 19.5% for the fiscal year ended April 30, 2016.

In fiscal 2015, goodwill was assessed for impairment at the reporting unit level by comparing the carrying value of the reporting units with their fair value. All of our goodwill was contained in the Helicopter Services reporting unit. The fair value of our reporting units was determined based on the present value of estimated future cash flows, discounted at a risk-adjusted rate. Management’s forecasts of future cash flows which incorporate anticipated future revenue growth and related expenses to

support the growth and maintain its assets are used to calculate fair value. The discount rates used represent management's estimate of the weighted average cost of capital for the reporting units considering the risks and uncertainty inherent in the cash flows of the reporting units and in our internally developed forecasts. The fair value of our reporting units is most significantly affected by the discount rate used, the expected future cash flows and the long-term growth rate. We operate in a competitive environment and derive a significant portion of revenue from the offshore oil and gas industry. The ability to win new contracts, earn forecast margins on those contracts, retain existing customers as well as the continued demand for flying services in the oil and gas market will affect our future cash flows and future growth. Relatively minor changes in estimated future cash flows, growth rates and discount rates could significantly affect the estimate of reporting unit fair value and the amount of impairment loss recognized, if any. As a result of deteriorating conditions in the oil and gas markets and related service sectors and a decline in our market capitalization we performed a two-step goodwill impairment test during fiscal 2015.

In the first step of the impairment test, we concluded that the carrying value of the Helicopter Services segment exceeded its fair value. Therefore, we performed the second step to determine the amount of the impairment loss by comparing the carrying value of goodwill against its implied fair value. The implied fair value of the goodwill was determined by allocating the fair value of Helicopter Services to all of its assets and liabilities as if Helicopter Services had been acquired in a business combination and its fair value was the purchase price paid to acquire Helicopter Services. Based on the analysis, there was no implied fair value of goodwill and goodwill impairment of $403.5 million was recorded in fiscal 2015, which represented the entire goodwill balance.

Flying asset depreciation

Flying assets are amortized to their estimated residual value over their estimated useful life of 10-25 years, with the residual value used in the calculation of depreciation being 50%. The estimated service lives and associated residual values are based on management estimates including an analysis of future values of the helicopters and our experience. The estimated service lives and associated residual values of helicopters are reviewed when there are indicators that a change in estimate may be necessary.

Rotable and repairable assets are recorded at cost and are amortized on a pooled basis to their estimated residual value on either a 40%-80% declining balance basis for shop replaceable assets or a 10%-30% declining balance basis for line replaceable assets. When components are retired or otherwise disposed of in the ordinary course of business, their original cost, net of salvage or sale proceeds, is charged to accumulated depreciation.

The depreciation of flying assets may change significantly based on changes to our fleet plan, driven by market and other conditions. Subsequent to April 30, 2016, the Debtors filed motions with the Bankruptcy Court for the rejection of a number of helicopter lease contracts. See "Item 1. Business" included elsewhere in this Annual Report on Form 10-K for further information. Changes in our fleet plan subsequent to April 30, 2016 may significantly alter the depreciation rates of these assets.

Classification of helicopter leases as operating or capital leases

In assessing the lease classification of a helicopter lease as operating or capital, management makes significant judgments and assumptions in determining the discount rate, fair value of the helicopter, estimated useful life and residual value. Changes in any of these assumptions at lease inception or modification date could change the initial lease classification.

Consolidation of variable interest entities ("VIEs")

We are required to consolidate a VIE if we are determined to be its primary beneficiary. Significant judgments are made in assessing whether we are the primary beneficiary, including determination of the activities that most significantly impact the VIE's economic performance. This significant judgment is discussed further in note 3 of our audited annual consolidated financial statements for the fiscal years ended April 30, 2014, 2015 and 2016 included elsewhere in this Annual Report on Form 10-K.

Defined benefit pensions

We maintain both funded and unfunded defined benefit employee pension plans for certain eligible employees. As of April 30, 2015 and 2016, we had an unfunded deficit of $105.8 million and $94.1 million, respectively. The pension expense (income) for the fiscal years ended April 30, 2014, 2015 and 2016 was $(0.9) million, $0.6 million and $2.9 million, respectively. The overall asset mix was 1% cash, 26% equities, 34% fixed income and 39% money market and other as of April 30, 2016. This asset mix varies by each plan.

Measuring our obligations under the plans and related periodic pension expense involves significant estimates. Our pension benefit costs are accrued based on our review of annual analysis performed by our actuaries. These factors include

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 15th day of July 2016.

CHC GROUP LTD.
(Registrant)

By: /s/ Karl S. Fessenden
Name: Karl S. Fessenden
Title: President and Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Karl S. Fessenden and Lee Eckert, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Karl S. Fessenden Karl S. Fessenden	President, Chief Executive Officer and Director *(Principal Executive Officer)*	July 15, 2016
/s/ Lee Eckert Lee Eckert	Chief Financial Officer *(Principal Financial Officer)*	July 15, 2016
/s/ Melanie Kerr Melanie Kerr	Chief Accounting Officer (*Principal Accounting Officer*)	July 15, 2016
/s/ John Krenicki Jr. John Krenicki Jr.	Director	July 15, 2016
/s/ John A. McKenna, Jr. John A. McKenna, Jr.	Director	July 15, 2016
/s/ William G. Schrader William G. Schrader	Director	July 15, 2016
/s/ Juan Diego Vargas Juan Diego Vargas	Director	July 15, 2016
/s/ William L. Transier William L. Transier	Director	July 15, 2016
/s/ Robert C. Volpe Robert C. Volpe	Director	July 15, 2016
/s/ Nathan K. Sleeper Nathan K. Sleeper	Director	July 15, 2016

Exhibit T

1 IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)
2
3
4 In re) Case No. 16-31854-bjh11
) Dallas, Texas
5 CHC GROUP LTD., et al.,)
) May 6, 2016
6 Debtors.) 3:02 PM
7 _____)

8 TRANSCRIPT OF HEARING ON:
NOTICE OF DESIGNATION AS COMPLEX CHAPTER 11 CASE, FILED BY
9 DEBTOR CHC GROUP LTD. (2);
MOTION FOR JOINT ADMINISTRATION OF CASES / MOTION OF DEBTORS
10 FOR ENTRY OF ORDER AUTHORIZING JOINT ADMINISTRATION OF CHAPTER
11 CASES, PURSUANT TO RULE 1015(B) OF THE FEDERAL RULES OF
11 BANKRUPTCY PROCEDURE, FILED BY DEBTOR CHC GROUP LTD. (3);
MOTION OF DEBTORS FOR ENTRY OF AN ORDER (I) WAIVING THE
12 REQUIREMENT TO FILE A LIST OF CREDITORS, (II) WAIVING THE
REQUIREMENT TO FILE AN EQUITY LIST, AND (III) APPROVING THE
13 FORM AND MANNER OF NOTIFYING CREDITORS OF THE COMMENCEMENT OF
THE DEBTORS CHAPTER 11 CASES,
14 FILED BY DEBTOR CHC GROUP LTD. (4);
MOTION TO EXTEND TIME TO FILE SCHEDULES OR NEW CASE
15 DEFICIENCIES, EXCLUDING MATRIX,
FILED BY DEBTOR CHC GROUP LTD. (5);
16 MOTION REGARDING PRE-PETITION CLAIMS / MOTION OF DEBTORS FOR
ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO
17 PAY CERTAIN (A) EMPLOYEE OBLIGATIONS AND (B) INDEPENDENT
CONTRACTOR OBLIGATIONS, (II) MODIFYING THE AUTOMATIC STAY, AND
18 (III) AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS
CHECKS AND TRANSFERS RELATED TO SUCH OBLIGATIONS, PURSUANT TO
19 SECTIONS 105(A), 363(A) AND 507(A) OF THE BANKRUPTCY CODE AND
BANKRUPTCY RULES 6003 AND 6004,
20 FILED BY DEBTOR CHC GROUP LTD. (6);
MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS
21 (I) AUTHORIZING DEBTORS TO (A) CONTINUE THEIR INSURANCE
PROGRAMS AND ARRANGEMENTS AND (B) PAY ALL UNDISPUTED
22 OBLIGATIONS IN RESPECT THEREOF AND (II) AUTHORIZING FINANCIAL
INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND
23 TRANSFERS, PURSUANT TO SECTIONS 105(A), 363(B), AND 503(B) OF
THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004, FILED
24 BY DEBTOR CHC GROUP LTD. (7);
MOTION OF DEBTORS FOR ENTRY OF ORDER ENFORCING THE PROTECTIONS
25 OF SECTIONS 362, 365, 525, AND 541(C) OF THE BANKRUPTCY CODE,

1 PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE, FILED BY DEBTOR CHC GROUP LTD. (8);
2 MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO PAY CERTAIN PRE-PETITION TAXES AND
3 ASSESSMENTS AND (II) AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS, PURSUANT TO
4 SECTIONS 105(A), 363(B), 507(A)(8), AND 541(D) OF THE BANKRUPTCY CODE, FILED BY DEBTOR CHC GROUP LTD. (9);
5 MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS AUTHORIZING DEBTORS TO MAINTAIN, APPLY, PAY, AND HONOR PRE-
6 PETITION CUSTOMER DEPOSITS, PURSUANT TO SECTIONS 363(B) AND 105(A) OF THE BANKRUPTCY CODE,
7 FILED BY DEBTOR CHC GROUP LTD. (10);
MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS
8 (I) AUTHORIZING DEBTORS TO (A) CONTINUE THEIR EXISTING CASH MANAGEMENT SYSTEM, (B) CONTINUE EXISTING INTERCOMPANY
9 TRANSACTIONS, (C) MAINTAIN EXISTING BANK ACCOUNTS AND BUSINESS FORMS, AND (D) HONOR CERTAIN PRE-PETITION OBLIGATIONS RELATING
10 TO THE USE OF THE CASH MANAGEMENT SYSTEM, AND (II) GRANTING EXTENSION OF TIME TO COMPLY WITH, AND PARTIAL WAIVER OF,
11 REQUIREMENTS OF SECTION 345(B) OF THE BANKRUPTCY CODE, PURSUANT TO SECTIONS 105(A), 345(B), 363(C), 364(A), AND
12 503(B) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004, FILED BY DEBTOR CHC GROUP LTD. (11);
13 MOTION TO USE CASH COLLATERAL / MOTION OF DEBTORS FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO UTILIZE CASH
14 COLLATERAL; (II) GRANTING ADEQUATE PROTECTION TO THE PRE-PETITION SECURED PARTIES, PURSUANT TO SECTIONS 105, 361,
15 362, 363, AND 507 OF THE BANKRUPTCY CODE; AND (III) SCHEDULING FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001(B), FILED BY
16 DEBTOR CHC GROUP LTD. (12);
APPLICATION TO EMPLOY KURTZMAN CARSON CONSULTANTS LLC AS
17 CLAIMS AGENT / APPLICATION OF DEBTORS FOR ENTRY OF AN ORDER AUTHORIZING THE RETENTION AND APPOINTMENT OF KURTZMAN CARSON
18 CONSULTANTS LLC AS CLAIMS, NOTICING, AND BALLOTING AGENT NUNC PRO TUNC TO THE PETITION DATE,
19 FILED BY DEBTOR CHC GROUP LTD. (14)
BEFORE THE HONORABLE BARBARA J. HOUSER,
20 CHIEF UNITED STATES BANKRUPTCY JUDGE

21 Transcription Services: eScribers
700 West 192nd Street
22 Suite #607
New York, NY 10040
23 (973) 406-2250

24 PROCEEDINGS RECORDED BY ELECTRONIC SOUND RECORDING.

25 TRANSCRIPT PRODUCED BY TRANSCRIPTION SERVICE.

1 MR. HOLTZER: I'll then make a few opening remarks on
2 why we filed and how we intend to use the Chapter 11 process
3 over the next few months.
4 So, with respect to today's hearing process, we have
5 submitted an agenda, it's our proposed agenda, which is in the
6 binder that I believe Your Honor has.
7 THE COURT: I do.
8 MR. HOLTZER: Our order of operations, if you will,
9 after me, will be that Ms. DiBlasi, who Mr. Youngman
10 introduced, will handle all of the motions up until the cash-
11 collateral, adequate-protection and cash-management motions;
12 Mr. Youngman will handle those motions. As we introduced,
13 Mr. Del Genio; he is in court here to testify; we can put him
14 on the stand if we need to, for the motions that Ms. DiBlasi
15 will handle.
16 THE COURT: All right.
17 MR. HOLTZER: I suspect that we will not need him to
18 testify for those, but he is here. Separately, though, our
19 preferred approach with respect to cash collateral and cash
20 management is that we put him on the stand and take him
21 through direct testimony. Mr. Levine, who's here, will handle
22 that direct testimony.
23 If that process is acceptable, Your Honor, I'll
24 proceed with some very brief background on CHC.
25 THE COURT: Please.

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1 MR. HOLTZER: As detailed in our filing and including
2 Mr. Del Genio's extensive first-day affidavit, CHC is a
3 global, commercial, helicopter-services company; it primarily
4 services offshore oil and gas industry participants.
5 A few important points about CHC: Its principal
6 business is to provide those helicopter services for large,
7 long-distance, crew changes on offshore production facilities
8 and drilling rigs for major national and international oil and
9 gas companies. Although CHC manages its operations in Irving,
10 Texas, it operates a global business across six continents.
11 As a result, CHC's business is closely tied to the state of
12 the oil and gas industries.
13 The rapid and unexpected decline in oil prices that
14 the industry has had in the past couple years has led to a
15 significant decline in offshore oil exploration, cost-
16 reduction measures for production, operation, and there's been
17 a substantial decrease in the demand for those offshore
18 drilling services. As a result, the demand for helicopter
19 services has declined.
20 I wanted to let the Court know about the tragic
21 events in Norway as well, and their impact on CHC. First, our
22 thoughts and prayers go out to all the families affected by
23 the accident in Norway. The helicopter involved, for your
24 information, Your Honor, was a 225; that's the type of
25 helicopter. That helicopter has been temporarily grounded in

1 certain jurisdictions and that has had an impact on our fleet
2 reconfiguration, which is central to our restructuring. Our
3 customers are also assessing the use of the 225, going
4 forward, and we're working with them in that process, around
5 the world.
6 For all of those reasons, Your Honor, CHC has
7 determined that under these circumstances it can no longer
8 maintain its current capital structure and its fleet expense
9 level.
10 Turning to its corporate capital structure and its
11 corporate structure itself. You should have marked as the
12 first exhibit, CHC-1, a corporate organizational chart. We
13 have copies for anyone in the courtroom who would like a copy.
14 Or hopefully we have enough copies. So we'll hand those out.
15 A couple of observations about the corporate chart,
16 Your Honor. First of all, all the debtors are direct and
17 indirect wholly owned subsidiaries of CHC Group Limited.
18 Secondly, all of the issuers and guarantors of all of CHC's
19 funded debt are debtors. You've met some of the counsel for
20 those funded debts, in the introductions, and I'll come back
21 to that.
22 As you can see on the chart, the legend at the top
23 indicates which entities are debtors, which entities in red
24 are funded debt obligors, which entities are nondebtors, and
25 which entities are obligors, for example, on the ABL versus

1 the secured and unsecured obligations as well as the RCF, as
2 Mr. Strubeck calls it.
3 Turning to its capital structure, Your Honor; and I'm
4 sure you've read about this in our submission but, just to
5 make sure we crystallize it here quickly: We have an ABL
6 loan; it's 139 million dollars; it's secured by certain of
7 CHC's owned aircraft. And that loan was issued on June 12th,
8 2015 and it matures in 2020. The RCF, also secured, 370
9 million; that loan was issued in January of 2014; its maturity
10 is in 2019. Next is the senior secured notes, approximately
11 one billion dollars in principal amount; that was issued in
12 October of 2010, due in October of 2020; so, ten-year paper.
13 The unsecured notes -- well, before I jump to the
14 unsecured notes, Your Honor, the revolver and senior secured
15 notes are pari passu, in terms of their liens, on
16 substantially all of the debtors' assets, other than assets
17 securing the ABL loan, Your Honor
18 THE COURT: All right.
19 MR. HOLTZER: The unsecured notes approximate ninety-
20 five million dollars; you can see that laid out on the chart.
21 The next category of constituents we ought to
22 discuss, Your Honor, for a moment are the lessors. We
23 mentioned that CHC not only owns some of its aircraft, but of
24 course it leases some. CHC has 163 leased aircraft in the
25 fleet, as well as 67 owned aircraft. And as I mentioned

C E R T I F I C A T I O N

I, Clara Rubin, the court approved transcriber, do hereby certify the foregoing is a true and correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

May 10, 2016

CLARA RUBIN

DATE

Digitally signed by eScribers LLC
DN: cn=eScribers LLC gn=eScribers LLC c=United States l=US e=operations@escribers.net
Reason: I attest to the accuracy and integrity of this document
Location:
Date: 2016-05-10 14:27-07:00

Exhibit U

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 March 28, 2017

United States Bankruptcy Judge

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

IN RE:	§	
	§	
CHC GROUP LTD., *et al.*,	§	BANKR. CASE NO. 16-31854-BJH
	§	(CHAPTER 11)
DEBTORS.	§	
	§	
	§	
ECN CAPITAL (AVIATION) CORP.,	§	CASE NO. 3:17-cv-00075-C
	§	
PLAINTIFF,	§	ADV. PROC. NO. 16-3151-BJH
v.	§	Related to ECF No. 23
	§	
AIRBUS HELICOPTERS SAS,	§	
	§	
DEFENDANT.	§	
	§	
	§	
	§	

REPORT AND RECOMMENDATION TO THE DISTRICT COURT
REGARDING CASE NO. 3:17-cv-00075-C (ADV. PROC. NO. 16-3151-BJH)

This Report and Recommendation is submitted to the District Court with respect to the Motion for Withdrawal of Reference of Adversary Proceeding, and Brief in Support [AP[1] No. 23] (the "**Motion to Withdraw Reference**") filed by Airbus Helicopters, S.A.S. ("**Airbus**").

Concurrently with this Report and Recommendation, the Court has submitted to the District Court Proposed Findings of Fact and Conclusions of Law (the "**Proposed Findings and Conclusions**") regarding Airbus's Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction, and on the Grounds of Forum Non Conveniens [AP No. 24] (the "**Motion to Dismiss**"). In the Proposed Findings and Conclusions, this Court respectfully recommends that the District Court: (i) grant the Motion to Dismiss for lack of personal jurisdiction over Airbus; (ii) in the alternative, if personal jurisdiction exists over Airbus, dismiss the Adversary Proceeding on grounds of forum non conveniens; or (iii) further in the alternative, if personal jurisdiction over Airbus exists and the Adversary Proceeding is not dismissed on grounds of forum non conveniens, permissively abstain from hearing the Adversary Proceeding. If the District Court adopts any of this Court's recommendations set forth in the Proposed Findings and Conclusions, the Motion to Withdraw Reference is moot. If the District Court chooses not to adopt any of this Court's recommendations set forth in the Proposed Findings and Conclusions, it must decide the Motion to Withdraw Reference. In that regard, this Court recommends that the District Court immediately withdraw the reference of the Adversary Proceeding for the reasons explained below.

I. Factual and Procedural Background

Plaintiff ECN Capital (Aviation) Corp. ("**ECN**"), an Ontario corporation, is a commercial financing business with its headquarters located in Toronto, Canada. Complaint ¶ 5. It provides

[1] Citations to "AP No." refer to the docket number in the Adversary Proceeding (16-3151), while citations to "BC No." refer to the docket number in the Bankruptcy Case (16-31854).

commercial aviation financing to customers in the transportation and energy sectors, among others, throughout Canada and the United States. *Id.*

Defendant Airbus is a French company organized and existing under the laws of France with its principal place of business in France. *Id.* ¶ 6. It designs, manufactures, markets, and sells aircraft, including two models of helicopters sold under the name "Super Puma"—the Eurocopter EC225 (the "**EC225**") and the Eurocopter AS332 L2 (the "**AS332 L2**"). *Id.* ¶ 1.

ECN currently owns five Super Puma helicopters manufactured by Airbus—one EC225 and four AS332 L2s (collectively, the "**Helicopters**"). *Id.* ¶ 4. ECN purchased the Helicopters from CHC Helicopters (Barbados) SRL ("**CHC (Barbados)**") pursuant to a sale-leaseback transaction whereby it purchased the helicopters and then leased them back to CHC (Barbados) for operation and sublease (the "**ECN Leases**"). *Id.* ¶ 12. The ECN Leases were guaranteed by CHC Helicopter S.A., CHC Helicopter Holding S.A.R.L., 6922767 Holding SARL, and Heli-One Leasing, ULC (the "**ECN Lease Guarantors**"). *Id.* ¶ 42; *see* Proofs of Claim Nos. 543, 545, 549, 556, and 575.[2]

On April 29, 2016, an Airbus-manufactured Super Puma EC225 leased by CHC (Barbados) crashed near Turøy, Norway, killing all 13 individuals on board the aircraft. *Id.* ¶ 2. As a result of the crash and subsequent investigation, civil aviation authorities in the United States, Europe, Norway, and the United Kingdom prohibited the flight and/or commercial use of any EC225 or AS332 L2, including the Helicopters. *Id.* ECN, however, did not own the EC225 that crashed in Norway. Tr. 24:19-23 (Katz).[3]

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[2] Kurtzman Carson Consultants, the Bankruptcy Court-approved claims agent, maintains the Proofs of Claim filed in the Bankruptcy Case. The claims register may be viewed at http://www.kccllc.net/chc/register.

[3] Pursuant to Local Bankruptcy Rule ("**LBR**") 5011-1(b), the Court held a status conference on the Motion to Withdraw Reference on February 6, 2017 (the "**Status Conference**"). Citations to the transcript of the Status Conference shall take the form of "Tr. pg:line-line (speaker)." A copy of the transcript may be found at AP No. 73.

On May 5, 2015 (the "**Petition Date**"), CHC Group, Ltd. and 42 of its direct and indirect subsidiaries (collectively, the "**Debtors**") filed for protection under Chapter 11 of the Bankruptcy Code. Complaint ¶ 37. The 43 cases are jointly administered under the lead case of *In re CHC Group, Ltd.*, 16-31854-11 (collectively, the "**Bankruptcy Case**"). Among the Debtor entities are CHC (Barbados) and the ECN Lease Guarantors. In addition to the Helicopters, as of the Petition Date, the Debtors leased Super Puma helicopters from various other third parties and owned six Super Puma helicopters outright. Declaration of David W. Fowkes in Support of Third Amended Joint Chapter 11 Plan of CHC Group Ltd. and its Affiliated Debtors [BC No. 1643] ¶¶ 10, 12.[4]

During the Bankruptcy Case, CHC (Barbados) rejected the ECN Leases in accordance with § 365 of the Bankruptcy Code. *Id.* ¶ 12. ECN then filed the various Proofs of Claim in the Bankruptcy Case based on CHC (Barbados)'s rejection of the ECN Leases and the related guarantees of performance, each for "[n]o less than [$] 94,070,389." *See* Proofs of Claim Nos. 543, 545, 549, 556, and 575.

ECN filed the Complaint against Airbus on November 17, 2016, which contains the following counts: (i) Negligence, (ii) Strict Products Liability–Manufacturing Defect, (iii) Strict Products Liability–Design Defect, (iv) Strict Products Liability–Inadequate Warning, (v) Breach of Implied Warranty of Merchantability, (vi) Negligent Misrepresentation, and (vii) Fraud. Complaint ¶¶ 19-111. The Complaint also requests punitive and exemplary damages, an award of attorneys' fees and costs, and pre- and post-judgment interest. *Id.* at 30 (Prayer for Relief).[5]

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[4] At the Status Conference, the Court asked the Debtors' counsel for information regarding (i) the number of EC225s and AS332 L2s that were in the Debtors' fleet as of the Petition Date and that remain in the Debtors' fleet today, and (ii) the ownership of those helicopters. This and additional information was provided in Mr. Fowkes' declaration. The information provided in the declaration did not influence this Court's recommendation, but was helpful to the Court in understanding the relationship between the parties, the claims, and certain of the Debtors.

[5] These claims are not set forth in numbered counts, but appear in the Prayer.

Airbus filed the Motion to Withdraw Reference on January 3, 2016, requesting an immediate withdrawal of the reference of the Adversary Proceeding. In accordance with local procedure, the Court initially set the Status Conference on the Motion to Withdraw Reference for January 30, 2017, but continued it to February 6, 2017 at the parties' request.[6] ECN then filed its response in opposition to the Motion to Withdraw Reference on February 2, 2016 [AP No. 65] (the "**Opposition**").[7] The Court held the Status Conference on February 6, 2017, and now issues this Report and Recommendation to the District Court in accordance with LBR 5011-1(b).

II. Report and Recommendation

In the Motion to Withdraw Reference, Airbus argues that the District Court should immediately withdraw the reference of the Adversary Proceeding because:

> This adversary proceeding brought by non-debtor ECN Capital (Aviation) Corp. ("ECN") against non-debtor [Airbus] is a complex aviation product liability and tort lawsuit that has no connection with the above-captioned main bankruptcy proceedings (the "CHC Bankruptcy Proceedings") of the CHC Group debtor entities (the "CHC Debtors" or "Debtors"). It is a standalone lawsuit over ECN's dissatisfaction with five helicopters it owns that were designed and manufactured by [Airbus]. The outcome of the adversary proceeding will have no effect on the CHC Bankruptcy Proceedings, does not involve the Debtors' property, and ECN concedes that it is noncore. Resolution of this matter outside of the Bankruptcy Court furthers the interests of judicial economy, as ECN and [Airbus] have requested a jury trial and neither consents to the orders or final judgment of this Court, making the District Court's substantive involvement inevitable. These factors weigh strongly in favor of withdrawal of the reference as to this adversary proceeding.

Motion to Withdraw Reference at 2.

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[6] *See* Agreed Order Granting Plaintiff ECN Capital (Aviation) Corp.'s and Defendant Airbus Helicopters, S.A.S.'s Joint Motion for Status Conference [AP No. 49].

[7] Although styled as an Opposition, ECN recognized at the Status Conference that this Court cannot conduct a jury trial without the parties' consent. While ECN coyly stated in the Opposition that it would consent if Airbus consented, neither party has done so. Thus, ECN's opposition to a withdrawal of reference evolved into an opposition to an immediate withdrawal of the reference, with ECN arguing that this Court should hear all pre-trial matters. At a minimum, ECN wanted this Court to consider the Motion to Dismiss, which it has and for which it has submitted the Proposed Findings and Conclusions to the District Court.

In turn, ECN argues that:

> Airbus's mischaracterizations begin in the very first sentence of the Withdrawal Motion, where Airbus falsely states that this adversary proceeding "has no connection with the above-captioned main bankruptcy proceedings." (Withdrawal Mot. 2.) The truth is that this adversary proceeding is brought by one creditor in the bankruptcy cases against another creditor in the bankruptcy cases, it concerns property of the Debtors, it will involve representatives of the Debtors as witnesses and documents of the Debtors as evidence, and its outcome will impact the Debtors' estates—all as described in ECN Capital's Opposition to Defendant's Motion to Dismiss [Docket No. 63] (the "MTD Opposition"). The adversary proceeding thus is closely connected to the Bankruptcy Cases. The very premise of Airbus's Withdrawal Motion is a fabrication, and the motion therefore should be denied.
>
> Further, the Bankruptcy Court is better positioned than any other forum to efficiently and expeditiously adjudicate ECN Capital's claims. Both ECN Capital and Airbus have appeared frequently before the Bankruptcy Court in these proceedings—indeed, Airbus even serves on the Creditors' Committee in the Bankruptcy Cases—and have engaged in discovery motion practice with respect to the "Super Puma" helicopters involved in and impacted by the April 2016 crash and subsequent grounding. Moreover, the Bankruptcy Court is already familiar with the facts and circumstances surrounding the accident and grounding, which precipitated the Debtors' chapter 11 filing and are inextricably linked to both the Bankruptcy Cases and ECN Capital's Complaint. ECN Capital's claims in this adversary proceeding are "non-core," but that carries little weight in the analysis here given how closely related those claims are to the Bankruptcy Cases and given the impact the outcome of the claims could have on the Debtors' estates.

Opposition at 1-2. The Court analyzes both Airbus's and ECN's arguments below.

A. Permissive Withdrawal of Reference[8]

Permissive withdrawal of the reference is governed by 28 U.S.C. § 157(d), which states, in relevant part, that a district court may withdraw "in whole or in part, any case or proceeding referred under this section, on its own motion or on timely motion of any party, for cause shown." In *Holland America Ins. Co. v. Succession of Roy*, 777 F.2d 992, 998-99 (5th Cir. 1985), the Fifth Circuit stated that, in ruling on a motion to withdraw the reference, a court should consider multiple factors: (1) whether the matter involves core, non-core, or mixed issues, (2) whether or not there

[8] ECN does not argue that mandatory withdrawal of the reference is appropriate.

has been a jury demand, (3) the effect of withdrawal on judicial economy, (4) the effect of withdrawal on the goal of reducing forum shopping, (5) uniformity in bankruptcy administration, (6) the effect of withdrawal on fostering the economical use of the parties' resources, and (7) the effect of withdrawal on the goal of expediting the bankruptcy process. Further, pursuant to LBR 5011-1, the Court must consider the following additional factors relevant to the Adversary Proceeding: (1) whether any response to the motion to withdraw the reference was filed, (2) whether a motion to stay the proceeding pending the district court's decision on the motion to withdraw the reference has been filed, (3) with regard to the noncore and mixed issues, whether the parties consent to entry of a final order by the bankruptcy judge, (4) whether a scheduling order has been entered in the proceeding, and (5) whether the parties are ready for trial.

Before turning to its analysis, the Court notes that because of the non-core nature of ECN's claims, coupled with the parties' respective jury demands, this Court cannot conduct the trial of the Adversary Proceeding. Thus, if the District Court does not adopt the Proposed Findings and Conclusions and the Adversary Proceeding proceeds to trial, the only role this Court may play in the Adversary Proceeding is to hear pre-trial matters. However, as explained below, this Court does not believe that it is the appropriate court to hear those pre-trial matters since the Adversary Proceeding is a complex products liability case between two foreign, non-debtor parties that in no way implicates bankruptcy law or will affect administration of the Bankruptcy Case.

1. Whether the Matter Involves Core, Non-Core, or Mixed Issues.

The parties agree that ECN's claims are non-core. *See* Motion to Withdraw Reference at 6 ("ECN concedes, and [Airbus] agrees, that the adversary proceeding against [Airbus] is a non-core proceeding…."); Complaint ¶ 13 ("This adversary proceeding is a non-core proceeding."). This Court agrees. Clearly, ECN's prepetition claims for alleged negligence and products liability

against Airbus do not arise under the Bankruptcy Code or arise in the Bankruptcy Case. Thus, this factor weighs in favor of withdrawing the reference.

2. Whether or Not there has been a Jury Demand.

The second factor, whether or not there has been a jury demand, also weighs in favor of withdrawing the reference. Notably, both parties have demanded a jury trial and neither consents to this Court conducting that trial. *See* Motion to Withdraw Reference at 7 ("ECN and [Airbus] have demanded a jury trial, and [Airbus] does not consent to a jury trial before the Bankruptcy Court."); Compliant ¶ 31 ("Plaintiff ECN Capital hereby demands a trial by jury on all issues and claims so triable.").

3. The Effect of Withdrawal on Judicial Economy.

ECN argues that, although this Court cannot hear the Adversary Proceeding or enter a final judgment, judicial economy is served by this Court hearing all pre-trial matters. According to ECN: (i) this Court is already familiar with the facts and circumstances surrounding the helicopter crash and subsequent grounding that underlies the Complaint, (ii) the Debtors' estates could benefit from a ruling in ECN's favor because they hold claims against Airbus substantially similar to those alleged by ECN in the Complaint, and (iii) various witnesses and/or evidence are located in the United States. The Court disagrees, as explained below.

First, the Adversary Proceeding and the Bankruptcy Case are, at most, only tenuously related. *See* Proposed Findings and Conclusions at 4-12.[9] In addition, despite ECN's allegations

[9] Although the hearing on the Motion to Dismiss occurred after the Status Conference on the Motion to Withdraw Reference, the parties' arguments on certain aspects of the two motions substantially overlapped. *See* Motion to Withdraw Reference at 2 ("Many of the arguments supporting [Airbus's] Motion to Dismiss also support the withdrawal of reference, and are incorporated by reference herein."); Opposition at 1 ("The truth is that this adversary proceeding is brought by one creditor in the bankruptcy cases against another creditor in the bankruptcy cases, it concerns property of the Debtors, it will involve representatives of the Debtors as witnesses and documents of the Debtors as evidence, and its outcome will impact the Debtors' estates—all as described in ECN Capital's Opposition to Defendant's Motion to Dismiss). As such, the Court will cite to the Proposed Findings and Conclusions in its

that the Court is familiar with the parties and their claims, that is simply not true in any material respect. While the Court learned, at the outset of the Bankruptcy Case, of (i) the April 29, 2016 helicopter crash near Turøy, Norway, (ii) the investigation of the crash by certain civil aviation authorities in the United States, Europe, Norway, and the United Kingdom, and (iii) the civil aviation authorities subsequent grounding of any EC225 or AS332 L2 helicopter, that is the extent of the Court's familiarity with the parties and the claims asserted in the Complaint, other than what it has learned from reading the Complaint's allegations. Overall, this Court does not believe that it has any special knowledge of, or familiarity with, the facts, parties, or allegations in the Complaint such that it would serve judicial economy by hearing all pre-trial matters.

Moreover, with the limited exception of the jurisdictional issues addressed in the Proposed Findings and Conclusions, the Adversary Proceeding does not implicate any bankruptcy law or issue. To the contrary, the lawsuit is a complex products liability suit between two non-debtor, foreign entities that will likely involve the application of foreign law. *See* Proposed Findings of Fact and Conclusions of Law at 31-37. Thus, it appears that the District Court, which deals with these types of claims far more frequently, is in a better position to hear and determine all matters leading up to the jury trial.

Second, as previously explained, certain Debtor entities own Super Puma helicopters also grounded because of the 2016 crash. Thus, it is likely that those Debtors hold the same types of negligence and products liability claims that ECN alleges in the Complaint. If ECN receives a ruling in the Adversary Proceeding (or otherwise) that a specific part was defective, that Airbus knew of the defect, or similar rulings encompassed in negligence and/or products liability claims,

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Report and Recommendation where issues overlap and the Proposed Findings and Conclusions contain additional detail or analysis that the District Court may find helpful.

those Debtors could likely rely on issue preclusion in a subsequent lawsuit brought against Airbus. *See id.* at 10-12. That potential scenario, however, has no relevance to judicial economy.

Notably, ECN bases its argument on the unsupported assumptions that the relevant Debtor will sue Airbus on substantially similar grounds in this Court. The Debtors' counsel, however, has stated on the record that the Debtors do not intend to sue Airbus in this Court,[10] if they sue Airbus at all. Further, the Court confirmed the Debtors' plan of reorganization (the "**Plan**") on March 3, 2017 [BC No. 1794], and the Plan went effective on March 24, 2017 [BC No. 1851]. Accordingly, if a reorganized Debtor does sue Airbus, it will file that lawsuit after substantial consummation of the Plan, making it questionable whether this Court would retain jurisdiction to hear any such suit. *See Bank of Louisiana v. Craig's Stores of Tex., Inc. (In re Craig's Stores of Tex., Inc.),* 266 F.3d 388, 390 (5th Cir. 2001) ("After a debtor's reorganization plan has been confirmed, the debtor's estate, and thus bankruptcy jurisdiction, ceases to exist, other than for matters pertaining to the implementation or execution of the plan.") (citing *In re Fairfield Communities, Inc.*, 142 F.3d 1093, 1095 (8th Cir.1998); *In re Johns–Manville Corp.*, 7 F.3d 32, 34 (2d Cir.1993)).

Further, as ECN acknowledges, the largest role this Court can permissibly play in the Adversary Proceeding is to hear and determine pre-trial matters. Thus, under any scenario, another court will try the Adversary Proceeding and be the court that gains the knowledge that would allegedly result in the judicial efficiency argued for by ECN.

Third, the location of witnesses and evidence may be a consideration in determining a convenient forum for the Adversary Proceeding, but it does not tip the third factor in ECN's favor. This is especially so because, based on the allegations in the Complaint, it appears that the majority

[10] At the Status Conference, the Court questioned the Debtors' counsel with respect to their intentions regarding such a lawsuit. Without waiving any rights, counsel responded that he did not anticipate bringing these types of claims in the Bankruptcy Court. Tr. 29:2-8 (Youngman).

of evidence and witnesses will be located in France or elsewhere in Europe. *See* Proposed Findings and Conclusions at 31-33.

