Docket #0311 Date Filed: 12/14/2021

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

THIRD MONTHLY FEE STATEMENT OF SEABURY SECURITIES LLC AND SEABURY INTERNATIONAL CORPORATE FINANCE LLC FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTOR FROM NOVEMBER 1, 2021 THROUGH AND INCLUDING NOVEMBER 30, 2021

Dated: December 14, 2021
New York, New York

[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.

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Name of applicant:	**Seabury Securities LLC and Seabury International Corporate Finance LLC**
Authorized to provide professional services to:	Philippine Airlines, Inc., Debtor and Debtor in Possession
Date of retention order:	October 26, 2021, *nunc pro tunc* to September 3, 2021
Period for which compensation and reimbursement is sought:	November 1, 2021 through November 30, 2021
Total fees requested in this Fee Statement:	$400,000.00
Total fees requested in this Fee Statement less the 20% holdback:	$320,000.00
Total expenses requested in this Fee Statement:	$0.00
Total fees and expenses requested in this Fee statement	$400,000.00
Total fees and expenses requested in this Fee Statement (net of holdbacks):	$320,000.00
This is a(n): X Monthly Application ___ Interim Application ___ Final Application	

Seabury Securities LLC and Seabury International Corporate Finance LLC (collectively, "**Seabury**"), financial advisor and investment banker to the above-caption debtor and debtor-in-possession (the "**Debtor**") pursuant to this Court's *Order Authorizing The Employment and Retention of Seabury Securities LLC and Seabury International Corporate Finance LLC as Financial Advisor and Investment Banker for the Debtor and Debtor in Possession* Nunc Pro Tunc *to the Petition Date* [ECF No. 220] entered on October 26, 2021, hereby submits this *Third Monthly Fee Statement of Seabury Securities LLC and Seabury International Corporate Finance LLC for Compensation for services Rendered and Reimbursement of Expenses Incurred as Financial Advisor and Investment Banker to the Debtor From November 1, 2021 Through and*

Including November 30, 2021 (this "**Third Monthly Fee Statement**"), pursuant to sections 327, 328, 330 and 331 of title 11 of the United States Code, Rule 2016(a) of the Federal Rules of Bankruptcy Procedure, Rule 2016-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York, the Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases, and the *Order Establishing Procedures For Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 125] entered on September 30, 2021 (the "**Interim Compensation Order**"), for allowance of compensation and reimbursement of expenses for the period of November 1, 2021 through and including November 30, 2021 (the "**Third Monthly Period**"). By this Third Monthly Fee Statement, Seabury seeks compensation in the amount of $320,000.00, which is equal to 80% of the total amount of reasonable compensation for actual, necessary financial advisor and investment banker services that Seabury provided to the Debtor during the Third Monthly Period (*i.e.*, $400,000.00).

Itemization of Services and Disbursements Incurred

1. In support of this Third Monthly Fee Statement, the following exhibits are attached:

- **Exhibit A** is a schedule of the total number of hours expended by Seabury employees during the Third Monthly Period with respect to each of the subject matter categories Seabury established in accordance with its internal billing procedures.

- **Exhibit B** is a schedule providing certain information regarding the Seabury employees for whose work compensation is sought in this Third Monthly Fee Statement, including positions, level of experience, and total hours spent working in this case during the Third Monthly Period. Employees of Seabury expended a total of 132.5 hours in connection with this case during the Third Monthly Period.

- **Exhibit C** is a schedule setting forth the total amount of any reimbursement sought with respect to each category of expenses for which Seabury is seeking

reimbursement in this Third Monthly Fee Statement. All of these amounts comprise the requested sum of Seabury's out-of-pocket expenses.

- **Exhibit D** consists of Seabury's detailed time records for the Third Monthly Period in the rendition of professional services to the Debtor.

Representations

2. Although every effort has been made to include all fees and expenses incurred by Seabury employees during the Third Monthly Period, some fees and expenses might not be included in this Third Monthly Fee Statement due to delays caused in connection with accounting and processing of such time and expenses. Accordingly, Seabury reserves the right to make further application to this Court for the allowance of such fees and expenses incurred during the Third Monthly Period, but not included herein.

Notice and Objection Procedures

3. In accordance with the Interim Compensation Order, notice of this Third Monthly Fee Statement shall be given by hand or overnight delivery upon the following parties (collectively, the "**Fee Notice Parties**"):

(a) the Debtor c/o Philippine Airlines, Inc., PNB Financial Center, President Diosdado Macapagal Avenue, CCP Complex, Pasay City 1300, Metro Manila, Philippines (Attn: Clara C. De Castro, Vice President of Legal Affairs; clara_decastro@pal.com.ph);

(b) counsel for the Debtor, Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022 (Attn: Jasmine Ball, Nick S. Kaluk, III, Elie J Worenklein; jball@debevoise.com, nskaluk@debevoise.com, eworenklein@debevoise.com); and

(c) the U.S. Trustee for the Southern District of New York, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Attn: Susan A. Arbeit; Email: susan.arbeit@usdoj.gov).

