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IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: PHILIPPINE AIRLINES, INC.,[1] Debtor.	Chapter 11 Case No. 21-11569 (SCC)

ANUVU CORP.'S RESERVATION OF RIGHTS RELATED TO THE DEBTOR'S NOTICE OF (A) EXECUTORY CONTRACTS AND UNEXPIRED LEASES TO BE ASSUMED BY THE DEBTOR PURSUANT TO THE PLAN, (B) CURE AMOUNTS, IF ANY, AND (C) RELATED PROCEDURES IN CONNECTION THEREWITH

[1] The Debtor in this chapter 11 case, along with its registration number in the Philippines, is Philippine Airlines, Inc. Philippine Securities and Exchange Commission Registration No. PW 37. The Debtor's corporate headquarters is located at PNB Financial Center, President Diosdado Macapagal Avenue, CCP Complex, Pasay City 1300, Metro Manila, Philippines.

Anuvu Corp. ("**Anuvu**") submits this reservation of rights (the "**Reservation of Rights**") to the cure amount proposed by the Debtor. In support of this Reservation of Rights, Anuvu respectfully states as follows:

PRELIMINARY STATEMENT

1. Anuvu also uses the name Global Eagle and is a contract counterparty of the Debtor. Its contracts with the Debtor are all executory contracts. *See Chateaugay Corp.*, 130 B.R. 162, 164 (S.D.N.Y. 1991) (defining the term "executory contract" used in Section 365 of the Bankruptcy Code). Anuvu does not oppose the assumption of the Global Eagle Contracts (as defined below) provided it receives the proper cure required under Section 365(b)(1).

2. Upon information and belief, Anuvu and the Debtor have negotiated payment plans and other payment terms, which address the amounts owed under the Global Eagle Contracts (as defined below).

JURISDICTION AND VENUE

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Further, this matter constitutes a "core" proceeding pursuant to 28 U.S.C. § 157.

BACKGROUND

4. On September 3, 2021, Philippine Airlines, Inc. (the "**Debtor**") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") with the United States Bankruptcy Court for the Southern District of New York (the "**Court**").

5. On November 9, 2021, the Debtor filed the *Chapter 11 Plan of Reorganization* [Docket No. 243] (the "**Plan**") and the *Disclosure Statement for the Chapter 11 Plan of Reorganization* [Docket No. 244] (the "**Disclosure Statement**").

6. On December 3, 2021, the Debtor filed the *Schedule of Assumed Executory Contracts and Unexpired Leases* (the "**Assumption Schedule**") [Docket No. 294; Exhibit D] as part of the *Notice of Filing of Plan Supplement to Proposed Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* (the "**Plan Supplement**") [Docket No. 294].

7. The Debtor also filed a *Notice of (A) Executory Contracts and Unexpired Leases to be Assumed by the Debtor Pursuant to the Plan, (B) Cure Amounts, if any, and (C) Related Procedures in Connection Therewith* (the "**Assumption and Cure Notice**"). The Debtor proposes to assume two contracts with Global Eagle Entertainment Ltd. and one with Global Eagle OpCo LLC and lists $0 as the cure figure for each contract. [Exhibit A-3: Schedule of Non-Aircraft Assumed Contracts and Leases; Nos. 1667, 1668, and 1669 (hereinafter the "**Global Eagle Contracts**"].

No.	Counterparty	Description of Contract or Lease
1667	Global Eagle Entertainment Ltd.	Letter Agreement for the Supply of IFE Contents for Embedded Systems (eFX, eX2, eX3 and RAVE Centric) and Wireless Entertainment (Short Term)
1668	Global Eagle Entertainment Ltd.	Content Services Provider Agreement
1669	GLOBAL EAGLE OPCO LLC	Inflight Entertainment,

8. The Debtor provided in the Assumption and Cure Notice that "if no amount is stated for a particular Executory Contract or Unexpired Lease, the Debtor believes that there is no cure amount owing for such contract or lease."

LEGAL BASIS

9. Section 365(b)(1) states, in pertinent part:

> (b)(1) If there has been a default in an executory contract or unexpired leas of the debtor, 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.

11 U.S.C. § 365(b)(1).

10. Cure under Section 365(b)(1) of the Bankruptcy Code means all unpaid amounts due under the agreements have been paid. *In re Network Access Solutions, Corp.*, 330 B.R. 67, 76 (Bankr. D. Del. 2005).

RESERVATION OF RIGHTS

11. Anuvu submits this Reservation of Rights out of an abundance of caution and specifically reserves the rights to object to the Debtor's current proposal to assume the Global Eagle Contracts. The Assumption and Cure Notice establishes December 10, 2021 as the deadline by which contract counterparties must file objections to the proposed assumption of their executory contracts. Although the Anuvu and Debtor businesspeople are working together on negotiating a path forward, Anuvu submits this Reservation of Rights in the event their efforts do not address the full cure amount related to the Global Eagle Contracts.

12. The cure amount may not be $0 and the Debtor cannot assume the Global Eagle Contracts without first paying the entire cure amount to Anuvu. The Debtor may owe Anuvu $748,663.60 as the cure amount related to the Global Eagle Contracts. The Debtor and Anuvu may be negotiating and may have negotiated alternative resolutions to the prompt payment of the entire cure amount to Anuvu. At this time, it is unclear whether a fulsome resolution has yet been reached between the parties, and, therefore, Anuvu submits the Reservation of Rights out of an abundance of caution. Further, Anuvu anticipates it may soon file a proof of claim setting forth amounts owed under the Global Eagle Contracts.

13. Anuvu remains dedicated to negotiating with the Debtor on the Global Eagle Contracts. Anuvu reserves the right to request the assumption of the Global Eagle Contracts be conditioned on the Debtor's compliance with Section 365(b)(1) of the Bankruptcy Code and specifically demands prompt payment of $748,663.60 from the Debtor. Anuvu also reserves the right to amend and/or supplement this filing, including, without limitation, by adding and supplementing objections to the Debtor's proposed cure amounts.

NOTICE

14. Notice of the Reservation of Rights will be given to: (a) the Debtor; (b) Counsel for the Debtor; (c) the U.S. Trustee; and (d) Counsel for the DIP Lenders.

CONCLUSION

15. Anuvu respectfully requests that the Court (i) permit Anuvu additional time either to complete negotiations with the Debtor over payments under the Global Eagle Contracts or assert the cure amounts owed under the Global Eagle Contracts in the event negotiations with the Debtor do not pan out as expected, and (i) grant such other and further relief as the Court deems just and proper.

Dated: December 10, 2021
New York, NY

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