

ORRICK, HERRINGTON & SUTCLIFFE LLP
Raniero D'Aversa, Jr., Esq. (Admitted pro hac vice)
Steven J. Fink, Esq. (Admitted pro hac vice)
Jeffery Hermann, Esq. (Admitted pro hac vice)
51 West 52nd Street
New York, New York 10019
Telephone: (212) 506-5000
Facsimile: (212) 506-5151
Email: rdaversa@orrick.com
sfink@orrick.com
jhermann@orrick.com

-and-

KANE RUSSELL COLEMAN & LOGAN PC
George H. Barber, Esq. (TX Bar No. 01705650)
1601 Elm Street
Suite 3700
Dallas, Texas 75201
Telephone: (214) 777-4200
Facsimile: (214) 777-4299
Email: gbarber@krcl.com

Counsel for ECN Capital (Aviation) Corp.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

-----	X	
	:	
<i>In re:</i>	:	Chapter 11
	:	
CHC GROUP LTD. <i>et al.</i>,	:	Case No. 16-31854 (BJH)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

**ECN CAPITAL (AVIATION) CORP.'S EXPEDITED
MOTION FOR AUTHORITY TO CHANGE ITS VOTE FROM
REJECTING TO ACCEPTING THE FOURTH AMENDED JOINT CHAPTER 11
PLAN OF CHC GROUP LTD. AND ITS AFFILIATED DEBTORS PURSUANT
TO RULE 3018 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**



A HEARING WILL BE CONDUCTED ON THIS MATTER ON [MARCH 3, 2017 AT 10:00 A.M. (CENTRAL TIME)] IN COURTROOM #2, 14TH FLOOR OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE ST., DALLAS, TEXAS 75242-1496.

TO THE HONORABLE BARBARA J. HOUSER, UNITED STATES BANKRUPTCY JUDGE:

ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) (“**ECN Capital**”), a creditor in the above-captioned bankruptcy cases, through its undersigned counsel, respectfully represents as follows:

Background

1. ECN Capital previously submitted a ballot rejecting the Fourth Amended Joint Chapter 11 Plan of CHC Group Ltd. and its Affiliated Debtors [Docket No. 1701] (as may be amended or modified, the “**Plan**”) as a holder of Class 7 (General Unsecured Claims) against Debtors CHC Helicopters (Barbados) SRL, 6922767 Holding SARL, CHC Helicopter Holding S.à r.l., CHC Helicopter S.A., and Heli-One Leasing ULC (the “**ECN Ballot**”). On February 1, 2017, ECN Capital filed the *Objection to the Second Amended Joint Chapter 11 Plan of CHC Group Ltd. and its Affiliated Debtors* [Docket No. 1605] (the “**ECN Plan Objection**”).

2. Subject to this Court’s approval, ECN Capital and CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”),¹ have reached an agreement resolving, among other things, certain claims that ECN Capital has asserted against the Debtors, as set forth in that certain Settlement Agreement between ECN Capital and its affiliates and CHC Group, Ltd. and its affiliates, dated February 28, 2017 (the “**Settlement Agreement**”). Upon Court approval of the Settlement Agreement, ECN

¹ A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, where applicable, is attached hereto as **Exhibit A**.

Capital has agreed to withdraw its objection to the Fourth Amended Joint Chapter 11 Plan of CHC Group Ltd. and its Affiliated Debtors [Docket No. 1701] (as may be amended or modified, the “**Plan**”) and, subject to this Court’s approval, to change its vote to accept the Plan.²

Relief Requested

3. Pursuant to Rule 3018 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), ECN Capital requests authorization to change its ECN Ballot from rejecting to accepting the Plan with respect to each of the 5 Debtors where ECN Capital asserted a claim (provided that ECN Capital shall not be deemed to have granted any releases of the CHC Release Parties (as defined in the Settlement Agreement) pursuant to Section 10.7(b) of the Plan and any releases of the CHC Release Parties (as defined in the Settlement Agreement) granted by ECN Capital shall instead be governed solely by the terms of the Settlement Agreement). ECN Capital seeks such relief contingent on the Bankruptcy Court entering an order approving the Settlement Agreement.