4. Objections to this Third Monthly Fee Statement, if any, must be served by the objection deadline upon Seabury Securities LLC, 1350 Avenue of the Americas, 31st Floor, New

York, NY 10019 (Attn: Douglas Walker; dwalker@seaburysecurities.com), no later than December 29, 2021, at 12:00 p.m. (Prevailing Eastern Time) (the "**Objection Deadline**"). Objections to this Third Monthly Fee Statement, if any, must set forth the nature of the objection and the specific amount of fees or expenses at issue.

5. If no objection to this Third Monthly Fee Statement is received by the Objection Deadline, the Debtor shall promptly pay Seabury 80% of the fees and 100% of the expenses identified in this Monthly Fee Statement. To the extent that an objection to this Third Monthly Fee Statement is served by the Objection Deadline, the debtor shall withhold payment of that portion of this Third Monthly Fee Statement to which the objection is directed and promptly pay the remainder of the fees and expenses in the percentages set forth above. To the extent such objection is not resolved in accordance with the Interim Compensation Order, it shall be preserved and scheduled for consideration at the next interim or final fee application hearing.

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WHEREFORE, Seabury respectfully requests compensation in the amount of $320,000, which is equal to 80% of the total amount of reasonable compensation for actual, necessary financial advisor and investment banker services that Seabury provided to the Debtor during the Third Monthly Period.

Dated: December 14, 2021
New York, New York

By: */s/ Douglas Walker*
Douglas Walker

SEABURY SECURITIES LLC
SEABURY INTERNATIONAL CORPORATE FINANCE LLC
1350 Avenue of the Americas, 31st Floor
New York, NY 10019
Telephone: (212) 284-1150

Financial Advisor and Investment Banker to the Debtor and Debtor in Possession

Exhibit A

Summary of Fees by Subject Matter During the Third Monthly Period

Project Category/Matter Description	Hours Billed
DIP and Exit Financing	63.0
Claims Analysis and Capitalization	0.0
Fleet Restructuring	8.0
Case Administration	56.0
Retention Application	5.5
Total	**132.5**

Exhibit B

Seabury Personnel Information During the Third Monthly Period

Name	Position	Total Hours Expended
Doug Walker	Managing Director	98.5
AJ Issenman	Director	11.5
Ken Raff	Director	4.5
Jeff Straebler	Consultant	18.0
	Total:	132.5

Exhibit C

Summary of Expenses Incurred During the Third Monthly Period

Expense Category	Total Amount
Total:	$0

Exhibit D

Records of Hours and Expenses Incurred During the Third Monthly Period

D. Walker

Date	Hours	Category	Description
11/1	2.5	DIP & Exit (1); Case Admin (1.5)	Review distribution of financial model (.5); correspond with lenders and company re same (.5); participate in weekly working group call and prep therefor (1.5).
11/2	5.5	DIP & Exit (2.5); Case Admin (3)	Conference call with lenders (.5); review of aircraft and engine collateral and internal calls re same (.5); review of financial statement revisions and correspondence with client regarding possible discrepancies (1.5); participation in weekly legal team call (1.5); participate in weekly senior management call (1.5).
11/3	1.0	Fleet Res	Meeting w/ lessor re case progression.
11/4	2.5	DIP & Exit (1.5); Fleet Res (1)	Prepare distribution of collateral package to appraiser (1.5); prepare distribution presentation materials to lessor (.5); discussion re same (.5).
11/5	2.0	DIP & Exit	Receipt and review of revised term sheet (1.0); review appraiser engagement letter (.5); correspond with client re same (.5).
11/8	4.5	Case Admin	Review revised plan documents (2.5); participate in weekly working group call (1.5); review revised appraiser engagement letter (.5).
11/9	6.0	DIP & Exit (1); Case Admin (5)	Call with DIP lender's counsel (1.0); correspond with client and counsel re revised plan documents (1.0); review lessor rejection stipulations and RSAs and correspondence re same (1.5); participate in weekly senior management call (1.0); participate in weekly legal team call (1.0); preparation therefor (.5).
11/10	2.5	DIP & Exit	Review assembly of revised collateral package materials (1.5), correspond with client re same (1.0).
11/11	3.0	DIP & Exit	Finalize comments to exit term sheet (2.0); comment on distribution re same (1.0).