Overall, this Court does not believe that it has any special knowledge or familiarity with the facts, the legal issues, or the parties such that it hearing all pre-trial matters would further judicial economy or foster an economical use of the parties' resources. Thus, the third factor also weighs in favor of the District Court withdrawing the reference now.

4. The Effect of Withdrawal on the Goal of Reducing Forum Shopping.

Although ECN argues that Airbus is forum shopping by attempting to avoid this Court's "lawful jurisdiction,"[11] the opposite appears true. The Adversary Proceeding has little direct relevance to the Bankruptcy Case. Indeed, it is undisputed that the claims asserted in the Adversary Proceeding involve foreign companies (ECN, a Canadian company, and Airbus, a French company); Helicopters that were designed, manufactured, and sold in France initially and outside the United States later; and a crash that occurred in Norway. But for the Bankruptcy Case and the broad scope of "related to" jurisdiction, there is absolutely no reason why this suit would have been brought in the Northern District of Texas. Indeed, ECN's pleadings make its motive abundantly clear—it is concerned that it may not receive fair treatment in a French court because Airbus is "primarily owned" by Airbus Group, S.E., a company in which France holds a 10% stake. *See* Opposition at 3. There is nothing in the record, however, indicating that ECN would not receive fair treatment in a French forum. *See* Proposed Findings and Conclusions at 28-31. Thus, this factor also weighs in favor of withdrawal of the reference.

[11] Opposition at 14.

5. Uniformity in Bankruptcy Administration.

This factor also weighs in favor of withdrawing the reference. As previously explained, the Complaint involves non-core claims between non-debtor parties that in no way implicate bankruptcy law. Moreover, the Court recently confirmed the Plan, which has now been substantially consummated. Simply put, there is nothing in the record indicating that the outcome of the Adversary Proceeding will have any effect on the uniformity of bankruptcy administration generally or on the administration of the Bankruptcy Case specifically. The Bankruptcy Case is essentially concluded.

6. The Effect of Withdrawal on Fostering the Economical Use of the Parties' Resources.

This factor also weighs in favor of withdrawing the reference. When dealing with a proceeding involving a bankruptcy estate, a significant goal is the efficient use of the parties' resources in administering the estate and resolving any related litigation. *See EbaseOne Corp. v. Nat'l Union Fire Ins. Co. of Pittsburgh, Pa. (In re EbaseOne Corp.)*, 2006 WL 2405732, at *5 (Bankr. S.D. Tex. 2006) (citing *Plan Admin'r v. Lone Star RV Sales, Inc. (In re Conseco Fin. Corp.)*, 324 B.R. 50, 55 (N.D. Ill. 2005)). In this regard, ECN argues that:

> Further, withdrawing the reference could result in inefficient use of estate resources. The Debtors' have not publicly disclosed their intentions with respect to claims against Airbus relating to the 2016 Crash and the 2016 Grounding. However, in the Debtors' motion to enter into and perform under a restructuring agreement with Airbus, the Debtors expressly reserved the right to pursue such claims. The reorganized Debtors would likely bring such claims in the Bankruptcy Court following emergence since their proposed restructuring plan includes a broad retention of jurisdiction provision that would cover the Debtors' product liability claims against Airbus concerning the Super Puma helicopters that the Debtors owned, leased and/or operated. Such claims by the Debtors against Airbus would arise from the same set of facts underlying ECN Capital's claims against Airbus in this adversary proceeding. In fact, the Debtors could even intervene or otherwise participate in ECN Capital's adversary proceeding given the estates' interest in the outcome. Retaining the reference with respect to ECN Capital's claims thus would prevent inconsistent rulings if the Debtors file claims against Airbus in the

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> Bankruptcy Court, and it would reduce the administrative burden on the estates if the Debtors participate in ECN Capital's litigation.

Objection at 10-11 (footnotes omitted). As explained below, the Court finds this argument unpersuasive.

Notably, ECN bases its argument on numerous unsupported assumptions. First, it assumes that a Debtor or reorganized Debtor will sue Airbus and assert claims that are substantially similar to those alleged in the Complaint. As explained above, however, that has yet to occur. *See* p. 10, *supra*. Next, ECN assumes that, if a reorganized Debtor files a lawsuit against ECN, it will file the lawsuit in this Court. The Debtors' bankruptcy counsel, however, has stated that the Debtors have no intention of suing Airbus in this Court, if it sues Airbus at all. *See id.* Finally, ECN assumes that, should a reorganized Debtor sue Airbus in this Court, this Court will have sufficient post-confirmation jurisdiction to hear the proceeding. As explained above, though, the Plan has been confirmed and substantially consummated. *See id.* Thus, it is questionable whether this Court would have sufficient post-confirmation jurisdiction to hear any such lawsuit, even assuming it was filed in this Court. *In re Craig's Stores of Tex., Inc.*, 266 F.3d at 390. Finally, ECN argues that the Debtors may choose to intervene in the Adversary Proceeding, although they have not done so and have stated no desire to do so. Overall, ECN's chain of what-if scenarios are no basis for this Court to find that it would further judicial economy by hearing all pre-trial matters in the Adversary Proceeding.

Further, as previously explained, this Court lacks the authority to hold the requested jury trial or enter a final judgment. Thus, under any scenario, the District Court must withdraw the reference prior to trial. Because of this, any argument that this Court should hear the Adversary Proceeding to avoid inconsistent rulings or to gain knowledge associated with holding a similar trial fails.

7. The Effect of Withdrawal on the Goal of Expediting the Bankruptcy Process.

As previously explained, the Court confirmed the Plan on March 3, 2017, and the Plan has been substantially consummated. Moreover, although certain of the Debtors have retained their claims against Airbus under the Plan, their counsel has stated on the record that they have no intention of bringing those claims in this Court, if they bring the claims at all. Overall, there is nothing in the record indicating that a withdrawal of the reference would slow the bankruptcy process, which is nearing its completion. Thus, this factor also weighs in favor of the District Court withdrawing the reference.

8. Additional Considerations under LBR 5011-1.

Responsive Pleadings: The pleadings before this Court are the Motion to Withdraw Reference and the Opposition.[12] This factor appears neutral.

Lack of Stay: The Court has not stayed the Adversary Proceeding pending a determination of the Motion to Withdraw Reference, nor has any party requested such a stay. However, as explained immediately below, the Court has abated all trial-related deadlines in the Adversary Proceeding pending the disposition of the Motion to Dismiss. Thus, this factor weighs in favor of withdrawing the reference since withdrawal will not delay the yet-to-be-scheduled trial.

Scheduling Order: ECN filed its Complaint on November 17, 2016, and the Court issued its standard Scheduling Order on November 18, 2016, which set Trial Docket Call for April 4, 2017. On January 20, 2017, however, Airbus filed the Motion for Continuance of Trial, Stay of Deadlines and Brief in Support [AP No. 56] (the "**Motion to Continue Trial**"), which requested

[12] On February 2, 2017, Airbus filed the Notice of Filing Motion for Leave to File Reply Brief [AP No. 67] (the "**Motion for Leave**"). Airbus, however, neither requested a hearing on the Motion for Leave nor did it bring the motion to the Court's attention at the Status Conference. Despite Airbus's failure, the Court reviewed the reply brief attached to the Motion for Leave and does not believe that it added anything material to Airbus's arguments.

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that the Court abate the Adversary Proceeding and all related discovery and deadlines pending a ruling on the Motion to Dismiss. The Court held an expedited hearing on the Motion to Continue Trial on February 6, 2017 (the same day as the Status Conference), at which time it granted the Motion to Continue in part and (i) continued trial docket call to a to-be-determined date, (ii) abated all deadlines in the Scheduling Order, and (iii) abated all discovery with the exception of discovery related to Airbus's challenges to this Court's personal jurisdiction set forth in the Motion to Dismiss. Accordingly, this factor also weighs in favor of withdrawing the reference because (i) there is no scheduling order currently in place, and (ii) either this Court or the District Court will need to issue a new scheduling order should the Adversary Proceeding survive the Motion to Dismiss.

Trial Readiness: As previously explained, the Adversary Proceeding is in its infancy and the only substantive activity that has occurred is in relation to the Motion to Dismiss and the Motion to Withdraw Reference. Thus, this factor also weighs in favor of withdrawing the reference because no trial-related discovery has occurred and withdrawal of the reference will not postpone the final trial date, which has yet to be set.

B. Recommendation.

As explained above, the Adversary Proceeding is a complex products liability lawsuit between two foreign, non-debtor parties. Other than the jurisdictional issues raised in the Motion to Dismiss, the Adversary Proceeding does not implicate bankruptcy law and it will not affect the administration of the Bankruptcy Case, which is essentially concluded. Additionally, (i) this Court lacks the constitutional authority to hear and enter a final judgment on the claims pled in the Adversary Proceeding, (ii) both parties have demanded a jury trial and neither has consented to this Court conducting that trial, and (iii) this Court has no special knowledge regarding the facts, the parties, or the issues that would make it a more efficient forum to consider pre-trial matters.

Based upon the foregoing analysis, this Court respectfully recommends that, should the District Court not adopt any of its recommendations in the Proposed Findings and Conclusions, it enter an order immediately withdrawing its reference of the Adversary Proceeding to this Court.

 # # # END OF REPORT AND RECOMMENDATION # # #

Exhibit V

Requested Hearing Date: February 13, 2017 at 9:00 a.m. (CT)
Requested Objection Deadline: February 8, 2017 at 4:00 p.m. (CT)

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Ú¿½·³ ·´»æøîïî÷ íïð óèðð é

Attorneys for Debtors and Debtors in Possession

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Special Aircraft Attorneys for Debtors and Debtors in Possession

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

In re:	:	**Chapter 11**
CHC GROUP LTD. et al.,	:	**Case No. 16– 31854 (BJH)**
Debtors.	:	**(Jointly Administered)**

DEBTORS' MOTION FOR AN ORDER PURSUANT TO 11 U.S.C. §§ 105(a) AND 107(b) AND FED. R. BANKR. P. 9018 AUTHORIZING THE FILING OF CERTAIN INFORMATION UNDER SEAL IN CONNECTION WITH THE DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105, 363, AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(h), 6006, AND 9019 AUTHORIZING THE DEBTORS TO ENTER INTO AND PERFORM UNDER THE 2017 OMNIBUS RESTRUCTURE AGREEMENT WITH AIRBUS HELICOPTERS (SAS) REGARDING CERTAIN OF THE DEBTORS' EXECUTORY CONTRACTS

THE DEBTORS HAVE REQUESTED A HEARING TO BE CONDUCTED ON THIS MATTER ON FEBRUARY 13, 2017 AT 9:00 A.M. IN COURTROOM #2, 14TH FLOOR

OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE ST., DALLAS, TEXAS 75242.

ÌÑ ÌØ ÛØÑÒÑÎ ß ÞÔÛÞß Î Þß Î ß Ö ØÑËÍ ÛÎ ôËÒ×ÌÛÜ Í ÌÞß ÌÛÍ ÞßÒÕÎ ËÐÌÝ Ç ÖËÜÙÛæ

ÝØÝ Ù®±«° Ô¼ò ¿¼ ·¬ ¿¾±ª»ó½¿°¬±²»¼ ¼¾±®¿ºº·´·¿¬»-ô¿- ¼»¾±® ¿²¼ ¼»¾±®

·² °±-- »-- ·±² ø½±´´»½¬»» ´§ô¬» “**Debtors**”÷ô ®¬° »½ª«´´§ -«¾¾ ·¬¬·- ª ±¬±² ø¬» “**Motion to Seal**”÷°«®«¿²¬ ±- »½±²- ïðëø¿÷¿²¼ ïðé ø¾÷±º ¬´» ïï ±º ¬» Ë²·¬»¼ Í¬¿¬»- Ý±¼»ø¬» “**Bankruptcy Code**”÷¿² ¼ Î«´» çðïè ±º ¬» Ú»¼»®¿´ Î «´»- ±º Þ¿²µ®«°¬½§ ÐÒ±¼»¼«®ø¬» “**Bankruptcy Rules**”÷º±®¬» »²¬®§ ±º ¿² ±®¼»® ®¿²·²¬ ´»¿ª» ¬± º·´» «²¼»®-»¿´ ½»®¿²

·²º ±® ¿¬±² ·² ½±²½»®² ©·¬ *Debtors’ Motion for an Order Pursuant to Sections 105, 363, and 365 Of The Bankruptcy Code And Federal Rules of Bankruptcy Procedure 6004(h), 6006, And 9019 Authorizing The Debtors To Enter Into And Perform Under The 2017 Omnibus Restructure Agreement With Airbus Helicopters (SAS) Regarding Several of the Debtors’ Executory Contracts* ÅÜ±½µ»¬Ò±ò ÁÁÁÁÃ» “**Airbus Restructure Agreement Motion**”÷ô

Relief Requested

ïò Ü«®²¬» °»²¼»² ½§ ±º ¬» ½¿°¬»®ïï ½¿-»-ô¬» Ü»¾±® ,¿ª» »²¬¿½» ¼»¬¿·² ¿²¼ ¼»¬¿·² ¬¿½¬·½¿´ ¼¿-½»-- ·±²- ¿²¼ ²¬¿½¬·±²- ©·¬ ß ·®¾«-Ø»´·½±¬»® ø¬ ß Í ÷ø“**Airbus**”÷ ©·¬ ®»¬¿·² »½»·ª» ¬» ·®»¬ ·-¬²²¬ ½¿²¼ ¿²¼ ¬» ®»©·¬ò Ì¬» -» ¼»½½·²-·±²- ¿ª» ½´¿®·º·»¼ ¬» ®»©·¬ ¿´´ »¬ ¬¿½¬·½¿´ îðïé Ñ³ ²·¾«-Î »-¬®«½«®» ß ¹®»»³ »²¬ø¬» ®©·¬ ¿´´ »¬ ¬¿½¬·½¿´ ²»»¼»¼ ¿² ¼ -½¿» ¼«®·- ¬» ®»¬ô¬» “**Restructure Agreement**”÷¿¬½¿» **Exhibit C** ¬» ß ·®¾«-Î »-¬®«½«®» ß ¹®»»³ »²¬Ó±¬±²ô ©¿·½ô ¿- -¿¬»¼ô °®·¼» ¬¿½¬» ®»¬ô ¿²¼ ®»¬¿·² »²¬®¿½¬ò

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îò Ì¸» Î »-¬®½«® ß ¹ ®»³ »²¬ ½²²¿- ¿- ¿¬¿½³ »²¬ ¬,» ª¿ ®±«-» ¨ ·-¬²¹ ¿²¼ ²» © ½²²®½¬ ¾»©»»² ¬,» Ü»¾¼±® ¿²¼ ß ·®¾«« ©¸ ½²² ½²²¿· ²º ±® ¿¬±² ®»¹¿®¼²¹ ½»®¿· °®½²¹ -¬®½«®-ô ¼-½±«²¬ ¿²¼ ®¾¿¬»-ô ¿- ©»´´ ¿- ¬,» ¬»® - ±º ¬,» -»®· ½» ¿¹®»»³ »²¬ ø½±´´»½¬»ª» ´§ô ¬,» “**Confidential Information**”÷ô©¸· ½ ¿ ®» -»²- ·¬ª» ½±³ ³ »®½¿´ ·²º ±® ¿¬±²ô ¬,» ¼-½´±«® ±º ©¸· ½ -¸ ±«´¼ ²»¾» ª»¼ ¬,» Ý±²º ·¼»²¬·¿´ ×² º±® ¿¬±² °«¾¿´·½§ ¬± ½±³ °»¬·¬®»»-- ±®ô º·²¿ ½²½»®®»¼ ±® ®»¬±®» ·² ¬,» ¸»¿®·²¹ ¬± ©¸·¬ ¿´-± ¸· ²¼»®¬,» Ü»¾¼±® ¿¾¼´·¬§ ¬± »ºº»½¬» ´§ ®»²» ±¬¬¿½¬» ´»¿-» ¬»® - © ·¬ ±¬,» ®½²²®½¬½«®» ô °¿®¬»-- ¬,¿ ¬¿®» ²» ½»-- ¿®§ ¬± ¬,» ·®±ª» ®¿´´ º´»»¬®½²²º ·¹ «®¿¬±²ò ×º ¼-½±«²¬»® ¬,» Ý±²º ·¼»²¬·¿´ ×² º±® ¿¬±² © ±«´¼ ¾»¿ ¸· ¹ ¸´§ ª¿ ´«¿¾¿®¬» ¬± ½±³ °»¬·¬®ô © ·¬ ½ ½±«´¼ -»»µ ¬± «-» ¬,» ·²º ±® ¿¬±² ¬± ¹ ¿·² ¿ ½±³ °»¬·¬ª» ¿¼ª¿·²¿¹» ¿¹ ¿·²- ¬¬,» Ü»¾¼±® ¿²¼ ß ·®¾«-ò Ì¸·- Ó ±¬±² ¬± Í »¿´ -»»µ- ®´·»º ¬¿¬©·´´ º®±»½½¬,» Ü»¾¼±® ¿²¼ ß ·®¾«-º®³ -«½½ ½±³ °»¬·¬ª» ¸¿® ò

íò ß ½±®®¾²² ´§ô ¬,» Ü»¾¼±® ®»-° »½º«´´§ ®¯ «»-¬¬¿¬¬,» Ý±«®»²¬»®¿² ± ®¾»® °«®«¿¬ ¬± -»½²² ïðéø ¾÷ ±º ¬,» Þ¿²µ®«°¬½§ Ý±¼»ø“**Section 107(b)**”÷¿²¼ Þ¿²µ®«°¬½§ Î «´» çðïè ¿ «¬,±®¹ ·²¹ ¬,» Ü»¾¼±® ¬± º·´» ¬,» Ý±²º ·¼»²¬·¿´ ×² º±® ¿¬±² «²¼»®-»¿´ò

ìò Ì¸» Ü»¾¼±® ·²¬»²¼» ¬ °®±ª·¼»¿² «²®»½¿½½»¼½¼½° § ±º ¬,» Î »-¬®½«® ß ¹®»»³ »²¬ ¬± ¬,» Ý±«®¿¬ ¬,» Ñºº·½» ±º ¬,» Ë²·¬»¼ Í¬¿¬»- Ì®«-¬»» º±®¬,» Ò±®¬,» ® Ü ·-¬®½¬±º Ì» ¨ ¿- ø¬,» “**U.S. Trustee**”÷ò Ì¸» Ü»¾¼±® © ·´´ ¿´-± °®±ª·¼»¿² «²®»½¿½½»¼½¼½° § ±º ¬,» Î »-¬®½«® ß ¹®»»³ »²¬ ¬± ½±«²- »´ ¬± ¬,» Ñºº·½¿´ Ý±³ ³ ·¬»» ±º Ë²-» ½«®¼Ý®¼¬±® ø¬,» “**UCC**”÷¿²¼ ½±«²- »´ ¬± ¬,» ·²º ±® ¿´ ¹®±«° º ½®¿·² «²¿ ºº·´·¿¬»¼ ¸±®» ±º ¬,» çðïèðû Í »²· ±®

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Jurisdiction and Venue

êò Ì¬» Ý±«®¬¿ - ¶«®¼¬½¬±² ±ª» ®¬· - ³ ¿¬»®°«®«¿²¬ ±º îè Ë ò Ýò yy ïëé ¿²¼ ïííìò Ì¬· - ³ ¿¬»®- ¿ ½¬®» °®±½»»¼²¹ ©·¬· ² ¬» ³ »¿²· ² ¹ ±º îè Ë òÍòÝò y ïëéø¾ò Ê»²« » ·- °®±°»®°«®«¿²¬ ±º îè Ë òÍòÝò yy ïìðè ¿ ²¼ ïìðçò Ì¬» ¾¿»- º±®¬» ®´·»º ®¯«»-¬»¼ ¬» ®» -»½¬±²- ïð ëø¿÷¿²¼ ïðéø¾÷±º ¬» Þ¿²µ®«°¬½§ Ý±«®¬ò

Background

éò Ñ² Ó¿ § ëô îðïê ø¬» "**Petition Date**"÷ô»¿½¬±º ¬» Ü»¾¬±® ½¬³ ³ »²½»¼ ©·¬ ¬·- Ý±«®¿ ª´«¿®¬§ ½¿-» «²¼»®½¬ ¿°¬»®ïï ±º ¬» ïï ±º ¬» Þ¿²µ®«°¬½§ Ý±«®¬ »²¬ ¬» Ë²¬ Í¬¿¬»- Þ¿²µ®«°¬½§ Ý±«®¬ »®º±®¬ » Ò±®¬» ® Ü·-®½¬±º Ì» ¨ ¿- ø¬» "**Court**"÷ò Ì¬» Ü»¾¬±® ¿® ¿«¬¬±®» ¬» ·®¾¬» ¬¿½¬ »¼ ¬± ±°»®¿¬» ¬» ·®¾«-²» -- »- ¿²¼ ³ ¿² ¿¹» ¬» ·®°®±°»®¬» ¿- ¼»¾¬±® ·² °±-- »-- ·±² °«®«¿²¬ ±- »½¬±²- ïï ðéø¿÷¿²¼ ïïðè ± º ¬» Þ¿²µ®«°¬½§ Ý±«®¬ò

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çò Ì¬» Ü»¾¬±®ô ¬±¹ »¬» ®©·¬ ¬» ·®²±²ó ¼»¾¬±®¿ °º·´·¬»- ø¬± ´´»½¬»¼» ´§ô "**CHC**"÷ô½¬³ °®-» ¿ ¹ ´±¾¿¿ ½¬³ ³ »®½¿´ ¬» ´´»½¬·²¬»®®» ½¬- ¬³ ¿² §ô °®³ ¿®´§ »² ¹ ¿¹ »¼ ² °®±ª· ¼²¹ ¬» ´´»½¬·²¬»®®» ·²¬ ¬» ±º- ¬®» ±·´ ¿² ¼ ¹¿- ·²¼«-¬®§ò ÝØÝ ¿´-± °®±ª· ¼» ¬» ´´»½¬·²¬»®

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¿²¼ ¬» ½®¾¾³ -¿ ½² ½»- ´»¿¼² ¬± ¬» ½²³ ³ »²½»³ »²¬ ±º ¬» -» ½¿°¬»®ïï ½¿-»- ½² ¾»º±«²¼ ² ¬» *Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief* ÅÜ±½µ»¬Ò±ò ïíÃò

<u>Basis for Relief Requested</u>

ïîò Í »½¬±² ïðéø ¾¼÷¿«¬±®| »- ¬» Ý±«®¬ ·--«» ±®¾»® ¬¿ ¬©·´´ °®±½»»¼¬» »²¬·¬»- º®³ °±¬»²¬¿´ ¿ ®» ½¿«-»¼ §½ ¼½±«®-«®» ±º ½²²²º ²º ±® ¿¬±² Í °»½º·½´´§ô Í »½¬±² ïðéø ¾¼÷º®±ª· ¼» ¬¿ ¬«°±² ¬» "®» «»-¬±º ¿ °¿®§ ² · ²¬»®»-¬ô ¬» Ý±«®- ¿´´ "°®±½»»¼¿² »²¬·¬§ ©·¬ ®»-° »½¬± ¿ ®¼»-»½¬±®½²² ·¼»®¬¿´ ®-»¿®¿ô ¼» »´±³ »²¬ô±®½²³ ³ »®¿´ ·²º ±® ¿¬on." ïï Ë òÍòÝò y ïðéø¾¼ò

ïíò Þ¿²µ®«°¬½§ Î «´» çðïè -» ¬ º±®¬ ¬» °®±½»¼«®» ¾§ ©¿· ½¿ °¿®§ ³ ¿§ ³ ±ª» º±®®´·»º «²¼»®Í »½¬±² ïðéø ¾¼÷ò × °¿ ®¬«´¿®¿ô Þ¿²µ®«°¬½§ Î «´» çðïè -¬¿»- ¬¿¬» Ý±«®- "³ ¿§ ³ ¿µ» ¿² § ±®¼»®©¿· ½¾ ¶«-¬½» ®¾¬«·®- øï÷ ¬± °®±½»»¼¬» »-¬¿» ±®¿² § »²¬·¬§ ² ®»-° »½¬±º ¿ ¬®¿¼»®»¬±®¬ »®½»²¼ ²º ®¼»®¿² ¼» »´±³ »²¬ô±®½²³ ³ »®¾¿´ ·²º ±® ¿¬on…" Ú»¼ò Îò Þ¿²µ®ò Ëò çðïèò

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°®±³·-·±²- ±º ¬·- ¬¬»." ï ï Ë òÍòÝô yïðëø¿÷ò

ïìò Þ¿-»¼ «°±² ¬ »-» °®±³·-·±²-ô ¾¿²µ®«°¬½§ ½±«®¬ ¿³» ®¯«½»¼ ¿½½»-- ¬± º·´»¼ ¼±½«³»²¬- ©¸»® ¿ °®»»- ¿³» ¼³ ±²-¬®¿¬»¼ ±± ¼¿«-»ò *See, e.g., In re Global Crossing Ltd.*ô îçë Þ òÎò éîðô éîë øÞ¿²µ®«Í òÜòÒÇò îððí÷å*In re Epic Assoc. V*ô ëì Þ ò ò ìì ëô ìëð øÞ¿²µ®«ô ÛòÜò Ê¿ò ïçèë÷ò É ¸» ¬» ®¿ ¼±½» »²¬º¿´´- ©·¬·² ¬» -½±°»±º Í »½¬±² ïðéø ¾÷- «´¬³ ¿¬»´§ ¿ ¼»½-·±² º ±®¬» Ý±«®ô *In re Barney's Inc.*ô îðï Þ òÎò éðíô éðé øÞ¿²µ®«ô ÍÜòÒòÇò ïççê÷ò ×º ¬» Ý±«®¼»®» ·²» - ¬¿¬º·´»¼ ¼±½» ¿®» ¼»½¼³ Í »½¬±² ïðéø ¾÷ô ¬» Ý±«®³ «-¬·--«» ¿ ®³ »½§ ¬¿¬©·´´ °®±¬»½¬» ·²»®»¼ °¿®§ ¿nd “¸¿ - ²± ¼·-½®»¬±² ¬± ¼» § ¬» ¿°°´·½¬on.” *Video Software Dealers Ass'n v. Orion Pictures Corp*òô îï Úòí¼ îìô îé øî¼ Ý·®ïççì÷ å*see also In re Northstar Energy, Inc.,* íïë Þ òÎò ìîëô ìîèó îç øÞ¿²µ®«ô ÛòÜòÌ» ¨ ò îððì÷ø“×² º¿½ô y ïðéø¾÷ *mandates* ¬» °®±¬»½¬±² ±º ½»®¿² §° »- ±º ²º ±® ¿¬±²ô ²½´«¼² ‘½¬²º ¬·¼» ¬¿´ ½¬³ ³ »®½¿´ ²º ±® ¿¬on.’”÷ø» ³ °¸¿ -·- ²º ±®¹ ²¿´ ´÷å*In re Global Crossing*ô îçë Þ òÎò éîðô éîë øÞ¿²µ®«ô Í òÜòÒòÇò îððí÷ò Í»½¬±² ïðéø¾÷- “¼» ¹ ²» ¼ ± °®±¬»½¬¾«-² » -- »²¬·¬» º®±³ ¼-½±-«®» ±º ²º ±® ¿¬±² ¬¿¬½¬±«´¼ ®¿-±²¿ ¾§ ¾»» °»½»¼ ± ½«-» ¬» »²¬·¬§ ½¬³ ³ »®½¿´ ²¶«®§ò” *In re Northstar Energy, Inc.*ô íïë Þ òÎò ¿¬ìîçò Ý ±«® ¸¿» ¼» ²¼ ½¬³ ³ »®½¿´ ²º ±® ¿¬±² ¿ - ¬¿¬ “²º ±® ¿¬±² © ¸· ½ © ±«´¼ ½«-» ¿² «² º¿·®¿¼¿²¿¬» » ±² ½¬³ º °»¬±® ¾§ º®±³ ¼²º ¬» ²º ±® ¿¬±² ¿ - ±² ¬» ½¬³ ³ »®½¿´ ±°»®¿¬±²- ±º ¬» ¼» ±®” *In re Northstar Energy, Inc*òô íïë Þ òÎò ¿¬ìîç ø ¯«±¬²²º *Orion Pictures Corp*òò *See also In re Alterra Healthcare Corp*òô íëí Þ òÎò êêô éë øÞ¿²µ®ô Ûò Ü›´ò îððê÷ò

ïëò ß - ¬» Î »-®½«® ß ¹ ®»³ »²¬ ¿²¼ ¬» »¨ ¸·¾¬ ¿¬½» ¼ ¬» ®»±

²» ½»-- ¿®´§ ³ «-¬¼ ½«-- ½±²·¼»²¬´ ¿²¼ °®±°®»¬½§ ·²º±® ¿¬±²ô ¹ ±±¼ ½«-» »¨ ·-¬ ¬± ¹®²¬ ¬» Ü»¾±® ´»¿ » ¬± º·´» ¬» Ý±²º·¼»²¬´ ×º±® ¿¬±² «²¼»®-»¿´ °«®«¿²¬ -»½±²- ïð ëø¿÷¿¼ ïðéø¾÷±º ¬» Þ¿²µ®«°¬½§ Ý±¼»¿¼ Þ¿²µ®«°¬½§ Î «´» çðïèò

ïêò Þ § ¬·- Ó±¬±² ¬± Í »¿´ô ¬» Ü»¾±® ®»-° »½º«´´§ ®¯«»-¬¬¿¬¬» Ý±«®

»²¬»®¬» Ñ®¾»®¿«¬±®¹ ·²¹ ¬» Ü»¾±® ¬± º·´» ¬» Ý±²º·¼»²¬´ ×º±® ¿¬±² «²¼»®-»¿´ ·²

¿½½±®¼¿²½» ©·¬ Þ ¿²µ®«°¬½§ Î «´» çðïèô ¿²¼ ¼®½²¹ ¬¿¬«½ º ·´·²¹ ®³ ¿·² ½±²·¼»²¬´ ¿²¼

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º±®¬ ·² ¬» Ñ®¾»®¿°°®±ª ·²¹ ¬·- Ó±¬±² ¬± Í »¿´ò Ì» Ü»¾±® ®¯«»-¬¬¿¬¬» Ý´»®µ ±º ¬» Ý±«®

®¿¬¬» Ý±²º·¼»²¬´ ×º±® ¿¬±² » ´¼ «²¼»®-»¿´ ¿- ½±²º·¼»²¬´ò

Notice

ïéò Ò± ®«-¬»» ±®»¨ ¿³ ²» ®¿- ¾»² ¿ °°±·²¬»¼ ²» -» ½¿ °¬»®ïï

½¿-»-ò Ò±¬½» ±º ¬·- Ó±¬±² ¬± Í »¿´ - ¿´´ ¾»¼ ¬± æø¬÷¬» Ñºº·½» ±º ¬» Ë²·¬»¼ Í¬¿¬»- Ì®«-¬»»

º±®¬» Ò±®¬» ® Ü ·-®½½±º Ì» ¨ ¿-åø¬÷Õ®³ »®Ô»ª·²² Ò ¿º¬¿´·- ú Ú®²µ »´ ÔÔÐôïïéé ß ª» «» ±º

¬» ß ³ »®½¿-ôÒ»© Ç±®µô ÒÇ ïððíê ø ß ¬²æÜ±«¹ ´¿- Ó¿ ²²¿ ´ôÛ-¯ò¿²¼ ß ²« °¿ ³ ¿ Ç»®®³ ¿´´·ô

Û-¯ò÷ô±¼²- »´ ¬± ¬» Ñºº·½¿´ Ý±³ ³ ·¬»» ±º Ë²-» ½«®¼ Ý®¼¬±®åø¬÷ß µ ² Ù«³ ° Í ®«-- Ø¿«»®

ú Ú»´¼ÔÐôÑ²» Þ®¿²¬¿®µô Þ¿²µ ±º ß ³ »®½¿ Ì ±©»®ô Ò»© Ç±®µôÒÇ ïð ðíê ø ß ¬²æÓ· ½¿ »´ Í ò

Í ¿³ »®ô Û-¯ò÷ô ½«²-»´ ¬± ¿² · ²º ±® ¿´ ¹ ®±«° ±º ½®¿ «²¿ ºº·´·¿¬»¼ ±º ¬» çòîïëðû Í »²· ±®

Í »½«®¼ Ò±¬» Ü«» îðîð åø¬÷ Ò±®¬² Î ±-» Ú«´¾®¿¬ îîðð Î ±-- ß ª» «» ôÍ «·¬» íêðð ô Ü¿´´¿-ôÌ È

éëîðï ø ß ¬²æÔ±«·- Î ò Í®¾»¼½µô ®¿ô Û-¯¿²¼ Î ·½¿ ®¾ Ð Þ±®¾»²ô Û-¯ò÷ô±¼²-»´ ¬± ½®¿ ·²

-»½«®¼ »²¼»® «² ½»®¬» Î »ª±´ª·²¹ Ý®¼¬ß ¹ ®»³ »²¬åø¬÷ Ð¿«´ Ø¿-¬²¹ - ÔÐôéë Û¿-¬ëë¬

Í ®»¬ô Ò»© Ç±®µô ÒÇ ïð ðîî ø ß ¬²æÔ»-´» ß ò Ð¿-µ±²ô Û-¯ò¿²¼ ß ²¼®© Ê ò Ì» ²¹ »®ô Û-¯ò÷ô

½±«²-»´ ¬± ¬» ¿½¾³ ·²· -®¬ª» ¿¹» ²¬ «²¼»®¬» ß Þ Ô Ý®¼¬ß ¹®»³ »²¬åø¬·÷Ì¬» Þ¿²µ ±º Ò»©

Ç±®µ Ó»´´±²ô ïðï Þ ¿®½¿§ Í ®»¬ô Ú±±®ô Û¿-¬ô Ò»© Ç±®µôÒÇ ïðîèê øß ¬²æ¬» ®¿¬±²¿´

é

Ý±®±®¬» Ì®«-¬ô ² · ¬ ½¿°¿½¬§ ¿- ·²¼»²²«®» ®«-¬»» «²¼»®¬ » çòîëðû Í »² ·±®Í »½«®»¼ Ò±¬»- ¼«» îðîð ¿ ²¼ «²¼»®¬» çòíéë û Í »² · ±®Ò±¬»- ¼«» îðîï åø· ·÷¬» Í »½«®¬»- ¿²¼ Û¨½¿²» »

Ý±³ ³ ·-- ·±² åø· ·÷¬» ×² ¬»®¿ ´ Î »ª» ²« » Í »®· ½åå¿²¼ ø¨ ÷¿´´ °¿®¬»- ©¬ ± ¬ ¿ª» ®¬«»-¬»¼²±¬½» ·² ¬ » -» ½¿ °¬»®ïï ½ ¿-»- °«®«¿²¬ ± Þ¿²µ ®«°¬½§ Î «´» îððîò Ü «» ¬± ¬» ²¿ ¬«®» ±º ¬» ®¬«»-¬»¼ ¬» ®¬» ²º ®¬«®» ®¬» ²½ô ¬» Ü»³¼±® ®¬» -° »½º«´´§ -«³¼³ ·¬¬¿¬²± º «®¬» ®²±¬½» ±º ¬· - Ó ±¬±² ¬± Í »¿´ ·- ®¬«®¼ò

No Prior Request

ïèò Ò± °®¬ª· ±«- ®¬«»-¬º±®¬» ®¬´·»º -±«¹ ¬ » ®¬·² ¿ - ¾»²² ¿¼ ¬± ¬· - ±® ¿² § ±¬» »®Ý±«®ò

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É ØÛÎ ÛÚÑÎ Ûô ¸» Ü»¾±® ®-°»½º«´´§ ®¯«»-¬¬¸¿ ¬¬¸» Ý±«®»²¬»®¿² ±®¾»® ®¿²¬·²¸ ¸¯®´·»º ®¯«»-¬»¼¿²¾ -«½¸ ±¬¸» ®±®º«®¸ »®®´·»º ¿- ·- ¶«-¬ò

Ü¿¬»¼æ Ò»© Ç±®µôÒ»© Ç±®µ
Ö¿²«¿ ®§ îìô îðïé

Þ §æ */s/ Jasmine Ball*
ÜÛÞ ÛÑ×Í Û ú ÐÔ×ÓÐÌÑ Ò ÔÔÐ
Ö¿-³ ·²» Þ¿´´ *øpro hac vice÷*
Î ·½¿®¾ Ú¿ Ø¿,² *ø pro hac vice÷*
çïç Ì¸ ·®¾ ß»ª²«»
Ò»© Ç±®µôÒ»© Ç±®µ ïððîî
Ì» ´»°¸±» æ øîïî÷ çðçóêðð
Ú¿½·³ ·´»æ øîïî÷ çðçóêè íê
Ûª¿´æ¶¾¿´à¼ »¾»ª±· -»ò½³
®¸¿ ¸²à¼» ¾»ª±· -»ò½³

