

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re

WAYPOINT LEASING
HOLDINGS LTD., *et al.*,

Debtors.¹
-----X

:
:
:
:
:
:
:

Chapter 11

Case No. 18 - 13648 (SMB)

(Jointly Administered)

**SUPPLEMENTAL DECLARATION OF LUKE CHARLETON
IN SUPPORT OF THE APPLICATION OF DEBTORS PURSUANT TO
11 U.S.C. § 327, FED. R. BANKR. P. 2014(a) AND 2016, AND LOCAL RULES 2014-1
AND 2016-1 FOR AUTHORITY TO EMPLOY AND RETAIN ERNST & YOUNG
CHARTERED ACCOUNTANTS AS IRISH WIND DOWN ADVISORS AND
LIQUIDATORS FOR THE DEBTORS NUNC PRO TUNC TO THE PETITION DATE**

I, Luke Charleton, pursuant to section 1746 of title 28 of the United States Code, hereby declare under penalty of perjury that the following is true to the best of my knowledge, information and belief:

1. I submit this supplemental declaration (this “**Declaration**”) in further support of the *Application of Debtors Pursuant to 11 U.S.C. § 327, Fed. R. Bankr. P. 2014 and 2016, and Local Rules 2014-1 and 2016-1 for Authority to Retain Ernst & Young Chartered Accountants as Irish Operational and Financial Advisors for the Debtors Nunc Pro Tunc to February 1, 2019* (ECF. No. 704) (the “**Application**”)² and incorporate herein my initial declaration in support (the “**Initial Declaration**”). The Initial Declaration is attached as **Exhibit C** to the Application.

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are set forth on Exhibit A to the Application.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application. While the title of the Application indicates that the Debtors seek to retain EY Ireland as operational and financial advisors, EY Ireland is providing the wind down services described in the Application. Accordingly, this Declaration and the revised proposed order submitted in connection herewith refer to EY Ireland as “wind down advisors and liquidators.”



2. I am a partner of Ernst & Young Chartered Accountants (“**EY Ireland**”), and am duly authorized to execute this Declaration on behalf of EY Ireland. I am familiar with the matters set forth herein and in the Initial Declaration and, if called as a witness, I could and would testify thereto.

3. The Debtors seek retention of EY Ireland *nunc pro tunc* to the Petition Date³ to provide the wind down and liquidation services set forth in the Application and related advisory services. In December of 2018 and January of 2019, EY Ireland provided the Debtors in Ireland with a minimal amount of claims payment advisory services, which were residual to EY Ireland’s prepetition services for such entities and were provided to ensure such transactions would pass scrutiny in the ultimate event of Irish liquidation proceedings. Such services amounted to approximately €14,000 (approximately USD \$15,700). As a matter of ordinary course business procedures, EY Ireland asked the Debtors to sign a new engagement letter after the Debtors filed the Chapter 11 Cases. The scope of services was thereafter supplemented to provide for the wind down and liquidation services, as set forth in **Exhibit A** to the Initial Declaration.

4. EY Ireland has a wealth of experience in providing distressed corporate services in complex restructurings and reorganizations. EY Ireland’s expertise includes, among other things, assisting distressed companies with the wind down of their global entities.⁴ Furthermore, EY Ireland is qualified under Irish law to serve as an appointed liquidator in the likely event that, as part of their wind down, the Debtors commence liquidation proceedings for the Irish entities. The final liquidation of the non-U.S. Debtor entities, most of which are

³ In the Application, the Debtors sought to retain EY Ireland *nunc pro tunc* to February 1, 2019, however, the Debtors now seek to retain EY Ireland *nunc pro tunc* to the Petition Date.

⁴ References to “eliminations” in the Application and Initial Declaration refer to the wind down of an entity, including by way of liquidation, strike off, or other means of termination or dissolution.

incorporated in Ireland, likely cannot be accomplished in the Chapter 11 Cases alone. The Debtors likely will have to rely on local law in several jurisdictions around the globe, including significantly in Ireland, and may need to commence liquidation or other similar proceedings in such jurisdiction, including Ireland. In this regard, my colleague Colin Farquharson and I have over twenty (20) years of experience providing professional services, including vast experience working on the dissolution of companies in Ireland and serving as liquidators in Irish liquidation proceedings.

