

## NOTICE OF FILING

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### Details of Filing

Document Lodged: Affidavit - Form 59 - Rule 29.02(1)  
File Number: NSD714/2020  
File Title: WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION (AS OWNER TRUSTEE) & ANOR v VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741 & ORS  
Registry: NEW SOUTH WALES REGISTRY - FEDERAL COURT OF AUSTRALIA



*Sia Lagos*

Dated: 30/06/2020 5:05:34 PM AEST

Registrar

### Important Information

As required by the Court's Rules, this Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date and time of lodgment also shown above are the date and time that the document was received by the Court. Under the Court's Rules the date of filing of the document is the day it was lodged (if that is a business day for the Registry which accepts it and the document was received by 4.30 pm local time at that Registry) or otherwise the next working day for that Registry.



### Affidavit

Federal Court of Australia  
District Registry: NSW  
Division: General

No. \_\_\_\_\_ of 2020

**Wells Fargo Trust Company, National Association (as owner trustee) and others named in schedule 1**

Applicants

**VB Leaseco Pty Ltd (Administrators Appointed) ACN 134 268 741 and others named in schedule 1**


Respondents

Affidavit of: **Dean Poulakidas**  
Address: 60 East Sir Francis Drake Boulevard, Suite 209, Larkspur, California, USA  
Occupation: Senior Vice President and General Counsel  
Date: 29 June 2020

#### Contents

Document number	Details	Paragraph	Page
1	Affidavit of Dean Poulakidas in support of originating application sworn on 29 June 2020	-	1
2	Exhibit DP-1	3	2
3	Exhibit DP-2	4	3

I, **Dean Poulakidas** of, 60 East Sir Francis Drake Boulevard, Suite 209, Larkspur, California, USA, Senior Vice President and General Counsel, being duly sworn make oath and say as follows:

  
Filed on behalf of (name & role of party) Applicants  
Prepared by (name of person/lawyer) Noel McCoy  
Law firm (if applicable) Norton Rose Fulbright Australia  
Tel +61 2 9330 8000 Fax \_\_\_\_\_  
Email noel.mccoy@nortonrosefulbright.com Ref 4015052  
**Address for service** Level 5, 60 Martin Place, Sydney, NSW 2000 Email: noel.mccoy@nortonrosefulbright.com  
(include state and postcode)

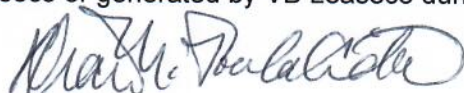
## Introduction

- 1 I am Senior Vice President and General Counsel of the second applicant, Willis Lease Finance Corporation (**Willis**).
- 2 I make this affidavit from my own knowledge except where otherwise indicated. Where I make this affidavit from facts outside my personal knowledge, I am informed by the source stated and believe those facts to be true.
- 3 I am authorised to make this affidavit on behalf of the applicants. In respect of the first applicant, the second applicant is authorised to bring this proceeding by reason of the following documents exhibited to me at the time of swearing this affidavit in a bundle marked "Exhibit DP-1":
- (a) Trust Indenture dated 4 August 2017 between, among others, Willis as administrative agent and Willis Engine Structured Trust III (**Beneficiary**) as issuer (**Trust Indenture**). A copy of the Trust Indenture is at pages 1-237 of Exhibit DP-1 in the form filed with the U.S. Securities and Exchange Commission which includes redactions of certain confidential and solely commercial information;
  - (b) Servicing Agreement dated 4 August 2017 between, among others, the Beneficiary and Willis as servicer and administrative agent (**Servicing Agreement**). A copy of the Servicing Agreement is at pages 238-299 of Exhibit DP-1 in form filed with the U.S. Securities and Exchange Commission which includes redactions of certain confidential and solely commercial information;
  - (c) Amended and Restated Trust Agreement No. 888473 dated 8 September 2017 between the Beneficiary as owner participant and Wells Fargo Bank Northwest, N.A. (known now as Wells Fargo Trust Company, National Association), not in its individual capacity but solely as owner trustee (**Wells Fargo**). A copy of that document is at pages 300-319 of Exhibit DP-1;
  - (d) Amended and Restated Trust Agreement No. 897193 dated 8 September 2017 between the Beneficiary as owner participant and Wells Fargo as owner trustee. A copy of that document is at pages 320-339 of Exhibit DP-1;
  - (e) Second Amended and Restated Trust Agreement No. 896999 dated 15 September 2017 between the Beneficiary as owner participant and Wells Fargo as owner trustee. A copy of that document is at pages 340-359 of Exhibit DP-1;
- and