4. A proposed form of order approving the relief requested herein is annexed hereto as **Exhibit B** (the “**Proposed Order**”).

Jurisdiction and Venue

5. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

² Contemporaneously herewith, (i) the Debtors have filed their Motion for an Order Pursuant to Sections 105 and 363 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 6004(h) and 9019 Authorizing the Debtors to Enter Into and Perform Under a Settlement Agreement with ECN Capital (Aviation) Corp. (the “**9019 Motion**”) and (ii) ECN has filed a Notice of Withdrawal of Plan Objection effective upon entry of an order approving the 9019 Motion.

Basis for Relief Requested

6. Bankruptcy Rule 3018(a) provides that, “[f]or cause shown, the court after notice and hearing may permit a creditor or equity security holder to change or withdraw an acceptance or rejection.” Fed. R. Bankr. P. 3018(a). The leading treatise on bankruptcy law has explained the standard for changing a vote under Bankruptcy Rule 3018(a) as follows:

The test for determining whether cause has been shown should often not be a difficult one to meet. As long as the reason for the vote change is not tainted, the change of vote should usually be permitted. The court must ensure only that the change is not improperly motivated.

9 Collier on Bankruptcy ¶ 3018.01[4] (Alan N. Resnick & Henry J. Sommer eds., 16th ed. rev. 2012).

7. Courts that have denied a creditor’s motion to change its vote have generally done so only when the entity seeking to change its vote had acquired its claim from a third party in an attempt to block confirmation of the plan or to obtain an unfair advantage relative to other creditors. *See e.g., In re Windmill Durango Office, LLC*, 481 B.R. 51, 65-66 (9th Cir. BAP 2012) (holding that secured creditor did not show cause to change vote where it purchased a voted claim with intent of blocking plan confirmation); *In re Kellogg Square Partnership*, 160 B.R. 332, 335 (D. Minn. 1993) (denying motion of claims assignee to change votes of assignors in order to defeat confirmation of plan); *In re J.C. Householder Land Trust # 1*, 502 B.R. 602, 603 (Bankr. M.D. Fla. 2013) (same).

8. In contrast, courts have permitted vote changes in connection with settlement discussions with creditors to achieve a consensual plan. *See e.g., In re Bourbon Saloon, Inc.*, No. 11-11518 (Bankr. E.D. La. Mar. 14, 2012) (memorandum opinion allowing unsecured creditor to change vote rejecting plan after debtor agreed to allow creditor’s claim in full and stating that “Fifth Circuit case law suggests that negotiating with a creditor to achieve a

consensual plan is an acceptable reason to allow a vote change.”); *In re Cajun Electric Power Coop.*, 230 B.R. 715 (Bankr. M.D. La. 1999) (approving creditor’s motion to change vote and reasoning that “the goal after all is consensual plans” and “what greater evidence of cause exists than where major parties in a chapter 11 proceeding negotiate a settlement of highly complex litigation, thus helping to pave the way to a consensual plan?”); *In re American Solar King*, 90 B.R. 808, 827 (Bankr.W.D.Tex. 1988) (permitting a vote change in connection with plan settlement negotiations and noted that Bankruptcy Rule 3018 “is not to be enforced with blind routine” and “must instead be applied with an eye toward the fundamental principles of Chapter 11 . . . The function of the statute is to foster consensus.”). As courts in this district have noted, “One of the goals of Congress in fashioning the Bankruptcy Code was to encourage parties in a distress situation to work out a deal among themselves.” *In re Mirant Corp.*, 334 B.R. 800, 811 (Bankr. N.D. Tex. 2005).