5. EY Ireland does not provide investment or trading services, nor is there an investment or trading arm of the Ernst & Young global network. References to “investment business services” in the Engagement Letter refer to the corporate finance services that EY Ireland offered to provide (but which the Debtors have not requested).

6. To determine whether EY Ireland, or any other member firm of Ernst & Young Global Limited (“**EYGL**”), has connections with parties-in-interest in these Chapter 11 Cases, EY Ireland ran a conflicts check against the Ernst & Young global network database. This database contains information about all EYGL clients globally and, accordingly, the conflicts check EY Ireland ran, and the connections disclosed in **Exhibit B** to the Initial Declaration (the “**Disclosure Schedule**”), reflect all of EY Ireland’s connections, as well as connections of other EYGL member firms. This is the case, notwithstanding that no other EYGL member firm is providing services to the Debtors. Any connections that were identified are for matters wholly unrelated to these Chapter 11 Cases, and all such connections were included on the Disclosure Schedule. Entities that are described on the Disclosure Schedule as a “prior connection” are entities for which EY Ireland or another member of the EYGL, is not currently providing services, but for which it provided services within the past three (3) years (or seven (7) years in the case of

audit work). The services provided to the entities listed on the Disclosure Schedule are wholly unrelated to these Chapter 11 Cases.

7. Certain EYGL member firms provide general administrative and support services to EY Ireland in the ordinary operation of EY Ireland's business. Any such providers were included in the global network conflicts check and no connections were discovered. EY Ireland will not share any compensation from this matter with any other EYGL member firm and will not seek to use any EYGL member firm, affiliates, independent contractors, subcontractors or subsidiaries of EY Ireland to perform services under the Engagement Letter without separate Court approval.

8. In the ordinary course of business, all EY Ireland employees are required to disclose their connections or financial interests in clients and potential clients. No employees of EY Ireland indicated that they directly hold securities of the Debtors, however certain EY Ireland employees may hold interests in mutual funds or other investment vehicles in which they have no control over investment decisions and which may own securities of the Debtors. The EY Ireland team members providing services to the Debtors do not hold any securities of the Debtors and do not have any interests in mutual funds or other investment vehicles that own securities of the Debtors. Additionally, measures are in place to ensure this continues to be the case.

9. EY Ireland will only seek reimbursement for expenses incurred in accordance with the Bankruptcy Code and applicable Bankruptcy Rules, Local Rules, and the Fee Guidelines.

10. It is my understanding that, while the Debtors have retained FTI Consulting, Inc. ("**FTI**") as financial advisor and Accenture LLP ("**Accenture**") as corporate advisor in these Chapter 11 Cases, FTI and Accenture are providing limited advice and services related to the wind

down of the Debtors' estates. It is my understanding that, with respect to the wind down, FTI is advising the Debtors regarding the wind down budget and Accenture has provided advice regarding the valuation and sale of the Debtors' remaining aircraft. EY Ireland is not providing these services. In early March of 2019, EY Ireland assisted FTI with developing certain inputs to the wind down budget. Beyond that, EY Ireland has provided (and will continue to provide) strategic advice regarding the wind down of the remaining Debtor entities, and will serve as a liquidator in Ireland to the extent necessary (and has assisted the Debtors in considering and preparing for this potential path). EY Ireland's services are intended to complement, and not duplicate, the services to be rendered by other professionals retained by the Debtors in these Chapter 11 Cases (including FTI and Accenture) and EY Ireland will use its reasonable efforts to work cooperatively with the Debtors' other professionals to integrate any respective work conducted by such professionals.

11. Paragraph 31 of the Initial Declaration disclosed that in the ninety (90) days before the Petition Date, the Debtors paid approximately €19,355 to EY Ireland. Upon further inspection, the Debtors realized that such amount excluded VAT amounts. Including VAT, the Debtors (specifically, Waypoint Leasing (Ireland) Limited) paid approximately €146,597 (approximately \$167,336) to EY Ireland in the ninety (90) days before the Petition Date. The payments were made as follows

Date of Payment	Amount (€)	Amount (Approx. USD Conversion as of Date of Payment)
August 31, 2018	€19,361.00	\$22,634.95
September 28, 2018	€26,615.36	\$30,879.14
November 9, 2018	€32,847.15	\$37,156.70
November 23, 2018	€67,773.00	\$76,664.82

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: May 20, 2019

/s/ Luke Charleton
Luke Charleton