- (f) Amended and Restated Trust Agreement No. 894902 dated 27 September 2017 between the Beneficiary as owner participant and Wells Fargo as owner trustee. A copy of that document is at pages 360-378 of Exhibit DP-1.
- 4 Exhibited to me at the time of swearing this affidavit is a bundle of documents marked "Exhibit DP-2" (**Exhibit DP-2**).
- 5 I make this affidavit in support of an application for orders in respect of property:
- (a) leased by VB Leaseco Pty Ltd (Administrators Appointed) ACN 134 268 741 (**VB Leaseco**) from Wells Fargo;
- (b) sub-leased by VB Leaseco to Virgin Australia Airlines Pty Ltd (Administrators Appointed) ACN 090 670 965 (**Virgin Australia**).
- 6 Searches of the records maintained by the Australian Securities and Investments Commission for VB Leaseco and Virgin Australia dated 22 June 2020, are respectively, at page 1 and page 20 of Exhibit DP-2.

**Background – lease arrangements**

- 7 On or about 24 May 2019, Willis and VB Leaseco entered into an Engine Lease Support Agreement (**ELSA**). A copy of the ELSA is at page 54 of exhibit DP-2.
- 8 At about the same time on 24 May 2019, Wells Fargo, as lessor (**Lessor**), for the benefit of Willis entered into a General Terms Engine Lease Agreement (**GTA**) with VB Leaseco, as lessee. A copy of the GTA is at page 65 of exhibit DP-2.
- 9 The GTA provided, among other things:
- (a) by section 2(a):
- (1) for the Lessor to lease aircraft engines to VB Leaseco from time to time, pursuant to individual engine lease agreements, substantially in the form of Exhibit A to the GTA, to be executed by the parties;
- (2) each lease to be for:
- (A) a single engine described by engine number, together with all parts and attachments thereto (collectively, **Engine**);
- (B) all Engine records in the possession of the Lessor which are requested by VB Leaseco or generated by VB Leaseco during the

Lease Term (as defined in section 2(b) of the GTA) (**Engine Records**);

- (C) any quick engine change (**QEC**) unit;
- (D) any engine stand (**Engine Stand**); and
- (E) other items related to the Engine;

(collectively, **Equipment**);

- (b) by section 14 sub-section (a), for VB Leasco to procure and maintain in full force and effect at all times during the term of each Lease, policies of insurance of the kind described in that section;
  - (c) by section 18, for VB Leasco, among other things, to return each Engine and associated Equipment to a particular location (sub-section 18.3(f)), and to provide for the continued maintenance of each Engine (sub-section 18.3(e)), and to safeguard each Engine for shipment by taking various, identified precautions and following specified, industry-standard procedures (sub-section 18.3(h));
  - (d) by section 19(a)(xvii), for an "Event of Insolvency" in relation to VB Leaseco (defined to include the appointment of an administrator) to constitute an "Event of Default" under the GTA and the Cape Town Convention.
- 10 On or about 24 May 2019, pursuant to a deed of guarantee and indemnity (**Guarantee**), Virgin Australia provided the Lessor with a guarantee and indemnity of VB Leaseco's obligations in connection with the GTA, each aircraft engine lease agreement and each transaction document entered into or to be entered into pursuant to the GTA or a lease.