Special Aircraft Attorneys for Debtors and Debtors in Possession

É Ûª Ôô ÙÑÌÍ ØßÔú Ó ß ÒÙÛÍ ÔÔÐ
Í ¬»°¸» ² ß ò Ç±«²¹ ¿² øî îîîêêðð÷
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Ù¿®§ Ìò Ø±´¬»®*øpro hac vice)*
Ö»´´§ Ü·Þ´¿-· *øpro hac vice÷*
éêé Ú·º¬ ß ª» ²«»
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Ì» ´»°¸±» æ øîïî÷ íïðó èðð ðð
Ú¿½·³ ·´»æ øîïî÷ íïðó èðð é
Ûª¿´æ ¹¿®§ò¸±¬»®à© »·´ò½³

Attorneys for Debtors and Debtors in Possession

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EXHIBIT A

Debtors

Debtor	Last Four Digits of Federal Tax I.D. No.
ÝØÝ Ù®±«° Ô¬½ä	éì ðë
êçî î éêé Ø±´¼²¹ Í ß Î Ô	èððì
Ý¿° ·¬¿ ß ª ·¿¬·± Í »® ·½» Þ ÐÊ ò	î ì ï ë
ÝØÝ Ý¿§³ ¿² ß Þ Ô Þ ±®®±©»®Ô¬½ä	ëðëï
ÝØÝ Ý¿§³ ¿² ß Þ Ô Ø±´¼²¹ - Ô¬½ä	ì èí ë
ÝØÝ Ý¿§³ ¿² ×² ª »-¬³ »² ¬ ×Ô¬½ò	èëëè
ÝØÝ Ü»² Ø»´¼»®Þ ÐÊò	î ì ëë
ÝØÝ Ù´±¾¿´ Ñ° »®¬·±- øî ððè÷ËÔÝ	éî ï ì
ÝØÝ Ù´±¾¿´ Ñ° »®¬·±- Ý¿² ¿¼¿ øî ððè÷ËÔÝ	êçéç
ÝØÝ Ù´±¾¿´ Ñ° »®¬·±- ×² ¬»®¿¬·±¿´ ËÔÝ	èéëï
ÝØÝ Ø»´·½° ¬»®øï ÷Í ò@®½ò	èçï ì
ÝØÝ Ø»´·½° ¬»®øî ÷Í ò@®½ò	çðèè
ÝØÝ Ø»´·½° ¬»®øí ÷Í ò@®½ò	çî çé
ÝØÝ Ø»´·½° ¬»®øì ÷Í ò@®½ò	çêëë
ÝØÝ Ø»´·½° ¬»®øë ÷Í ò@®½ò	çèçé
ÝØÝ Ø»´·½° ¬»®ß« -¬®·¿ Ð¬§ Ô¬¼	î ì ðî
ÝØÝ Ø»´·½° ¬»®Ø±´¼²¹ Í ò@®½ò	ðçðé
ÝØÝ Ø»´·½° ¬»®Í ðß ò	êèî ï
ÝØÝ Ø»´·½° ¬»® øÞ ¿®¿¼¿±-÷Ô·³ ·¬»¼	éçèë
ÝØÝ Ø»´·½° ¬»® øÞ ¿®¿¼¿±-÷Í Î Ô	Òñß
ÝØÝ Ø±´¼²¹ øËÕ ÷Ô·³ ·¬»¼	î ï çè
ÝØÝ Ø±´¼²¹ ÒÔ Þ ÐÊò	êèðï

Debtor	Last Four Digits of Federal Tax I.D. No.
ÝØÝ Ø±±º¼¼±® Þ ÐÊ ò	î ì ï í
ÝØÝ Ô»¿-·²¹ ø®®´¿²¼÷Ô·³ ·¬»¼	èî í ð
ÝØÝ Ò»¬ »®¿²¼ Þ ÐÊ ò	î ì ðç
ÝØÝ Ò±®®¿§ ß ½«·-·¬±² Ý± ßÍ	êéêé
Ø»´·ñ² » øÒ»¬ »®¿²¼÷Þ ÐÊò	î ì ï ì
Ø»´·ñ² » øÒ±®®¿§÷ß Í	î ì í é
Ø»´·ñ² » øËðÍ ò÷×² ½ò	çêï é
Ø»´·ñ² » øËÕ÷Ô·³ ·¬»¼	î ì ëï
Ø»´·ñ² » Ý¿² ¿¼¿ ËÔÝ	èéí ë
Ø»´·ñ² » Ø±´¼²¹ - øËÕ÷Ô·³ ·¬»¼	êéèð
Ø»´·ñ² » Ô»¿-·²¹ øÒ±®®¿§÷ßÍ	î ì ì ï
Ø»´·ñ² » Ô»¿-·²¹ ËÔÝ	Òñß
Ø»´·ñ² » ËÍ ß ×² ½ò	í êçï
Ø»´·©±®¼Ô»¿-·²¹ Ô·³ ·¬»¼	î ì êì
×² ¬»®¿ Ô»¿-·²¹ ß Í	î ì í ç
Ô´±§¼Þ ¿-- Í ¬®¬Ø»´·½° ¬»® Ð¬§Ô¬½ä	î í çè
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Exhibit B

Proposed Form of Order

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

----------	x	
	:	
In re:	:	**Chapter 11**
	:	
CHC GROUP LTD. *et al.*,	:	**Case No. 16– 31854 (BJH)**
	:	
	:	
Debtors.	:	**(Jointly Administered)**
	:	
----------	x	

ORDER GRANTING DEBTORS' MOTION FOR AN ORDER PURSUANT TO 11 U.S.C. §§ 105(a) AND 107(b) AND FED. R. BANKR. P. 9018 AUTHORIZING THE FILING OF CERTAIN INFORMATION UNDER SEAL IN CONNECTION WITH THE DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105, 363, AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(h), 6006, AND 9019 AUTHORIZING THE DEBTORS TO ENTER INTO AND PERFORM UNDER THE 2017 OMNIBUS RESTRUCTURE AGREEMENT WITH AIRBUS HELICOPTERS (SAS) REGARDING CERTAIN OF THE DEBTORS' EXECUTORY CONTRACTS

Ë °±² ¬,» ³ ±¬±² ¼¿¬»¼ Ö²«¿ ®§ îìô îðïé ø ¬,» "**Motion to Seal**"[í] ±º ÝØÝ Ù®±«°

Ô¼ò ²¼ ·¬ ¿¾±³»ó½¿°¬±²» ¼ ¼¾»±®¿ºº·´·¬¿¬»-ô° «®«¿²¬ -»½²±²- ïðëø¿÷¿²¼ ïðéø¾÷±º ¬,»

Þ¿²µ®«°¬½§ Ý±¼»¿²¼ Þ¿²µ®«°¬½§ Î «´» çðïèô ·² ½²²» ½²±² © ·¬ ¬,» Ü»¾±®' ³ ±¬±² º±®¬,»

»²²¬®§ ±º ¿² ±®¼»®®¿²¬·²¬ ´»¿³» ¬± º·´» «²¼»®» »¿´ ½®¿·² ·²º ±® ¿¬±² ·² ½²²» ½²±² © ·¬,

Debtors' Motion for an Order Pursuant to 11 U.S.C. §§ 105(a) and 107(b) and Fed. R. Bankr. P.

[í] Ý¿° ·¬¿·¦»¼¬® - «-»¼¾«¬²±¬¼º·²»¼, »®·² -, ¿´´ , ¿ª » ¬,» ³ »¿² ·²¹ - ¿-½®¾»¼¼ ± ¬,»³ ·² ¬,» Ó ±¬±² ¬±Í »¿´ò

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9018 Authorizing The Filing of Certain Information Under Seal in Connection With the Debtors' Motion For An Order Pursuant To Sections 105, 363, and 365 Of The Bankruptcy Code And Federal Rules of Bankruptcy Procedure 6004(h), 6006, And 9019 Authorizing The Debtors To Enter Into And Perform Under The 2017 Omnibus Restructure Agreement With Airbus Helicopters (SAS) Regarding Several of the Debtors' Executory Contracts, ø±¹ »¬ »®©·¬ ¿´´ »¨ ¸·¾¬ ¬» ®»±ô ¬» "**Restructure Agreement**"÷ô¿²¼ ¬» Ý±«®¬¿ª·²¹ ¶«®·¼·½¬·±² ¬± ½±²-·¼»® ¬» Ó±¬·±² ¬± Í »¿´ ¿²¼ ®»´·»º ®¯«»-¬»¼ ¬» ®»·² °«®«¿²¬ ¬± îè Ë ðÍ òÝô y ïííìå ¿²¼ ½±²-·¼»® ¬» Ó±¬·±² ¬± Í »¿´ ¿²¼ ®»¯«»-¬»¼ ®»´·»º ¬» ®»·²²»¼ ¿ ½±®® °®±½»»¼²¹ ¬» Þ¿²µ®«°¬½§ Ý±«®¬¿² ¼»¬»®» ·²» °«®«¿²¬ îè Ë òÍòÝô y ïëéø ¬» ®»±ô ¬» ¬» ®»±®» ¬» ®»±®» ¬» ®»±®

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çòîëðû Í »²· ±®Í »½«®»¼Ò±¬»- ¼«» îðîð ¿ ²¼ «²¼»®¬» çòíéëû Í »²· ±®Ò±¬»- ¼«»îðîïîå ø ª· ÷¬» Í »½«®¬»- ¿²¼ Û¨½¿ ² » Ý±³ ³ ·--·±² åø ª· ÷¬» ×² ¬»®¿ ´ Î »ª» ²« » Í »®· ½»å¿²¼ ø¨ ÷¿´´ °¿®¬»- ©,± ,¿ ª» ®¯«»-¬»¼ ²±¬½» ²² ¬» -» ½¿ °¬»®ïï ½ ¿-»- °«®«¿²¬ ±Þ¿²µ®«°½¬ Î «´» îððîå ¿²¼ ²± ±¬» ®±®º«®» »®²±¬½» ² »»¼ ¾º®ª ª· ®±ª¿ ¼ ¬» ®¯«»-¬»¼ Ó±¬±² ¬± Í »¿´ ¾»²·» ®¯«»-¬»¼ Ó±¬±² ¬± Í »¿´ ¾»²·» ¬ ²² ¬» ¾»²¬ ±º ¬» Ü»¾»®¿²¼ ¬» ·®»-¬¬»- ¿²¼ ½®»¿¬»¼ ¿²¼ ¬» Ý±«®¬,¿ª· ²® ª· »©»¼ ¬» Ó±¬±² ¬± Í »¿´å ·¬·- ¬» ®¾³ª§ ÑÎ ÜÛÎ ÛÜ¬ ¿¬æ

ïò Ì¬» ®¯«»-¬»¼ ²² ¬» Ó±¬±² ¬± Í »¿´ ·- ¬» ®¾³ª§ ¹®¿²¬»¼ò

îò Ðª«®«¿²¬ -»½±²- ïð ëø¿÷¿²¼ ïðéø¾ª÷±º ¬» Þ¿² µ®«°½¬ Ý±½»ô¬» Ü»¾»®¿ ¿®¾ ¬» ®¾³ª§ ¿«¬±®¹ »¼ ± º·´» ¬» Ý±²º·¼»²¬¿´ ×² º®± ¿¬±² «²¼»®-»¿´ò Ì¬» º·´·²¼ «²¼»®-»¿´ -¬ ¿´´ ®¾³ ¿·² «²¼»®-»¿´ ¿²¼ ½²½»²¬¿´ô ¿²¼ ²± -«½¬ ·² º®± ¿¬±² -¬ ¿´´ ¾»³ ¿¼»¿¬ ·´¿¾» ¬± ¿² §±² »ô ±¬» ®¬¿² ¿ - -»¬º®¬ ·² ¬·- Ñ®¾»®ò

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CERTIFICATE OF SERVICE

I hereby certify that, on April 11, 2017, I caused the foregoing Appendix and Exhibits to be filed with the Court via CM/ECF and served on all parties requesting electronic notification, including the following counsel of record for the Defendant:

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BTXN 208 (rev. 07/09)

IN RE: ECN Capital (Aviation) Corp. v. Airbus Helicopters (SAS)	Motion to Dismiss Adversary Proceeding for lack of Subject matter and Personal Jurisdiction and on the Grounds of Forum Non Conveniens filed by Defendant Airbus Helicopters (SAS) (24)	Case # 16−03151−bjh

DEBTOR

TYPE OF HEARING

ECN Capital (Aviation) Corp.	*VS*	Airbus Helicopters (SAS)
PLAINTIFF / MOVANT		**DEFENDANT / RESPONDENT**
M. Flumenbaum		J. Katz
ATTORNEY		**ATTORNEY**

EXHIBITS

Declaration of Pietro J. Signoracci in Support of PLaintiff's Opposition to Defendant's Motion to Dismiss (Dkt. 64)

Declaration of Martin Flumenbaum in Support of Plaintiff's Second Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss (Dkt 79)

Defendant Exhibit A − Declaration of Michel Gouraud In Support of Defendant Airbus Helicopters S.A.S.'s Motion to Dismiss

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REPORTED BY	HEARING DATE	JUDGE PRESIDING

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS, S.A.S., Defendant.	Adv. Pro. No. 16-3151 (BJH)

RESPONSE OF DEFENDANT AIRBUS HELICOPTERS, S.A.S. TO PLAINTIFF'S OBJECTION TO THE BANKRUPTCY COURT'S PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW AND BRIEF IN SUPPORT

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NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors.	Chapter 11 Case No. 16-31854 (BJH) (Jointly Administered)
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS, S.A.S., Defendant.	Adv. Pro. No. 16-3151 (BJH)

RESPONSE OF DEFENDANT AIRBUS HELICOPTERS, S.A.S. TO PLAINTIFF'S OBJECTION TO THE BANKRUPTCY COURT'S PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW AND BRIEF IN SUPPORT

TO THE HONORABLE SAM R. CUMMINGS,
SENIOR DISTRICT COURT JUDGE[1]:

COMES NOW, Defendant Airbus Helicopters, S.A.S. ("AH"), and files its Response to Plaintiff ECN Capital (Aviation) Corp.'s ("ECN's") Objection to the Bankruptcy Court's Proposed Findings of Fact and Conclusions of Law and Brief in Support [AP No. 104][2] ("Response") and Appendix in Support of Plaintiff's Objection to the Bankruptcy Court's Proposed Findings of Fact and Conclusions of Law [AP No. 104-1] ("Appendix") (collectively, "ECN's Objections"), and in support thereof, would respectfully show the Court as follows:

I. INTRODUCTION AND SUMMARY OF ARGUMENT

ECN, a creditor in the underlying CHC Bankruptcy Proceeding,[3] filed an adversary proceeding against AH, another creditor to the bankruptcy, seeking damages for product liability and negligence claims unrelated to AH's proofs of claim against the CHC Debtors. ECN's lawsuit against AH seeks economic loss damages from an alleged defect in five AH Super Puma helicopters owned by ECN, a Canadian company. The helicopters were designed, manufactured, and sold by AH in France, where AH is incorporated and has its principal place of business. AH obtained certification of the helicopters in France before selling them in France to CHC entities from the United Kingdom and Ireland. Those CHC entities later sold the helicopters to ECN, which leased them back to the CHC entities. The helicopters have always been registered and operated in countries other than the United States.

[1] AH's response to the Objection is filed in the Bankruptcy Court, but directed to the District Court.

[2] Citations to "AP No" refer to the docket number in the Adversary Proceeding (16-3151), while citations to "BC No" refer to the docket number in the Bankruptcy Case (16-31854).

[3] *See In re CHC Group Ltd., et al.*, Case No. 16-31854 ("CHC Bankruptcy Proceeding"). There are 43 CHC Debtors ("CHC Debtors").

AH responded to ECN's adversary proceeding by filing a Motion to Dismiss for Lack of Subject Matter and Personal Jurisdiction and on the Grounds of *Forum Non Conveniens*. [AP No. 24 ("Motion to Dismiss").] After finding that ECN's lawsuit had nothing to do with any contacts between AH and the United States, and because the issues and facts raised by the lawsuit had no connection with the United States, the Bankruptcy Court found that while it had subject matter jurisdiction over the action, it lacked personal jurisdiction over AH, and that even if it did, the action should be dismissed on *forum non conveniens* and permissive abstention grounds. The Bankruptcy Court so found, however, only after giving ECN tremendous leeway to try to show why the Motion to Dismiss should be denied, including receiving some 64 pages of briefing, 1107 pages of exhibits from ECN and hearing several hours of oral argument.

The Bankruptcy Court discussed the reasons for its decision in a carefully considered, very detailed and soundly-reasoned Proposed Findings of Fact and Conclusions of Law. [AP No. 94 ("PFOFCOL").] The Bankruptcy Court explained in its ruling that even if all assertions about AH's contacts with the United States (the relevant forum) and AH's involvement in the CHC Bankruptcy Proceeding were true as alleged by ECN, they would not support the exercise of personal jurisdiction as a matter of law. In particular, the Bankruptcy Court found none of AH's forum contacts alleged by ECN gave rise to its claims against AH, thus leaving the relatedness requirement for specific jurisdiction unsatisfied as a matter of law. The Bankruptcy Court also found that no law supported a finding that by participating in the CHC Bankruptcy Proceeding, AH consented to personal jurisdiction for all purposes for all time, including for a claim by a third-party non-debtor (ECN) for damages wholly unrelated to the bankruptcy. Lastly, the Bankruptcy Court carefully considered the relevant public and private interest factors to find that even if personal jurisdiction exists over AH, nothing about ECN's lawsuit connected it with the United

States, and that the interests of the interested forums weighed strongly in favor of dismissal on *forum non conveniens* and permissive abstention grounds.

As it did when it opposed AH's Motion to Dismiss in the Bankruptcy Court, ECN has objected to the Bankruptcy Court's Proposed Findings of Fact and Conclusions of Law with arguments that are often, at best, only loosely tied to the record, or are based on facts that are irrelevant as a matter of law. ECN's objection comes down to an argument that the Bankruptcy Court did not consider various facts that ECN alleges support denial of AH's Motion to Dismiss. As shown below, however, the Bankruptcy Court carefully considered all relevant facts and correctly applied them to the relevant case law. The only facts not included in the Court's analysis are those that pertain entirely to a third party's (CHC's) contacts with Texas, which are irrelevant to the jurisdictional inquiry as to AH as a matter of law. Indeed, the Bankruptcy Court was very aware of ECN's attempt to bootstrap its jurisdictional arguments as to AH to CHC's Texas contacts and its Bankruptcy Proceeding, and the Bankruptcy Court correctly rejected such arguments.

ECN is simply wrong that the Bankruptcy Court failed to fully address its factual and legal arguments. As the District Court will readily see from its *de novo* review, the Bankruptcy Court's PFOFCOL directly and thoroughly addresses the numerous arguments presented by ECN – even arguments and facts presented by ECN ***after*** the hearing on AH's Motion to Dismiss – and it makes well-reasoned and correct factual findings and conclusions of law. ECN failed to show the Bankruptcy Court, as it now fails to show this Court, why AH's Motion to Dismiss should be denied. This Court should adopt the Bankruptcy Court's Proposed Findings of Fact and

Conclusions of Law, overrule ECN's Objections, and enter an order granting AH's Motion to Dismiss.[4]

II. STANDARD OF REVIEW

Pursuant to 28 U.S.C. § 157, the District Court shall enter a final order after considering the bankruptcy judge's proposed findings and conclusions and after reviewing *de novo* those matters to which any party has timely and specifically objected. 28 U.S.C. §157. More specifically, the District Court shall make a *de novo* review upon the record, or, after additional evidence, of any portion of the bankruptcy judge's findings of fact and conclusions of law to which specific written objections have been made in accordance with this rule. FED. BANKR. R. 9033. The district judge may accept, reject, or modify the proposed findings of fact or conclusions of law, receive further evidence, or recommit the matter to the bankruptcy judge with instructions. *Id.*

III. ARGUMENT AND BRIEF IN SUPPORT

A. The Bankruptcy Court Considered all Pertinent Facts Alleged by ECN in Support of Its Personal Jurisdiction Arguments and Correctly Found that they Did Not Support the Exercise of Personal Jurisdiction on Any Theory

ECN's objection is primarily rooted in the baseless contention that the Bankruptcy Court ignored or overlooked relevant facts. ECN focuses on four groups of facts: (1) AH's involvement in the CHC Bankruptcy Proceeding, including the filing of proofs of claim; (2) that AH has contacts with the United States and Texas, including having an affiliate in Texas (Airbus Helicopters, Inc. ("AHI")), that AH sells helicopters to customers in the United States and Texas,

[4] This Court should review the complete record of the case and not just rely on the Appendix filed by ECN because it fails to provide this Court with the entire pertinent record. Pursuant to FED. BANKR. R. 9033(b), a party objecting to the bankruptcy judge's proposed findings or conclusions shall arrange promptly for the transcription of the record, or such portions of it as all parties agree upon or the bankruptcy judge seems sufficient, unless the district judge otherwise directs. As of the date of the filing of this Response, the complete record has not been submitted to this Court.

and that AH employees and executives attend industry events in the United States and Texas; (3) that the CHC Debtors rejected their leases with ECN for the five helicopters at issue in the CHC Bankruptcy Proceeding in Texas, leading to a guarantee claim against the ECN Lease Guarantors; and (4) that various CHC entities are "managed out of Texas" and suffered harm in Texas as a result of the 2016 Norway accident and grounding of Super Pumas by aviation authorities in some countries. As shown below, the Bankruptcy Court carefully considered the facts falling under group numbers (1) through (3) and found that, under applicable law, they do not support personal jurisdiction over AH. The facts contained in number (4) are irrelevant to the jurisdictional injury over AH as a matter of law.

1. AH's Involvement in the CHC Bankruptcy Proceeding & Other Consent Jurisdiction

ECN claims that AH consented to jurisdiction in Texas for any claim a third party might assert against it simply because AH filed proofs of claim in the CHC Bankruptcy Proceeding. Its argument is specious and flawed. ECN's claims in this case are product liability and negligence claims, whereas AH's proofs of claim were for goods and services provided to the CHC Debtors, and have nothing to do with ECN, or the subject of its lawsuit against AH, or its damages. Despite this obvious disconnect, the Bankruptcy Court carefully considered ECN's argument over some seven pages in the PFOFCOL, including carefully analyzing the case law cited by ECN. *See* PFOFCOL, pp. 15-22. The Bankruptcy Court very carefully explained in the PFOFCOL that there is no case law to support ECN's position that AH subjected itself to ECN's third-party product liability claims by participating in and filing proofs of claim in the CHC Bankruptcy Proceeding:

> Of significance, ECN does not to cite to, nor could this Court find through its own research, a single case where a court has held that a creditor/defendant submitted itself to the personal jurisdiction of the bankruptcy court by filing a proof of claim and/or participating in the underlying bankruptcy case when the subject adversary proceeding (i) was brought by another creditor of debtor asserting its own claims (not

> claims of the estate), and (ii) the claims asserted in the adversary proceeding were distinct from the claims the creditor/defendant sought to recover on when it filed its proof of claim against the debtor. ECN's argument simply expands the scope of personal jurisdiction in a bankruptcy case too far.

PFOFCOL, p. 22.

The Bankruptcy Court also considered the case law that ECN alleges was ignored on the issue of whether the filing of a proof of claim was tantamount to the filing of a lawsuit:

> Moreover, even if this Court were to find that Airbus filing proofs of claim in the Bankruptcy Case is the equivalent of Airbus filing a lawsuit in the Bankruptcy Court, ECN's claims in the Adversary Proceeding do not relate to Airbus's proofs of claim. As previously explained, ECN's claims against Airbus in the Adversary Proceeding are for alleged negligence and products liability related to the Helicopters it owned at the time of the crash. On the other hand, Airbus's proofs of claim are for goods and/or services it provided to Debtors Heli-One Canada ULC (Claim No. 353) and Heli-One (Norway) AS (Claim No. 365) prior to the Petition Date.

Id. at 21.

ECN truly stretches credibility when it argues that the Bankruptcy Court ignored that CHC could have filed a lawsuit as a counterclaim in the bankruptcy proceeding against AH for different helicopters owned by CHC (not the ones owned by ECN). CHC and ECN are two entirely different entities, and the transactions and helicopters at issue are entirely different. The Bankruptcy Court went to great lengths to explain that the cases ECN cited on consent jurisdiction in the bankruptcy context involved situations where the debtor sued a creditor on matters related to the bankruptcy, which is a different situation from a finding that a non-debtor subjects itself to jurisdiction for claims by another non-debtor that are unrelated to the bankruptcy. *Id.* at 16-21. The Bankruptcy Court was keenly aware of the issues, the facts and the law on consent jurisdiction, and it correctly found that filing proofs of claim against CHC did not subject AH to personal jurisdiction for ECN's unrelated product liability lawsuit.

The Bankruptcy Court also considered the argument that because AH is defending other lawsuits in Texas, it has consented to jurisdiction as to ECN's lawsuit:

> The Court is also unpersuaded that Airbus's decision to consent to personal jurisdiction in a Texas state court with respect to another Super Puma lawsuit shows its consent to the personal jurisdiction of the Bankruptcy Court (and, in turn, this Court) with respect to the Adversary Proceeding. Notably, neither the Debtors nor ECN is a party to the other Texas state court lawsuit, and that lawsuit is wholly unrelated to the Bankruptcy Case. The Court simply sees no relevance between a Texas state court lawsuit involving other plaintiffs and Airbus's actions in the Bankruptcy Case.

See id. at 26.

2. AH's United States and Texas Contacts

The Bankruptcy Court also carefully evaluated ECN's arguments that AH's direct contacts with the United States and Texas subjected it to personal jurisdiction, including that AH sells helicopters to customers in this country, sends employees and executives to industry events in the United States and Texas, and is affiliated with AHI, which shares the same ultimate parents as AH. The Bankruptcy Court correctly found that none of these facts gave rise to specific jurisdiction because ECN had not shown, or even argued (and still has not), that its product liability claim arose from contacts between AH and the United States. Thus, the relatedness (or "nexus") requirement for specific jurisdiction was entirely unsatisfied. *See Id.* at 22-26. The Bankruptcy Court even considered a very lengthy appendix filed by ECN after the hearing on AH's Motion to Dismiss regarding additional alleged contacts between AH and Texas (even though the Bankruptcy Court found that ECN had incorrectly and inaccurately described that evidence). *See id.* at 24-26.

ECN incorrectly argues that the Bankruptcy Court failed to analyze whether general jurisdiction exists over AH. ECN fails to apprise the Court that it expressly admitted to the Bankruptcy Court that general jurisdiction would not exist without consent based on participation in the bankruptcy proceeding. *See id.* at 15, n. 16 (citing Hr'g Tr. (2/28/16) 45:21-22

(Flumenbaum) ("I don't believe we would have general jurisdiction but for [Airbus] coming into this Court.")). Even after this admission, the Bankruptcy Court still entertained a general jurisdiction argument made by counsel for ECN for the first time at the hearing, and concluded that AH was not "at home" in the United States, as required for a finding of general jurisdiction under controlling law:

> THE COURT: But unless under the Fifth Circuit precedent, Mr. Flumenbaum, unless you have alleged alter ego status between the two sister companies, which you have not, that's not enough to make them at-home for general jurisdiction.

Hr'g Tr. 47, Feb. 28, 2017 [AP. No. 86]. ECN is simply wrong that the Bankruptcy Court did not consider AH's contacts with the forum as a basis for general and specific jurisdiction.

3. The Lease Rejection

The Bankruptcy Court also specifically addressed the lease rejection and lease guarantor arguments made by ECN, and it correctly found that CHC (Barbados)'s decision to reject its leases with ECN – even assuming that decision was made in Texas – did not give rise to ECN's product liability claims against AH, and therefore also did not provide a basis for specific jurisdiction. *See id.* at 24 ("However, CHC (Barbados)'s decision to reject the ECN Leases did not give rise to ECN's negligence and product liability claims against Airbus, ECN's claims against Airbus (i) existed prior to the Petition Date, (ii) are wholly independent from the Bankruptcy Case, and (iii) would exist whether the ECN Leases were rejected or not.").

Furthermore, the harm that ECN alleges occurred in Texas – i.e., the CHC Debtors rejection of the leases with ECN for the helicopters resulting in ECN's proofs of claim against the CHC Debtors – is a harm that is completely unrelated to the damages sought in ECN's lawsuit against AH. The harms that ECN seeks to redress through its tort lawsuit against AH are economic damages due to alleged defects in the helicopters it owns, not economic losses from the rejected

leases. The sources of damage to ECN in the two proceedings are completely separate – rejected leases (bankruptcy) versus the alleged product defects (adversary).

4. The CHC Debtors Texas-Contacts

ECN's arguments based on the alleged Texas contacts of the CHC Debtors – such as that they are managed out of Texas, and the decision to reject the ECN leases was made in Texas, and that CHC may have its own independent claims that it might try to bring in Texas against AH for different helicopters not at issue in ECN's lawsuit – are irrelevant as a matter of law. It is a basic principal of personal jurisdiction jurisprudence that only the purposeful acts of the defendant may subject it to personal jurisdiction in a forum; the unilateral conduct of third parties – in this case CHC and its affiliates – is irrelevant. *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 474-75 (1985)(quoting *Hanson v. Denckla*, 357 U.S. 235, 253 (1958) ("The unilateral activity of those who claim some relationship with a nonresident cannot satisfy the requirement of contact with the forum State."). Jurisdiction over AH cannot be premised on whatever contacts the CHC Debtors may have with Texas or the United States.

B. The Bankruptcy Court Considered All Facts Alleged by ECN in Opposition to AH's Forum Non Conveniens Motion, and Correctly Found that the Private and Public Interest Factors Strongly Weighed in Favor of Dismissal

ECN argues that the Bankruptcy Court incorrectly concluded that this case should be dismissed on the grounds of *forum non conveniens* because the Bankruptcy Court failed to consider its argument that its claims and damages are closely tied to the CHC Bankruptcy Proceeding, and that AH would allegedly face minimal cost, inconvenience, or hardship in defending the case in this Court. ECN's arguments are entirely without merit. Again, ECN is wrong.

The Bankruptcy Court carefully analyzed the *forum non conveniens* issue for eleven pages. *See* PFOFCOL, pp. 27-38. In those eleven pages, the Bankruptcy Court properly analyzed (i) if

an adequate alternative forum exists, (ii) the relevant factors of private interest, weighing in the balance the relevant deference given Plaintiff's particular initial choice of forum, and (iii) weighing the relevant public interest factors if the private interests are either nearly in balance or do not favor dismissal. *Id*. at page 28. ECN largely ignored the *forum non conveniens* factors in its opposition to the Motion to Dismiss, and, as with its personal jurisdiction argument, instead focused mostly on irrelevant facts pertaining to the CHC Bankruptcy Proceeding.

The Bankruptcy Court specifically addressed the relationship between adversary and the bankruptcy proceedings and concluded that:

> First, as discussed above, see 8-12, supra, the Adversary Proceeding and the Bankruptcy Case are, ***at the very most, tenuously related*** due to the potential application of issue preclusion to certain claims that certain of the Debtors may choose to bring against Airbus in the future (and there is no guarantee those Debtors will pursue those claims).

See id. at 30 (emphasis added).

The Bankruptcy Court also explained that its determination that the cost and burden to AH of bringing witnesses and evidence to Texas to defend against ECN's claims was based on the fact that ECN's claims have "no connection with the United States or Texas," and only after describing that all of the evidence and witnesses related to ECN's claims are located outside of the United States. *Id.* at 31-32. The Bankruptcy Court properly weighed all of the various factors; ECN's argument inappropriately focuses on only one.

ECN again complains that the Bankruptcy Court ignored the purported fact that the decision by CHC to reject its leases with ECN occurred as part of the bankruptcy proceeding in Texas. As explained, even if true, this fact has nothing to do with ECN's product liability claims against AH. The relevant evidence for ECN's claims pertains to the design, manufacturing and sale of the helicopters that occurred entirely outside of the United States, and the Norway accident and actions

by regulatory authorities outside of the United States related to helicopters that are not registered in and have never operated in the United States.[5] The facts surrounding CHC's decision to reject its leases for those helicopters has no relevance or bearing on ECN's claims against AH, and the Bankruptcy Court properly found that the CHC bankruptcy connection was too tenuous to justify maintaining this lawsuit in Texas.

ECN further incorrectly asserts that the Bankruptcy Court fails to mention that Texas has an interest in resolving this case. To the contrary, the Bankruptcy Court squarely addressed the interests of ECN's chosen forum:

> Interest of the Forum in Resolving the Controversy. As previously explained, see 2-4, supra, both ECN and Airbus are foreign entities; Airbus designed, manufactured, and sold the Helicopters in France to foreign affiliates of CHC (Barbados), who later sold them to CHC (Barbados); ECN purchased the Helicopters from CHC (Barbados) and then leased them back to CHC (Barbados) for operation overseas; and the crash at issue occurred off the coast of Norway. Moreover, nothing in the record indicates that ECN's claims arose from or are in any way related to Airbus's contacts with the United States. In fact, without the Bankruptcy Case, it does not appear that ECN would have a basis to bring its lawsuit before an American court at all. Under these facts, France clearly has the superior interest in resolving this dispute. *See, e.g.*, *Piper Aircraft*, 454 U.S. at 260 (where aircraft accident occurred in foreign country and victims were all citizens of that country, and only the aircraft manufacturer and propeller manufacturer were American citizens, foreign forum had a "very strong interest" in the case); *Baumgart*, 981 F.2d at 837 (where aircraft was designed and manufactured in Texas, but crashed in Germany, Fifth Circuit affirmed the district court's finding that Germany had a stronger interest in the case). Thus, this factor weighs in favor of dismissal.
> …
>
> Burden on the Citizens. The final public interest factor, the interest in avoiding an unfair burden of jury duty on citizens in an unrelated forum, weighs in favor of dismissal. As explained by the Fifth Circuit, "[j]ury duty should not be imposed on the citizens of Texas in a case that is so slightly connected with this state." *DTEX*, 508 F.3d at 503 (citing cases). As previously noted, both parties to the Adversary Proceeding are foreign entities and ECN's claims do not arise from or relate to Airbus's contacts with the United States. Neither the parties

[5] ECN asserts that evidence from the Federal Aviation Administration ("FAA") in Texas is relevant, but fails to apprise the Court that its five helicopters are not registered in the United States and are not subject to the FAA's jurisdiction related to the post-Norway accident grounding.

> nor the Adversary Proceeding have any connection to Texas, much less one that would justify burdening its citizens with jury duty.

See Pages 34, 37-38, PFOFCOL.

ECN further states that the Bankruptcy Court failed to address that AH is allegedly forum shopping in order to avoid Court in the U.S. The Bankruptcy Court squarely addressed forum shopping when it correctly pointed out that ECN is the party that seems to be forum shopping in this matter.

> Although ECN argues that Airbus is forum shopping in its attempt to avoid the Bankruptcy Court's jurisdiction, the opposite appears true. The Adversary Proceeding has little direct relevance to the Bankruptcy Case. Indeed, it is undisputed that the claims asserted in the Adversary Proceeding involve foreign entities, Helicopters that were designed, manufactured, and sold in France initially and outside the United States later, and a crash that occurred in Norway. But for the Bankruptcy Case and the broad scope of related to jurisdiction, there is absolutely no reason why this suit would have been brought in the Northern District of Texas. Thus, this factor weighs in favor of abstention.

See Pages 41-42, PFOFCOL.

Further, ECN incorrectly alleges that the Bankruptcy Court should have found that the relevant private interest and public interest factors weigh against dismissal. Addressing ECN's alleged relevant factors in the Objection: (a) though ECN is entitled deference to its choice of forum, that deference is limited because ECN is a foreign plaintiff, and this case is a singular example of one where little deference should be given because essentially all factors weigh in favor of dismissal; (b) ECN's claims are not closely connected to Texas and the Bankruptcy Case; (c) AH's involvement in other proceedings in Texas is irrelevant to this analysis; (d) AH's participation in the CHC Bankruptcy Proceeding is irrelevant to this analysis; and (e) AH's activity in Texas that is unrelated to ECN's claims is irrelevant to the *forum non conveniens* analysis, and Texas has no interest in resolving a case between a French company and a Canadian company over

activity and property that is entirely outside of the United States. The Court should overrule all of ECN's objections related to *forum non conveniens*.