9. Here, ECN Capital and the Debtors have engaged in arms-length and good faith negotiations to resolve ECN Capital’s prepetition claims, enter into the Settlement Agreement, and resolve ECN Capital’s Objection. This consensual resolution avoids costly and protracted litigation that would be detrimental to the Debtors’ estates and all parties in interest. Accordingly, the Debtors submit that sufficient cause exists to permit ECN Capital to change its vote to accept the Plan because such action would be consistent with the intent of Bankruptcy Rule 3018 and in furtherance of the Bankruptcy Code’s goal of fostering consensual chapter 11 plans to maximize recoveries for the benefit of all stakeholders.

10. In light of the foregoing, the Debtors respectfully request that the Court authorize ECN Capital to change its vote from rejecting to accepting the Plan.

Notice

11. No trustee or examiner has been appointed in these chapter 11 cases.

Notice of this Motion shall be given to: (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.) and Gardere Sewell Wynne LLP, 3000 Thanksgiving Tower, 1601 Elm Street, Dallas, Texas 75201, (Attn: Marcus Helt, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to HSBC Bank Plc as Administrative Agent under the Revolving Credit Agreement; (v) Paul Hastings LLP, 200 Park Avenue, New York, NY 10166 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020; (vii) Law Debenture Trust Company of New York, 400 Madison Avenue, Suite 4D, New York, NY 10017, in its capacity as indenture trustee under the 9.375% Senior Notes due 2021; (viii) Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, NY 10178 (Attn: Glenn E. Siegel, Esq. and Rachel Jaffe Mauceri, Esq.), counsel to the indenture trustee under the 9.250% Senior Secured Notes due 2020; (ix) Chadbourne & Parke LLP, 1301 Avenue of the Americas, New York, NY 10019 (Attn: Christy L. Rivera, Esq. and Marian Baldwin Fuerst, Esq.), counsel to the indenture trustee under the 9.375% Senior Notes due 2021; (x) the Board of Equalization, P.O. Box 942879,

Sacramento, CA 94279; (xi) the Securities and Exchange Commission; (xii) the Office of the United States Attorney, 1100 Commerce Street, 3rd Floor, Dallas, TX 75242; (xiii) the Internal Revenue Service; (xiv) Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019 (Attn: Michael G. Burke Esq.), counsel to Milestone and its affiliates; (xv) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Gary T. Holtzer, Esq. and Kelly DiBlasi, Esq.) and Weil, Gotshal & Manges LLP, 200 Crescent Court, Suite 300, Dallas, Texas 75201 (Attn: Stephen A. Youngman, Esq.), counsel to the Debtors; and (xvi) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. ECN Capital respectfully submit that no further notice of this Motion is required.

No Previous Request

12. No previous request for the relief sought herein has been made by ECN Capital to this or any other court.

WHEREFORE ECN Capital respectfully request that the Court grant the relief requested herein and such other and further relief as it deems just and proper.

Dated: February 28, 2017

ORRICK, HERRINGTON & SUTFLIFFE LLP

s/Jeffery D. Hermann

Raniero D'Aversa, Jr., Esq.

Steven J. Fink, Esq.

Jeffery Hermann, Esq.

51 West 52nd Street

New York, New York 10019

Telephone: (212) 506-5000

Facsimile: (212) 506-5151

rdaversa@orrick.com

sfink@orrick.com

jhermann@orrick.com

-and-

KANE RUSSELL COLEMAN & LOGAN PC

George H. Barber, Esq.

1601 Elm Street

Suite 3700

Dallas, Texas 75201

Telephone: (214) 777-4200

Facsimile: (214) 777-4299

gbarber@krcl.com

Counsel for ECN Capital (Aviation) Corp.

