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-and-

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

In re:  
  
GARRETT MOTION, INC., et al.,  
  
Debtors.<sup>1</sup>

Chapter 11 Case  
  
No. 20-12212 (MEW)  
  
(Joint Administration Requested)

**THE GABELLI AND SM&CO. FUNDS’ NOTICE OF WITHDRAWAL OF LIMITED  
OBJECTION CONCERNING DEBTORS’ BID PROCEDURES MOTION**

Parties-in-interest Gabelli Funds, LLC (“Gabelli”) and S. Muoio & Co. LLC (“SM&Co.”) and, together with Gabelli, the “Funds”) hereby withdraw their limited objection (the “Objection”) to *Debtors’ Motion for One or More Orders (A) Authorizing and Approving Bid Procedures, (B) Authorizing and Approving the Stalking Horse Bid Protections, (C) Scheduling a Sale Hearing, (D) Authorizing and Approving Assumption and Assignment Procedures, (E) Approving Notice*

<sup>1</sup> 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, for which the Debtors have requested joint administration, 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’ proposed claims and noticing agent at <http://www.kccllc.net/garrettmotion>. The Debtors’ corporate headquarters is located at La Pièce 16, Rolle, Switzerland.



*Procedures and (F) Granting Other Relief* (the “Bid Procedures Motion”) (ECF No. 18).

1. The Funds’ are substantial equity security holders of the Company that have not aligned themselves with the Public Bid sponsored by Centerbridge, Oaktree and Honeywell. The Funds are the only remaining independent/unaligned equity security holders to file an objection to the Bid Procedures – an objection they made to further the objective of working to ensure a robust restructuring process that maximizes value, including encouraging all forms of restructuring alternatives in a competitive process.

2. To that end, the Funds have engaged in a productive dialogue with counsel for each of Debtors and Stalking Horse Bidder KPS Capital Partners LP (“KPS”) concerning the Funds’ Objection to the Bid Procedures Motion, the KPS revised bid and various related issues. Those discussions (and Debtors’ discussions with KPS and other interested parties) have led to certain changes in the Bid Procedures, an improved Stalking Horse bid structure and certain assurances to the Funds regarding, among other things, closing cash adjustments under the improved bid.

3. As set forth in Debtors’ Omnibus Reply in Support of Bid Procedures Motion (ECF No. 232 ¶ 2), the Auction Date and certain interim deadlines have now been extended appropriately to provide more time for interested parties to conduct necessary due diligence. These changes will assure a more competitive sales/restructuring process – a process Debtors have made clear they also support.

4. KPS and Debtors have confirmed the closing cash adjustment procedures remain unchanged in the improved \$2.6 billion bid – thus preserving post-closing proceeds for equity security holders and any other remaining stakeholders.

5. While the Revised Bid Procedures Order still reflects a break fee of \$63 million, expenses are now capped at \$21 million. This is significant because in the context of the improved

Stalking Horse bid (which increases the existing bid by \$500 million in exchange for the acquisition of certain cash flows from the ASASCO liquidating trust) the combined total of break fee and expenses is now a maximum of just 3.2% of total deal price.

6. The Funds are also involved in a constructive dialogue with KPS about potential structures and approaches to share a portion of the value of any recoveries on the Honeywell litigation claims with all shareholders (*i.e.*, on a pro rata basis, not on special terms for individual shareholders). Should these discussions prove successful, the result would be a significant potential enhancement in value for equity security holders.

7. The Funds believe that, taken together, the \$500 million improvement to the Stalking Horse bid, the adjustments to the timing in the Bid Procedures, the confirmation of closing cash adjustment procedures that preserve value for stakeholders, and the potential contingent equity interest in the proceeds of the Honeywell claims currently under discussion, support the Revised Bid Procedures and the Stalking Horse Bid Protections contained therein. Accordingly, the Funds withdraw their limited objection to Debtors' Bid Procedures Motion.

Dated: October 21, 2020

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