C. The Bankruptcy Court Correctly Concluded that Permissive Abstention was Appropriate

The Bankruptcy Court separately recommended that AH's Motion to Withdraw the Reference of ECN's adversary proceeding. ECN has not objected to that recommendation. To the extent the Court grants the Motion to Withdrawal of the Reference, ECN asks this Court to consider Factors 2, 6, 7 and 8[6] moot and factors 3 (the Difficult or Unsettled Nature of Applicable Law) and 4 in favor of keeping this case (The Presence of a Related Proceeding Commenced in State Court or Other Non-Bankruptcy Proceeding). Assuming, *arguendo*, this Court does so because the reference would likely be withdrawn, the remaining factors, when given the necessary weight given the facts of this case, still weigh strongly in favor of this Court permissively abstaining.

ECN complains that factor 4 weighs in favor of this Court keeping the case and ignores the fact this Court can permissively abstain even if there is no other pending proceeding. *See generally Hallmark Capital Group, LLC v. Pickett (In re Pickett)*, 362 B.R. 794 (Bankr. S.D.Tex. 2007) (the Court dismissed the adversary even though there were no other pending proceedings). Given this fact in conjunction with factor 10 (The Likelihood that the Commencement of the Proceeding in the Bankruptcy Court Involves Forum Shopping by One of the Parties), where the Bankruptcy Court correctly found that ECN is the one that is forum shopping; factor 9 (the Burden on the Court's docket), the Bankruptcy Court made it clear the District Courts in the Northern District do

[6] Factors 2, 6, 7 and 8 are: The Extent to which State Law Issues Predominate Over Bankruptcy Issues (Factor 2); The Degree of Relatedness or Remoteness of the Proceeding to the Main Bankruptcy Case (Factor 6); The Substance Rather than the Form of an Asserted Core Proceeding (Factor 7); and The Feasibility of Severing State Law Claims from Core Bankruptcy Matters to Allow Judgments to be Entered in State Court with Enforcement Left to the Bankruptcy Court (Factor 8).

not currently have enough Judges to handle the current docket (see Hr'g Tr. 81-82, Feb. 28, 2017 [AP No. 86]); and factor 13 (comity), French law will likely apply and France has the most vested interest in determining the claims, permissive abstention was proper. ECN baselessly claims that the State of Texas has an interest in this case even though all five helicopters at issue in this case have never been in the United States.

The remaining factors also weigh in favor of abstention, as the Bankruptcy Court correctly found. Ultimately, when deciding whether to abstain, "[c]ase law holds that this Court, in its discretion may give greater weight to certain of these fourteen (14) factors." *McVey v. Johnson (In re SBMC Healthcare, LLC)*, 519 B.R. 172, 193 (Bankr. S.D. Tex. 2014) (citations omitted); *See, e.g., Kollmeyer v. Aetna Life Ins. Co. (In re Heritage Sw. Med. Group., P.A.)*, 423 B.R. 809, 816 (Bankr. N.D. Tex. 2010) ("factors (3), (4), (7), (10), (13) and (14) are either neutral or do not apply. Each of the other factors, however, weighs in favor of remand."). The factors that weigh in favor of abstention outweigh the factors that are either neutral, moot or weigh in favor of keeping this case. Therefore, this Court should overrule ECN's objections related to abstention.

IV. CONCLUSION

ECN's objection is based on an incomplete record, as it failed to provide the Court with all of the briefing and oral argument on the issues as part of its submission as required under FED. BANKR. R. 9033(b). The Court should review the entire record that will be transmitted after the filing of this Response, and not just those provided by ECN. Once it does, it will be clearer to the Court that the Bankruptcy Court's findings of a lack of personal jurisdiction, and that this action should be dismissed on *forum non conveniens* and permissive abstention grounds, was fully informed by the pertinent facts, and were correct under the law. ECN has done nothing in its objection but re-argue facts and issues already fully considered; ECN has not shown that the

Bankruptcy Court failed to consider any relevant evidence, or that it reached incorrect conclusions of law. The Court should fully adopt the Bankruptcy Court's PFOFCOL, and grant AH's Motion to Dismiss.

Dated: April 25, 2017.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on April 25, 2017, a true and correct copy of the above and foregoing document was filed with the court via CM/ECF and served on all parties requesting electronic notification.

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: CHC GROUP LTD., *et al.*, Debtors,	**Bankr. Case No. 16-31854-BJH** **(Chapter 11)**
ECN CAPITAL (AVIATION) CORP., Plaintiff, v. AIRBUS HELICOPTERS (SAS), Defendant.	**Case No. 3:17-cv-00075-C** **Adv. Proc. No. 16-03151-BJH** **Supplemental Appendix in Support of Plaintiff's Objection to the Bankruptcy Court's Proposed Findings of Fact and <u>Conclusions of Law</u>** Related to ECF No. 94

SUPPLEMENTAL APPENDIX

Exhibit	Description	Docket	Docket Entry
W	Full Transcript from February 6, 2017 Hearing on Motion for Withdrawal of Reference; Scheduling Order; and Motion for Continuance of Trial, Stay of Deadlines and Brief in Support	16-3151-BJH	73
X	Full Transcript from February 28, 2017 Hearing on Motion to Dismiss Adversary Proceeding For Lack of Subject Matter and Personal Jurisdiction and on the Grounds of *Forum Non Conveniens* Filed by Defendant Airbus Helicopters (SAS)	16-3151-BJH	86

Dated: April 26, 2017
New York, New York

Respectfully submitted,

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Exhibit W

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)

In Re:	Case No. 16-31854-bjh-11
CHC GROUP LTD., et al.,	Dallas, Texas
Debtors.	February 6, 2017
	9:46 a.m.
ECN CAPITAL (AVIATION) CORP.,	Adv. Proc. No. 16-03151-bjh
Plaintiff,	
v.	
AIRBUS HELICOPTERS (SAS),	
Defendant.	

TRANSCRIPT OF HEARING ON:

[#23] STATUS CONFERENCE RE: MOTION FOR WITHDRAWAL OF REFERENCE, FILED BY DEFENDANT AIRBUS HELICOPTERS (SAS);

[#1] STATUS CONFERENCE RE: SCHEDULING ORDER;

[#56] DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S MOTION FOR CONTINUANCE OF TRIAL, STAY OF DEADLINES AND BRIEF IN SUPPORT, FILED BY DEFENDANT AIRBUS HELICOPTERS (SAS)

BEFORE THE HONORABLE BARBARA J. HOUSER
CHIEF UNITED STATES BANKRUPTCY COURT

Transcription Services: eScribers, LLC
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MR. BARBER: Your Honor, if I may. There were announcements made at the beginning of the hearing and I did not make announcements as to this hearing. With me in the courtroom is Mr. Martin Flumenbaum and also Pietro Signoracci, both of the Paul Weiss firm in New York, and they will be handling the argument.

THE COURT: Excellent.

MR. BARBER: Thank you.

THE COURT: Thank you.

MR. FLUMENBAUM: Thank you, Your Honor.

THE COURT: Good morning.

MR. FLUMENBAUM: Good morning.

THE COURT: All right. Well, let me just start with a predicate. In our district, any time a motion to withdraw the reference is filed, under the district-court local rules, which you're probably all now familiar with, we're required to have the status conference with the parties, to do a couple of things: one, to see if -- see the extent of agreement or disagreement about withdrawal of the reference and then, under our local rule -- district-court rule, I'm required to prepare a report and recommendation for the district court, suggesting what I think the appropriate outcome of that motion is.

So, we do this in every instance where there is a motion to withdraw the reference, and so that's the purpose of this. And then somewhat related to that is the request for a

1 continuance of the trial, that was also filed, that is
2 somewhat intertwined with the timing of whether or not we're
3 going to proceed here or in the district court.
4 My sense is -- and this is a listening check or maybe
5 a reading check; my sense is that there is agreement that this
6 case, assuming it stays in federal court, is going to be tried
7 at the district-court level. Both sides have demanded jury
8 trials and there's been a late -- we'll agree that the
9 bankruptcy court can conduct if the other side also agrees,
10 but I'm unaware of that.
11 So, absent consent to me conducting the jury trial, I
12 assume we all agree -- and I'm not looking necessarily for you
13 to consent; don't misunderstand. But I'm assuming we all
14 agree that this case is headed to the district court. True?
15 MR. FLUMENBAUM: Your Honor, if the case proceeds to
16 a full jury trial, I think the answer would be yes, unless
17 Airbus consents to a jury trial before Your Honor. But it's
18 our view that this motion should be denied at this time and
19 that all of the proceedings prior to the conduct (sic) of the
20 jury trial should be handled by this Court.
21 THE COURT: Well, no --
22 MR. FLUMENBAUM: That's our position.
23 THE COURT: I understand that you want me to pre-try
24 the case.
25 Please.

MR. KATZ: Just --

THE COURT: And since we don't know necessarily who's who yet, if you wouldn't mind, for the record, just identifying -- and you can do it right there from counsel table, so that we make sure we have the right people assigned to the right role.

MR. FLUMENBAUM: That was Marty Flumenbaum for --

THE COURT: Thank you.

MR. FLUMENBAUM: -- for ECN.

THE COURT: Thank you very much.

MR. KATZ: And, Your Honor, good morning. Jason Katz and Eric Strain on behalf of Airbus Helicopters (SAS).

And the Court's summary of where we stand on the motion is accurate from Airbus' standpoint. Airbus' position is that the motion to withdraw the reference should occur now, so the motion should be granted in full. I understand that ECN has taken the position that, yes, it should be withdrawn but not till later and this Court's handled all pre-trial matters.

THE COURT: Well, let's -- then on that, let's focus on that issue. And let me tell you that if the reference is withdrawn, and unless Judge Cummings agrees to hear this here, you all may be headed to Lubbock. We're down a few district judges in the Northern District of Texas. We have some vacancies that have not been filled and, as a result, Judge

1 Cummings, who has taken senior status and sits in Lubbock, has
2 five percent of the Dallas-division docket. You all are one
3 of his five percent, with respect to this motion to withdraw
4 the reference.
5 So, to be honest, I have never -- I have never had
6 him decide a motion to withdraw the reference based upon my
7 withdrawal-of-reference recommendation. And I don't know if
8 he would come here for trial or not. But you all probably
9 realize who the district judge was. But he has a relatively
10 small percentage of the Dallas-division docket and, as luck
11 would have it, he has this case.
12 So, I tell you that only because it is true that most
13 of the Dallas-division judges prefer the case to be pre-tried
14 by the bankruptcy court and then the reference withdrawn when
15 the bankruptcy court certifies that the case is ready for
16 trial.
17 I'm not quite sure what Judge Cummings' general
18 procedure is, but I will tell you that I have some perspective
19 on this and it may be helpful. For those of you who have not
20 appeared in front of me, you've probably at least been told by
21 your local counsel that I tend to read everything in advance
22 of hearings; it helps me cut to the chase, for lack of a
23 better word. It is true that I have read everything here.
24 I will tell you that this case may seem different to
25 me. And normally I do suggest, haven't always but for

1 seventeen years I have normally suggested, that we'll pre-try
2 the case and then send it up to the district court when it's
3 ready for trial. This case seems a little different to me,
4 and let me explain why and then you all can tell me what I'm
5 missing. The motion to dismiss does seem like it's something
6 that I should hear, because it's all about bankruptcy
7 jurisdiction, for lack of a better word. Obviously we've got
8 personal jurisdiction, which doesn't have anything to do with
9 bankruptcy jurisdiction per se, but here the arguments on
10 that -- although I am not fully briefed on them yet since the
11 motion to dismiss isn't set until February 28th, personal
12 jurisdiction appears even to be a bit intertwined with the
13 bankruptcy case, given arguments over the filling of the proof
14 of claim and whether or not that is enough to have submitted
15 the personal jurisdiction before the bankruptcy court.
16 So, my inclination at the moment, only based upon the
17 papers I've read, is to think that the reference is going to
18 have to be withdrawn because at this point we don't have
19 consent, by both sides, to the bankruptcy court conducting the
20 jury trial. It makes sense to me, because of the
21 interrelationship with the bankruptcy case and issues about
22 what is enough for there to be bankruptcy jurisdiction, that
23 it might be perceived to be helpful if I issued proposed
24 findings and conclusions with respect to a motion to dismiss,
25 unless I think I can finally determine that. But once we get

1 past that, I'm not convinced that I am necessarily the right
2 court to do the balance. I mean, this is basically a
3 complicated, negligence, aviation fuss: what caused the
4 crash, liability, blah-blah. And while it might be
5 fascinating, and it's certainly something that I probably
6 could learn, it's not something that I would routinely be
7 addressing.
8 And at that point, it may make more sense, is my
9 current thinking, to suggest that the district court pull the
10 case at that time and either pre-try the case himself or refer
11 the matter to a magistrate judge that would, I guess, more
12 regularly deal with issues like that. Again, that assumes the
13 case survives motion to dismiss, abstention. But that's sort
14 of my current thinking.
15 So -- and we'll come back to timing, because
16 obviously timing is significant. I don't want to minimize
17 that. But what am I missing?
18 MR. KATZ: Your Honor, Jason Katz and Eric Strain on
19 behalf of Airbus Helicopters (SAS).
20 The Court, I think, is -- I don't think you're
21 missing anything. I think you've hit the nail on the head.
22 It's Airbus' position that we've got two non-U.S. companies in
23 this court on a products-liability case. And the spectrum of
24 what is conceivably -- having a conceivable effect on the
25 bankruptcy estate is being tested here, surely.

1 Since I've been practicing law, it's always been
2 tough for me to figure out how does it not conceivably affect
3 the estate. And then I got retained in this case, Your Honor,
4 and I thought, ah-hah, this may be it, because ECN has taken
5 the position that the outcome in this case somehow is going to
6 affect their claims in the underlying bankruptcy case. And I
7 would just want to clarify a few things about that, Your
8 Honor, that I think need to be pointed out, that, as I
9 understand ECN's claims in the underlying case, those are
10 lease-rejection claims.
11 THE COURT: In the bankruptcy case.
12 MR. KATZ: In the bankruptcy case, that's right. And
13 in our case it's a tort claim.
14 THE COURT: Well, no, it's -- yeah, you're right.
15 Sorry.
16 MR. KATZ: And --
17 THE COURT: Had to stop and measure my parties.
18 MR. KATZ: Understood, Your Honor. And, so, if ECN
19 recovers in this case, it's not going to affect their claims
20 in the other case and -- because if they recover in this case,
21 the money goes to ECN; it wouldn't go to the debtor. And to
22 the extent that there is some value that we're going to reduce
23 their claim --
24 THE COURT: But isn't their argument a finer point?
25 It's sort of collateral estoppel. I mean, that's their issue

1 is that the conceivable effect may be that the outcome there
2 could estop Airbus -- I don't think it can be issue
3 preclusion, because we don't have identical parties. But
4 that's the finer point.
5 MR. KATZ: That was the next point, Your Honor. Yes,
6 and my response to that is that's based on their view that
7 other creditors for the debtor are going to make similar
8 claims based on what they do hear, and there's just no
9 certainty to that. And I just think that tests the -- is that
10 really a rational conceivable effect or is that a "well, I
11 guess it could happen" conceivable effect? I just don't think
12 that's what that -- I don't think that's what the Fifth
13 Circuit meant there.
14 So, I would just take the position -- Airbus takes
15 the position that that's not enough. And obviously the
16 Court's going to take that issue up at a later date. But as
17 it relates to whether reference should be withdrawn, I don't
18 need to go through the six factors of (ph.) the Holland case
19 or the local rules. I would just say that the Court is well
20 aware of our position on all those, in our briefing, and that
21 this case is different, I agree with the Court on that, that
22 normally I wouldn't have an issue recommending my client to
23 agree to this Court hearing pre-trial matters and then having
24 the reference withdrawn when the Court certified it ready for
25 trial. That makes sense. When there are bankruptcy issues

that the Court has to deal with -- and obviously I agree that the Court is well suited to handle bankruptcy jurisdiction and provide recommendations to the district court on those but, past that, Your Honor, I agree; I just -- I don't see that there's much for this Court to do that Judge Cummings couldn't do himself. Obviously, it's up to him. He's going to do what he wants to do. Judge McBryde -- Judge Lynn (ph.) over in Fort Worth once told me on a motion to withdraw reference, when I asked him, Judge, you should sever the core from the noncore and -- he listened to me and he smiled and he said, well, Mr. Katz, I don't tell Judge McBryde what to do, he tells me what to do, so I'll let him decide what he wants to do.

So, Your Honor, I would just ask that the Court grant the relief that we sought -- or that you recommend to the district court that he grant the relief we seek in our motion. Thank you, Your Honor.

THE COURT: Please.

MR. FLUMENBAUM: Good morning, Your Honor. Martin Flumenbaum from Paul Weiss, representing ECN.

As Your Honor stated at the outset, the withdrawal of the reference is often deferred until the bankruptcy court has ruled on pre-trial matters and on dispositive motions. And why is that done? To further judicial economy, to expedite the bankruptcy process, and to prevent forum-shopping, in this

1 case. In this case, all of those factors apply even beyond
2 the motion-to-dismiss stage. And let me first deal with the
3 motion-to-dismiss stage, because what Defendants are doing in
4 the -- Defendants in the adversary proceeding are doing are
5 asking you to actually withdraw the reference before the
6 motion to dismiss. And I think Your Honor is clearly the
7 right court to deal with those issues that relate to the
8 motion to dismiss.
9 First of all, the issue of related-to, subject-matter
10 jurisdiction, is something that's right down the center of the
11 fairway for this Court to hear. We submit that the evidence
12 is overwhelming with respect to related-to jurisdiction in
13 this particular case, but in any event it is this Court that
14 should make that determination.
15 And as Your Honor alluded to, the issue of personal
16 jurisdiction in this case is also right down the fairway,
17 because what happened in this case is that this French entity
18 came to this Court voluntarily to assume the benefits of this
19 court. It voluntarily appeared in the bankruptcy. It
20 submitted proofs of claim for six million dollars in the
21 bankruptcy. It participated as an unsecured -- on the
22 committee of unsecured creditors --
23 THE COURT: Um-hum.
24 MR. FLUMENBAUM: -- in the bankruptcy. It appointed
25 a representative of its Texas affiliate to sit on the

1 unsecured-creditors' committee, in the bankruptcy. And it
2 is -- and to the settlement in the bankruptcy, which
3 specifically reserves the claims that ECN is bringing against
4 Airbus in the bankruptcy court, in the jurisdiction of this
5 Court.
6 So, they have -- they've recognized the precise
7 claims that we do. And we think our claims are -- we value at
8 about a hundred million dollars. We think that --
9 THE COURT: Your claims against Airbus?
10 MR. FLUMENBAUM: Airbus. We think that CHC has
11 claims that could be ten times ours. They own fifty -- owned
12 or leased fifty-one of these super-helicopters at the time of
13 the bankruptcy.
14 And as Your Honor knows, when they came before you in
15 the bankruptcy proceeding, they specifically represented to
16 you that this crash in Norway impacted their economics, their
17 fleet reorganization, their statements that they made in open
18 court and in their SEC filings that relate to that.
19 So, this is not just a tangential relationship. As
20 we stated in our complaint, if the bankruptcy had proceeded,
21 we believe that if we had recovered against Airbus in this
22 proceeding, it would reduce our claims, because we would be
23 collecting twice in some ways for the value of the aircraft --
24 THE COURT: Well, help me understand --
25 MR. FLUMENBAUM: -- because we had leased -- we had

1 leased those. We bought those aircraft from CHC.
2 THE COURT: Right.
3 MR. FLUMENBAUM: CHC bought them from Airbus.
4 THE COURT: Right.
5 MR. FLUMENBAUM: So -- and then we've leased them
6 back to CHC.
7 THE COURT: Understand.
8 MR. FLUMENBAUM: CHC rejects the lease. We have
9 damages as a result of that. But --
10 THE COURT: But how -- those are different --
11 MR. FLUMENBAUM: But the value of those leases form a
12 significant value of what the aircraft is worth. The --
13 THE COURT: You're losing me. I mean, I understand
14 that your claim here is a rejection claim.
15 MR. FLUMENBAUM: Of course.
16 THE COURT: And that's purely a statutory claim
17 created by Section 365 of the Bankruptcy Code. Your claim
18 against Airbus is very different from that.
19 MR. FLUMENBAUM: Very -- it's a different claim.
20 THE COURT: And I don't see how that's a credit
21 against your claim --
22 MR. FLUMENBAUM: If we --
23 THE COURT: -- ever.
24 MR. FLUMENBAUM: If -- well, if we collected a
25 judgment against Airbus, Airbus, I believe, will say, we

1 collected some of our damages in the bankruptcy proceeding via
2 CHC and they will use that as a setoff. I believe that's a --
3 THE COURT: Wait. Wait, wait. How? I hear you that
4 you fear that, but I'm asking you, as a matter of legal
5 principle -- they're completely separate damages --
6 MR. FLUMENBAUM: Well, the value of the --
7 THE COURT: -- as I'm seeing them.
8 MR. FLUMENBAUM: -- the ultimate value of the
9 aircraft depends on our ability to lease it and receive income
10 as a result of it. We're a leasing company. So, we have
11 value of the aircraft; and the lease prices and the lease
12 amounts that one could get from utilizing that, it will be
13 part of what our damage claim will be against Airbus. So, to
14 the extent we've recovered a very small piece in this
15 bankruptcy proceeding, I believe that that would be credited
16 against our recovery against Airbus.
17 But in any event --
18 THE COURT: Okay, but as an unsecured creditor --
19 okay. Well, I hear you, but we're talking about --
20 MR. FLUMENBAUM: I --
21 THE COURT: -- a very --
22 MR. FLUMENBAUM: I clearly haven't --
23 THE COURT: -- de minimis amount of credit.
24 MR. FLUMENBAUM: Well, it's turning -- it will turn
25 out to be a de minimis amount, as a result of -- as a result

1 of where we are today in connection with the bankruptcy. But
2 it will -- but the -- as Your Honor also stated, the action
3 itself -- again, past the motions to dismiss, the action
4 itself will have a direct impact on the estate if there's a
5 liquidating trust that's created or even if no liquidating
6 trust is created. It will be part of the assets of the
7 reorganized entity at --
8 THE COURT: Well, but I'm not convinced of that in
9 the same way you are, but now I feel like we're arguing a
10 motion to dismiss, and --
11 MR. FLUMENBAUM: Well --
12 THE COURT: -- I haven't properly prepared for that,
13 although certainly all of this is a bit intertwined.
14 But CHC's claims -- I mean, you own the claims --
15 MR. FLUMENBAUM: With respect to five --
16 THE COURT: -- to the five aircraft.
17 MR. FLUMENBAUM: Correct. CHC owns a different
18 claim --
19 THE COURT: With respect to forty-five other Pumas --
20 MR. FLUMENBAUM: Correct.
21 THE COURT: -- that they purchased from Airbus.
22 MR. FLUMENBAUM: Correct.
23 THE COURT: So, you own all of the claims here with
24 respect to defective manufacture, products liability, and all
25 that, because you were the ultimate owner of those aircraft?

1 MR. FLUMENBAUM: Of those five.
2 THE COURT: Of those five.
3 MR. FLUMENBAUM: Correct.
4 THE COURT: So --
5 MR. FLUMENBAUM: And CHC has a companion claim, which
6 they've reserved the rights to bring in their settlement with
7 Airbus --
8 THE COURT: Well, they have the ability, if they
9 later choose to, to bring claims related to the forty-five
10 other helicopters. And I'm rounding.
11 MR. FLUMENBAUM: Yes.
12 THE COURT: I think --
13 MR. FLUMENBAUM: Correct.
14 THE COURT: -- they had fifty-one; so, it'd be forty-
15 six.
16 MR. FLUMENBAUM: Right.
17 THE COURT: So -- but again, that's --
18 MR. FLUMENBAUM: So --
19 THE COURT: -- with respect to -- I don't know; are
20 they the same models or are they different models?
21 MR. FLUMENBAUM: Same models. The same models.
22 THE COURT: I'm not sure --
23 MR. FLUMENBAUM: Obviously it's --
24 THE COURT: -- that's quite right.
25 MR. FLUMENBAUM: Well, there's --

1 THE COURT: But --
2 MR. FLUMENBAUM: -- certainly overlap between the
3 LS332s (sic) and the 225s. They are in that Super Puma
4 category --
5 THE COURT: Well, I --
6 MR. FLUMENBAUM: -- which has been grounded.
7 THE COURT: I understand that, but --
8 MR. FLUMENBAUM: Yeah. But they would have the same
9 claim for a defective gearbox that we're alleging. And it had
10 been my thought, when we brought this claim, that we would be
11 proceeding arm in arm with the debtor against Airbus, because
12 this was such a significant asset of the estate, that they
13 would bring this lawsuit and we would be working together with
14 the debtor to bring these claims in this proceeding, together,
15 to do that.
16 Now, for whatever reasons, they haven't done that
17 yet. Whether they will or will not, I don't control.
18 THE COURT: Right.
19 MR. FLUMENBAUM: But that doesn't mean that we don't
20 have proper jurisdiction here from the outset, because you
21 measured jurisdiction --
22 THE COURT: Okay, but now you're focused way too much
23 on the motion to dismiss, and that's set for a different day.
24 So --
25 MR. FLUMENBAUM: So, what --

1 THE COURT: So, let's focus on the withdrawal of
2 reference, because --
3 MR. FLUMENBAUM: Okay.
4 THE COURT: -- they'd like the reference withdrawn
5 now. I've already told them that I'm not wildly enthusiastic
6 about that, because I think the motion to dismiss raises
7 issues that the district court would at least prefer that I
8 grapple with in the first instance and make a recommendation
9 on. But you want me to keep it for all --
10 MR. FLUMENBAUM: Right.
11 THE COURT: -- pre-trial proceedings. And, no
12 offense, I'm not a products-liability lawyer --
13 MR. FLUMENBAUM: Well --
14 THE COURT: -- so, why --
15 MR. FLUMENBAUM: -- it --
16 THE COURT: -- why would I keep it, if it survives
17 the motion to dismiss, once you get into those kinds of
18 discovery --
19 MR. FLUMENBAUM: Your --
20 THE COURT: -- disputes?
21 MR. FLUMENBAUM: Your Honor has the discretion,
22 obviously, not to keep it at that point. But I do think that
23 there will be at some point an intersection between this
24 debtor's estate and this claim.
25 THE COURT: How? I mean, the --

1 MR. FLUMENBAUM: The --
2 THE COURT: -- the itty-bitty credit -- this
3 bankruptcy case is going to be long closed --
4 MR. FLUMENBAUM: No, no, the --
5 THE COURT: -- by the time you ever get to trial.
6 MR. FLUMENBAUM: The debtor's estate has reserved the
7 right to bring their claims against Airbus before you in this
8 court, for the negligence, for the --
9 THE COURT: Right.
10 MR. FLUMENBAUM: So --
11 THE COURT: But that's not going to affect my
12 estate -- my -- the bankruptcy estate will be concluded.
13 MR. FLUMENBAUM: Well, but --
14 THE COURT: That claim is going to have re-vested,
15 assuming I confirm the plan --
16 MR. FLUMENBAUM: Right.
17 THE COURT: -- which is a big assumption; I'm not
18 saying that. But assuming I confirm the plan next week or
19 shortly thereafter, the cause of action re-vests in the
20 reorganized debtors and there is no longer a bankruptcy estate
21 against which to have an impact.
22 MR. FLUMENBAUM: They've res -- but they've reserved
23 the right to bring that claim bef --
24 THE COURT: Well, of course, but that --
25 MR. FLUMENBAUM: -- in this --

1 THE COURT: -- the reorgani --
2 MR. FLUMENBAUM: -- in this proceeding --
3 THE COURT: No. They're not --
4 MR. FLUMENBAUM: -- in this court.
5 THE COURT: They're not going to -- ain't happening.
6 If the case is over -- and that's why Mr. Youngman is here
7 today at my request; he may have been here anyway. But I want
8 to know. But I think you misspeak. They aren't planning to
9 bring that lawsuit here.
10 MR. FLUMENBAUM: I don't know what they're planning,
11 but I thought they've reserved the right to do so.
12 THE COURT: Well, I'll be honest with you. Have you
13 read the Fifth Circuit's decisions on post-confirmation
14 jurisdiction? Because if you have, you will know that that
15 ain't happening. So, I put that on a virtually -- no chance
16 that this Court would conclude that it had post-confirmation
17 jurisdiction. I'll be honest; I'm thinking jurisdiction's a
18 bit of a stretch pre-confirmation, with respect to your
19 lawsuit.
20 Clearly, if the debtor chose to sue Airbus here and
21 there was personal jurisdiction -- I mean, it -- well, I don't
22 want to get into the motion to dismiss. But I think you're
23 overly optimistic as to what the debtor's thinking. I do not
24 think the debtor has any plans. But we'll ask Mr. Youngman,
25 at the conclusion of this, if the debtor had any thought in

its imagination that it would file a lawsuit later, as a reorganized debtor, against Airbus and its entities, in the bankruptcy court. I'm pretty sure Mr. Youngman's going to tell me no, that's not what they ever thought.

But again, even if that is what they were hoping for, for some unknown reason, I don't think -- I don't think it would pass the Fifth Circuit post-confirmation jurisdiction test.

MR. FLUMENBAUM: Well, I guess it would depend on when this bankruptcy-estate process is fully completed. And as I said, I -- maybe I misread their settlement agreement with Air -- their proposed settlement agreement with Airbus, but I thought they reserved, in that, the right to bring it in this court.

But my point going forward is that, to the extent that there is --

THE COURT: And maybe they did. I haven't studied that settlement agreement yet. That's set for next week.

MR. FLUMENBAUM: Right.

THE COURT: I got lots of time --

MR. FLUMENBAUM: I understand, Your Honor.

THE COURT: -- to think about that.

MR. FLUMENBAUM: But I don't disagree with Your Honor that once the motions to dismiss are determined, then especially if there's no ancillary matter here that relates to

1 the same kinds of issues -- I do not regard the product-
2 liability issues in this case as going to be so complicated or
3 so difficult. There's going to be a final report issued by
4 the Norwegian authorities in April of this year, which will
5 determine at least publicly some of the defects. My guess is
6 that by the time our case is ready for a jury trial, it will
7 be an issue for damages as opposed to liability. The legs
8 don't separate from the body of the aircraft, without some
9 design problem or some major problem.
10 So, I don't think we believe that by bringing the
11 case here where we do have jurisdiction, assuming we do have
12 jurisdiction, that we were going to impose on this Court, in
13 terms of -- in terms of moving this case forward. In fact, we
14 were hoping to benefit from the speed at which this Court
15 normally moves its bankruptcy proceedings, once we believed we
16 had jurisdiction in this court to do so.
17 So, thank you.
18 THE COURT: Thank you.
19 All right, anything else on the withdrawal of
20 reference, other than I would like to hear Mr. Youngman --
21 just what the debtor's thinking is, at some point.
22 Mr. Katz, please.
23 MR. KATZ: Your Honor, Jason Katz and Eric Strain on
24 behalf of Airbus Helicopters (SAS).
25 Quickly, just a few rebuttal points and I'll sit

1 down. Counsel for ECN mentioned some sort of design defect
2 when dealing with that crash, in order -- we'd just obviously
3 object to that and say that there's no evidence, before this
4 Court, of what happened there and really it's not pertinent to
5 the motion to withdraw the reference, and --
6 THE COURT: Agree.
7 MR. KATZ: -- it's just an alleged -- allegation that
8 ECN's making.
9 Something that I, when reviewing this, found
10 interesting, when I first reviewed the complaint, I just
11 assumed that the helicopter crash in Norway belonged to -- was
12 a leased helicopter by the debtor. I was wrong. ECN owns
13 five of the helicopters that they're suing on, but that's
14 not -- those helicopters that the debtor leased, that wasn't
15 in the crash. They're just making a big to-do about these
16 ground leaks, and I understand why, but it's just completely
17 unrelated to the five helicopters before -- in this case.
18 It's just --
19 THE COURT: So, the helicopter that crashed was not a
20 helicopter leased -- that the debtor leased from ECN?
21 MR. KATZ: That's my understanding, Your Honor. And
22 while I just assumed it was, I was wrong. And I think that
23 that's correct.
24 I reviewed the declaration in support of the first-
25 day motions, I reviewed the disclosure statement, because ECN

1 keeps on making a big deal about my client's helicopter's the
2 reason why these companies are in bankruptcy. And I just
3 wanted to make sure that that's what the debtor had been
4 saying in this case, before this Court, since I don't
5 represent Airbus in the main case.
6 And I got to tell you, Your Honor, when I read the
7 declaration in support of the first-day motion and I reviewed
8 the disclosure statements, what I saw was the debtor said that
9 they -- their business is to -- they operate in the oil-and-
10 gas industry and that they lease out or -- these helicopter
11 services and maintenance to companies that deal in the oil-
12 and-gas industry.
13 And while they reserve their rights to serve -- to
14 sue Airbus at a later date over whatever claims they might
15 have about my client's helicopters, what I understand is that
16 the big reason why these companies were in bankruptcy is
17 because they had a downturn in revenue due to the oil-and-gas
18 economy. And that's what I read, Your Honor. I just wanted
19 the Court to understand that I just think Airbus disagrees
20 that they were the reason why these companies were in
21 bankruptcy.
22 That's all I've got, Your Honor.
23 THE COURT: Thank you.
24 MR. FLUMENBAUM: Can I just make two clarifications,
25 Your Honor?

1 THE COURT: Of course.
2 MR. FLUMENBAUM: First, we cited specific references,
3 in the opening-day statement, to references to the crash and
4 to the financial impact from that. The SEC disclosures are
5 very clear in July of 2016; we cited that as well to the
6 Court. I never said that the crash was a CHC helicopter
7 leased from ECN. It was a CHC helicopter, however, that --
8 leased helicopter that did crash.
9 THE COURT: Right, but it was not one it was leasing
10 from ECN.
11 MR. FLUMENBAUM: It was not one that it was leasing
12 from ECN.
13 THE COURT: All right. Fair enough.
14 Mr. Youngman, what is the debtor thinking? What
15 impact, if any, do you feel about this adversary proceeding on
16 the bankruptcy estate?
17 MR. YOUNGMAN: First, I'm not going to answer your
18 question directly, but I'll get to it.
19 THE COURT: All right. I'll be patient.
20 MR. YOUNGMAN: First, the debtor did reserve its
21 rights and claims against Airbus, and of course it did,
22 because there is some law that would suggest --
23 THE COURT: It would be malpractice --
24 MR. YOUNGMAN: -- if we didn't --
25 THE COURT: -- not.

1 MR. YOUNGMAN: Absolutely. Secondly, and I don't
2 have these numbers down very well, so we'll address it better
3 at the confirmation hearing if needed; but I believe the
4 debtors had approximately fifty of this type of helicopter or
5 the other type, at the filing date, and we've rejected almost
6 all of those. You may recall that we had an ABL facility that
7 had some of this type of aircraft, and we put those back to
8 the lender. And I think we maybe have two of this model that
9 are owned.
10 So, the forty-five aircraft, I just want to make sure
11 the Court unders --
12 THE COURT: So, let me just make sure, because we
13 looked and tried to figure this out and we came to fifty-one.
14 But fifty's close enough for me, for purposes of these
15 discussions. So, if I'm hearing you right, the debtor had an
16 interest in, purchased -- did the debtor purchase all of those
17 and then enter into, say, leaseback transactions like it did
18 with ECN, or did the debtor simply lease super-Pumas from a
19 third party who directly dealt with Airbus? If you know.
20 MR. YOUNGMAN: It's both.
21 THE COURT: Okay.
22 MR. YOUNGMAN: It's both. The ECN was a sale
23 leaseback.
24 THE COURT: Right. I know that.
25 MR. YOUNGMAN: And I'm not --

1 THE COURT: Were there other sale leasebacks --
2 MR. YOUNGMAN: I'm not familiar enough with whether
3 the rest of them were all sale leasebacks or pure leases.
4 THE COURT: Okay. Okay, but --
5 MR. YOUNGMAN: But in any event, they were leased.
6 THE COURT: -- but, listening check: so, based on
7 what you just said -- and I know there's no evidence of this,
8 but just for my frame of reference -- the debtor may own two
9 Super Pumas outright?
10 MR. YOUNGMAN: Left in the fleet --
11 THE COURT: Well --
12 MR. YOUNGMAN: -- because we've rejected or turned
13 back to the ABL lenders the other --
14 THE COURT: Owned.
15 MR. YOUNGMAN: -- type of this aircraft.
16 THE COURT: Okay. So, did the debtor, under the
17 rejection or the surrender, reserve claims against Airbus as
18 it relates to those helicopters? I guess what I'm getting to
19 is, on -- if you know; and you may not; you know me. I'm
20 trying to figure out does the debtor have claims against
21 Airbus with respect to fifty grounding helicopters, or does it
22 have claims against Airbus with respect to hypothetically the
23 two helicopters that it owns outright? And, again, if you're
24 not prepared to --
25 MR. YOUNGMAN: I'm not --

1 THE COURT: -- tell me --
2 MR. YOUNGMAN: I'm not prepared to -- I'm not able to
3 answer that today. What I am able to answer is that we
4 reserved any of those claims under our Chapter 11 claim. Did
5 we -- do we intend to bring them in front of this Court?
6 Hadn't really thought about that before, but didn't anticipate
7 that we would be bringing these -- any types of claims of that
8 nature in front of this Court.
9 THE COURT: Okay, so, again, just, listening check:
10 So, while you may have reserved that possibility, that
11 wasn't -- I'm hearing you say that wasn't really what you
12 expected to be doing.
13 MR. YOUNGMAN: Correct.
14 THE COURT: Okay.
15 MR. YOUNGMAN: My, I guess, main concern -- and I was
16 going to come to this hearing before the Court suggested maybe
17 we should. I don't think our Chapter 11 plan should be
18 upon -- in this jurisdictional dispute. And that's what I'm
19 trying to prevent. These parties can have whatever litigation
20 is appropriate, but any delay in confirmation of our Chapter
21 11 plan, based on what they're doing, of course we're going to
22 be opposed to that.
23 THE COURT: I don't see how either one of them is
24 arguing that we should delay confirmation. So --
25 MR. YOUNGMAN: I don't know that they're delaying.