EXHIBIT A**Debtors**

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited (n/k/a CHC Leasing (Ireland) Designated Activity Company)	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

EXHIBIT B
Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

	X	
	:	
<i>In re:</i>	:	Chapter 11
	:	
CHC GROUP LTD. <i>et al.</i>,	:	Case No. 16-31854 (BJH)
	:	
	:	
Debtors.	:	(Jointly Administered)
	:	
	X	

**ORDER GRANTING
ECN CAPITAL (AVIATION) CORP.’S EXPEDITED
MOTION FOR AUTHORITY TO CHANGE ITS VOTE FROM
REJECTING TO ACCEPTING THE FOURTH AMENDED JOINT CHAPTER 11
PLAN OF CHC GROUP LTD. AND ITS AFFILIATED DEBTORS PURSUANT
TO RULE 3018 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

Upon the motion dated February 28, 2017 (the “**Motion**”),¹ of ECN Capital (Aviation) Corp. (“**ECN Capital**”), pursuant to Rule 3018 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for entry of an order (this “**Order**”) authorizing ECN Capital to

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

change its vote from rejecting to accepting the Plan, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.) and Gardere Sewell Wynne LLP, 3000 Thanksgiving Tower, 1601 Elm Street, Dallas, Texas 75201, (Attn: Marcus Helt, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to HSBC Bank Plc as Administrative Agent under the Revolving Credit Agreement; (v) Paul Hastings LLP, 200 Park Avenue, New York, NY 10166 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020; (vii) Law Debenture Trust Company of New York, 400 Madison Avenue, Suite 4D, New York, NY 10017, in its capacity as indenture trustee under the 9.375% Senior Notes due 2021; (viii) Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, NY 10178 (Attn: Glenn E. Siegel, Esq. and Rachel Jaffe Mauceri, Esq.), counsel to the

indenture trustee under the 9.250% Senior Secured Notes due 2020; (ix) Chadbourne & Parke LLP, 1301 Avenue of the Americas, New York, NY 10019 (Attn: Christy L. Rivera, Esq. and Marian Baldwin Fuerst, Esq.), counsel to the indenture trustee under the 9.375% Senior Notes due 2021; (x) the Board of Equalization, P.O. Box 942879, Sacramento, CA 94279; (xi) the Securities and Exchange Commission; (xii) the Office of the United States Attorney, 1100 Commerce Street, 3rd Floor, Dallas, TX 75242; (xiii) the Internal Revenue Service; (xiv) Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019 (Attn: Michael G. Burke Esq.), counsel to Milestone and its affiliates; (xv) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Gary T. Holtzer, Esq. and Kelly DiBlasi, Esq.) and Weil, Gotshal & Manges LLP, 200 Crescent Court, Suite 300, Dallas, Texas 75201 (Attn: Stephen A. Youngman, Esq.), counsel to the Debtors; and (xvi) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002; and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is GRANTED as set forth herein.
2. The ECN Ballot shall be deemed a timely filed ballot accepting the Plan with respect to the following Debtors: CHC Helicopters (Barbados) SRL, 6922767 Holding SARL, CHC Helicopter Holding S.à r.l., CHC Helicopter S.A., and Heli-One Leasing ULC; provided that ECN Capital shall not be deemed to have granted any releases of the CHC Release Parties (as defined in the Settlement Agreement) pursuant to Section 10.7(b) of the Plan and any releases

of the CHC Release Parties (as defined in the Settlement Agreement) granted by ECN Capital shall instead be governed solely by the terms of the Settlement Agreement.

3. The Debtors and their claims and noticing agent, Kurtzman Carson Consultants LLC (“**KCC**”), are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order and in accordance with the Motion.

4. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

###END OF ORDER###

Respectfully Submitted,

ORRICK, HERRINGTON & SUTFLIFFE LLP

s/Jeffery D. Hermann

Raniero D'Aversa, Jr., Esq.

Steven J. Fink, Esq.

Jeffery Hermann, Esq.

51 West 52nd Street

New York, New York 10019

Telephone: (212) 506-5000

Facsimile: (212) 506-5151

rdaversa@orrick.com

sfink@orrick.com

jhermann@orrick.com

-and-

KANE RUSSELL COLEMAN & LOGAN PC

George H. Barber, Esq.

1601 Elm Street

Suite 3700

Dallas, Texas 75201

Telephone: (214) 777-4200

Facsimile: (214) 777-4299

gbarber@krcl.com

Counsel for ECN Capital (Aviation) Corp.