Date	Hours	Category	Description
11/12	3.0	Case Admin	Prepare for disclosure statement hearing (1.0); participate in same (.5); prepare for Austin meetings (1.0); review counsel correspondence re executed PBH agreement (.5).
11/15	4.5	Case Admin (3.5); DIP & Exit (1)	Attend lessor and lender meetings re case progression (3.5); attend lender meeting re exit facility (1.0).
11/16	6.0	Case Admin (5); DIP & Exit (1)	Attend lessor and lender meetings re case progression (1.5); participate in weekly senior management call (1.0); participate in weekly legal team call (2.5); review analysis of Restructuring Committee comments to exit facility (.5); review client correspondence re same (.5).
11/17	4.0	Case Admin (1); DIP & Exit (3)	Review exit capitalization (.5); attend internal conference call re same (.5); attend client calls re exit facility (1.5); respond to correspondence re same (.5); review revised aircraft collateral materials (.5); calls and correspondence re same (.5).
11/18	10.5	Case admin (6); DIP & Exit (4.5)	Review comments to lessor ferry flight agreements (3.0); respond to correspondence re same (1.5); review post-reorg organizational issues (1.5); respond to correspondence re same (.5); review revised aircraft collateral materials (1.0); correspondence and calls re same (.5); attend meeting with PAL management (2.5).
11/19	4.0	Case admin (1); DIP & Exit (3)	Review analysis of share issuance issues (.5); respond to correspondence re same (.5); finalize aircraft collateral package and distribution of same to MBA (2.0); respond to correspondence with exit facility lenders (1.0).
11/22	10.0	Case admin (5.5); DIP & Exit (1.5); retention (3)	Attend client discussions re exit facility (1.0); review correspondence re Restructuring Committee comments to exit facility (.5); review revised claims model (1.5); review correspondence re final comments to ferry flight agreements (1.0); correspond with Edelman re media coverage (1.0); participate in weekly working group call (1.5); prepare first fee application (3.0).
11/23	10.0	Case admin (6); DIP & Exit (4)	Attend lender conference call re exit facility (1.5), prep therefor (1.0), debrief and follow-up thereafter (1.5); review further revisions to aircraft collateral package (1.0); correspondence and calls re same (1.5); review post-reorg organizational documents (1.0); participate in

Date	Hours	Category	Description
			weekly working group call (2.0); participate in weekly legal team call (.5).
11/24	3.0	DIP & Exit	Review additional aircraft collateral materials (1.0); review arrangement of aircraft inspections (1.0); respond to lender correspondence re same (1.0).
11/26	1.5	Fleet Res	Review revised lease amendments (.5); review ferry flight agreements (.5); correspondence re same (.5).
11/29	6.5	Case admin (4); DIP & Exit (2.5)	Prepare analysis of open issues in lender term sheet negotiation (2.0); calls and correspondence re same (.5); review comments to post-reorg organizational documents (1.0); correspondence re same (.5); review revised claim model (.5); correspondence re same (.5); participate in weekly working group call (1.5).
11/30	6.0	Case admin (2); DIP & Exit (2); retention (2)	Attend client and counsel calls (1.5); respond to correspondence regarding open issues in exit term sheet (.5); review draft aircraft appraisal from MBA (.5); prepare revised pro forma capitalization (.5); review revised post-reorg organizational documents (.5); participate in weekly senior management call (.5); finalize September fee application (2.0).

A. Issenman

Date	Hours	Category	Description
11/8	1.5	DIP & Exit	Participate on weekly working group call.
11/11	1.5	DIP & Exit	Review exit facility term sheet.
11/15	0.5	DIP & Exit	Review post-emergence capital structure.
11/17	1.0	DIP & Exit	Review post-emergence capital structure (.5); participate in call re same (.5).
11/22	1.5	DIP & Exit	Participate on weekly working group call.
11/23	4.0	DIP & Exit	Participate on lender conference call re exit facility (1.5), prep therefor (1.0); debrief and follow-up thereafter (2.0).
11/29	1.5	DIP & Exit	Participate on weekly working group call.

K. Raff

Date	Hours	Category	Description
11/8	1.5	Fleet Restructuring	Participate on weekly internal working group call.
11/15	1.5	Fleet Restructuring	Participate on weekly internal working group call.
11/22	1.5	Fleet Restructuring	Participate on weekly internal working group call.

J. Straebler

Date	Hours	Category	Description
11/2	2.5	DIP & Exit	Review and revise lender presentation (2.0); review aircraft collateral materials (.5).
11/8	3.5	Case Admin (1.5); DIP & Exit (2)	Participate on weekly working group call (1.5); review revised claims data, revise claims model (2.0).
11/10	1.5	DIP & Exit	Review aircraft collateral materials (1.0); respond to correspond re same (.5).
11/17	3.0	DIP & Exit	Review revised aircraft collateral materials (1.5); review correspondence re same (1.5).
11/18	0.5	DIP & Exit	Review correspondence re revised aircraft collateral materials.
11/22	1.5	Case Admin	Participate on weekly working group call.
11/23	2.0	DIP & Exit	Review bankers' model and collateral package (1.5); discuss same (.5).
11/29	3.5	Case Admin (2); DIP & Exit (1); retention (.5).	Review revised claims data and revise claims model (.5); discuss same (.5); participate on weekly working group call (2.0); prepare November fee statement (.5).