1 ECN has suggested that the plan is not proper because it
2 doesn't specifically put these causes of action into a
3 litigation trust.
4 THE COURT: But that's a different issue. That
5 doesn't have anything to do with whether I got jurisdiction
6 and --
7 MR. YOUNGMAN: Well, it's what I think.
8 THE COURT: -- blah-blah. I mean, if somebody
9 disagrees, I'd love to hear it. But I see that as purely a
10 bankruptcy issue, is what rights do they have to dictate what
11 happens to those claims, as an unsecured creditor.
12 MR. YOUNGMAN: That's fair. I don't know if there's
13 any suggestion that if there's a litigation trust pursuing
14 those claims in this court -- which I didn't anticipate there
15 would ever be those claims pursued in this court, anyway, by
16 the debtor or a successor. Whether that was somebody's idea
17 of forming jurisdiction, I'll just leave to the side.
18 THE COURT: Okay.
19 MR. YOUNGMAN: I do want to note that our -- we
20 reserved our rights and claims.
21 THE COURT: Um-hum.
22 MR. YOUNGMAN: I don't -- didn't anticipate we were
23 bringing them here. And whether the proceeds are available,
24 if any that come out of that, it's going to inure to the
25 benefit of the reorganized debtor. And unsecured creditors

1 have ownership interest in the reorganized debtor.
2 Where they sit in the capital structure, I can't
3 help. So, if they're arguing that that's not as much as they
4 want, I can't fix where they sit in the capital structure,
5 but --
6 THE COURT: Where it would be helpful for me to
7 understand as part of confirmation, I think, is where -- which
8 debtors hold these claims. So who had the sale leaseback
9 arrangement; who owns them? Because again, unless it's a mere
10 entity -- I mean, unless the -- just, it would be helpful for
11 me to have a better understanding of how many of these
12 helicopters ECN had or has, I mean, that the debtors had or
13 had -- who was the lessee or the owner of the aircraft? And
14 obviously, we know where the rejection claims -- we know the
15 entities against whom the rejection claims have been asserted.
16 MR. YOUNGMAN: Right.
17 THE COURT: So I just would like to see the mirror of
18 those.
19 MR. YOUNGMAN: Very well.
20 THE COURT: Okay, thank you.
21 MR. YOUNGMAN: Thank you.
22 THE COURT: Did Mr. Youngman's clarifications cause
23 anybody to want to tell me something more?
24 MR. FLUMENBAUM: Just one additional --
25 THE COURT: Please.

1 MR. FLUMENBAUM: -- factor because I do think that
2 Mr. Youngman acknowledged that there was a
3 reservation -- yeah, for those claims, as there should have
4 been, and that they still own at least two of these. There is
5 also, wrongful death claims that could -- that may be brought
6 because it was a CHC helicopter, which I'm sure they would
7 want to -- that crashed that might relate -- that might give
8 them causes of action against Airbus, as well, from the crash
9 itself.
10 THE COURT: Okay, but how would they have wrongful
11 death?
12 MR. FLUMENBAUM: If they are liable to third parties
13 for -- there were thirteen deaths on that --
14 THE COURT: Uh-huh.
15 MR. FLUMENBAUM: -- on that. If they are liable to
16 any of those individuals --
17 THE COURT: But that would be a pre-petition claim
18 here that's being dealt with under the plan.
19 MR. FLUMENBAUM: Well, I -- yes.
20 THE COURT: So there would be no post-confirmation
21 liability --
22 MR. FLUMENBAUM: Right.
23 THE COURT: -- it would be an unsecured claim in the
24 case, right?
25 MR. FLUMENBAUM: Yeah, I don't know if

that's -- I -- Your Honor is obviously right, and --

THE COURT: Well, I --

MR. FLUMENBAUM: -- and I just don't know enough about the intricacies to determine what happens to that claim --

THE COURT: Well, the --

MR. FLUMENBAUM: -- against Airbus.

THE COURT: Okay, but the decedent's estate may have a claim against Airbus, but to the extent they have a claim against CHC, that's going to be a -- I mean, the crash occurred pre-petition.

MR. FLUMENBAUM: Yeah, a week before.

THE COURT: And everybody got notice of the bankruptcy case, I assume. And so I think as against CHC, those claims are gone, or will --

MR. FLUMENBAUM: That --

THE COURT: -- be post-confirmation --

MR. FLUMENBAUM: That very well may be, except that I believe they were -- would be claims that could be brought in a foreign jurisdiction. Now, I don't know if -- what the impact would be.

THE COURT: Well, if they got notice of the bankruptcy, case --

MR. FLUMENBAUM: Yeah, I don't know.

THE COURT: And again, I don't know, but --

1 MR. FLUMENBAUM: I don't know, but there is -- but my
2 basic point throughout the argument has been that there is an
3 overlap between claims that the debtor in this case has, or --
4 THE COURT: Okay, but now --
5 MR. FLUMENBAUM: -- could have.
6 THE COURT: -- we're just back --
7 MR. FLUMENBAUM: I'm just repeating.
8 THE COURT: We're back to the --
9 MR. FLUMENBAUM: Correct.
10 THE COURT: -- to the motion to dismiss --
11 MR. FLUMENBAUM: Thank you, Your Honor.
12 THE COURT: -- and you're going to get a full hearing
13 on that.
14 MR. FLUMENBAUM: Thank you, Your Honor.
15 THE COURT: Thank you.
16 All right, let's talk about schedule. And let me say
17 what I don't think we need to talk about today. Late Friday,
18 a motion for protective order got filed, and so the -- to the
19 extent the supplement to the motion for continuance of trial
20 tried to raise what, I felt like, should have been raised in a
21 motion for protective order, those issues now have been
22 formally raised in a motion for protective order if it is not
23 yet set for hearing.
24 So I don't feel the need to address the specifics of
25 the protective order. I understand there's a bunch of

1 document requests and all of that. I will tell you, though,
2 that as part of addressing that motion for protective order, I
3 feel like you all are -- I don't mean this maliciously,
4 so -- but I'm going to say it bluntly -- I feel like the
5 ball's being a little bit hidden. I don't understand, and
6 nobody tells me, who these people are; what facts anybody
7 thinks they're going to testify to; you want me to quash two
8 depositions of two nonparty witnesses, but I don't know who
9 they are or what they might know, how that has any impact on
10 the jurisdictional question or not, et cetera.
11 So to the extent we're going to hear that motion for
12 protective order at some point -- presumably somebody is going
13 to ask for it to be set -- there is a whole lot more
14 information that I need in order to properly evaluate it. And
15 I don't feel like I got it in either the supplement. Frankly,
16 I quickly reviewed the motion for protective order; it's still
17 not there. Or in the response to the motion for continuance,
18 I mean, again, everybody is keeping it at 10,000 feet; I'm not
19 a 10,000 foot person. If you really want me to evaluate those
20 issues, you're going to have to tell me much more about them
21 so that I feel like I'm not just making it up as we go along.
22 Now, the motion for continuance: It seems to me that
23 everybody agrees we aren't going to trial at the current
24 setting; that's the good news. The bad news is, you disagree
25 over when we should go to trial. Let me give you some

1 thoughts that I have.
2 It makes sense to me that discovery should be limited
3 to the jurisdictional issue until I have made a recommendation
4 to the district court on the motion to dismiss. I would
5 like -- while I'm thinking about it, I would like some
6 supplemental briefing from the parties on the motion to
7 dismiss related to: do you think I can finally adjudicate it,
8 or do you think it has to be a proposed recommendation to the
9 district court? We've started looking at that, but you all
10 don't address that, and I would like the parties' positions on
11 that with authority, please, as soon as possible so that we
12 can put that into the mix before the hearing currently set for
13 the 28th.
14 My reaction -- and again, this all gets intertwined
15 so now I'm going to do what I told you guys not to do,
16 although you did it anyway. My reaction is that jurisdiction
17 is a stretch here. It's a clever stretch, and I may
18 ultimately conclude I got it, but it's taking existing law,
19 best I can tell at the moment. And again, we aren't done
20 preparing. But then ooching (sic) it one step further.
21 Is there a conceivable effect on the bankruptcy case?
22 Maybe because the debtor does have two of these helicopters
23 that it owns itself, it has other helicopters, but it's pretty
24 tenuous. And again, conceivable effect on the estate being
25 administered in bankruptcy is a broad test, I'll spot you

1 that. And it's not just the Fifth Circuit that thinks it's a
2 broad test. I mean, that's the old Pacor test from the Third
3 Circuit, and virtually every other circuit follows it; not a
4 hundred percent, but most of them do. So it's a pretty broad
5 jurisdiction.
6 But the effect here is fairly remote, and the
7 bankruptcy estate may be concluded well before this case ever
8 goes to trial. But again, you assess jurisdiction at the time
9 of the filing, so -- but again, it's -- personal jurisdiction
10 seems to be the bigger mess to me. Yes, Airbus filed claims
11 in this case Airbus was scheduled as a creditor by
12 the -- certain of the debtors -- two of them, I think, as a
13 trade creditor. I take it because Airbus serviced the Super
14 Pumas and maybe sold parts, and that kind of stuff.
15 We have not yet seen the proofs of claim because
16 they're filed, not with us but with KCC, but we're going to
17 get copies of those claims so that we understand what the
18 proofs of claim were for. But I'm guessing because the debtor
19 scheduled it as a trade creditor that that's what it is; it's
20 for parts and services and maintenance and that kind of stuff.
21 And so yes, Airbus certainly consented to this
22 Court's jurisdiction over it when it filed those claims. But
23 most of the cases are dealing then with the debtor suing
24 Airbus, and Airbus saying, oh, no, no, no. And the Court
25 saying, wait a minute, you subjected yourself to the

1 jurisdiction of the Bankruptcy Court; too bad, so sad. It's
2 like, the tar-baby, you put your hands out and you touched us
3 and now we're going to touch you back. But I'm struggling at
4 the moment that them consenting to the jurisdiction of the
5 Bankruptcy Court by filing proofs of claim, and thus, being
6 stuck if the debtor chose to sue them here, if I otherwise
7 thought that was a related-to case, which it clearly would be
8 because it would be bringing debtor claims against them that
9 would benefit creditors; blah-blah.
10 I'm struggling that that lets a nondebtor third party
11 assert a claim against them, and assert that they waived
12 personal-jurisdiction arguments as against a nondebtor. Man,
13 if that works, wee, I may be glad I'm closer to retirement
14 than not at this point because that would be really broad
15 personal jurisdiction.
16 I haven't finely sorted through that, but I'm
17 struggling a bit with the personal jurisdiction because ECN
18 doesn't cite us to a single case where that's the situation
19 where the personal jurisdiction that was allegedly my word
20 "waived", or the objection of personal jurisdiction was this
21 against a nondebtor party.
22 Now, again, I hear -- you're going to stand up and
23 tell me next -- on the 28th that -- well, but it's -- the
24 debtor bought these helicopters and the debtor has very
25 similar claims and I get that. But boy -- so I'm being asked

1 to go where no judge has gone before, best we can tell, on
2 personal jurisdiction; and I've done that before, and that's
3 okay if I think that's right. But it seems like it's a bit of
4 a stretch.
5 Because I think at the moment, the jurisdictional
6 issues are interesting and may be a stretchy, doing a lot of
7 discovery on the merits doesn't seem appropriate to me right
8 now. And I'll be honest, ECN argues, well, it's all
9 intertwined so we've got to do the merits; I don't understand
10 that. That may be a shortcoming that I'm not sophisticated on
11 products-liability issues, but it seems like that's a little
12 bit of a copout as to why you want to keep trudging ahead with
13 pretty broad discovery. So that's part of why I'm saying I
14 need much better information about why the jurisdictional
15 issues and the merits are so heavily intertwined because it
16 seems to me that jurisdiction is pretty narrow. Does Airbus
17 do business here?
18 Again, I don't want to define all of those issues
19 because I've not seen enough to understand, but I want to
20 understand what the real nub of the fuss over the discovery
21 is. And I wanted to share these thoughts with you because you
22 all are really good lawyers, which I love having in my court,
23 but that then puts a burden on you to try and work through
24 this. And if a little bit of help from me in terms of what my
25 thinking is informs that process, I thought that might be

1 productive.
2 So my inclination is to think that we ought to focus
3 on the discovery that's necessary to decide the motions to
4 dismiss. And maybe some of what's being asked for is
5 perfectly appropriate for that. Again, I didn't spend a lot
6 of time this weekend on that, particularly after the motion
7 for protective order was specifically filed Friday evening.
8 But those are my thoughts that let's get past the
9 jurisdictional issue. If I conclude that we have
10 jurisdiction, and I conclude that we should not abstain from
11 exercising it, then we can talk more about merits discovery
12 and other things.
13 Arguing about the trial setting, I mean, again, if we
14 limit discovery in the short term to the jurisdictional
15 issues, again, however broadly that may have to be, crafted,
16 it seems to me that it's sort of a light switch, right? If I
17 recommend that the district court abstain, or I recommend that
18 we don't have jurisdiction, or I conclude we don't have
19 jurisdiction, and I think I can decide that issue. Again,
20 that's why I'd like your thoughts on what I can and can't do.
21 Then there's no merits discovery that's necessary until after
22 the district judge accepts the recommendation or whatever.
23 If on the other hand, I conclude that tenuous though
24 it may be, there is personal jurisdiction, there is subject-
25 matter jurisdiction, and that I think Judge Cummings would

1 love to try this case, then at that point, of course, it's
2 time to begin the merits process. So I'm sort of inclined to
3 think what we may need to do is hang loose on when the case is
4 going to go to trial until we get past the motion to dismiss.
5 Just because I think we will be better informed about that and
6 we won't agonize too much over the timing of trial.
7 And again, if I'm right, I'm not even sure I'm the
8 right person to target the trial date, right, because if my
9 recommendation on the motion to withdraw the reference is that
10 I am going to hear and either determine or make a proposed
11 ruling with respect to the motion to dismiss, but then the
12 case should be withdrawn, then frankly, it's either Judge
13 Cummings himself who's going to decide trial setting. I mean,
14 we can have a scheduling order in place that at least, I
15 think, makes sense that we're working toward, but at the end
16 of the day, Judge Cummings is going to decide that, or some
17 magistrate judge who he would normally turn to to assist him
18 with those sorts of things.
19 But I do think -- we all agree we aren't going to
20 trial at the current setting. It makes sense to me to stay
21 deadlines temporarily, limit discovery to that necessary to
22 the jurisdictional issue, subject to the hearing on the motion
23 for protective order, but again, to give you preliminary
24 thoughts on that, and then see what happens with respect to
25 dismissal and abstention because that will much better inform

what the schedule moving forward should or shouldn't be.

Does that make any sense to the parties?

Yes?

MR. FLUMENBAUM: Your Honor, that makes sense to us; again, Martin Flumenbaum for ECN. That makes sense for us.

The problem that we're going to have is that Airbus is taking an overly narrow view of what jurisdiction is appropriate. We have subpoenaed Kevin Cabanas (ph.), for example, who Your Honor is familiar with, is the name of the representative that was appointed --

THE COURT: I'm not, but thank you for assuming I was. He's -- I take it, he's the person who sits on the committee?

MR. FLUMENBAUM: Sits on the committee. And they've --

THE COURT: Okay, what's he going to tell you?

MR. FLUMENBAUM: Well, I'm going to get contacts between him and Airbus related to this proceeding. I'm going to get --

THE COURT: But how does that --

MR. FLUMENBAUM: Because you're --

THE COURT: -- help you with bankruptcy?

MR. FLUMENBAUM: Because I believe that it -- this is not just a situation where you file a proof of claim.

THE COURT: Right.

1 MR. FLUMENBAUM: This is where you actively
2 participate, and in structuring the settlements in obtaining
3 whatever benefits you're going to obtain for yourself for
4 Airbus France in this proceeding.
5 THE COURT: Well, but hang on. But okay, so I mean,
6 just help me understand because, I mean, I hear you, I mean,
7 but I'm guessing that that could be done by stipulation.
8 MR. FLUMENBAUM: Oh --
9 THE COURT: He was appointed to the committee, he
10 serves on the committee, the committee has been consulted by
11 the debtor with respect to settlements, and you bet, he hopes
12 that he recovers as much as humanly possible on the trade
13 claims that they've asserted on the case.
14 MR. FLUMENBAUM: And he spoke to representatives of
15 Airbus France weekly, daily, he raised issues with them as to
16 how to handle Airbus' --
17 THE COURT: Can I ask a question?
18 MR. FLUMENBAUM: -- claims here. Yeah.
19 THE COURT: Is Airbus France one of the creditors?
20 MR. FLUMENBAUM: Airbus France is the entity that
21 filed the proofs of claim.
22 THE COURT: I've not seen the claim.
23 MR. FLUMENBAUM: I'm sorry, I've assumed that you --
24 THE COURT: It's okay.
25 MR. FLUMENBAUM: -- Airbus France --

THE COURT: I've never seen the claim.
MR. FLUMENBAUM: Airbus France was the only Defendant in our adversary proceeding --
THE COURT: Um-hum.
MR. FLUMENBAUM: -- is the entity that filed --
THE COURT: Filed the two proofs of claim.
MR. FLUMENBAUM: -- the proofs of claim.
THE COURT: Okay. But --
MR. FLUMENBAUM: It is the entity that appointed Kevin Cabanas as its representative. Kevin Cabanas, my understanding is -- and I don't have --
THE COURT: Okay, but how does any of that have anything to do with the crash of the helicopters?
MR. FLUMENBAUM: It doesn't have anything -- it has -- that's why Kevin Cabanas is a pure jurisdiction --
THE COURT: Right.
MR. FLUMENBAUM: -- witness.
THE COURT: Okay, but my point is, is okay, I'm going to assume all that, yes.
MR. FLUMENBAUM: They're not wanting me to --
THE COURT: They filed a proof of claim, he's --
MR. FLUMENBAUM: They're not letting me depos him, okay, but I think he's going to have -- he's going to have conversations with the French -- his French supervisors --
THE COURT: Um-hum.

1 MR. FLUMENBAUM: -- as to the bankruptcy proceeding
2 itself, as to the claims in the bankruptcy committee.
3 Remember, Airbus also -- Airbus France objected to our 2004
4 application -- to ECN's application in the bankruptcy
5 proceeding.
6 THE COURT: Right.
7 MR. FLUMENBAUM: They appeared for that purpose, as
8 well.
9 THE COURT: Okay.
10 MR. FLUMENBAUM: So this -- I -- well, I understand
11 Your Honor hasn't made up her mind on jurisdiction, but I
12 don't think this is a stretch of the cases. I think this is
13 precisely what those cases entail that when you come into a
14 jurisdiction --
15 THE COURT: Wait, wait, wait. But you cite me not to
16 a single case where a creditor filing a proof of claim has
17 consented to a nondebtor suing them in the Bankruptcy Court.
18 MR. FLUMENBAUM: There generally is no consent to
19 that, but --
20 THE COURT: Well, but you get my message.
21 MR. FLUMENBAUM: Right.
22 THE COURT: None of your cases are third-party
23 plaintiffs.
24 MR. FLUMENBAUM: I can't tell you whether that's
25 right or wrong. I'm sure Your Honor is right --

1 THE COURT: Well --
2 MR. FLUMENBAUM: -- and we will look for some
3 additional cases. But if Your Honor is prepared to say the
4 debtor could have brought these claims in this proceeding --
5 THE COURT: Not these claims; they belong to you.
6 MR. FLUMENBAUM: If the debtor could bring comparable
7 claims -- similar claims -- of negligence and product
8 defect --
9 THE COURT: With respect to other aircraft.
10 MR. FLUMENBAUM: With respect to other aircraft that
11 it owned -- and remember, it owned these aircraft for a
12 portion of time, as well.
13 THE COURT: For a period of time, yeah.
14 MR. FLUMENBAUM: As well, these very aircraft.
15 THE COURT: But do you think the debtor could bring
16 the claims you're asserting?
17 MR. FLUMENBAUM: I don't think the debtor could bring
18 our claims; I don't.
19 THE COURT: I don't, either.
20 MR. FLUMENBAUM: I don't. But they certainly have
21 similar or comparable claims that they could bring. And if
22 Your Honor --
23 THE COURT: I agree with that.
24 MR. FLUMENBAUM: And if Your Honor would have
25 jurisdiction for those, I don't think logically and

1 jurisprudentially, it makes any difference whether we are the
2 creditor. They have come into the jurisdiction for the
3 purpose of --
4 THE COURT: To --
5 MR. FLUMENBAUM: -- obtaining a benefit.
6 THE COURT: To recover against the debtor; not
7 against you.
8 MR. FLUMENBAUM: Well, but that is a choice they
9 make. And there are many debtor -- there are many claimants,
10 especially from abroad, who make a decision not to subject
11 themselves --
12 THE COURT: Because they don't want the debtor to get
13 jurisdiction --
14 MR. FLUMENBAUM: Well --
15 THE COURT: -- over them, yes, I completely agree
16 that -- I've got to tell you, please do look for cases that
17 are on course because, man, I don't believe you cited us any,
18 and we can't find any.
19 MR. FLUMENBAUM: But in any event, I think Kevin
20 Cabanas, if limited to jurisdiction, is an appropriate
21 witness. Jeffrey Trang who was the other one they are
22 objecting to in its entirety, is a representative of AHI; he's
23 the Dallas -- he works for the Dallas entity, which is an
24 affiliate --
25 THE COURT: Who is AHI?

MR. FLUMENBAUM: It's Airbus Helicopter, Inc. It's a U.S. entity located in Texas.

THE COURT: Okay.

MR. FLUMENBAUM: It is an entity that sells the helicopters --

THE COURT: That didn't sell them to you.

MR. FLUMENBAUM: It did not sell them to us, but it sells the helicopters to others in Texas.

THE COURT: So what does that -- how does that --

MR. FLUMENBAUM: But that's related to the jurisdiction issue.

THE COURT: How?

MR. FLUMENBAUM: Because it --

THE COURT: You didn't buy from them.

MR. FLUMENBAUM: We didn't buy from them, but if Airbus France puts them into commerce and they are sold in Texas by a Texas entity, that's an additional factor, I didn't say it's a sufficient factor, to bring Airbus France into this jurisdiction.

THE COURT: Okay, but don't you already know that what you've just told me is true? That AHI is selling the Super Pumas in Texas?

MR. FLUMENBAUM: We do.

THE COURT: Okay.

MR. FLUMENBAUM: We do --

1 THE COURT: So what is the discovery going --
2 MR. FLUMENBAUM: But the relationship between AHI and
3 Airbus France is the one that's opaque, for now. We don't
4 know how that flow goes; we know they manufacture them --
5 THE COURT: Who is they?
6 MR. FLUMENBAUM: -- in France, Airbus France
7 manufactures designs --
8 THE COURT: And what's the corporate --
9 MR. FLUMENBAUM: Above them is, I think, another
10 Airbus entity.
11 THE COURT: No, no, are they sister --
12 MR. FLUMENBAUM: I believe they are sister --
13 THE COURT: Is France and AHI sisters?
14 MR. FLUMENBAUM: I believe they are sister entities.
15 THE COURT: So they have common --
16 MR. FLUMENBAUM: I don't think --
17 THE COURT: -- ownership.
18 MR. FLUMENBAUM: Common ownership.
19 THE COURT: But no -- they're sisters.
20 MR. FLUMENBAUM: I believe they are. I think there
21 might be an intermediary company, which is a Delaware-based
22 U.S. entity that owns the Texas entity, but I think that is
23 owned by the ultimate parent that owns both Airbus Helicopter
24 France and Airbus Delaware.
25 MR. STRAIN: Your Honor, I don't mean to interrupt.

I'm here as national product-liability counsel for the Airbus companies, and could shed light on some of these issues should the Court wish to hear --

THE COURT: Okay.

MR. STRAIN: -- my perspective on ownership issues and whatnot. Just bringing that to the Court's attention --

THE COURT: Excellent.

MR. STRAIN: -- should the Court wish to hear.

THE COURT: Thank you.

MR. STRAIN: So I don't think these facts are accurate, so I would be happy to clarify.

THE COURT: Fair enough.

MR. FLUMENBAUM: That's why we wanted depositions, to determine what --

THE COURT: Have we tried to stipulate? I mean, because it --

MR. FLUMENBAUM: We --

THE COURT: -- seems like the relationship between the entities is a matter of -- shouldn't be a big dispute. I mean --

MR. FLUMENBAUM: Right.

THE COURT: -- I assume there is corporate charts that would tell us who owns what and where, and so forth, and --

MR. STRAIN: And in the past, we've done this type of

1 discovery on jurisdictional issues, say by way of an
2 interrogatory or a request for admission, which then can
3 narrow any questions that may be needed to direct it in
4 discovery.
5 MR. FLUMENBAUM: Well, my understanding is that Mr.
6 Trang has been deposed in another -- in a State Texas case.
7 THE COURT: Yeah, there's two of them, I think.
8 MR. FLUMENBAUM: Correct, in a State Texas case. In
9 their latest papers, they assume we have a copy of the
10 deposition transcript; we don't, if they want to provide that
11 to us that may suffice to avoid another deposition of Mr.
12 Trang.
13 So those are the two U.S. people that we have sought.
14 Then we -- they submitted an affidavit from a represented of
15 Airbus France to this Court; we wanted to depose him. And
16 we're battling over the location of that.
17 THE COURT: Right.
18 MR. FLUMENBAUM: But they seem to agree that we're
19 entitled to that. And then we asked for a 30(b)(6). I don't
20 know if he's the same person for the 30(b)(6); they haven't
21 identified that. And then we have given them broad discovery
22 requests that do include merits. We sent them an email, which
23 narrowed the requests to -- limited to jurisdiction to about
24 fifteen and about half of what we did. But we haven't had any
25 further discussion about that.

1 But I'm prepared to limit our document requests on
2 jurisdiction to -- I heard what Your Honor said about what we
3 should be focused on for the 28th, and assuming we can get
4 those three depositions done and get satisfaction on the key
5 documents that show jurisdiction, show sales in Texas; show
6 all those things that would give jurisdiction here -- make
7 jurisdiction supplemental and appropriate.
8 THE COURT: Okay.
9 MR. KATZ: Jason Katz and Eric Strain on behalf of
10 Airbus Helicopters (SAS). Your Honor, I heard everything you
11 said and your thoughts on the pending motion, the motion for
12 protective order that was filed on Friday, and I just have a
13 few comments that will, hopefully, help the Court on a few
14 issues as it relates to the motion to dismiss and the related
15 discovery that may be necessary, limited to jurisdiction.
16 First, I agree that the Court should stay all
17 deadlines as in we put in our first order that the Court
18 should do that, and I think that's appropriate in this case so
19 that we can do limited discovery on the jurisdiction ahead of
20 the motion to dismiss of February 28th.
21 The -- subject to the protective order, as the
22 Court's referenced, the stipulation idea seems to be a good
23 one. Certain things they want to ask these nondebtor
24 witnesses about, I think, can be done by stipulation. So
25 we'll go back to counsel for ECN and try to work through

1 these. I never like coming to Court discovery disputes
2 because I think they should be worked out. Counsel for ECN is
3 right, he did send us a new one by trying to -- attempting to
4 limit some of the topic areas in the 30(b)(6) deposition
5 notice, but it's, I think, our position that there is still
6 a -- still broad, but we're going to still continue to work
7 with him to try to get it limited to where we can both agree
8 what's appropriate.
9 The motion to dismiss is for 12(b)(1) and 12(b)(2).
10 12(b)(1) is subject-matter jurisdiction, and it is Airbus'
11 position that because that subject-matter-jurisdiction motion
12 is not factual, but facial. Discovery is not proper on
13 jurisdiction in that regard because the Court can just rule on
14 the papers.
15 The declaration that Airbus submitted in support of
16 the 12(b)(2) motion, to dismiss for lack of personal
17 jurisdiction would be appropriate for limited discovery, Your
18 Honor. And we're not disputing that, and in fact, that's what
19 we've been telling them from the very beginning. I think the
20 evidence that the Court will see that's been attached to the
21 protective order, so we have to go forward on that motion,
22 shows that, I think, we first emailed counsel for ECN in early
23 January about what we thought was appropriate going forward,
24 and we just -- so we were aware of this issue early on. But
25 the motion to dismiss was filed on January 3rd, and instead of

1 hearing back on limited discovery, we get full-blown discovery
2 twenty days later, without really much discussion.
3 So the comment about whether the debtor has claims
4 versus Airbus, if ECN has claims versus Airbus, there just is
5 no claim by the debtor against Airbus. And I understand that
6 ECN thinks that they should, but that's just not their
7 decision, and I don't think it's really relevant, unless it
8 happens. And then if the debtors decide that they want to
9 intervene in this adversary, that's their business. But until
10 they do it, I don't see that the Court is going to have
11 jurisdiction, but that's an argument for a later time.
12 So we would ask the Court, grant the motion to the
13 extent that all deadlines under the November 18th, 2016
14 scheduling order be stayed until further order of the Court.
15 And that any further amended scheduling order should be
16 submitted at a later date, depending what happens at the
17 motion to dismiss level. And we would also ask that the Court
18 grant the motion limiting the discovery to jurisdictional
19 issues, subject to the protective order.
20 That's all I've got, Your Honor.
21 THE COURT: Very well.
22 Please.
23 MR. FLUMENBAUM: Martin Flumenbaum for ECN.
24 Just on the comment, Mr. Genereux submitted one
25 affidavit in this case in support of Helicopter's motion to

1 dismiss; he didn't divide it up between 12(b)(1) and 12(b)(2).
2 THE COURT: Well, but the standard for 12(b)(1) is
3 the allegations in the complaint --
4 MR. FLUMENBAUM: Correct, if the --
5 THE COURT: -- facially.
6 MR. FLUMENBAUM: -- if it's based solely on the
7 facial allegations of related-to jurisdiction that there is
8 conceivably some impact, I'm prepared to accept that. But
9 they have put -- I thought they were putting in evidence that
10 challenges that there could be no conceivable impact at the
11 time of the filing. And if they're saying they haven't, then
12 I'm prepared to live with that, but I want it to be very clear
13 that they are accepting the allegations of the complaint as
14 true.
15 MR. KATZ: Your Honor, if you -- it's Jason Katz and
16 Eric Strain on behalf of Airbus Helicopters (SAS).
17 The motion to dismiss only cites to the declaration
18 when referring to the 12(b)(2) motion. So I think that's
19 clear what our position is on that; we're not going to agree
20 that the allegations are true in the complaint, that's for --
21 THE COURT: No, no, no, but -- well --
22 MR. KATZ: -- subject to --
23 THE COURT: But --
24 MR. KATZ: For 12(b)(1) purposes --
25 THE COURT: You are not submitting the declaration in

1 support of your 12(b)(1) motion.
2 MR. KATZ: That's correct, Your Honor.
3 THE COURT: All right. And I think we all agree that
4 the standard in the Fifth Circuit is, as I test the
5 sufficiency on 12(b)(1), assuming that the allegations in the
6 complaint are true, and whether or not they are facially
7 sufficient to state a claim.
8 MR. KATZ: Fair enough, and correct, Your Honor.
9 THE COURT: Okay.
10 All right, so we're down to discovery that's
11 necessary for the 12(b)(2) motion, so we've made some
12 progress, even though we're not hearing the motion for
13 protective order.
14 Well, here's what I want to do: I am going to grant
15 the motion in part and carry the balance of the motion to the
16 hearing on the motion to dismiss. We aren't going to reargue
17 it; we're just keeping the portions that I don't address now
18 alive, so that they can be addressed then.
19 I'm going to stay the deadlines. I'm going to
20 continue trial to a date that the Court will set, following
21 its ruling on the motion to dismiss. And again, that may be a
22 proposed ruling, but we'll -- because again, there's no
23 disagreement we should continue trial from its current date;
24 the dispute is what the reset date should be. We'll stay all
25 of the deadlines in the current scheduling order, again,

1 subject to the Court ruling on the motion to dismiss. And
2 that will not stay discovery that may be necessary with
3 respect to the 12(b)(2) motion, and I'm -- nor does it stay a
4 hearing if one becomes necessary on the motion for protective
5 order.
6 And since we've clarified that the discovery only
7 needs to relate to the 12(b)(2) motion, let's go back and look
8 at that, counsel for ECN, and see what you really think you
9 need. And then frankly, do talk about stipulations because it
10 seems to me that many of the things that you're hoping to
11 prove to me as it relates to personal jurisdiction, they may
12 just admit to. Yes, the gentleman is a member of the
13 committee, and yes, the committee has considered these things,
14 and yes, he's fully participated in those discussions, and
15 yes, he talks to somebody at his employer about what he should
16 be doing. So again, it may well be that those can be
17 stipulated to and submitted as stipulations to the Court as
18 opposed to needing to take depositions.
19 MR. FLUMENBAUM: Your Honor, it will take us more
20 time to work out stipulations than it will be to take a three-
21 hour deposition of Mr. Cabanas in Dallas and get this all on
22 the record. And as I said, if Mr. Trang has already been
23 asked these questions, and they want to give me that
24 transcript, that may be sufficient.
25 THE COURT: Okay, I'm not going to decide it today.

MR. FLUMENBAUM: Yeah.

THE COURT: I'm urging you to consider stipulations. If you elect not to, what I'm trying to do is I don't like discovery fights; try and work through them.

MR. FLUMENBAUM: I appreciate that.

THE COURT: If I have to decide them, I will; that's why I'm here.

MR. FLUMENBAUM: Okay.

THE COURT: But let's narrow them as much as possible, and before we move forward on a motion for protective order, I would want a -- either amended motion or something that tells me what the live disputes are so that we don't prepare for a hearing on this many issues, when it's really down to this many issues because that's just a waste of my time. And so work together, and see if you can't resolve as many of these issues as possible, as officers of the Court. And again, if you can't, that's why there's judges, and I'll be happy to rule on them, but let's narrow them down so that we focus on the things that are really important and not on the peripheral issues.

So get with my courtroom deputy about a setting on the motion for protective order, so we have one if it's necessary. My hope is, is that it doesn't become necessary; that you all can work through the issues and agree on what is or isn't going to happen and get it done. But as I said, if

we do need a hearing, then make it clear to me what the issues really are, and make it clear to me how what you need is specifically related to 12(b)(2), or not, as the case may be.

All right. What else, gentlemen and lady? Anything else we need to accomplish today?

MR. FLUMENBAUM: Thank you, Your Honor.

MR. KATZ: Nothing further from Airbus, Your Honor.

THE COURT: Very well.

MR. STRAIN: Thank you, Your Honor.

THE COURT: Excellent. Thank you all very much.

MR. KATZ: May we be excused?

THE COURT: You may, thank you.

MR. FLUMENBAUM: One -- actually, one thing, Your Honor. Would you like me to prepare the order and circulate it, and then --

THE COURT: Please.

MR. FLUMENBAUM: I'll take care of that.

THE COURT: That would be great.

MR. FLUMENBAUM: Thank you.

THE COURT: Thank you very much.