### **Background**

- 11 Each Engine is a CFM56-7B24/3 Boeing model engine, which is used on a Boeing 737 aircraft and has a jet propulsion with at least 24,200 lb of thrust.
- 12 As set out in the delivery receipts referred to below, Willis delivered with each Engine, a QEC unit which constitutes the components that are attached to the external part of the Engine to make it operable, including the Engine's electronic control unit (ECU), software for the ECU, tubes, ducts, wire harnesses, brackets, fuel/hydraulic/pneumatic hardware, pneumatic valves, sensors, switches, valves, filters, transmitters, nozzles, ignition exciters, lubricators and other components referred to in Appendix A of each of the Aircraft Engine Lease Agreements.




- 13 On or about 24 May 2019, the Lessor, for the benefit of the Beneficiary, entered into an Aircraft Engine Lease Agreement with VB Leaseco in respect of the Equipment, including CFM International Engine Model CFM56-7B24/3, with engine serial number 897193 (**Engine 897193**) and Engine Stand with serial numbers:
- (a) Cradle: P/N D71CRA00005G02, S/N MCC150728-1-4;
- (b) Base: P/N D71TRO00005G03, S/n MCC150728-1-4,
- (**Engine 897193 Lease**). A copy of Engine 897193 Lease is at page 125 of exhibit DP-2.
- 14 VB Leaseco sub-leased Engine 897193 to Virgin Australia by an Engine Sublease Agreement dated 24 May 2019 (**Engine 897193 Sublease**). At page 151 is a copy of Engine 897193 Sublease.
- 15 By a Deed of Security Assignment dated 24 May 2019 (**Deed of Security Assignment [Engine 897193]**), VB Leaseco, as assignor, assigned all of its rights in and to Engine 897193 Sublease to Wells Fargo as assignor. A copy of the Deed of Security Assignment [Engine 897193] is at page 180 of exhibit DP-2.
- 16 On or about 24 May 2019, Virgin Australia provided a Guarantee Confirmation (as defined in the Guarantee) to the Lessor and the Beneficiary in respect of Engine 897193. At page 194 is a copy of the Guarantee Confirmation in respect of Engine 897193 Lease.
- 17 On or about 24 May 2019, Willis delivered, among other things, Engine 897193 to VB Leaseco. A copy of the delivery receipt dated 24 May 2019 is at page 195 of exhibit DP-2.
- 18 On or about 14 June 2019, the Lessor, for the benefit of the Beneficiary, entered into an Aircraft Engine Lease Agreement with VB Leaseco in respect of the Equipment, including CFM International Engine Model CFM56-7B24/3 (currently configured as 7B26/3), with engine serial number 896999 (**Engine 896999**) and Engine Stand with serial numbers:
- (a) Cradle: P/N D71CRA00005G02, S/N MCC170335-1-1;
- (b) Base: P/N D71TRO00005G03, S/N MCC170335-1-1,
- (**Engine 896999 Lease**). A copy of Engine 896999 Lease is at page 196 of exhibit DP-2.




