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Special Counsel to the Debtors and Debtors in Possession

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

In re

GARRETT MOTION INC., *et al.*,¹

Debtors.

Case No. 20-12212 (MEW)

Chapter 11
(Jointly Administered)

**AMENDED NOTICE OF COUNTERCLAIMS OR CAUSES OF ACTION RELATING
TO DISALLOWANCE OR AMOUNT OF CLAIMS ASSERTED BY HONEYWELL**

The above-captioned debtors (collectively, the “Debtors”), by and through their undersigned counsel, and in accordance with Paragraph 2 of the *Order Establishing Procedures for the Estimation of Claims of Honeywell et al. Against the Debtors* (the “Estimation Procedures

¹ The last four digits of Garrett Motion Inc.’s tax identification number are 3189. Due to the large number of debtor entities in these chapter 11 cases, which are being jointly administered, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <http://www.kccllc.net/garrettmotion>. The Debtors’ corporate headquarters is located at La Pièce 16, Rolle, Switzerland.



Order”),² hereby identify the following additional counterclaims or causes of action that (i) relate to the disallowance or amount of Honeywell’s claims and (ii) were not already asserted in *Garrett Motion Inc. & Garrett ASASCO Inc. v. Honeywell International Inc. et al.*, Adversary Proceeding No. 20-1223 (the “Pending Complaint”):

I. ADDITIONAL CLAIMS BASED ON THE TAX MATTERS AGREEMENT

As part of Honeywell’s 2018 spinoff of the Debtors, Honeywell orchestrated a series of transaction steps to offload hundreds of millions of dollars of Honeywell’s historic state and federal income tax liabilities onto certain of the Debtors via a September 12, 2018 Tax Matters Agreement (“Tax Matters Agreement”).

As a result of Honeywell’s illicit conduct related to the Tax Matters Agreement, the Debtors identify the following additional claims that have not yet been asserted in the adversary proceeding which render the Tax Matters Agreement unenforceable in whole or in part, including the MTT Claim, and would require Honeywell to disgorge or otherwise return any payments and/or value it received from the Debtors under the Tax Matters Agreement (including, without limitation, for the use and/or retention of tax attributes that properly belong or belonged to the Debtors):

- Breach of Contract, including arbitrary administration
- Unconscionability
- Unjust Enrichment
- Lack of Consideration
- Breach of Fiduciary Duty

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Debtors’ motion pursuant to sections 105(a) and 502(c) of the Bankruptcy Code, seeking to establish procedures for estimating Honeywell’s claims (Dkt. 309).

- Unenforceable for violation of public policy, tax administration policy, and/or applicable law.
- Breach of Implied Covenant of Good Faith and Fair Dealing
- Offset of approximately \$35 million in amounts paid under the Tax Matters Agreement.

II. ADDITIONAL CLAIMS CONCERNING INDEMNIFICATION AGREEMENT

- Breach of contract and/or breach of good faith and fair dealing, relating to Honeywell's management of the underlying asbestos claims and defense costs or its after-tax benefits from the Indemnification Agreement.

III. RESERVATION OF RIGHTS

- The foregoing additional claims or causes of action are asserted in relation to the disallowance or amount of claims asserted by Honeywell. Neither the foregoing nor the items contained in the Pending Complaint constitutes a list of all potential claims or defenses that may be raised depending on the specifics of Honeywell's yet-to-be-filed proofs of claim, or that may be revealed through documents and information that will be provided by Honeywell in discovery.³

³ Nothing herein addresses the relative priority of competing claims against Garrett ASASCO or any other Debtor or non-Debtor subsidiary. In the event that there are creditors of the Debtors other than Honeywell and the consenting creditors that are impaired in these cases, the Debtors reserve the right to assert that Honeywell's claims should be avoided or subordinated to the extent necessary to pay all such creditors' claims in full.

Dated: New York, New York
December 15, 2020

QUINN EMANUEL URQUHART &
SULLIVAN, LLP

By: /s/ Susheel Kirpalani

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