(Recess from 11:09 a.m. until 11:10 a.m.)

THE COURT: Mr. Youngman, if you would go to the podium? Nicole, tell me when you're ready.

Okay, Mr. Youngman, I hear you -- I overheard you speaking to my court recorder about logistics for the

1 confirmation hearing, and I just -- since we're having this
2 conversation and not everybody is still here, is this
3 courtroom big enough for the confirmation hearing?
4 I mean, I -- we managed the plan support agreement
5 hearing in this courtroom. I'm assuming that confirmation
6 won't be better attended than it, but since you were asking
7 about your team and so forth, I just thought I'd ask. And I
8 don't know if there's another courtroom available, but we can
9 check, we just need to know. And you don't have to answer
10 this second, but I just, again, wanted to make a record of
11 what you and I were talking about, given that we have
12 objections to confirmation.
13 MR. YOUNGMAN: If I could ask the Court to, perhaps,
14 check if there is a larger courtroom available.
15 THE COURT: And what do you need in that courtroom?
16 Do you need electronics in that courtroom? I mean, do you
17 want to use the ELMO, or is just a courtroom?
18 MR. YOUNGMAN: A courtroom, I think, would
19 be -- because I don't think we need any of the electronics.
20 THE COURT: Could you check with the objectors and
21 confirm that they don't anticipate using electronics, and then
22 just get back with Ms. Harden, and we will -- once we know the
23 answer to that, we will reach out to the district court to see
24 if there is a larger courtroom that we might use for a couple
25 of days.

MR. YOUNGMAN: Very well, and if not, we'll certainly make do.

THE COURT: Yeah, we'll squeeze, but it just hit me when you -- when I overheard you that we might be tight in here.

MR. YOUNGMAN: Well, we were pretty tight for the PSA hearing.

THE COURT: We were, but it worked. But anyway, just let me know. And the critic -- my guess is that there would be a courtroom available, it might not be an electronic courtroom. But if people feel like they need electronics, so be that.

And secondly, the complication is always, we use a recorded transcript --

MR. YOUNGMAN: Oh.

THE COURT: -- and many of my district judge colleagues use a live court reporter. And we have portable equipment that may work. So anyway, it's not as straightforward as it seems, but tell me what you need and we'll see if there is a courtroom that can accommodate. If not, we'll just all be good friends in here, and we'll turn the air conditioning way down.

MR. YOUNGMAN: I'll admit to not paying as much attention, but the PSA hearing was pretty full; is that right?

THE COURT: It was full, but I don't remember anybody

standing, other than Mr. Fisher.

MR. YOUNGMAN: Or those two poor guys sitting on the boxes.

THE COURT: Yeah, except for Mr. Fisher, who was doing that, but he's a former law clerk so it's okay.

I knew you'd like that, Mr. Genender.

So just let us know, and we'll see. But sooner rather than later so that we can get that issue on the district court's radar that we might be interested in a different courtroom.

MR. YOUNGMAN: Very well, thank you.

THE COURT: You're welcome.

We're off the record, Nicole, thank you.

Oh, also --

(Break in audio)

THE COURT: -- something to store exhibits on so that I'm not -- so that I can more easily access, like, how many volumes of exhibits do we think we'll need.

MR. YOUNGMAN: Can I confer just a moment?

THE COURT: Yeah, and confer with the other objectors so that --

MR. YOUNGMAN: What I was thinking is --

THE COURT: -- we get some sense of, is it ten notebooks full of exhibits, or is it twenty-five notebooks full of exhibits, or is it five?

MR. YOUNGMAN: I think it depends on if we reincorporate the PSA exhibits. It sounds like we're headed that way, you may want that shelf behind you again.

THE COURT: Yeah. Yeah, okay. Just let us know, when you let us know about the electronics.

MR. YOUNGMAN: Very well.

THE COURT: Excellent. Good, thank you.

(Whereupon these proceedings were concluded at 11:15 AM)

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C E R T I F I C A T I O N

I, Clara Rubin, the court-approved transcriber, do hereby certify the foregoing is a true and correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

February 8, 2017

CLARA RUBIN DATE

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Exhibit X

1 IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS (DALLAS)
2
In Re:) Case No. 16-31854-bjh
3) Dallas, Texas
CHC GROUP LTD., et al.,)
4)
Debtor.) February 28, 2017
5) 9:49 AM
----------)
6 ECN CAPITAL (AVIATION) CORP.,) Adv. Proc. 16-03151-bjh
)
7 Plaintiff,)
v.)
8)
AIRBUS HELICOPTERS (SAS),)
9)
Defendant.)
10 ----------)

11 TRANSCRIPT OF HEARING ON

12 MOTION TO DISMISS ADVERSARY PROCEEDING FOR LACK OF SUBJECT
MATTER AND PERSONAL JURISDICTION AND ON THE GROUNDS OF FORUM
13 NON CONVENIENS FILED BY DEFENDANT AIRBUS HELICOPTERS (SAS)
(24)
14
BEFORE THE HONORABLE BARBARA J. HOUSER
15
UNITED STATES BANKRUPTCY COURT
16
17
18
19
20
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25

THE COURT: right. When the parties are ready, I'll take appearances here in the court room.

MR. STRAIN: I guess I'll go ahead.

THE COURT: No problem. Please.

MR. STRAIN: Good morning, Your Honor. Eric Strain from Nixon Peabody in New York. I'm here with Jason Katz of the Hiersche firm here locally. With me today also is Joseph Ortego from Nixon Peabody in New York, my partner, and Natalie Sears of Mr. Katz firm.

THE COURT: Excellent.

MR. STRAIN: Thank you.

THE COURT: Thank you very much.

MR. STRAIN: Your Honor, one other point.

THE COURT: Please.

MR. STRAIN: Mr. Katz and I proposed to split up argument; I'll be handling personal jurisdiction and forum non conveniens; he'll be handling subject matter jurisdiction and abstention.

THE COURT: Okay, excellent.

MR. FLUMENBAUM: Good morning, Your Honor. Marty Flumenbaum; Paul, Weiss, Rifkind, Wharton & Garrison, for ECN. With me is my colleague, Pietro Signoracci, and George Barber has already introduced himself --

THE COURT: Indeed.

MR. FLUMENBAUM: -- as our local counsel.

THE COURT: Excellent. Thank you.

Is it the least bit helpful to the parties if I tell you what I'm thinking about the motions that are before me and give you something to shoot at?

MR. STRAIN: Very much so.

THE COURT: All right. It's good news and bad news for both of you. My tentative thinking is that I have subject matter jurisdiction. I believe that there is a sufficient connection, given the very broad test for related-to jurisdiction, conceivable effect upon the estate being administered in bankruptcy.

I think that potential collateral estoppel effect of findings, with respect to the product liability claims, at least as it relates to the debtor-owned helicopters, and as was pointed out by ECN's counsel, the confirmation hearing record -- and again, I'm assuming what everyone argued about in the briefs will actually become part of this evidentiary record somehow today, and I probably should have waited for you to do that.

But, in any event, it's clear that the debtor does still own certain of these Super Pumas; and I think that the collateral estoppel effect of the litigation between ECN and Airbus could resolve certain issues that the debtors would then be bound for, either good news or bad news for the debtor.

1 If ECN wins, presumably, the debtor would seek to use
2 collateral estoppel effect in its favor. No doubt, if Airbus
3 wins on the product liability claims, Airbus would attempt to
4 do the same. That is unquestionably a conceivable effect upon
5 the estate being administered in bankruptcy.
6 I don't really buy the second potential conceivable
7 effect because it's just really vaguely referenced in the
8 paper, and that was sort of a somehow there could be a effect
9 upon the ECN claim here; that one either needs to be better
10 explained.
11 But at least, at the moment, that vague comment that
12 was mentioned briefly at the hearing on the withdrawal of
13 reference, is not terribly persuasive to me; I'm not seeing
14 that effect. But I do see how collateral estoppel could
15 either help the debtor or hurt the debtor later, and I think
16 that is a conceivable effect upon the estate because of the
17 fact that the debtor has, I think, four or five of these same
18 helicopters that were owned -- that are -- remain owned by the
19 debtor, for which they would have these product liability
20 claims.
21 So my tentative view is that I likely have subject
22 matter jurisdiction over the adversary proceeding, because
23 there is a conceivable effect. But at best, it is related-to
24 jurisdiction; and, of course, no one has argued to the
25 contrary. ECN asserted that it was related-to, and obviously

1 Airbus didn't think I had subject matter jurisdiction, but my
2 inclination is to think that I do.
3 I am struggling, though, with personal jurisdiction.
4 I've read everything everybody submitted pretty carefully.
5 And there is a two-pronged test, and there may be sufficient
6 context to satisfy the first prong of specific jurisdiction.
7 But the close nexus second prong, I am unpersuaded exists. It
8 appears to me that ECN's arguments have heavily focused on the
9 first prong of personal jurisdiction. And again, we're not
10 talking about general jurisdiction; we're talking about
11 specific, I think. I don't think -- I think it unlikely that
12 ECN could show general personal jurisdiction.
13 So I think we're focused on specific personal
14 jurisdiction, which is a two-pronged test. Perhaps the first
15 prong is satisfied; I am unpersuaded that the second prong can
16 be established.
17 Abstention: even assuming that I become persuaded
18 about personal jurisdiction, I am inclined to abstain. I
19 don't see a reason for this Court, and of course when I say
20 this Court, I'm really talking about my good friends upstairs,
21 since I would not be permitted to try this case in any event;
22 the parties have not consented to me trying this case.
23 And, in fact, we had the motion to withdraw the
24 reference to the district court, pending that my report and
25 recommendation has not been submitted, because I wanted to

1 hear this first, and then basically submit a report and
2 recommendation on the withdrawal of reference and the motion
3 to dismiss simultaneously.
4 There's eleven factors for permissive abstention,
5 which is, of course, what this would be. And at least, from
6 my perspective, most all of those factors weigh in favor of
7 abstention. The effect, or lack thereof, on the efficient
8 administration of the estate, if the Court decides to remand
9 or abstain, there's no effect on the efficient administration
10 of this estate if I abstain. The debtor is hoping to obtain
11 confirmation of a plan; the debtor hopes to emerge from
12 bankruptcy expeditiously. And this litigation just isn't
13 going to have any effect on that at all.
14 The debtor is retaining its claims against Airbus
15 under the plan; if that plan is confirmed, those claims will
16 be adjudicated between the debtor and Airbus later, if the
17 debtor so chooses; and by debtor, I mean reorganized debtor,
18 assuming the plan is confirmed. But it is clear to me that
19 the debtor has no intention of attempting to prosecute those
20 claims here, in this Court, or any time soon.
21 So it appears to me that there is no effect on the
22 administration of the estate; and therefore, that factor
23 weighs in favor of abstention.
24 The extent to which state law issues predominate over
25 bankruptcy issues, I think we can all agree there is not a

1 single bankruptcy issue in sight in this adversary proceeding.
2 So we either have state law issues or foreign law issues
3 between the parties. So, again, that weighs in favor of
4 abstention, given that the basis for jurisdiction is related-
5 to jurisdiction.
6 The difficult or unsettled nature of applicable law,
7 to be honest, I think this one weighs in favor of abstention,
8 but only slightly; and it's a little hard for me to know. But
9 obviously, we have products liability issues, the extent to
10 which those are unsettled at this point, under the law, is
11 unclear to me; the lawsuit is in its infancy.
12 But to the extent foreign law applies, again, that
13 will at least be novel, not necessarily difficult; and
14 certainly, I don't think either I or my colleagues on the
15 fifteenth floor are incapable of understanding difficult
16 issues; trust me. But, I do think that, at this point, that
17 is either neutral or slightly in favor of abstention.
18 Four, the presence of a related proceeding commenced
19 in state court or other non-bankruptcy proceeding; that simply
20 doesn't apply; there is no other proceeding pending anywhere.
21 Five, the jurisdictional basis, if any, other than
22 1334, at least there is no other jurisdictional basis alleged,
23 except perhaps, supplemental jurisdiction, which doesn't
24 really work in the Fifth Circuit.
25 So I believe this is a lawsuit that is brought in the

1 Northern District of Texas on the basis of related-to
2 jurisdiction. So that would weigh in favor of abstention,
3 because if it's only here, as a result of the bankruptcy case
4 of CHC, and it has really no effect upon the efficient
5 administration of the estate, the Court sees no reason why
6 there would be a need to retain this and decide this here.
7 The degree of relatedness or remoteness of the
8 proceeding to the main bankruptcy case, similar to the
9 analysis of factor one, this is pretty remote to the main
10 bankruptcy case; ECN has not asserted these claims. It's my
11 impression from what the debtor has advised previously that it
12 is in discussions with Airbus, with respect to these claims,
13 and other Airbus issues that affect the business of the
14 debtors.
15 But again, from the Court's perspective, it appears
16 that these Airbus claims are the tail wagging the bankruptcy
17 dog, from CHC's perspective. It did not file the bankruptcy
18 to address these claims; it filed the bankruptcy for business
19 reasons. It obviously had a debt load that it was unable to
20 manage. And under the plan, much of that debt will be
21 converted to equity assuming that the plan is confirmed.
22 So it appears to me that this lawsuit has very little
23 direct impact upon the estate, other than the potential
24 collateral estoppel effect of rulings that may be made, with
25 respect to the debtor's owned aircraft and product liability

1 claims, similar to those that ECN has asserted against Airbus
2 here, are ultimately asserted by the debtors.
3 Number seven, the substance rather than the form of
4 an asserted core proceeding; there is no asserted core
5 proceeding. So that factor simply doesn't apply.
6 The feasibility of severing state law claims from
7 core bankruptcy matters to allow judgments to be entered in
8 state court, with enforcement left to the bankruptcy court;
9 again, that factor really doesn't apply, because there is no
10 core matter asserted here; so there's nothing to sever. These
11 are all non-bankruptcy law claims. And from this Court's
12 perspective, they probably can be better adjudicated
13 elsewhere.
14 The burden on the Court's docket, I will tell you
15 that the district court docket here is difficult at the
16 moment, as I understand it; we are shorthanded in the Northern
17 District of Texas at the district court level. There are
18 several vacancies that have not been filled.
19 And, as I understand it, from my district judge
20 colleagues, their docket is really quite busy. I'm not going
21 to say that this case would break the back of the district
22 court, by any means. But I do think, from what I understand,
23 that given the judge vacancies that have not been filled, my
24 colleagues are feeling the stress of their existing docket.
25 And adding to it, unless there's a good reason to, is

1 certainly not something that I think is necessarily
2 appropriate.
3 The likelihood that the commencement of the
4 proceeding in the bankruptcy court involves forum shopping by
5 one of the parties, I'm always a little hesitant to find forum
6 shopping, so I won't do it here. But I do think that
7 there -- the plaintiff may be finding a forum that it thought
8 would be helpful to it.
9 But again, I'm not prepared to base my ruling on a
10 finding of forum shopping; there is simply not enough evidence
11 in the record. But the case has such little direct relevance
12 to this bankruptcy case that it appears to me that there might
13 be some forum shopping going on.
14 Number eleven, last but not least, the existence of a
15 right to jury trial. Obviously, there are jury trial rights
16 here; they've been demanded. And I can't conduct a jury trial
17 without consent. And frankly, I don't even have consent for
18 me entering a final judgment without a jury. And the
19 existence of the jury trial right was at least a basis for the
20 request for withdrawal of the reference. So that factor would
21 appear to weigh in favor of permissive abstention.
22 So as I tally the scorecard -- and again, these are
23 all tentative rulings subject to you all telling me that I've
24 got it wrong -- it seems like they either don't apply, or they
25 weigh in favor of me abstaining. And when I say me, I will

1 tell you, here's my view of whether it's me abstaining or it's
2 me recommending to a district judge that he or she abstain. I
3 think it's the latter.
4 I think that I must make a recommendation, issue
5 proposed findings and conclusions to the district court;
6 that's because I do have subject matter jurisdiction, in my
7 view. But that subject matter jurisdiction is only related
8 to, the parties have not consented, and thus I cannot enter a
9 final order disposing of the matter.
10 So the better part of valor would be to send it up to
11 the district court, who can have the opportunity to review
12 proposed findings and conclusions; and we'll see what the
13 district court thinks on the basis of that.
14 So to recap -- and I'm not going to go through forum
15 non conveniens, I've taken up enough time right now -- but the
16 bottom line is is I think I probably do have related-to
17 subject matter jurisdiction; I'm concerned that there is no
18 personal jurisdiction over Airbus here, focusing mostly on
19 factor two.
20 And even assuming that I do have personal
21 jurisdiction over Airbus, my analysis of the abstention factor
22 strongly suggests to me that I should abstain and let the
23 parties go litigate this issue, in whatever court of competent
24 jurisdiction exists.
25 So those are my tentative thoughts. So tell me what

1 I have misanalysed, in whatever order you wish to proceed.
2 Obviously, Airbus probably goes first, since it's
3 your motion to dismiss.
4 MR. STRAIN: Thank you, Your Honor. I'll address the
5 personal jurisdiction issue, since that seems to be a source
6 of --
7 Your Honor, I'm going to offer you the -- one second.
8 The defendant's exhibits in (indiscernible).
9 THE COURT: Please.
10 MR. FLUMENBAUM: Your Honor, with respect to
11 defendant's exhibits, we object to the entry of the letter,
12 dated February 10th of --
13 THE COURT: Which exhibit is that?
14 MR. FLUMENBAUM: I believe it's Exhibit 2 or B.
15 THE COURT: All right.
16 MR. FLUMENBAUM: That letter is not based on the
17 record in this case; Your Honor has already commented on that.
18 I think Airbus has made it the centerpiece of their reply
19 brief. They quoted the specific paragraph, which Your Honor,
20 I believe, said in open court yesterday was well beyond the
21 record, and that there was no support for that.
22 THE COURT: Well, let's be clear, what statement?
23 MR. FLUMENBAUM: It was on page two of their reply
24 brief, they quoted from a February 10th letter from Weil
25 Gotshal that --

1 THE COURT: Okay, but I'm looking at the letter. So,
2 what --
3 MR. FLUMENBAUM: Oh, I'm sorry.
4 THE COURT: No, and that's fine, I didn't make myself
5 clear. So if you could look with the letter --
6 MR. FLUMENBAUM: I --
7 THE COURT: -- what are we concerned about?
8 MR. FLUMENBAUM: There -- the letter that was
9 submitted, this one had to do with -- the letter brief was in
10 response to Your Honor's suggestion --
11 THE COURT: Right.
12 MR. FLUMENBAUM: -- on the issue of the best
13 interest --
14 THE COURT: Um-hum.
15 MR. FLUMENBAUM: -- standard. And they made
16 statements and claims in this letter that were not supported
17 by the record, and that's why we were at a point --
18 THE COURT: Okay, but which one -- what statements
19 are you objecting? Because obviously, the letter is a letter
20 brief that was addressed to the Court, that I believe is --
21 MR. FLUMENBAUM: Well --
22 THE COURT: -- and the top of it suggests, it was
23 filed with the Court.
24 So --
25 MR. FLUMENBAUM: I believe it's hearsay, page eight,

1 in particular, based on a careful review, I believe this is
2 what they cited in their reply brief. Page eight, starting
3 with "based on a careful review," the next paragraph, and the
4 paragraph after that, I think going up to the top of page
5 nine.
6 THE COURT: And your objection is what?
7 MR. FLUMENBAUM: Hearsay and no record to support it.
8 These were statements that were essentially gratuitous, based
9 on the record that Your Honor had developed in the
10 confirmation hearing.
11 THE COURT: Response?
12 MR. STRAIN: Yeah, I think that the response is we
13 haven't actually offered this into evidence; we put it in the
14 court's notebook to take judicial notice of something that's
15 been filed with the Court. It also reflects statements that,
16 I believe, were made during the February 6th hearing by
17 debtor's counsel, at some point, about the nature of their
18 claims.
19 But the point of including this really is the subject
20 matter jurisdiction argument, which Mr. Katz can address, the
21 substance of the purpose of including this. But we haven't
22 actually offered this into evidence. We'd like the Court to
23 take judicial notice of the letter that's been filed.
24 THE COURT: Well, but what's the -- I mean again, you
25 can't avoid the hearsay problem, or the outside the scope of

1 the evidentiary record, that was made at confirmation, by me
2 taking judicial notice of it.
3 MR. STRAIN: I agree, Your Honor. And so
4 the -- that's why we're not offering this into evidence; we've
5 included it as part of our argument. If the Court cannot
6 consider it, we understand that. But we thought since it was
7 presented to the Court, and it did express the debtor's
8 position, with regards to whether it would move forward with
9 claims in the bankruptcy court, we thought it was useful.
10 THE COURT: Well, but the debtor, Mr. Youngman spoke
11 at the last hearing --
12 MR. STRAIN: Yes.
13 THE COURT: -- so I know the debtor's view of this.
14 MR. STRAIN: Yes.
15 THE COURT: Well, he's not offered it, so you can
16 object to any offers --
17 MR. FLUMENBAUM: I thought when I handed you the
18 notebook, he was --
19 THE COURT: As did I.
20 MR. FLUMENBAUM: -- he was offering it.
21 THE COURT: So.
22 MR. FLUMENBAUM: And I want to point out that in
23 Exhibit A, Mr. Genereux's affidavit, Genereux's affidavit,
24 there are two paragraphs that, I believe, Mr. Strain has
25 acknowledged are not accurate, so, which would be paragraph

1 five and paragraph nine of that affidavit.
2 So to the extent that he asked the Court to rely on
3 that, I think the Court should not.
4 MR. STRAIN: Well, I disagree that I disagree with my
5 own client's affidavit. And we can address those few points,
6 as we go through the personal jurisdiction argument, if they
7 are of concern. But the points of these paragraphs --
8 THE COURT: Which paragraphs? I'm sorry.
9 MR. STRAIN: These are paragraphs five, and really
10 what they say, paragraph five and nine of Mr. Genereux's
11 affidavit, the declaration regarding Airbus Helicopter's never
12 moving its offices to the United States, and not being
13 licensed to do business and transacting business in the United
14 States, which I think is the controversial portion of it.
15 And paragraph nine, not selling Super Puma
16 helicopters in the United States.
17 THE COURT: And I take it AH is SAS, Airbus
18 Helicopters, SAS; I see that on the first page.
19 MR. STRAIN: Yes.
20 THE COURT: Okay.
21 MR. STRAIN: And the position we've taken, and this
22 was raised in the opposite seconds, supplemental opposition,
23 and pointed out in our reply brief, our client, AH, does not
24 sell -- doesn't transact his business in the United States; it
25 transacts its business in France. There's no controversy that

1 Airbus Helicopters has customers located in the United States.
2 But when it sells its helicopters, as this declaration points
3 out, it does so from its place of business in France, pursuant
4 to purchase agreements that call for the transaction to occur
5 in France.
6 So, yes, Airbus Helicopters has customers in the
7 United States, there's no dispute as to that; it's where the
8 transactions occur; and those transactions occur in France.
9 So that's why it says "Airbus Helicopters does not transact
10 its business in the United States or sell Super Puma
11 Helicopters in the United States."
12 MR. FLUMENBAUM: Your Honor, as we pointed out in the
13 discovery, that we received from Airbus, and which they
14 stipulated to, there have been direct transactions between SAS
15 and customers in the United States. And indeed, in one of
16 those transactions was announced in the United States at the
17 Heli Expo, just in 2015, with the Chief Executive Officer of
18 Airbus SAS in the United States --
19 THE COURT: Okay, but --
20 MR. FLUMENBAUM: -- signing a contract with Bristow.
21 THE COURT: But that doesn't make the -- I mean, the
22 declaration is admissible at a hearing on a motion to dismiss;
23 you may have evidence that refutes statements in it. But I
24 don't think that makes the affidavit itself inadmissible.
25 MR. FLUMENBAUM: Well, I wasn't suggesting that the

1 whole affidavit, but since Mr. Strain stipulated to the
2 accuracy of the documents, that they gave us, I thought these
3 two paragraphs were clearly inaccurate, based on those
4 documents. I perfectly accept the way Your Honor articulated
5 our position.
6 THE COURT: Fair enough. Then, Exhibit A will be
7 admitted, and we'll address B if we need to.
8 (Declaration of Michael J. Genereux was hereby received
9 into evidence as Defendant's Exhibit A, as of this date.)
10 MR. STRAIN: Thank you, Your Honor.
11 And, with regard to Exhibit A and the transaction of
12 business, that leads us right into the point of personal
13 jurisdiction, which is --
14 THE COURT: Okay, well --
15 MR. STRAIN: -- there's been allegations about Airbus
16 Helicopter's business activities with customers in the United
17 States, its sale of helicopters to customers in the United
18 States, its attendance of trade shows in the United States,
19 its sending employees to the United States to do business, to
20 visit customers, go to trade shows, but none of these are
21 alleged to have anything to do with the claims that we're here
22 to talk about today.
23 For helicopters that, it's undisputed, were sold by
24 Airbus Helicopters in France to customers located in Europe;
25 and those helicopters have never been owned, operated,

1 registered in, or as far as anybody can tell, located in the
2 United States.
3 So when we're talking about what business activities,
4 there can be a dispute as to where those activities take
5 place. There can even be a dispute as to whether Airbus
6 Helicopters transacts business in the United States. But
7 there can't be a dispute as to whether any of that business
8 has anything to do with ECN's product liability causes of
9 action, the helicopters that were designed, manufactured,
10 certified, sold and exist outside of the United States.
11 When I --
12 THE COURT: So, you think prong two -- if I'm hearing
13 you correctly -- the close nexus prong requires that your
14 activities in the United States have got to have led to ECN's
15 product liability claims?
16 MR. STRAIN: Yes, Your Honor. I have my notes from
17 this morning, going over, when Your Honor was giving her
18 tentative views on things, and I was able to cross out a lot
19 of this, because what I really wanted to focus my argument on
20 is exactly that; I say in my notes, "ECN has one half of the
21 specific jurisdiction test, purposeful availment; they have
22 alleged quite a bit to" -- that may satisfy the purposeful
23 availment prong of specific jurisdiction. What they have not
24 alleged is the relatedness requirement.
25 And Your Honor's already expressed her view on that.

1 The three areas that have been focused on are the
2 participation in the bankruptcy proceeding. And we understand
3 Your Honor may find that that participation could give rise to
4 related-to subject matter jurisdiction.
5 But in terms of having a substantial connection to
6 giving rise to the claims of this lawsuit, nothing about the
7 proof of claims or any of the activity that my client has done
8 in this courtroom, was in any way related to product liability
9 claims by ECN, who's for economic loss related to their
10 helicopters.
11 And so, we've looked at all the cases that were cited
12 by ECN, and there were a lot of distinguishing factors; but
13 really what's driving all of them is that those are claims
14 brought by debtors or trustees on matters related to the
15 bankruptcy, whether it's preferential transfers or fraudulent
16 transfers or whatnot, I mean you can go through them, but I
17 think that if the Court has already done that, there's no
18 point in doing so because we couldn't find a case similar to
19 this situation.
20 So -- and even outside of the bankruptcy context,
21 when the focus is put on a party comes into a forum and files
22 a lawsuit, even the cases cited by ECN there are cases where
23 the lawsuit filed was somehow related to an activity in the
24 forum; one was with his JAMS proceeding or some other core
25 facts that made the availment of the forum related to the

1 claims at issue.
2 And then, if we look at, even footnote nine of the
3 second supplemental opposition filed by ECN, they talk about
4 courts have found when a party avails itself of the forum by
5 filing a lawsuit -- and if you want to call a proof of claim a
6 lawsuit, that's fine -- but even in those cases, which are all
7 post-Diamler, which they're talking about, they're all related
8 to the causes of action, which we just don't have here.
9 So in terms of the bankruptcy proceeding, we don't
10 see that that availment of this forum is in any way related to
11 the causes of action.
12 With respect to the business contacts, we've already
13 talked about that, all the activity here at issue, the design
14 and manufacture all arose in France; any warranties that were
15 given were done in France. There's no connection with the
16 United States.
17 And the last point that ECN has made to argue
18 specific jurisdiction is the stream of commerce argument,
19 which even the cases they cite, Faraday, (ph.) Bean Dredging,
20 and Lovencare, (ph.) these are all cases where the product
21 flowed through a distribution system setup -- whether set up
22 or not by the defendant -- but they flowed into the forum
23 cause and injury there; we don't have that here. We don't
24 have these helicopters ever entering the United States.
25 There's some discussion in the papers about the fact

1 that Airbus Helicopters has a distributor here, in Texas, in
2 Grand Prairie. And the fact that it has that distributor is
3 irrelevant when the helicopters we're talking about never
4 flowed through that distributor.
5 So in terms of stream of commerce, where the Court
6 defines stream of commerce jurisdiction here, it would really
7 be contrary to the Goodyear case, that the Supreme Court
8 discussed, and that's in our brief. But just very basically,
9 the accident occurred in France from defective tires in
10 France; the question was, was the presence of similar tires,
11 manufactured by those defendants in the forum, sufficient for
12 the exercise of jurisdiction, and the court said no.
13 And that's what we have here. We have business
14 activity; we have other products, other customers in the
15 United States, none of which are related to the causes of
16 action. And the only way this Court would be able to find
17 personal jurisdiction would be based on purely purposeful
18 availment factors, which would essentially be a watered-down
19 version of general jurisdiction. Because those factors that
20 have been alleged today wouldn't satisfy the general
21 jurisdiction standard after Daimler and in the Fifth Circuit.
22 So, there couldn't possibly be a basis for jurisdiction here
23 without the related Nexus requirement having done that.
24 Thank you, Your Honor.
25 THE COURT: Thank you.

1 Please, Mr. Katz. Am I wrong on subject matter
2 jurisdiction? And it's okay to say yes.
3 MR. KATZ: Your Honor, Jason Katz on behalf of Airbus
4 Helicopters, SAS. Respectfully, Your Honor, as I told you,
5 when we were here on February 6th, I believe that the Court is
6 wrong about that. And it's a close call, there's no doubt
7 about that, because the Court has recognized that it's a broad
8 test, it's conceivable as a very broad term.
9 And I've been doing this a while, and I've read
10 plenty of cases about this topic, and I've been surprised
11 about courts saying bad subject matter jurisdiction. But I
12 just believe that this case goes too far.
13 I was in the lobby this morning, preparing for this
14 hearing. I went back and reviewed Pacor versus Higgins in the
15 Third Circuit. In that case, the court found that this idea
16 of potential liability, that would require an additional
17 lawsuit, should that liability come out of the lawsuit that
18 was before the court, which is too far, it was too remote.
19 And the Third Circuit said let's just -- there is a limit
20 here, so that's just too far; we recognize conceivable effect,
21 but -- and that's, Your Honor, what we have here.
22 I believe that while the Court has accepted this
23 collateral estoppel argument, the facts here are the same as
24 they were in the Pacor case, in the sense that let's assume
25 that ECN, in this case, recovers against Airbus, and then the

1 debtor decides to attempt to use the ruling in this case,
2 that's just another lawsuit, just like in Pacor; that's just
3 not certain enough. It's too speculative; it's too remote.
4 So, Airbus, respectfully, would request that the
5 Court find that subject matter jurisdiction does not exist,
6 because there is a limit to what the conceivable effect would
7 be, and that this Court does have the adjudicative authority
8 to grant the motion to dismiss, based on the lack of subject
9 matter jurisdiction, because we did submit a supplemental
10 brief at the Court's request on that issue, and the --
11 THE COURT: Oh, I agree. If I don't have
12 jurisdiction, there's not a stern implication. I can dismiss
13 the case. But you all were sort of ships passing in the
14 night. You say I can, because you assume I don't have subject
15 matter jurisdiction; ECN says I can't, because they assume I
16 do have subject matter jurisdiction.
17 So whether I can enter a final order seems to turn on
18 the question of do I have subject matter jurisdiction.
19 MR. KATZ: And unfortunately, Your Honor, we did not
20 brief that second issue, which is if the Court finds that you
21 do have subject matter jurisdiction, and you don't have
22 personal jurisdiction, can you then enter an order dismissing
23 it on that basis. And we didn't brief that, Your Honor, and
24 I'm sorry I didn't research that; I apologize for that.
25 THE COURT: No, no apology needed. I'll just tell

1 you -- I mean I'm happy if you want to look at it. My
2 thinking is, if I've got related-to jurisdiction, then 157
3 pretty clear says that I can only enter proposed findings and
4 conclusions absent consent, which I don't have here.
5 MR. KATZ: Right.
6 THE COURT: So it seems like once I get past the do I
7 have subject matter jurisdiction, I'm in the world of proposed
8 findings and conclusions.
9 MR. KATZ: Fair enough, Your Honor. And I don't need
10 to look at it; I would accept the Court's position on that.
11 We just, Airbus respectfully disagrees that this is a proper
12 conceivable effect finding, based on what ECN believes could
13 happen in the future, that what I believe to be based on what
14 the debtor has said, very unlikely. So I'll leave that
15 argument alone; I think we've made the same argument at the
16 February 6th hearing, and just would request that the Court
17 grant the motion to dismiss for lack of subject matter
18 jurisdiction.
19 As it relates to abstention, Your Honor, I believe
20 that the Court's checklist of seven of the eleven factors is
21 very accurate. In fact, a lot of the notes I wrote down in my
22 little checklist and boxes that I wrote in my notes, I had
23 some of the same words that the Court used, and the factors,
24 and don't disagree with any of them, except that maybe that
25 some of them, where the Court said it could be slightly in the

1 keep category or neutral, maybe in my notes I was a little
2 more favorable to my client's position. But I don't think
3 that the Court would --
4 THE COURT: I'm shocked by that.
5 MR. KATZ: But, Your Honor, it's clear that the Court
6 has the discretion under 28 U.S.C. 1334(c)(1) to abstain from
7 hearing this matter, assuming that the Court finds that
8 personal jurisdiction exists, and even going back one step,
9 assuming the Court finds it has subject matter of
10 jurisdiction, Your Honor, Airbus requests that assuming that
11 those two things happen, that the Court exercises discretion.
12 I won't go through each factor, as I have already stated, I
13 agree with the Court's general review and analysis on the
14 factors, and request that the Court abstain from keeping this
15 case here for Judge Cummings to decide.
16 That's all I have, Your Honor. Thank you.
17 THE COURT: Let me ask you a question. I want to go
18 back to your Pacor. I'll be honest; Pacor was decided many,
19 many years ago. And so I haven't read it in a while. But
20 while we've been here, my able law clerk, Ms. Crocker (ph.)
21 has sent me a blurb from it; and we'll go back and reread
22 Pacor, because it appears that that's really the focal point
23 of your argument, is that Pacor's just different.
24 But it appears to me from, at least the quote that's
25 been sent to me, that Pacor may not be so different, or that

1 the basis for the conclusion there, that there wasn't related-
2 to jurisdiction by the Third Circuit, may be different. At
3 least, what I've seen here is, here's the quote "our
4 examination of the Higgins Pacor Manville controversy leads us
5 to conclude that the primary action between Higgins and Pacor
6 would have no effect on the Manville bankruptcy estate, and
7 therefore is not related to bankruptcy within the meaning of
8 section," yeah, it's the precursor, 1471(b).
9 "At best, it is a mere precursor to the potential
10 third party claim for indemnification by Pacor against
11 Manville. Yet the outcome of the Higgins Pacor action would
12 in no way bind Manville, in that it could not determine any
13 rights liabilities or course of action of the debtor."
14 Since Manville is not a party to the Higgins Pacor
15 action, it could be -- it could not be bound by res judicata
16 or collateral estoppel.
17 But here, it does appear to me that collateral
18 estoppel would apply. And again, we have the exact same
19 claim, at least with respect to the four or five owned Super
20 Puma helicopters by CHC.
21 And the distinction that the Third Circuit's drawing
22 in Pacor is that the indemnification claim is a different
23 claim, and it's going to be decided on different issues than
24 the ultimate underlying liability claim between the two non-
25 debtor parties. And that appears to me to be the

1 distinguishing feature of Pacor, again, given the very short
2 period of time I've had to read this; and again, I assure you
3 we'll go back and reread it. But it appears to me, I wanted
4 to hear your take on it, because it appears to me that Pacor
5 is just different. You had an underlying claim that was then
6 going to give rise to indemnification claim against the
7 debtor, and the Court said not close enough, not enough
8 relatedness to the bankruptcy case.
9 Here, we would have the identical product liability
10 claims, at least with respect to four or five of the Super
11 Pumas, the CHC would have against Airbus, that it might be
12 collaterally estopped, one way or the other, by the outcome of
13 this proceeding.
14 MR. KATZ: Right. And Your Honor, so I apologize if
15 I misspoke, but reading it on my iPhone in the lobby, I was --
16 THE COURT: It's about as good as what I'm doing, so.
17 MR. KATZ: -- I was focusing on the part of the
18 opinion that I don't have it in front of me, where the court
19 said that it would require a second piece of litigation. And
20 I understand that if it's a different claim, I get that.
21 But in this case, Airbus's position would be that
22 collateral estoppel is not certain here; and I know the Court
23 just said that oh, it would be the same claim and the same
24 issue, but they're different parties.
25 And so, I think that there can be an argument --

1 THE COURT: Well, that's res judicata. I'm not
2 saying res judicata applies.
3 MR. KATZ: But --
4 THE COURT: The collateral estoppel can apply with
5 different parties, if the issues were -- if the issues are
6 identical, and the issues were -- I'm going to get the
7 language a little bit off -- but substantially litigated by
8 parties who have similar interests.
9 MR. KATZ: Sure. And so, there is no evidence that
10 the claims would be exactly the same. The Court is assuming
11 that it would be the same. We now know, based on the evidence
12 put forth by the debtor, that the debtors have, I believe
13 five -- they own five, at least four or five helicopters.
14 But my point was a little more -- it was a general
15 broad statement that the fact that the debtor could bring the
16 claims in the future, and the fact that they would have to
17 bring another lawsuit, just like I believe the Third Circuit
18 opinion in Pacor said -- and hopefully, I hope I'm not
19 misspeaking, I apologize if I am -- I thought that part of
20 that opinion, and it may have been dicta, but I thought it
21 said the fact that they would have to do those -- bring an
22 additional lawsuit, that that was making it too remote. And
23 that was really the connection I was trying to make, Your
24 Honor.
25 THE COURT: I don't -- again, we'll look at it more

1 closely, but I fear you're reading too much into the opinion.
2 I think the Third Circuit's point was the debtor is not
3 bound --
4 MR. KATZ: Bound by the findings.
5 THE COURT: -- either by collateral estoppel or res
6 judicata, as it relates to a second indemnification claim
7 against the debtor.
8 MR. KATZ: Sure. But Your Honor, Airbus would still
9 take the position that the subject matter jurisdiction is
10 conceivable effect here of the fact that collateral estoppel
11 could occur in the future, it's just not enough. And it's
12 just -- there is a limit, and that limit should be drawn in a
13 case like this.
14 And the fact that the debtor, it's made clear, that
15 they have no intention of bringing these claims --
16 THE COURT: Well, no, no, no. That's not fair.
17 MR. KATZ: -- here.
18 THE COURT: They're not going to bring them --
19 MR. KATZ: Here.
20 THE COURT: -- here.
21 MR. KATZ: And that they --
22 THE COURT: But that doesn't mean they aren't going
23 to bring them.
24 MR. KATZ: But they could; but they also may make a
25 decision that they're not going to. So it's our position or

that's just not enough. And obviously, if the Court disagrees with me, I'm sure the Court will --

THE COURT: Well, but again, this is helpful. I just fear that you may be misreading Pacor and -- but we'll go back and look at it, because it is the -- it is certainly the predicate decision for many, many, many decisions that follow, both in the Fifth Circuit and many other circuits that have followed Pacor.