- 19 VB Leaseco sub-leased Engine 896999 to Virgin Australia by an Engine Sublease Agreement dated 14 June 2019 (**Engine 896999 Sublease**). At page 220 of exhibit DP-2 is a copy of Engine 896999 Sublease.
- 20 By a Deed of Security Assignment dated 14 June 2019 (**Deed of Security Assignment [Engine 896999]**), VB Leaseco, as assignor, assigned all of its rights in and to Engine 896999 Sublease to Wells Fargo as assignor. A copy of the Deed of Security Assignment [Engine 896999] is at page 249 of exhibit DP-2.
- 21 On or about 14 June 2019, Virgin Australia provided a Guarantee Confirmation (as defined in the Guarantee) to the Lessor and the Beneficiary in respect of Engine 896999. At page 263 of exhibit DP-2 is a copy of the Guarantee Confirmation in respect of Engine 896999 Lease.
- 22 On or about 14 June 2019, Willis delivered, among other things, Engine 896999 to VB Leaseco. A copy of the delivery receipt dated 14 June 2019 is at page 264 of exhibit DP-2.
- 23 On or about 28 August 2019, the Lessor, for the benefit of the Beneficiary entered into an Aircraft Engine Lease Agreement with VB Leaseco in respect of the Equipment, including CFM International Engine Model CFM56-7B24, with engine serial number 888473 (**Engine 888473**) and Engine Stand with serial numbers:
- (a) Cradle: P/N D71CRA00005G02, S/N MCC150728-1-3
- (b) Base: P/N D71TRO00005G03, S/n MCC150728-1-3;
- (**Engine 888473 Lease**). A copy of Engine 888473 Lease is at page 265 of exhibit DP-2.
- 24 VB Leaseco sub-leased Engine 888473 to Virgin Australia by an Engine Sublease Agreement dated 28 August 2019 (**Engine 888473 Sublease**). At page 294 of exhibit DP-2 is a copy of Engine 888473 Sublease.
- 25 By a Deed of Security Assignment dated 28 August 2019 (**Deed of Security Assignment [Engine 888473]**), VB Leaseco, as assignor, assigned all of its rights in and to Engine 888473 Sublease to Wells Fargo as assignor. A copy of the Deed of Security Assignment [Engine 888473] is at page 323 of exhibit DP-2.
- 26 On or about 28 August 2019, Virgin Australia provided a Guarantee Confirmation (as defined in the Guarantee) to the Lessor and the Beneficiary in respect of Engine 888473.

- At page 337 of exhibit DP-2 is a copy of the Guarantee Confirmation in respect of Engine 888473 Lease.
- 27 On or about 28 August 2019, Willis delivered, among other things, Engine 888473 to VB Leaseco. A copy of the delivery receipt dated 28 August 2019 is at page 338 of exhibit DP-2.
- 28 On or about 13 September 2019, the Lessor, for the benefit of the Beneficiary entered into an Aircraft Engine Lease Agreement with VB Leaseco in respect of the Equipment, including CFM International Engine Model CFM56-7B24/3 (currently configured as CFM56-7B26/3, with engine serial number 894902 (**Engine 894902**) and Engine Stand with serial numbers:
- (a) Cradle: P/N AM-2811-4800, S/N 769;
- (b) Base: P/N AM2563-200, S/N 1216,
- (**Engine 894902 Lease**). A copy of Engine 894902 Lease is at page 339 of exhibit DP-2.
- 29 VB Leaseco sub-leased Engine 894902 to Virgin Australia by an Engine Sublease Agreement dated 13 September 2019 (**Engine 894902 Sublease**). At page 364 is a copy of Engine 894902 Sublease.
- 30 By a Deed of Security Assignment dated 13 September 2019 (**Deed of Security Assignment [Engine 894902]**), VB Leaseco, as assignor, assigned all of its rights in and to Engine 894902 Sublease to Wells Fargo as assignor. A copy of the Deed of Security Assignment [Engine 894902] is at page 393 of exhibit DP-2.
- 31 On or about 13 September 2019, Virgin Australia provided a Guarantee Confirmation (as defined in the Guarantee) to the Lessor and the Beneficiary in respect of Engine 894902. At page 407 of exhibit DP-2 is a copy of the Guarantee Confirmation in respect of Engine 894902 Lease.
- 32 On or about 13 September 2019, Willis delivered, among other things, Engine 894902 to VB Leaseco. A copy of the delivery receipt dated 13 September 2019 is at page 408 of exhibit DP-2.

**Background – registration of engines with International Registry of International Interests in Aircraft Equipment (IRIAE)**

- 33 Exhibited to this affidavit are the following documents:






- (a) a copy of Priority Search Certificate number 1360017 issued by the IRIIAE on 6 May 2020 in respect of Engine 888473 is at page 409 of exhibit DP-2;
- (b) a copy of Priority Search Certificate number 1360024 issued by the IRIIAE on 6 May 2020 in respect of Engine 897193 is at page 415 of exhibit DP-2;
- (c) a copy of Priority Search Certificate number 1360023 issued by the IRIIAE on 6 May 2020 in respect of Engine 896999 is at page 421 of exhibit DP-2; and
- (d) a copy of Priority Search Certificate number 1360022 issued by the IRIIAE on 6 May 2020 in respect of Engine 894902 is at page 447 of exhibit DP-2.

### **Voluntary administration of Virgin Australia airline group**

- 34 I am informed and believe from reviewing documents lodged by the Third Respondent with the Federal Court of Australia and made publicly available on the Court's website that on 20 April 2020, Vaughan Strawbridge, Sal Algeri, John Greig and Richard Hughes of Deloitte were appointed voluntary administrators to the Virgin Australia airline group, including to VB Leaseco and Virgin Australia, by resolution of the directors of each of the Virgin Companies pursuant to section 436A of the *Corporations Act 2001* (Cth) (**Corporations Act**).
- 35 On 23 April 2020, the Administrators filed an application (**First Application**) in the Federal Court of Australia pursuant to which they sought, among other things, an order:
- (a) extending the time for the exercise of rights in relation to property from 'within five business days after the beginning of the administration' in section 443B(3) of the Corporations Act to '26 May 2020'; and
  - (b) that the Administrators are not personally liable under section 443A(1)(c) and 443B(2) of the Corporations Act for any liability with respect to any property leased, used or occupied by any of Virgin Group from any lessors in the period from 28 April 2020 to 26 May 2020.
- 36 The First Application was heard by Justice Middleton, and the judgment was handed down, on 24 April 2020 (with the reasoning in respect of the judgment published on the Federal Court of Australia website on 29 April 2020). The Court made orders, including orders 9 and 11, which are in the following terms:



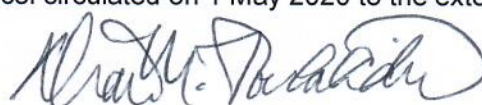

9. Pursuant to sections 443B(8) and 447A(1) of the Corporations Act and section 90-15 of the IPSC, Part 5.3A of the Corporations Act is to operate in relation to each of the Second to Thirty-Ninth Plaintiffs as if:

(a) the First Plaintiffs' personal liability under sections 443A(1)(c) and 443B(2) of the Corporations Act begins on 26 May 2020, such that the First Plaintiffs are not personally liable for any liability with respect to any property leased, used or occupied by any of the Second to Thirty-Ninth Plaintiffs (including amounts payable pursuant to any leases entered into by any of the Second to Thirty-Ninth Plaintiffs), from any lessors, in the period from 28 April 2020 to 26 May 2020 inclusive; and

(b) the words 'within five business days after the beginning of the administration' in section 443B(3) of the Corporations Act instead read 'by 26 May 2020'.

11. Any person who can demonstrate a sufficient interest has liberty to apply to vary or discharge any orders made pursuant to paragraphs 2 to 9 above, on 1 business day's written notice being given to the Plaintiffs and to the Associate to Justice Middleton.

- 37 On 1 May 2020, I caused Willis' solicitors, Norton Rose Fulbright Australia (**NRFA**) to write to the administrators' solicitors, Clayton Utz. A copy of that letter is at page 456 of exhibit DP-2.
- 38 I am informed and verily believe that NRFA did not receive a response to that letter.
- 39 On 1 May 2020, NRFA received from Clayton Utz an email attaching a document styled "Aircraft Protocol" (**Aircraft Protocol**). The email informed NRFA that the administrators intended the Aircraft Protocol "will be entered into on a bilateral basis by the Voluntary Administrators, each lessee, each lessor and any relevant financier in connection with each of the aircraft leasing arrangements". A copy of the email from Clayton Utz dated 1 May 2020 together with the attachments which included the Aircraft Protocol is at page 458 of exhibit DP-2.
- 40 On 12 May 2020, the Administrators filed an application (**Second Application**) in the Federal Court of Australia. As part of the Second Application, the Administrators sought, among other things, an order that the Administrators will not be personally liable to repay debts or liabilities in respect of any future agreement on the terms of, or substantially in accordance with, the draft Aircraft Protocol circulated on 1 May 2020 to the extent that

the assets of the relevant Virgin company or companies are insufficient to satisfy the debt or liabilities incurred by the Administrators arising out of or in connection with that agreement.