MR. KATZ: Thank you, Your Honor. May I be excused?

THE COURT: You may. Thank you, Mr. Katz.

Please.

MR. FLUMENBAUM: Good morning, Your Honor.

THE COURT: Good morning.

MR. FLUMENBAUM: Martin Flumenbaum for ECN. I guess I have the bigger burden today of trying to show you why your initial instincts are, in my view, not appropriate.

Let me first start with the related-to jurisdiction, in part because you've agreed with our position on that.

THE COURT: Yeah, but be careful. Don't --

MR. FLUMENBAUM: All right.

THE COURT: -- you may say something that causes me to reconsider.

MR. FLUMENBAUM: I do want to cover the one aspect. I think related-to jurisdiction is very clear in this case. I think the collateral estoppel issue is certainly on point. I

1 think when we filed this complaint in November, at that time,
2 the case was moving quickly towards confirmation. But I think
3 jurisdiction occurs at that moment in time.
4 THE COURT: I agree, when it's filed.
5 MR. FLUMENBAUM: And at that moment in time, as we
6 alleged in both our complaint, and as we talked about on
7 February 6th, in addition to the collateral estoppel effect,
8 and the impact that whatever decisions we may get will relate
9 to the reorganized debtor, we also firmly believe that our
10 damages and our claims against the debtor would be effected if
11 we were successful. And I think that would apply, also to
12 other --
13 THE COURT: Then you're going to have drill down.
14 MR. FLUMENBAUM: -- to other --
15 THE COURT: That sounds good, but what does it mean?
16 MR. FLUMENBAUM: It means that part of the value that
17 we've lost because of the grounding and the product defect,
18 has to do with the leases, that we had leased these -- and we
19 had bought them from CHC, and --
20 THE COURT: And leased them back.
21 MR. FLUMENBAUM: -- and leased them back.
22 THE COURT: So there's five --
23 MR. FLUMENBAUM: So --
24 THE COURT: -- lease-rejection claims.
25 MR. FLUMENBAUM: Right. And I think that fact, that

1 I'm going to come back to as to the personal jurisdiction
2 part, because that seems to be ignored --
3 THE COURT: Okay.
4 MR. FLUMENBAUM: -- that our damages occurred, in
5 part, right in this district and through the bankruptcy.
6 THE COURT: Oh, come on, no, no, no.
7 MR. FLUMENBAUM: Well --
8 THE COURT: Rejection gives rise to a prepetition
9 claim. The Code expressly addresses that. So, but you're --
10 MR. FLUMENBAUM: But the --
11 THE COURT: -- nice words, but drill down with me.
12 MR. FLUMENBAUM: Okay.
13 THE COURT: Specifically, what is your claim against
14 the debtor, and how is that -- I mean it's going to be
15 compromised, in theory, at eighty-four million dollars?
16 MR. FLUMENBAUM: Again --
17 THE COURT: And what damage --
18 MR. FLUMENBAUM: -- as to CHC.
19 THE COURT: -- did Airbus -- what damage that you
20 might recover in the Airbus action is going to reduce --
21 MR. FLUMENBAUM: Because we can't --
22 THE COURT: Hang on.
23 MR. FLUMENBAUM: Yep.
24 THE COURT: Let me finish.
25 MR. FLUMENBAUM: Go ahead.

1 THE COURT: -- is going to reduce a potential eighty-
2 four million, ninety-four million, twenty-four million dollar
3 claim that might get allowed in this bankruptcy?
4 MR. FLUMENBAUM: Part of the damages that we will
5 seek from Airbus is our inability -- is a loss of our ability
6 to lease those planes going forward. So we now have gotten
7 them back, we can't lease them to somebody else. So we are
8 damaged in the sense that that lease income that we had
9 expected over the next five years is gone.
10 THE COURT: But why does that -- why are you going to
11 credit that --
12 MR. FLUMENBAUM: Because --
13 THE COURT: -- against your claim in the bankruptcy?
14 MR. FLUMENBAUM: If we recover it on that lease, on
15 that value, I believe it would be -- I would believe the
16 debtor could argue that we didn't lose the eighty-four
17 million, because we were able to mitigate our damages, and
18 deal with it elsewhere.
19 THE COURT: Well, but --
20 MR. FLUMENBAUM: And I think other creditors would
21 have the exact same argument, whose planes were --
22 THE COURT: Okay, I'm not worried about anybody else.
23 MR. FLUMENBAUM: I understand.
24 THE COURT: I'm only worried about you.
25 MR. FLUMENBAUM: All right. But --

1 THE COURT: So, let's stay focused on you, or more
2 accurately, ECN. Okay, but that sounds good, but I just don't
3 buy it.
4 MR. FLUMENBAUM: Oh?
5 THE COURT: I don't think you're going to suggest a
6 nickel credit. The lease rejection damages are for the
7 debtor's breach of the contract. The fact that you are
8 damaged -- so you got your aircraft back, and you now can't
9 re-lease them to someone else, because they've been grounded
10 or they're defective, whatever --
11 MR. FLUMENBAUM: Right.
12 THE COURT: -- that didn't have anything to do with
13 the fact that CHC rejected the lease with you.
14 MR. FLUMENBAUM: I think I would be entitled -- I
15 would be entitled to prove that I had this income stream, that
16 I was supposed to get from CHC; CHC rejected these as part of
17 the bankruptcy, in part, because they couldn't use these
18 aircraft as well.
19 THE COURT: But you're assuming that. There's no
20 evidence in this record.
21 MR. FLUMENBAUM: Well, there is. There is testimony
22 on the very first day that the grounding impacted there.
23 THE COURT: As part of this record, I said. Right?
24 Where is that in this record? And how did that affect the
25 five -- your five helicopters?

1 MR. FLUMENBAUM: Well --
2 THE COURT: That testimony was not specific as to
3 your five helicopters or one of the other forty-six or seven
4 or eight that the debtor owned.
5 MR. FLUMENBAUM: We have -- I should move --
6 THE COURT: And there's no evidence that --
7 MR. FLUMENBAUM: I should --
8 THE COURT: -- suggests that the debtor rejected the
9 ECN leases for any other reason than it no longer needed them.
10 MR. FLUMENBAUM: Well, one of the reasons why they no
11 longer needed them was because they were damaged.
12 MR. KATZ: Your Honor, I'm going to object to this
13 note that he's testifying about that in -- this is a 12(b)(1)
14 based on the papers, not any additional evidence anyway, Your
15 Honor.
16 THE COURT: Well, be careful there, because you've
17 admitted the declaration, so not quite true.
18 MR. KATZ: In support of the personal jurisdiction,
19 Your Honor.
20 THE COURT: Right, understand.
21 MR. KATZ: Okay. The --
22 THE COURT: But, again, evidence that's before me.
23 MR. FLUMENBAUM: Your Honor, I believe, before you
24 are the binders of exhibits that we put in through the
25 Signoracci affidavit, and through my affidavit last week. And

1 I would move that they be taken as part of the evidence in
2 this hearing.
3 THE COURT: Any objection?
4 MR. STRAIN: No objection, Your Honor.
5 THE COURT: The Court will do so.
6 (Martin Flumenbaum and Pietro Signoracci affidavit was
7 hereby received into evidence as Plaintiff's Exhibit **, as of
8 this date.)
9 MR. FLUMENBAUM: Thank you.
10 THE COURT: But where in that --
11 MR. FLUMENBAUM: I --
12 THE COURT: -- is there the evidence that you're
13 telling me about?
14 MR. FLUMENBAUM: I will cite that to you.
15 THE COURT: Okay.
16 MR. FLUMENBAUM: I'll ask Mr. Signoracci to find
17 that.
18 THE COURT: Fair enough.
19 MR. FLUMENBAUM: But, in any event, I think in terms
20 of related-to jurisdiction, I think we may disagree on that
21 aspect, but I think if you look at the Passmore case, the
22 Baylor medical case, Passmore v. Baylor Medical, where they
23 said there could be related-to jurisdiction based on a
24 potential claim against the third party.
25 THE COURT: Mr. Flumenbaum, you've tentatively won on

1 this issue. So --
2 MR. FLUMENBAUM: Oh, all right.
3 THE COURT: -- why are we spending so much time on --
4 MR. FLUMENBAUM: Right.
5 THE COURT: -- it?
6 MR. FLUMENBAUM: Let me --
7 THE COURT: I told you at the outset that I think --
8 MR. FLUMENBAUM: All right.
9 THE COURT: -- have related-to jurisdiction --
10 MR. FLUMENBAUM: I apologize. I --
11 THE COURT: -- and the big argument that Mr. Katz
12 made is really that Pacor is -- that this case is like Pacor
13 in the conclusion that there wasn't related-to jurisdiction.
14 And I'm fearful that he has misread Pacor.
15 So, unless you have something to add on the Pacor
16 analysis --
17 MR. FLUMENBAUM: I would ask Your Honor to look at
18 Passmore, Inray Canyon (ph.), which are two Fifth Circuit,
19 recent Fifth Circuit cases --
20 THE COURT: And trust me, we have.
21 MR. FLUMENBAUM: -- which I think -- which support
22 the related-to jurisdiction.
23 Let me turn to the personal jurisdiction. There are
24 actually -- let me start with the concept of consent, because
25 we believe we have consent jurisdiction, in terms of personal

1 jurisdiction here, which is slightly different than general,
2 and slightly different than specific. The mere participation
3 of Airbus, in this proceeding, gives us personal jurisdiction
4 over Airbus to file related-to claims. I think the law is
5 clear on that, in terms of their active participation in this
6 proceeding.
7 And what we have here is that they voluntarily
8 appeared, they filed proofs of claim, seeking over six million
9 dollars. They voluntarily joined the unsecured creditors.
10 They appointed a Texas resident, Kevin Cabanas, as its
11 representative. We served Mr. Cabanas in Texas with the
12 complaint. There's been no challenge to service of process in
13 this case.
14 So, we think that they participated in the 2004
15 proceeding, which had nothing to do with them, which was
16 between ECN and the debtor; they filed briefs in that case.
17 And they've obviously entered into a settlement and a
18 restructuring agreement with the debtor, in which Airbus will
19 receive recovery, and in which these particular claims, that
20 are similar to ours, are preserved.
21 So, we think that just that, under the law, gives us
22 jurisdiction over Airbus. But there is much more than just
23 this consensual, purposeful activity. And I think it's clear
24 that voluntarily filing a lawsuit in the jurisdiction is
25 purposeful availment of the jurisdiction's facilities, and can

1 subject the party to personal jurisdiction in another lawsuit,
2 when the lawsuits arise from the same general transactions.
3 And, in this case, we believe we meet that standard.
4 And I would refer Your Honor to Schwinn and Blenko, these are
5 some of the cases we assigned in terms of personal
6 jurisdiction.
7 THE COURT: Yeah, but that -- but those cases are
8 different. And we've read them all. Those are all cases
9 where it was the debtor or the trustee asserting claims, not a
10 third party.
11 MR. FLUMENBAUM: Well --
12 THE COURT: You don't have a single third party case,
13 that you cite, where the fact that a creditor filed a proof of
14 claim in a bankruptcy case and participated in the bankruptcy
15 case. I agree that that can give rise to jurisdiction by the
16 debtor or trustee back against that creditor that relates to
17 the proof of claim.
18 But, no offense, the claim filed here doesn't have
19 anything to do with the product's liability claim you're
20 asserting against it.
21 MR. FLUMENBAUM: Well --
22 THE COURT: And again, you didn't cite a single case
23 where the fact that a creditor came in to the bankruptcy case
24 and participated in the bankruptcy case gives rise to some
25 other creditor suing, yet --

1 MR. FLUMENBAUM: It's not some other creditors.
2 Another creditor --
3 THE COURT: Well, it is some other creditor.
4 MR. FLUMENBAUM: -- in the bankruptcy case.
5 THE COURT: Yeah, but on unrelated claims. Debtor
6 doesn't have an interest in your outcome, other than it may
7 get bound by it.
8 MR. FLUMENBAUM: Well --
9 THE COURT: But it has no economic interest in your
10 lawsuit.
11 MR. FLUMENBAUM: Well, but for personal jurisdiction
12 purposes, I don't think the debtor's concern, whether they
13 will file or won't file, is really relevant. I think what is
14 relevant is that CHC is in the middle of the transaction; we
15 purchased these helicopters from CHC, which, as Your Honor
16 knows, operates its businesses from Texas. We leased it back
17 to CHC. CHC had these helicopters in its possession; they
18 purchased them from Airbus, originally.
19 THE COURT: Right.
20 MR. FLUMENBAUM: So --
21 THE COURT: In France, pursuant to documents --
22 MR. FLUMENBAUM: Well --
23 THE COURT: -- that established French laws, the
24 governing --
25 MR. FLUMENBAUM: Well --

1 THE COURT: -- law, et cetera, et cetera.
2 MR. FLUMENBAUM: We haven't seen all of those
3 documents, Your Honor. So I can't verify that, and they are
4 not in the record. I do know that in terms of personal --
5 THE COURT: Which CHC entity purchased your five
6 helicopters and then turned around and sold them to you?
7 Because the answer is --
8 MR. FLUMENBAUM: I think it was Barbados.
9 THE COURT: -- it was CHC Barbados --
10 MR. FLUMENBAUM: Yeah.
11 THE COURT: -- which is not a Texas corporation --
12 MR. FLUMENBAUM: It's not a --
13 THE COURT: -- the parent is in Texas.
14 MR. FLUMENBAUM: Right, but --
15 THE COURT: But ECN has many, many, many, many, many
16 subsidiaries, many of which are foreign entities --
17 MR. FLUMENBAUM: But in this --
18 THE COURT: -- including Barbados SRL.
19 MR. FLUMENBAUM: But in this particular case, CHC has
20 acknowledged that it operates its foreign subsidiaries from
21 Texas; it stated so in its initial filings with this Court.
22 THE COURT: Where is that in my record?
23 MR. FLUMENBAUM: I (indiscernible). If CHC
24 acknowledged that it operates its -- it is in the record, Your
25 Honor.

1 THE COURT: Okay.
2 So --
3 THE COURT: But, nevertheless, you agree that the CHC
4 entity that bought the five helicopters, and then turned
5 around and sold them to you, is a foreign entity, and that the
6 contractual relationships between Airbus Helicopters, SAS,
7 which is a French entity --
8 MR. FLUMENBAUM: Correct.
9 THE COURT: -- and Barbados, all occurred outside the
10 jurisdiction of the United States.
11 MR. FLUMENBAUM: Well, I don't agree to that because
12 CHC said it directs its operations from Texas. So it may have
13 used its CHC Barbados entity, but I think the decision-making,
14 as to what to buy and not to buy, was done out of Texas.
15 THE COURT: Okay. You --
16 MR. FLUMENBAUM: So --
17 THE COURT: -- think you've got evidence of that?
18 MR. FLUMENBAUM: I think that's what CHC --
19 THE COURT: I'll be very anxious --
20 MR. FLUMENBAUM: -- has admitted.
21 THE COURT: I'll be very anxious to see that.
22 MR. FLUMENBAUM: Okay. I will --
23 Now, again, talking about personal jurisdiction, the
24 documents that we received from Airbus during the short period
25 of discovery that we had -- and I appreciate Your Honor's

1 moving that discovery, and permitting it -- really shows, in
2 addition to what we believe is consensual jurisdiction,
3 specific jurisdiction. They --
4 THE COURT: Okay, so your argument's -- I'm correct,
5 you're not arguing general jurisdiction; you're not arguing
6 that CH -- I mean --
7 MR. FLUMENBAUM: Well --
8 THE COURT: -- that Airbus Helicopters SAS is at-home
9 in the United States?
10 MR. FLUMENBAUM: For purposes of this case, where
11 they purposely avail --
12 THE COURT: No, no, no.
13 MR. FLUMENBAUM: -- of the Texas court to -- nobody
14 forced them to come into this Court --
15 THE COURT: Two different issues: consent, you've
16 covered that; now we're down to the more traditional, general,
17 personal jurisdiction --
18 MR. FLUMENBAUM: Right.
19 THE COURT: -- and specific. You are not alleging
20 general personal jurisdiction, correct?
21 MR. FLUMENBAUM: I don't believe we would have
22 general jurisdiction but for their coming into this Court.
23 THE COURT: Other than consent.
24 MR. FLUMENBAUM: Other than consent. But --
25 THE COURT: Okay, see, I don't think that creates

1 general jurisdiction.
2 MR. FLUMENBAUM: Well --
3 THE COURT: But I hear ya.
4 MR. FLUMENBAUM: Daimler is not -- I've argued the
5 Daimler position from both sides in different matters. But
6 what Daimler says is it sets a standard of -- is an entity at-
7 home in the jurisdiction. And --
8 THE COURT: And the entity is not at home here.
9 MR. FLUMENBAUM: Well --
10 THE COURT: The entity may --
11 MR. FLUMENBAUM: -- the entity --
12 THE COURT: The entity may have come to the United
13 States to file a proof of claim against CHC in these
14 bankruptcy proceedings. But that does not make it at-home for
15 all purposes.
16 MR. FLUMENBAUM: Not for all purposes, but for
17 certainly -- we have evidence, direct evidence, and I want to
18 make sure I have the right data; Airbus sold -- Airbus France
19 sold thirty helicopters to U.S.-based companies directly,
20 twenty-eight, including six Super Pumas, the customer's
21 headquartered in Texas.
22 The data that we've put before you shows that Airbus
23 sold indirectly through its Texas affiliate, AHI, which is a
24 sister company, and a distributor for SAS, another fifty-eight
25 Airbus helicopters to Texas-based entities.

1 THE COURT: Right.
2 MR. FLUMENBAUM: The data shows that --
3 THE COURT: But unless under the Fifth Circuit
4 precedent, Mr. Flumenbaum, unless you have alleged alter ego
5 status between the two sister companies, which you have not,
6 that's not enough to make them at-home for general
7 jurisdiction.
8 MR. FLUMENBAUM: Well, I --
9 THE COURT: The --
10 MR. FLUMENBAUM: We have not alleged --
11 THE COURT: -- Fifth Circuit has so held.
12 MR. FLUMENBAUM: Right, I understand that. But I
13 think the activity, whether or not we've alleged alter ego
14 through AHI, they sold another 649 -- we're talking billions
15 of dollars of sales --
16 THE COURT: But that doesn't make it --
17 MR. FLUMENBAUM: -- to Texas.
18 THE COURT: -- that doesn't make it at-home.
19 MR. FLUMENBAUM: By itself, it might not, but --
20 THE COURT: That's through the affiliate --
21 MR. FLUMENBAUM: -- with coming into this
22 jurisdiction, and seeking the benefits from this jurisdiction,
23 I submit that it is at-home. So, I'm not willing to limit
24 Daimler just to that particular fact.
25 And I think in Daimler there was an issue as to

1 whether the California entity was an alter ego, but it had
2 been abandoned in the lower courts.
3 But, in this case, it's not. We believe that by
4 coming into this jurisdiction and participating as fully as it
5 did by appointing a Texas representative, by -- that we have
6 personal jurisdiction over them. And again, we serve them
7 through their representative in this jurisdiction. So, we
8 have location as well. We didn't serve them through the Hague
9 in France; we served them here, and they've accepted that
10 service.
11 So we believe that -- and they also sold nineteen
12 Super Pumas to CHC, four of which, I believe, CHC still owns.
13 We have evidence of four executives from France coming over
14 here to participate in the bankruptcy proceeding, that they
15 were in court -- two of them were in court, I believe in June,
16 again, all before we filed our complaint here.
17 And, as I said, they were actively involved in the
18 2004 proceedings. Airbus France also participates in
19 activities in the United States -- sales activities in the
20 United States. And we have evidence in our papers about the
21 Heli Expo in Dallas next week, which Airbus France is the gold
22 sponsor for that. Their CEO, as I said before, attended the
23 Orlando Heli Expo last year. And I believe they announced the
24 sale, at that conference, of seventeen helicopters to the
25 Bristow Group of Texas in 2015.

1 So there is direct linkage between our case, which
2 talks about these Super Pumas and other activities of Airbus
3 in the United States. Now, true, we did not buy these
4 aircraft from Airbus in the United States; that is true. But
5 we did get them back from CHC in Texas through the bankruptcy
6 proceeding. The deliveries of these were made in foreign
7 jurisdictions; but that's -- but the order granting
8 us -- giving us back these helicopters, occurred right here in
9 Texas. And so we -- and that's not a order that we can appeal
10 or fight; it's now ours. So now we have to deal with it in
11 Texas.
12 And as --
13 THE COURT: No, you don't have to deal with anything
14 in Texas.
15 MR. FLUMENBAUM: Well, I mean --
16 THE COURT: No offense, the helicopters are outside
17 of Texas.
18 MR. FLUMENBAUM: Correct. But --
19 THE COURT: You got possession of them, wherever they
20 were located, on the date of rejection.
21 MR. FLUMENBAUM: Right.
22 THE COURT: Yes, I signed an --
23 MR. FLUMENBAUM: But all --
24 THE COURT: -- order.
25 MR. FLUMENBAUM: But all that comes out of this Texas

1 proceeding, which Airbus voluntarily participated in.
2 THE COURT: As it relates to the debtor.
3 MR. FLUMENBAUM: Correct, correct. And as it related
4 to us, because they actively involved in our 2004 proceeding.
5 They objected to our discovery.
6 THE COURT: That you filed in the bankruptcy case,
7 and they are --
8 MR. FLUMENBAUM: Correct.
9 THE COURT: -- unquestionably a party in interest in
10 the bankruptcy case.
11 MR. FLUMENBAUM: Right. But --
12 THE COURT: But that doesn't create general
13 jurisdiction.
14 MR. FLUMENBAUM: Well, what it does -- well, I'm sort
15 of merging the arguments for specific and general in this
16 case.
17 THE COURT: Do not do that.
18 MR. FLUMENBAUM: Okay.
19 THE COURT: I've asked you to be very specific.
20 MR. FLUMENBAUM: Well, I -- what I've been saying
21 right now, in terms of the Texas activity, I believe relates
22 to specific jurisdiction.
23 THE COURT: To the first prong.
24 MR. FLUMENBAUM: Right.
25 THE COURT: I don't disagree. And I keep pointing

1 out to you that the problem with your argument is the second
2 prong --
3 MR. FLUMENBAUM: Well --
4 THE COURT: -- which you have not yet even begun to
5 address.
6 MR. FLUMENBAUM: Well, I think what you have -- I
7 thought I've been addressing that, in part, by saying that our
8 cause of action arises out of decisions that are being made in
9 Texas, as a result of the bankruptcy, which relates to these
10 helicopters.
11 THE COURT: No, your cause of action against Airbus
12 is a product liability claim; it doesn't have anything to do
13 with the bankruptcy.
14 MR. FLUMENBAUM: Well, it's -- the reason I own
15 these, again, has to --
16 THE COURT: No, you always --
17 MR. FLUMENBAUM: -- and my damages --
18 THE COURT: -- owned them, sir.
19 MR. FLUMENBAUM: Well, I --
20 THE COURT: They were leased to the debtor.
21 MR. FLUMENBAUM: Right. I bought them in 2013.
22 THE COURT: And, at the time of the crash, you were
23 the proud owner of these five helicopters that you have leased
24 back --
25 MR. FLUMENBAUM: Right. And that --

1 THE COURT: -- to CHC.
2 MR. FLUMENBAUM: Right, but I was getting an income
3 from them.
4 THE COURT: Right.
5 MR. FLUMENBAUM: And now I'm not getting an income
6 from them.
7 THE COURT: Okay, but your claim is a products
8 liability claim.
9 MR. FLUMENBAUM: Well, because I --
10 THE COURT: It doesn't have anything to do with
11 rejection of the lease.
12 MR. FLUMENBAUM: Right, it's because of the
13 grounding, that I can't lease it elsewhere, that I can't sell
14 it to other people, that I can't recover the value of, what I
15 believed was, the helicopters --
16 THE COURT: But --
17 MR. FLUMENBAUM: -- at the time.
18 THE COURT: Right, but that didn't have anything to
19 do with CHC.
20 MR. FLUMENBAUM: Well, I believe CHC -- CHC will be a
21 central witness in this case, because they are the
22 intermediary; CHC maintained these helicopters through 2013.
23 THE COURT: But that doesn't create jurisdiction
24 against Airbus.
25 MR. FLUMENBAUM: Well --

1 THE COURT: They may be Exhibit A.
2 MR. FLUMENBAUM: The purposeful --
3 THE COURT: But that doesn't create jurisdiction.
4 MR. FLUMENBAUM: -- availment gives you jurisdiction,
5 if there's a nexus to the underlying complaint. And I believe
6 there is a nexus to the underlying complaint.
7 THE COURT: What is it? Because you --
8 MR. FLUMENBAUM: Well, I --
9 THE COURT: -- wrote long, long briefs, I read them
10 all really carefully. But you really do not focus on the
11 nexus requirement.
12 MR. FLUMENBAUM: The nexus is that our claims are
13 based on diminution in value of those helicopters, due to
14 Airbus's negligence, product liability, fraud, et cetera. And
15 the reason I have these damages is as a result, in part, of
16 activities that occurred in Texas, with respect to the
17 bankruptcy of CHC.
18 THE COURT: Um-hum. I'm sorry; I'm just not seeing
19 it.
20 MR. FLUMENBAUM: I've lost lease income, which I'm
21 never going to regain back, because of the grounding of
22 these --
23 THE COURT: There's no evidence of that. Again, I
24 keep asking you for evidence, and you keep turning to your
25 colleague to find it. But --

1 MR. FLUMENBAUM: Well, I'll give you cites to
2 everything as --
3 THE COURT: Let's do it now.
4 MR. FLUMENBAUM: Okay.
5 THE COURT: Because I'm tired of argument being made
6 on the basis of no record. It's not helpful.
7 MR. FLUMENBAUM: Exhibit D to the Signoracci
8 declaration, page three, paragraph five.
9 THE COURT: Let me get there.
10 MR. FLUMENBAUM: CHC manages --
11 THE COURT: Hang on. Just let me get there.
12 So it's tab seven, D?
13 MR. FLUMENBAUM: Exhibit D, page three, paragraph
14 five.
15 THE COURT: So this is a motion. This isn't an
16 affidavit.
17 MR. FLUMENBAUM: I believe it's --
18 THE COURT: This is just -- this is just lawyer talk.
19 MR. FLUMENBAUM: I believe it's based on the initial
20 affidavits that were filed with --
21 THE COURT: Okay, but no, then if you want -- where
22 is the affidavit? A motion is not evidence.
23 MR. FLUMENBAUM: We've cited, I believe, to it, the
24 Del Genio declaration, which is cited in paragraph six.
25 THE COURT: Right, but where is it in my record? Is

it somewhere here?

MR. FLUMENBAUM: I am not sure we attached the Del Genio, but --

THE COURT: Then, that's a problem.

MR. FLUMENBAUM: -- I would certainly ask for permission to provide that to the Court.

THE COURT: Okay, but --

MR. FLUMENBAUM: Where we cited to it, it certainly is in the record of the Court.

THE COURT: Well, not in this adversary proceeding, it's not, sir. And you just objected -- well --

MR. FLUMENBAUM: I objected to --

THE COURT: Is it part of your -- the evidence that you submitted in your notebook; anywhere?

MR. FLUMENBAUM: Your Honor, this was attached to the Signoracci declaration, which Your Honor just admitted into evidence, so --

THE COURT: Right, this -- what this?

MR. FLUMENBAUM: This document that was submitted.

THE COURT: This motion, but that's not evidence, sir, that's allegations made by a party, the debtors --

MR. FLUMENBAUM: Right.

THE COURT: -- in a motion filed with the Court.

MR. FLUMENBAUM: Well, I would ask permission --

THE COURT: But that's not evidence.

1 MR. FLUMENBAUM: -- for the Court to put in the
2 underlying affidavit, that supports this motion. I apologize,
3 if I should have done that, or I thought that this was
4 sufficient --
5 THE COURT: Any objection?
6 MR. FLUMENBAUM: -- for purposes of this.
7 MR. STRAIN: Without having seen it, I -- it's hard
8 to say.
9 THE COURT: Do you have a copy of the declaration to
10 show me or counsel?
11 MR. STRAIN: I could also argue why none of this is
12 relevant as a matter of law, which may cut through this, but
13 we -- on my reply, I'll do so.
14 THE COURT: Well, if you don't have a copy, I don't
15 know what I can look at, so --
16 MR. FLUMENBAUM: I don't have a copy with me here
17 today. I believe that this was in evidence -- would be in
18 evidence, and the whole statements, the debtor's business,
19 which was taken literally verbatim from the Del Genio
20 affidavit.
21 THE COURT: How do we know that? You don't even have
22 the affidavit here, Counsel.
23 MR. FLUMENBAUM: I --
24 THE COURT: You may be right, but my gosh, to make
25 that statement, without having the declaration here is a

1 little surprising.
2 MR. FLUMENBAUM: We've made that statement in our
3 briefs; it's never been challenged. No one has --
4 THE COURT: It is by me. I don't know if that's what
5 Mr. Del Genio said or not. I fear you're taking his statement
6 out of context.
7 MR. FLUMENBAUM: Well --
8 THE COURT: Or you're reading it extraordinarily
9 broadly.
10 MR. FLUMENBAUM: Well, I'm -- this is what, I
11 believe, he said: "CHC manages its domestic and overseas
12 businesses" --
13 THE COURT: Do not read me the motion. If you have
14 the declaration --
15 MR. FLUMENBAUM: I don't have it.
16 THE COURT: -- I'm happy --
17 MR. FLUMENBAUM: I believe that's what he said.
18 THE COURT: -- to hear it.
19 MR. FLUMENBAUM: And I will find you the cite to the
20 Del Genio affidavit, which is in the bankruptcy proceeding.
21 "Manages domestic and overseas business from Irving, Texas and
22 its sales force from an office in Houston, Texas."
23 THE COURT: Mr. Flumenbaum, I've asked you not to
24 read me from the motion.
25 MR. FLUMENBAUM: Okay.

1 THE COURT: Unless you can represent to me that that
2 is, in fact, the testimony of Mr. Del Genio -- what the debtor
3 says in a motion, just like what you say in a brief --
4 MR. FLUMENBAUM: I --
5 THE COURT: -- isn't evidence.
6 MR. FLUMENBAUM: I agree. I do not believe this was
7 a disputed issue at all, and if I had thought there was any
8 dispute as to this issue, I would have certainly put in the
9 Del Genio affidavit. And I apologize and I just asked for --
10 If you look at the declaration of Michael Cox, which
11 was filed last night, in the case, I have not admitted that.
12 He says the same thing --
13 THE COURT: I --
14 MR. FLUMENBAUM: -- in his --
15 THE COURT: Do you have -- I don't have --
16 MR. FLUMENBAUM: -- affidavit.
17 THE COURT: Again --
18 MR. FLUMENBAUM: This was filed, I believe, last
19 night by the debtors.
20 THE COURT: But for what purpose, and in connection
21 with what?
22 MR. FLUMENBAUM: It was for order pursuant to
23 sections 105, 363 and 365 --
24 THE COURT: Okay, but again, is that part of this
25 record?

1 MR. FLUMENBAUM: No.
2 THE COURT: Okay.
3 MR. FLUMENBAUM: But I would ask that I have the
4 ability to put these affidavits in, that support that point.
5 I did not think this was a disputed issue, Your Honor.
6 THE COURT: Is there objection?
7 MR. STRAIN: To this document?
8 THE COURT: Yes.
9 MR. STRAIN: Again, I haven't seen it, Your Honor.
10 THE COURT: Why don't you show counsel?
11 (Pause)
12 MR. KATZ: Which paragraph, Your Honor, is --
13 THE COURT: I have no idea. I've never seen it
14 either.
15 MR. FLUMENBAUM: Your Honor, at a minimum, I would
16 ask you to take judicial notice --
17 THE COURT: Don't talk while they're trying to
18 read --
19 MR. FLUMENBAUM: I'm sorry.
20 THE COURT: -- please. It's hard to read and --
21 MR. FLUMENBAUM: I'm sorry.
22 THE COURT: -- listen.
23 MR. STRAIN: Yeah. Your Honor, we would just object;
24 it's one, untimely, being presented here today, but also
25 irrelevant for reasons that I'll explain --

THE COURT: Well, if you're --
MR. STRAIN: -- given an opportunity.
THE COURT: -- objecting, you need to explain them now.
MR. STRAIN: Oh.
THE COURT: And may I see that before, since I have no idea of what we're talking about?
MR. STRAIN: I actually have no objection to this sentence that counsel would like to put in the record, since that's what he's pointed out as he would like to have.
THE COURT: What sentence?
MR. FLUMENBAUM: May I approach?
THE COURT: What sentence?
UNIDENTIFIED SPEAKER: (Indiscernible).
THE COURT: Okay. Excellent, thank you.
All right, so that sentence from Mr. Cox will be considered part of the record.
(Michael Cox affidavit was hereby received into evidence as Plaintiff's Exhibit **, as of this date.)
MR. FLUMENBAUM: And I'd like permission to put in a similar statement from Mr. Del Genio, which were made at the outset of this --
THE COURT: Well, you don't need --
MR. FLUMENBAUM: -- proceeding.
THE COURT: -- both, do you? I mean, if you have

1 copies here today --
2 MR. FLUMENBAUM: I -- if there's any view by the
3 Court that it makes a difference whether it comes from Mr. Cox
4 or Mr. Del Genio. I don't know Mr. Cox; I don't know Mr. Del
5 Genio. I do know they made representations on behalf of CHC
6 to Your Honor.
7 THE COURT: Okay. Well, I see no reason that we need
8 both.
9 MR. FLUMENBAUM: All right.
10 THE COURT: So, if you're happy with this, and
11 counsel's not objecting, you have this sentence as part of the
12 record.
13 MR. FLUMENBAUM: Thank you.
14 And I believe --
15 (Pause)
16 MR. FLUMENBAUM: Your Honor, I also made a reference
17 to the impact of the grounding on fleet allocations and use of
18 fleet. And if Your Honor looks at Exhibit I, which is part of
19 a public filing by CHC, which was filed with the Securities
20 and Exchange Commission, I believe the date was in July of
21 2016, after the bankruptcy.
22 THE COURT: Well, what -- specifically what?
23 MR. FLUMENBAUM: Page thirteen: "Risk related to our
24 business and industry."
25 THE COURT: At the top of the page?