- 41 The Second Application was heard by Justice Middleton on 13 and 15 May 2020, and the Court made orders, including orders 2(a)(i) and 2(b), on 15 May 2020 which are in the following terms:

2. Pursuant to section 447A(1) of the Corporations Act 2001 (Cth) (**Corporations Act**) and section 90-15 of the Insolvency Practice Schedule 2016 (Cth), being Schedule 2 to the Corporations Act (**IPSC**), Part 5.3A of the Corporations Act is to operate in relation to the Plaintiffs as if section 443A(1) of the Corporations Act provides that:

(a) the liabilities of the First Plaintiffs (in their capacity as administrators of each of the Virgin Companies) incurred with respect to any obligations arising out of, or in connection with, any future: agreement on the terms of, or substantially in accordance with, the Aircraft Protocols document in the form exhibited at Tab 12 of Exhibit VNS-2 to the Strawbridge Affidavit;...(together, the **Applicable Agreements** and each, an **Applicable Agreement**) are in the nature of debts incurred by the First Plaintiffs in the performance and exercise of their functions as joint and several administrators of each of the Virgin Companies; and

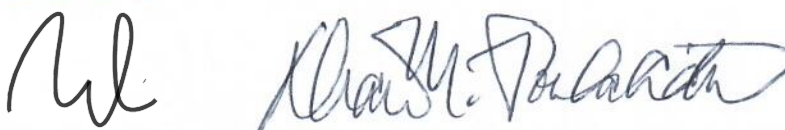
(b) notwithstanding that the liabilities in suborder (a) are debts incurred by the First Plaintiffs in the performance and exercise of their functions as joint and several administrators of each of the Virgin Companies, the First Plaintiffs will not be personally liable to repay such debts or satisfy such liabilities to the extent that the assets of the particular Virgin Company or Virgin Companies that is or are a party to the particular Applicable Agreement are insufficient to satisfy the debt and liabilities incurred by the First Plaintiffs arising out of, or in connection with, the Applicable Agreements.

- 42 On 27 May 2020, following a further application of the Administrators, the Federal Court of Australia made orders further extending the 'rent free period' by making orders such that the words 'within five business days after the beginning of the administration' in section 443B(3) of the Corporations Act instead read 'by 16 June 2020'.

- 43 In an email exchange commencing 30 May 2020 and ending 2 June 2020 between me and Mukhtader Mohammed of Deloitte, Willis informed the voluntary administrators that

the proposed Aircraft Protocol was not acceptable to Willis and that Willis would not sign it. At page 479 is a copy of the email exchange ending 2 June 2020.

- 44 On 4 June 2020, Brian Hole, the President of Willis, wrote to the administrators. A copy of that letter is at page 481 of exhibit DP-2 Mr Algeri of Deloitte wrote to Willis by letter dated 9 June 2020 (**9 June Letter**). A copy of that letter is at page 482 of exhibit DP-2.
- 45 On 10 June 2020, Brian Hole, responded to the 9 June Letter by email dated 10 June 2020. A copy of Mr Hole's email dated 10 June 2020 is at page 485 of exhibit DP-2.
- 46 On 16 June 2020, NRFA wrote to Clayton Utz in response to the 9 June Letter. A copy of NRFA's letter to Clayton Utz dated 16 June 2020 is at page 488 of exhibit DP-2.
- 47 On 16 June 2020, NRFA received an email from Clayton Utz enclosing:
- (a) a letter from Clayton Utz dated 16 June 2020 addressed to NRFA;
  - (b) a letter from Mr Algeri of Deloitte to advise Willis that neither VB Leaseco nor Virgin Australia intended to exercise any of their rights in respect of the property identified in an attached Notice of Administrators' Intention Not to Exercise Property Rights (**Notice**).
- 48 A copy of Clayton Utz's letter dated 16 June 2020 (**16 June Letter**) is at page 490 of exhibit DP-2; and a copy of the Notice is at page 490 of exhibit DP-2.
- 49 On 18 June 2020, NRFA responded on behalf of Willis to the 16 June Letter. A copy of NRFA's letter to Clayton Utz dated 18 June 2020 is at page 496 of exhibit DP-2.
- 50 On 19 June 2020, NRFA sent a further letter to Clayton Utz. A copy of NRFA's letter to Clayton Utz dated 19 June 2020 is at page 498 of exhibit DP-2.
- 51 On the same day, 19 June 2020, Clayton Utz responded by email. A copy of Clayton Utz's email to NRFA dated 19 June 2020 is at page 500 of exhibit DP-2.
- 52 On about 19 June 2020, Willis received an email from Gordon Chan of Deloitte to Garry Failler, Senior Vice President of Materials & Services and Chief Technical Officer at Willis, in which Deloitte informed Willis of the alternatives for the return of the engines, and that Deloitte considered the engines would need to be removed from the airframes at Willis' cost and direction. A copy of Deloitte's email to Willis dated 19 June 2020 is at page 502 of exhibit DP-2.



53 On 22 June 2020 Clayton Utz sent a further letter to NRFA. A copy of that letter dated 22 June 2020 from Clayton Utz is at page 508 of exhibit DP-2.

**Current location of engines and equipment**

54 Based on my review of the correspondence exhibited to this affidavit and in particular Schedule B to the Notice (appearing at page 495 of exhibit DP-2), to the best of my knowledge, I believe the Engines are currently attached to four separate airframes in the following locations:

- (a) Engine 896999 is attached to airframe with registration VH-VOT at Melbourne Airport;
- (b) Engine 897193 is attached to airframe with registration VH-VUA at Melbourne Airport;
- (c) Engine 888473 is attached to airframe with registration VH-VOY in Melbourne Airport; and
- (d) Engine 894902 is attached to airframe with registration VH-VUT in Adelaide Airport.

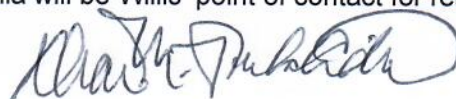
55 The applicants do not own and do not have any interest as lessor or otherwise in the airframes referred to in the previous paragraph to which the Engines are attached. It is my understanding that the respondents also have no ownership interests in the airframes referred to in the previous paragraph and on which the Engines are installed.

56 The email from Gordon Chan of Deloitte to Garry Failler referred to in paragraph 52 and appearing at page 502 of exhibit DP-2 indicates that for Engine 897193 and Engine 888473 the "Engine Stand location" is "Delta Atlanta." I interpreted that to mean that the Engine Stands referred to in paragraphs 13 and 23 above are located at the Delta Air Lines aircraft and aircraft engine maintenance facility located at Hartsfield-Jackson International Airport in Atlanta, Georgia, United States of America.

57 On 22 June 2020, Willis was advised by Steven Boecker of Delta TechOps MRO Services that those Engine Stands were not in fact located at that facility nor did he or members of his team at Delta know the whereabouts of those Engine Stands. A copy of an email dated 24 June from Mr Boecker to a member of Willis' staff, Mr Bob Matson is at page 512 of exhibit DP-2.