1 MR. FLUMENBAUM: Yes. That first three paragraphs.
2 "All flights" -- it's entitled "all flights with the aircraft
3 type H225 and AS332L2, have been temporarily grounded, which
4 may cause some material and adverse impact to our financial
5 viability."
6 THE COURT: Right, this is part of the record. But,
7 specifically, what do you --
8 The point I asked you about was your statement that
9 CHC rejected your leases because they were grounded, and I
10 pointed out to you that I don't think there was any evidence
11 of that.
12 MR. FLUMENBAUM: What I believe I said was that I
13 think the record shows that that impacted the decisions by CHC
14 as to which aircraft to reject.
15 THE COURT: Okay, but this doesn't say anything about
16 that.
17 MR. FLUMENBAUM: Well, I have another cite for you
18 then.
19 THE COURT: I mean does it? Help me.
20 MR. FLUMENBAUM: I'm reading this carefully.
21 They talk about "there is uncertainty surrounding
22 H225 and AS332 operations in the foreseeable future."
23 THE COURT: Right, I understand that. But again,
24 that doesn't suggest that's what caused them to reject your
25 five leases.

1 MR. FLUMENBAUM: I said it was a factor, because of
2 their inability to use them.
3 THE COURT: But it doesn't even say that --
4 MR. FLUMENBAUM: I --
5 THE COURT: -- here.
6 MR. FLUMENBAUM: There is another cite, that I think
7 is more precise.
8 THE COURT: Okay.
9 MR. FLUMENBAUM: And I will -- I'm looking for that.
10 If you look at page seventeen of that same document.
11 THE COURT: All right.
12 MR. FLUMENBAUM: "Our profitability is directly
13 related to demand for our helicopter services" --
14 THE COURT: Hang on; I don't know where you are.
15 MR. FLUMENBAUM: Top of page seventeen.
16 THE COURT: Yes. I see it.
17 MR. FLUMENBAUM: "Our services have been
18 significantly restricted due to the grounding of aircraft
19 types H225 and AS332."
20 THE COURT: Okay. But again, that doesn't say
21 anything about why particular leases were rejected.
22 MR. FLUMENBAUM: There's another cite that I have,
23 Your Honor, where I -- where we specifically talk about
24 (indiscernible), where we talk about allocation.
25 I apologize, Your Honor; I didn't realize that those

1 statements were going to be in dispute. And I would have had
2 this at my ready, if I had --
3 THE COURT: No, no problem.
4 MR. FLUMENBAUM: -- had anticipated that.
5 At a May 6th -- I'm citing to the brief, where
6 it's -- see Exhibit H, transcript of 5/6/2016.
7 THE COURT: Exhibit H? What page on the transcript?
8 MR. FLUMENBAUM: It's -- let me see. It's seventeen.
9 THE COURT: Page seventeen?
10 Is that right, page seventeen?
11 MR. FLUMENBAUM: Yes, Your Honor. And the beginning
12 of eighteen.
13 THE COURT: So this is a statement of counsel?
14 MR. FLUMENBAUM: This is a statement of counsel.
15 THE COURT: That's not really evidence.
16 MR. STRAIN: Counsel, which document are we looking
17 at?
18 MR. FLUMENBAUM: I'm looking at Exhibit H, which is
19 the hearing before Your Honor, where I believe Mr. Holtzer
20 reported to the Court about the tragic events in Norway, and
21 then said that "the helicopter has been temporarily grounded
22 in certain jurisdictions; and that has had an impact on our
23 fleet reconfiguration, which is central to our restructuring.
24 Our customers are also assessing the use of the H225 going
25 forward; and we're working with them in that process around

1 the world. CHC -- for all these reasons, CHC has determined
2 that under these circumstances, it can no longer maintain its
3 current capital structure and its fleet expense level."
4 THE COURT: Right. But again, that's lawyer talk;
5 that's not evidence.
6 MR. FLUMENBAUM: That was a representation that was
7 made to you by counsel for CHC.
8 THE COURT: Okay, but again, Mr. Flumenbaum, you know
9 this as well as I do, that's not evidence. Lawyers tell me
10 all sorts of things as officers of the court. But again, I
11 can't make factual findings on the basis of lawyer talk.
12 MR. FLUMENBAUM: Well, I would ask you, Your Honor,
13 to take judicial notice of what was said to you, and whether
14 it's an admission by CHC.
15 THE COURT: Is there an objection to the Court
16 considering this as evidence?
17 MR. STRAIN: I would think so, Your Honor. I mean,
18 this is not something that's been -- I mean, we don't even
19 know where the basis for this, or any opportunity to challenge
20 it. So yes, there is an objection.
21 THE COURT: But lawyer talk is just not evidence.
22 The Court never considers what a lawyer says from the podium
23 to be evidence before the Court.
24 MR. FLUMENBAUM: Well, the document has been admitted
25 by Your Honor.

THE COURT: For whatever it's worth.
MR. FLUMENBAUM: For whatever it's worth.
THE COURT: But it's not worth anything; I'll tell you that now.
MR. FLUMENBAUM: Okay.
THE COURT: Lawyer talk is just lawyer talk.
MR. FLUMENBAUM: I think those were the references that I had.
THE COURT: I mean, Mr. Holtzer has no personal information; anything Mr. Holtzer knows is hearsay, just like anything you tell me would be hearsay. You may firmly believe it, your client may have told it to you, but it's not evidence.
MR. FLUMENBAUM: I think, Your Honor can infer, from the evidence before you, that the grounding of those helicopters would have an impact on decisions by CHC, as to which aircraft to keep and which aircraft to reject. I believe that is a proper inference that Your Honor can make from the evidence that is before you.
Let me -- so, I've talked about personal jurisdiction. I've talked about what I believe are the strong ties to Texas. The fact that the helicopters were purchased from CHC, were purchased by CHC from Airbus; they were purchased from CHC by ECN, that ECN leased the helicopters to CHC. CHC rejected the leases, transferring ownership fully

1 back to CHC.
2 CHC owns the helicopter that crashed in Norway; I
3 think that's also related to our claims. Airbus markets the
4 EC225 and the AS332L helicopters for distribution and services
5 around the world and through the United States, including
6 Texas.
7 And, as I said, Airbus Group owns AH. And Airbus
8 Group also owns, through another entity, Airbus Helicopters
9 Inc., which was a Delaware Corporation headquartered in Texas.
10 So, I think when you take all that into account, and
11 you take into account the fact that Airbus sells these very
12 same helicopters, both directly into Texas, and through its
13 distributor into Texas, that that gives us personal
14 jurisdiction with the extra benefit that we get, because of
15 their consent and their coming here, and because of the fact
16 that we served Airbus in this jurisdiction.
17 So, I think, when you add all those together, we do
18 have specific jurisdiction, and maybe even have general
19 jurisdiction.
20 THE COURT: I'm still struggling, because I think
21 that specific nexus requires that your claims against Airbus,
22 that's the nexus that the cases talk about. And I see no
23 nexus.
24 MR. FLUMENBAUM: Your Honor, let me refer you to the
25 Hess v. Bumbo international case.

1 THE COURT: Okay.
2 MR. FLUMENBAUM: I think that case -- I think there
3 was a -- this was an injury, and I was going to rely on this
4 case also, for when we talk about abstention. I think this
5 was a injury that occurred in Arizona, you got a foreign
6 entity; and they sued in Texas.
7 And again, on specific jurisdiction grounds, they did
8 not have specific jurisdiction, unlike what we believe we do;
9 but the court found that they had general jurisdiction,
10 because of Bumbo, which was a South African entity, I believe,
11 had continuous and systematic commercial contacts with Texas,
12 but its central base for distributing product was in the
13 United States, and in Texas, that they sued their distributor
14 in Texas, and that was a big factor in that. And they also
15 found that Texas has an interest in policing entities that do
16 business in Texas, and that involve product liability claims.
17 So I think the Bumbo International Trust case, I
18 think gives you a case that supports what I've been arguing,
19 in terms of the general jurisdiction point. But I think, in
20 this case, we have both consent jurisdiction; and I think it
21 also gives us general jurisdiction, given the central role
22 that Texas has played in this proceeding.
23 Let me --
24 THE COURT: But the problem there is that case is
25 distinguishable. Bumbo sued its distributor first, and then

1 later claimed that there was no personal jurisdiction, when it
2 was sued in the same court, and the court --
3 MR. FLUMENBAUM: By a third party.
4 THE COURT: Hang on. But the court found that Bumbo
5 had consented its jurisdiction by filing a related lawsuit on
6 its own. All of the suits -- both of the suits related to the
7 same issue, giving rise to the product's liability, which
8 is --
9 MR. FLUMENBAUM: Well, I --
10 THE COURT: -- very different.
11 MR. FLUMENBAUM: -- I think they sued their
12 distributor -- I don't believe they sued their distributor for
13 product liability claims. I may be forgetting Bumbo, but I
14 don't believe that was the --
15 THE COURT: Okay, but Bumbo sued in the jurisdiction
16 on related issues, and that was the basis of the court
17 concluding that it essentially had waived any personal
18 jurisdiction argument, as I understand it.
19 MR. FLUMENBAUM: This is the exact same thing that
20 SAS did here.
21 THE COURT: No.
22 MR. FLUMENBAUM: They brought a proof of claim --
23 THE COURT: Against the debtor.
24 MR. FLUMENBAUM: That's correct. That's the same as
25 the distributor.

1 THE COURT: No, but that --
2 MR. FLUMENBAUM: It's the same as the distributor.
3 THE COURT: It's for different -- that the claim is
4 for goods and services; it's not for a products liability.
5 MR. FLUMENBAUM: No, but it doesn't have to be the
6 same claim.
7 THE COURT: Okay.
8 MR. FLUMENBAUM: I think that's where -- I think
9 that's where we're failing to connect; it doesn't have to be
10 the same claim.
11 THE COURT: Okay.
12 MR. FLUMENBAUM: And suing the debtor here is the
13 same as Bumbo suing their distributor in Texas.
14 But again, the court didn't rely on one factor; it
15 relied on a host of factors, including the voluntary suit, the
16 participation, the continuous contact, the fact that the suits
17 related, involved the same thing, and Texas's interest. And
18 that leads me, really, to the abstention point that I want to
19 get to.
20 THE COURT: Okay, please.
21 MR. FLUMENBAUM: Because I think -- I believe that
22 this case should not -- this Court should not abstain, in this
23 case. By abstaining in this case, this Court is saying to ECN
24 that they have to bring suit against Airbus in France.
25 THE COURT: No, I'm not --

1 MR. FLUMENBAUM: There's no --
2 THE COURT: -- telling you --
3 MR. FLUMENBAUM: -- there's --
4 THE COURT: -- where you have to sue.
5 MR. FLUMENBAUM: I have jurisdiction, assuming I have
6 jurisdiction, we have to assume I have jurisdiction, if Your
7 Honor is reaching the --
8 THE COURT: Um-hum.
9 MR. FLUMENBAUM: -- abstention points. So, I have
10 jurisdiction against them here. I do not believe I could get
11 jurisdiction against Airbus elsewhere in the United States.
12 THE COURT: Okay.
13 MR. FLUMENBAUM: So this is -- most abstention cases
14 have a forum that the court abstains to.
15 THE COURT: Understood. But it's not required.
16 MR. FLUMENBAUM: It's not required. It's not
17 required, because I guess the provision of 1334(c)(12) talks
18 about interest of justice, as opposed to the comity and those
19 state law issues.
20 And I don't believe that abstention, in this case,
21 meets the interests of justice at all. I think, in fact, it's
22 a -- would be an unjust result, because it would require ECN,
23 which has jurisdiction, assuming, in this district, to give up
24 its jurisdiction in this district, and go to Airbus's home
25 court in France.

1 There's no suit in France that we join. We'd have to
2 bring a separate -- there's no arbitration for ECN; they talk
3 about -- we could arbitrate in France, but we don't have an
4 arbitration agreement.
5 THE COURT: I understand.
6 MR. FLUMENBAUM: There's no -- there's nothing
7 there -- we would have to bring suit in France, which does not
8 have the kind of discovery that we have in this country, which
9 does not have the kind of court system; I mean it is a
10 democratic country, but it certainly is unjust for ECN to have
11 to give up the advantages of an American court and an American
12 jurisdiction in this case.
13 As I said, the purpose of abstention is to go to --
14 THE COURT: Well, but --
15 MR. FLUMENBAUM: -- is to go another court, which has
16 some interest in this thing; usually it's the state court, as
17 opposed to a foreign entity.
18 THE COURT: Well, but that's -- I mean, look, let's
19 be blunt; ECN is Canadian, and Airbus SAS is French. You
20 bought helicopters from the debtor.
21 MR. FLUMENBAUM: From CHC, Texas.
22 THE COURT: No; you did not. You bought them from
23 CHC Barbados --
24 MR. FLUMENBAUM: Which is run --
25 THE COURT: -- who had bought them from a French

1 entity. So --
2 MR. FLUMENBAUM: Both decisions being made in Texas.
3 THE COURT: There's no evidence of that. Thank you,
4 but there is no evidence of that. You chose to buy
5 helicopters from a foreign entity, that that foreign entity
6 had purchased from another foreign entity. ECN is a foreign
7 corporation.
8 And again, I hear you, but there is --
9 MR. FLUMENBAUM: We do business --
10 THE COURT: -- the basis of jurisdiction is related
11 to. This is so tangential to the bankruptcy, that to be
12 honest, I think it's an abuse of discretion to keep this case
13 here. I tried to say it nicely before, but this is truly a
14 stretch.
15 Normally, it's a debtor who wants me to keep things;
16 this is a debtor who says we don't care, go away; we are not
17 going to bring these claims in this court, ever. We'll go to
18 France, we'll do -- we'll go someplace else, where we think we
19 have jurisdiction. But even the debtor, who holds identical
20 claims to yours, has no intention of suing in the Northern
21 District of Texas, because this was a bankruptcy case; this
22 was a case designed to resolve an enormous insolvency
23 situation.
24 MR. FLUMENBAUM: I --
25 THE COURT: But that this debtor is hopelessly

1 insolvent, that's why billions of dollars of debt is being
2 converted to equity in this case.
3 And yes, the tragedy in Norway didn't help; but the
4 debtor operates in the oil field services industry, that is in
5 the toilet. And --
6 MR. FLUMENBAUM: For which Texas is a significant
7 area of operations.
8 THE COURT: No -- yeah, but --
9 MR. FLUMENBAUM: Texas has a significant interest in
10 making sure that defective Super Pumas are not sold or flown
11 in Texas.
12 THE COURT: And this one wasn't. The crash was in
13 Norway.
14 MR. FLUMENBAUM: Right.
15 THE COURT: Let us remember.
16 MR. FLUMENBAUM: I -- we understand. But it could
17 have been in Texas.
18 THE COURT: Well, a lot of things could have been,
19 Mr. Flumenbaum.
20 MR. FLUMENBAUM: But, as in Bumbo, the accident
21 occurred in Arizona; that doesn't mean that there wasn't
22 jurisdiction in Texas, and there was no reason for the Texas
23 court to refuse to hear the case and then send it back to
24 Arizona.
25 THE COURT: Okay. But I have broad discretion on

1 this, right?
2 MR. FLUMENBAUM: Of course you do. But what I'm
3 trying to convince Your Honor is that it's an unfair result to
4 abstain.
5 THE COURT: But --
6 MR. FLUMENBAUM: If we have --
7 THE COURT: But why?
8 MR. FLUMENBAUM: Because if we have jurisdiction, if
9 we assume we have jurisdiction, then we should be allowed
10 to --
11 THE COURT: But --
12 MR. FLUMENBAUM: -- do that. If you look --
13 THE COURT: But any time a court permissibly
14 abstains, it's had jurisdiction. And there are --
15 MR. FLUMENBAUM: But, usually --
16 THE COURT: -- thousands of cases --
17 MR. FLUMENBAUM: But usually --
18 THE COURT: -- where courts decide to permissibly
19 abstain.
20 MR. FLUMENBAUM: Yes, but there's usually a court to
21 accept the case, that is --
22 THE COURT: Well, there is a court here. There's not
23 one where it's pending, but there is another court.
24 MR. FLUMENBAUM: There's no pending proceeding.
25 THE COURT: I know, but there is another court to

1 accept jurisdiction.
2 MR. FLUMENBAUM: There --
3 THE COURT: It's in France. At a minimum, it's in
4 France.
5 MR. FLUMENBAUM: So you're -- so, after getting a
6 jurisdiction in the United States --
7 THE COURT: Barely, but yes.
8 MR. FLUMENBAUM: I don't know of any quantum --
9 THE COURT: No, no, no. But let's --
10 MR. FLUMENBAUM: -- that is --
11 THE COURT: -- be candid; it's related to, but it's a
12 tenuous connection.
13 MR. FLUMENBAUM: But we disagree on how tenuous it
14 is.
15 THE COURT: Yes.
16 MR. FLUMENBAUM: We think there's a lot of activity
17 in Texas, that's related.
18 THE COURT: No, no, no.
19 MR. FLUMENBAUM: CHC is going to be a witness. We --
20 THE COURT: But that doesn't create related-to
21 jurisdiction.
22 MR. FLUMENBAUM: No, it doesn't, but we --
23 THE COURT: The fact --
24 MR. FLUMENBAUM: -- think there's a --
25 THE COURT: -- that CHC is going to be a witness.

1 MR. FLUMENBAUM: -- we think there's a lot here.
2 What abstaining essentially does, it negates our ability to
3 choose our forum, which is entitled to some deference, not the
4 full deference, as if we were a Texas entity, but some
5 deference. And it denies us the benefits of a U.S. litigation
6 in connection with this case.
7 And, as I, maybe inarticulately, tried to do, Texas,
8 I think, has a strong interest in this case, being a center
9 for the oil industry, being a center for the flight of these
10 helicopters. I think, as in Bumbo, Texas has an interest in
11 making sure that defective products are not sold here. And
12 there are hundreds of those things that are, in fact, sold
13 here.
14 So, we don't have a state court action. Both parties
15 are creditors, in this proceeding, are here. The result will
16 certainly impact, we believe, the rights and/or property of
17 the reorganized estate, or even the debtor's estate.
18 And when you go to the MontCrest Energy factors, that
19 Your Honor articulated, we have a different view of them,
20 because we have never -- we have argued that -- we believe
21 that there are the four key factors, we think, go against
22 abstention; and that is, there's no related court proceeding,
23 state court proceeding.
24 We believe it's Airbus that's doing the forum
25 shopping, having come in here, and is trying to escape some

1 decisions that it voluntarily made, to litigate in this forum.
2 So we look at that totally differently than Your Honor. And
3 what we were doing, in terms of ECN, was finding where Airbus
4 was -- could be sued, legitimately. We weren't trying to gain
5 an advantage. If we could have sued them in Delaware; they
6 haven't offered Delaware, they haven't offered New York, they
7 haven't offered any other place.
8 THE COURT: Well, they don't have to offer.
9 MR. FLUMENBAUM: They don't. They don't. They
10 obviously don't. But Your Honor should take that into
11 account.
12 THE COURT: Why? What factor does that fit under
13 permissive abstention?
14 MR. FLUMENBAUM: Well, that it's -- I think, when the
15 fact of four, which is not related to a state court
16 proceeding, I think that there's no other court proceeding
17 that this thing should be deferred for; I think that's
18 what's -- the concept is there. And I think, in terms of the
19 bankruptcy, I think CHC is an important witness in the
20 proceeding.
21 THE COURT: But that's not affecting the
22 administration of the estate.
23 MR. FLUMENBAUM: Well, it -- there will be demands on
24 their executives, on their time.
25 And again, the issue should be at the time of when we

1 filed this complaint.
2 THE COURT: But they did not spend any time on it --
3 MR. FLUMENBAUM: Well --
4 THE COURT: -- yet.
5 MR. FLUMENBAUM: -- that is because we haven't gotten
6 to --
7 THE COURT: Well, but --
8 MR. FLUMENBAUM: -- discovery yet.
9 THE COURT: I understand.
10 MR. FLUMENBAUM: But they will be, and we require
11 them to actually --
12 THE COURT: But it's the efficient administration of
13 the estate.
14 MR. FLUMENBAUM: I understand that.
15 THE COURT: By the time you get to discovery, Mr.
16 Flumenbaum, there may well not be a bankruptcy estate.
17 Because --
18 MR. FLUMENBAUM: May or may not, depending on how --
19 THE COURT: Right.
20 MR. FLUMENBAUM: -- how quickly --
21 THE COURT: We'll know later this week or next week,
22 in all likelihood.
23 MR. FLUMENBAUM: The unsettled nature, I think Your
24 Honor recognized that that's really a neutral factor of the
25 law.

1 THE COURT: I -- well --
2 MR. FLUMENBAUM: This is not -- this is a --
3 THE COURT: That isn't what I said, but fair enough.
4 MR. FLUMENBAUM: I thought it was a neutral
5 factor -- I think it's a neutral factor; I think it's a
6 products liability case. Federal courts in this jurisdiction
7 have handled numerous product liability cases.
8 I think the fact that the reference is going to be
9 withdrawn, also negates some of these other factors. The
10 issue, whether the state law predominates over the bankruptcy
11 issues is irrelevant, because, again, federal courts are used
12 to dealing with state law issues.
13 THE COURT: To be blunt, no more so than I am.
14 MR. FLUMENBAUM: Well --
15 THE COURT: I deal with state law issues every day.
16 MR. FLUMENBAUM: Your Honor, if I could have you
17 decide a products liability case, I would. If they would --
18 THE COURT: And I don't care.
19 MR. FLUMENBAUM: If they --
20 THE COURT: I mean I don't care about that. But --
21 MR. FLUMENBAUM: Yeah, but I'm just --
22 THE COURT: -- the reality is is every federal court
23 decides state law issues --
24 MR. FLUMENBAUM: Of course.
25 THE COURT: -- day in and day out.

1 MR. FLUMENBAUM: Of course. So that's why I don't
2 think that factor really weighs against us; the burden on the
3 bankruptcy court docket, I don't think that factor --
4 THE COURT: It doesn't say bankruptcy court's docket;
5 it said the court's docket.
6 MR. FLUMENBAUM: Docket. I had assumed it was the
7 bankruptcy court's docket.
8 THE COURT: No.
9 MR. FLUMENBAUM: But even a broader -- this is a case
10 that --
11 THE COURT: This is not a case I can try.
12 MR. FLUMENBAUM: Right.
13 THE COURT: So the burden on the Court's docket is
14 the district court's docket.
15 MR. FLUMENBAUM: Right. And as we're before a judge
16 in Lubbock, Texas, I've got no indication that their docket in
17 Lubbock is any worse than any other federal --
18 THE COURT: Why do you think he's hearing a Dallas
19 case?
20 MR. FLUMENBAUM: Well, because --
21 THE COURT: Because Dallas is -- the Northern
22 District of --
23 MR. FLUMENBAUM: -- the Dallas judge is --
24 THE COURT: -- Texas is very busy --
25 MR. FLUMENBAUM: Right.

1 THE COURT: -- right now.
2 MR. FLUMENBAUM: Right. I understand that.
3 But, no more so than if we had filed a different case
4 in this district. But my point being --
5 THE COURT: Well --
6 MR. FLUMENBAUM: -- my point being that if we have
7 jurisdiction here, I think the abstention argument, especially
8 given the fact that it's not a burden for either party to
9 litigate in this jurisdiction, because both parties have
10 already litigated in this jurisdiction; they came into this
11 jurisdiction voluntarily.
12 So -- and again, the existence of a jury trial
13 doesn't -- I don't think leads to -- doesn't lead to
14 abstention in this case, because the case is going to be jury-
15 tried in the federal court.
16 This is not a situation where Airbus has said well, I
17 have another similar case pending in state court in Dallas,
18 why don't you -- why don't you abstain --
19 THE COURT: Mr. Flumenbaum --
20 MR. FLUMENBAUM: -- in favor of that?
21 THE COURT: -- I have allowed you to have a greatly
22 disproportionate amount --
23 MR. FLUMENBAUM: You certainly have.
24 THE COURT: -- of the time. But at this point,
25 you're just repeating yourself.

1 MR. FLUMENBAUM: All right.
2 THE COURT: So, if you have something new to add, I'm
3 happy to hear it. But I do think, at this point, you may just
4 be repeating.
5 MR. FLUMENBAUM: I just want to, again, stress that
6 it's no hardship for Airbus to defend here; and the state has
7 an interest -- the state of Texas, I believe, has an
8 independent interest in making sure that unsafe aircrafts are
9 not sold in Texas. And I think that puts us in the Bumbo
10 state.
11 Thank you, Your Honor.
12 THE COURT: Thank you.
13 MR. STRAIN: Your Honor, I'll be brief on personal
14 jurisdiction.
15 THE COURT: All right, please.
16 MR. STRAIN: Your Honor, there's been a lot of talk
17 today about this evidence related to decisions being made in
18 Texas, by the CHC parent company. The issue for personal
19 jurisdiction is Airbus Helicopters' contacts with the forum,
20 not some third party; case law we cited on our opening brief
21 acknowledges that. And when we talk about the filing of the
22 proof of claim, is in a forum that the debtor has chosen; and
23 if that exposes us to purposeful availment for anything, and
24 everything, general jurisdiction, that's not our activity.
25 But more to the point, these helicopters, as Your

1 Honor has made very clear, were sold to U.K. and Irish
2 companies. The fact that some parent company in Texas has
3 made a decision to reject leases, or gone into bankruptcy, and
4 made any type of decisions related to these helicopters, is
5 not contact -- excuse me -- conduct by Airbus Helicopters. It
6 could be deemed purposeful availment; therefore, it's also not
7 conduct, by my client, that could satisfy the relatedness
8 requirement, because the relatedness requirement stems from
9 the purposeful availment.
10 The causes of action must arise from the defendant's
11 contacts with the forum, not a third party, which is why I was
12 suggesting earlier, all of this discussion about this evidence
13 is really not relevant today.
14 Secondly, there are -- Bumbo is pre-Daimler, I'll
15 point that out. And after Daimler, the Fifth Circuit has
16 said, in Moncton, (ph.) it's incredibly difficult to establish
17 general jurisdiction, at any forum other than the place of the
18 corporation and the principal place of business.
19 I don't think we're really talking about general
20 jurisdiction here today; I don't necessarily feel a need to
21 respond. Our briefs address that.
22 If the filing of a proof of claim opened a defendant
23 to general jurisdiction, Daimler would obviously mean nothing,
24 because how could a -- any creditor come into a court to file
25 proof of claim, and seek to protect its rights in a

1 bankruptcy, without exposing itself to worldwide general
2 jurisdiction in that situation. So, I think the chilling
3 effect alone is something to consider. But I don't think the
4 Supreme Court would allow that under Daimler.
5 There was talk about service made on Mr. Cabanas in
6 Texas. And I just want to make sure the record is clear on
7 that, because I don't think it matters, because acceptance of
8 service, or service alone, does not establish personal
9 jurisdiction.
10 And secondly, there was an attempt to serve Mr.
11 Cabanas, but we informed counsel for ECN that we did not think
12 that that was appropriate, because Mr. Cabanas works for a
13 separate and independent company. But we agreed to accept
14 service, and agreed on a response date. So that is not an
15 issue, I think, that plays in to the jurisdictional analysis
16 at all.
17 Those are my points, Your Honor.
18 THE COURT: Thank you.
19 MR. STRAIN: Unless Your Honor has questions.
20 THE COURT: I do not.
21 MR. STRAIN: The only other point I'd like to make is
22 it seemed that the abstention argument, at some points, went
23 into forum non conveniens issues. I'm happy to respond on
24 forum non conveniens, if Your Honor intends to address that.
25 But it didn't appear that that was an issue that we were going

1 to discuss in our argument today.
2 THE COURT: Well, give me your response to --
3 MR. STRAIN: Sure.
4 THE COURT: -- because I agree. Some of the
5 arguments, with respect to permissive abstention, did seem to
6 drift over into forum non conveniens.
7 MR. STRAIN: Okay. I'll just give a very brief
8 statement on forum non conveniens; and Mr. Katz will be
9 addressing the reply on abstention.
10 I just point out that with respect to forum non
11 conveniens, there hasn't been any attempt by ECN to
12 distinguish or dispute any of the many cases cited in our
13 briefs, that would compel -- that would allow the Court, in
14 its discretion, to dismiss this case on forum non conveniens
15 grounds.
16 It seems the real focus, is this treatment unfairly.
17 In the courts of France, there's been some indication that is
18 Airbus Helicopters' ultimate parent company, is owned ten
19 percent by the French government, that that somehow means the
20 courts of France can't be fair. I think that that's kind of
21 like saying the courts of the United States would have to
22 recuse themselves every time the United States government, or
23 an agency thereof, were a defendant in a case. And I think
24 that it's just not an argument that goes anywhere; and we
25 cited case law to that effect.

1 With regard to the public interest factors, and the
2 private interest factors, look, this is -- everything we've
3 talked about today, all of the evidence, all of the activity,
4 everything has occurred outside of the United States, the
5 place of manufacture, sale, the witnesses, people involved
6 with the maintenance of the helicopters; I mean, we don't
7 concede there's a defect.
8 And just because there was an accident and the
9 grounding, there'll be umpteen number of depositions of people
10 involved with maintaining these aircraft and all sorts of
11 other activity related to that.
12 In those, there may be third parties that we don't
13 have the ability to compel here, in Texas, or anywhere in the
14 United States. Meaning, you have a trial primarily by
15 videotape, with respect to third party witnesses, which the
16 Fifth Circuit has said is not something that's ideal.
17 Lastly, with respect to the country having the
18 biggest interest in this, Your Honor has already mentioned
19 this Court is congested; that's why this case would go up to
20 the Lubbock. Why should jurors of this district hear this
21 case between two foreign parties, involving completely foreign
22 events and activities?
23 With respect to the cases we cite, there are many
24 that say the country in which an accident occurred, or that
25 has regulatory authority over somebody, or the laws of France,

1 the European Union, should be applied against this case,
2 because that's where the conduct took place, Your Honor.
3 I think the cases that they've cited, Tempurpedic
4 (ph.) and Snaza (ph.) are distinguishable nonbeliefs, (ph.)
5 because they were brought by U.S. citizens, which do get
6 greater deference in the forum non conveniens analysis.
7 Thank you, Your Honor.
8 THE COURT: Thank you very much.
9 Mr. Katz?
10 MR. KATZ: Your Honor, Jason Katz, on behalf of the
11 defendant, Airbus Helicopters SAS, briefly on the abstention.
12 ECN focused on the factor four, and I think the Court's
13 already pointed out that it's not a requirement that there be
14 another place to go, for this Court to tell ECN where the case
15 should go. I'm not going to rehash all the factors. Airbus
16 agrees with the Court on the majority of the factors at the
17 outset of this hearing.
18 There is a twelve-factor, if you look at the
19 MontCrest Energy in case, that ECN's counsel mentioned to the
20 court, the twelve-factor that this Court didn't touch on was
21 the presence in the proceeding of non-debtor parties, and
22 that's what we have here, two non-debtor parties, both foreign
23 entities.
24 And there's nothing else for me to address, because I
25 believe the rest of the abstention argument drifted into forum

1 non conveiens, which I believe my co-counsel has already
2 addressed, Your Honor.
3 That's all I have. Thank you.
4 THE COURT: Thank you, Mr. Katz.
5 All right. Well, the Court appreciates the briefing
6 that's been done; certainly, a lot of effort has gone into
7 this, both by the parties and the Court. So, at this point,
8 from the Court's perspective, the matter is under submission,
9 along with the request to withdraw the reference.
10 And so, we will give it careful thought; and we'll
11 attempt to issue whatever it is that we think we have to
12 issue, whether that be proposed findings or a determination
13 ourselves, as promptly as we can.
14 As you may have figured, from the status conference I
15 held this morning, the -- at the moment, we're a bit
16 encumbered in the main bankruptcy case, in the efforts to see
17 if the debtor's plan can be confirmed or not. And so, to be
18 candid, for the next couple of weeks I fully expect that we
19 will be looking at our other non-CHC-related docket, and be
20 focused mostly on confirmation issues.
21 But we will turn to this just as quickly as we can,
22 and issue our decision, whatever it may be, just as quickly as
23 we can.
24 Are there deadlines? Just refresh my recollection;
25 are there any deadlines that we need to worry about in this

1 case, while these issues are, for lack of a better word, under
2 advisement here?
3 MR. KATZ: Your Honor, Jason Katz, on behalf of
4 Airbus Helicopters SAS, I believe that the Court's prior
5 ruling on the motion to stay the deadlines and the order
6 that's been entered by the Court, actually, that we have a
7 proposed order for the Court to consider, I don't think the
8 order's actually been entered yet, addresses all the pretrial
9 deadlines; and I believe they're stayed until further order of
10 the Court.
11 And the decision by the Court on when to set the
12 trial date is subject to the Court's ruling on the motion to
13 dismiss and motion to withdraw the reference and
14 recommendations for the addition, Judge; so I don't believe
15 there any deadlines the Court needs to deal with at this
16 point, Your Honor.
17 THE COURT: When will that order come in? I don't
18 want to hear from you, Mr. Flumenbaum, but --
19 MR. FLUMENBAUM: I don't think there's any need for
20 another order, Your Honor. I believe that we are basically on
21 hold until --
22 THE COURT: I thought there was an order abating the
23 adversary. Am I misremembering?
24 MR. KATZ: Your Honor, we uploaded the -- the Court
25 had some questions about one of the provisions that was

1 submitted in the initial proposed order. Counsel for Airbus,
2 we addressed that issue and resubmitted the order to the
3 Court. So the Court should have it now.
4 THE COURT: Okay. Well then, we'll look at that
5 order presumably, I'll sign that order. I just wanted to be
6 sure, because obviously, until we rule on this; and frankly it
7 may not make any sense to go further until we know what the
8 district court thinks of this ruling, or proposed ruling; so,
9 we'll look at that.
10 And once we issue -- again, whatever it is we're
11 going to issue, if anyone has any concerns, that we need to be
12 doing something other than keeping the action on hold,
13 obviously file whatever anybody thinks is appropriate. But we
14 will try and get our decision out, and before the district
15 court, in all likelihood, as quickly as possible.
16 But I do alert you that the next -- the first I'm
17 going to be able to turn back to this is probably not until
18 the week of March 20th. That won't mean that there won't be
19 Ms. Crocker working on drafts. But I feel pretty certain this
20 week and next are going to be reasonably tied up with CHC main
21 bankruptcy case matters.
22 And then, as I mentioned previously, I am out the
23 week of the 13th on judicial conference and related
24 activities. So we'll be out of town on court-related
25 requirements.

So, anyway, we will get to this as quickly as we can, and get our decision out just as quickly as we can, so we can keep the lawsuit moving, if the lawsuit is going to remain here. But mostly, I want to get whatever we're going to do to the district court, so that the district judge has the opportunity to review it and either approve or not approve. And we'll go from there.

So, thank you all very much. I appreciate all the effort that's gone into this.

MR. STRAIN: Thank you, Your Honor.

MR. FLUMENBAUM: Thank you, Your Honor.

MR. KATZ: Thank you, Your Honor.

THE COURT: And we are in recess until this afternoon. You're excused.

(Whereupon these proceedings were concluded at 11:54 a.m.)

1 I N D E X

2

3

4 EXHIBITS:

No.	Description	Marked	Admitted
PLAINTIFF'S:			
**	Martin Flumenbaum and Pietro Signoracci affidavit		60
DEFENDANT'S:			
A	Declaration of Michael J. Genereux		19

5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25

C E R T I F I C A T I O N

I, Elisheva Elbaz, the court approved transcriber, do hereby certify the foregoing is a true and correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

ELISHEVA ELBAZ — March 5, 2017 DATE

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I hereby certify that, on April 26, 2017, I caused the foregoing Supplemental Appendix and Exhibits to be filed with the Court via CM/ECF and served on all parties requesting electronic notification, including the following counsel of record for the Defendant:

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