- 58 On 24 June 2020, Willis wrote to Deloitte to request clarification as to the location of those Engine Stands and for photo confirmation of the Engine Stands which the Administrators previously advised were at Melbourne Airport. A copy of the email chain from a member of Willis' staff, Mr Noel Rogers, to Ian Boulton and Gordon Chan of Deloitte, dated 24 and 29 June 2020, is at page 514 of exhibit DP-2. As at the date of this affidavit, Mr Rogers has received photo confirmation of the Engine Stands located at Melbourne Airport but not clarification as to the location of the Engine Stands referred to in paragraphs 13 and 23 above.
- 59 I have been General Counsel at Willis for over 7 years, and have advised in the aircraft financing industry for approximately 8 years before that. In my experience advising in the industry and based on the advice of Willis technical experts, aircraft engines are usually leased with a specific engine stand (usually with its own unique serial number).
- 60 From my review of the manufacturer's guide to transportation of CFM engines and the advice of Willis technical experts, I believe transportation of engines on the Engine Stands is the approved method of transporting commercial aircraft engines (where they are not affixed to airframes). A copy of the manufacturer's guide to transportation of CFM engines is at page 524 of exhibit DP-2.
- 61 From my experience, it is a standard requirement of aircraft engine leases to require the transportation of engines in accordance with the manufacturer's guide to transportation.
- 62 Based on the email dated 19 June 2020 from Gordon Chan of Deloitte to Garry Failler referred to in paragraph 52 and (appearing at is at page 502 of exhibit DP-2), to the best of my knowledge, none of the Administrators, VB Leaseco, or Virgin Australia has the facilities or personnel available in Adelaide to remove Engine 894902 from an airframe.
- 63 Based on my review of correspondence received from the Administrators either directly from Deloitte to Willis or from their solicitors, Clayton Utz to NRFA, the Engine Records of the kind specified in Exhibit F of the GTA (described as "Redelivery Documentation") has not been provided to Willis.
- 64 The Redelivery Documentation and other Engine Records are essential to the operation and value of the Engines and the Engines are commercially inoperable and of significantly depressed or minimal value without them.
- 65 I am informed and verily believe that on 25 June 2020, Darren Dunbier, the General Manager of Engineering and Aircraft Servicing at Virgin Australia, advised Garry Fallier that Simon Andersen at Virgin Australia will be Willis' point of contact for retrieval of



Redelivery Documentation. That fact further suggests to me that the Redelivery Documentation has not yet been made available to Willis.

66 Based on my review of correspondence received from the Administrators either directly from Deloitte to Willis or from their solicitors, Clayton Utz to NRFA, the location of each piece of Equipment that accompanies the Engines (being the QECs, Engine Records and Engine Stands) has not been confirmed except to the extent that the Engine Stands corresponding to Engines 896999 and 894902 (referred to in paragraphs 13 and 23 above) are at Melbourne Airport (I refer to paragraph 58 above and the document appearing at page 514 of exhibit DP-2).


67 I am otherwise unaware of the location of each piece of Equipment that accompanies the Engines (being the QECs, Engine Records and Engine Stands) and to the best of my knowledge, the applicants do not have such information. The applicants are relying upon information provided to them by the Administrators in order to locate the Engines, Engine Stands, QECs and Engine Records. To date, the information provided by the Administrators has been incomplete and, in some cases, has incorrectly identified the location of certain Equipment.

68 In sum:

- (a) all four of the Engines remain installed on airframes that the Administrators do not own;
- (b) the Engines may only be removed by skilled technicians;
- (c) Virgin Australia personnel have confirmed that they have not yet made the Redelivery Documentation available to the applicants; and
- (d) to the best of my knowledge, the Administrators have not yet located all of the engine stands on which the Engines were delivered and which are required for the Engines to be returned.

Sworn by the deponent  
at Larkspur, California, United States of  
America on 29 June 2020  
Before me:

)  
)  
)  
)  
)  
Signature of deponent




Signature of witness  
Noel McCoy, solicitor

**Schedule 1**

No. of 2020

Federal Court of Australia  
District Registry: New South Wales  
Division: General

**Applicants**

Second Applicant: **Willis Lease Finance Corporation**

**Respondents**

Second Respondent: **Virgin Australia Airlines Pty Ltd (Administrators Appointed) ACN 090 670 965**

Third Respondent: **Vaughan Neil Strawbridge, John Lethbridge Greig, Salvatore Algeri & Richard John Hughes (in their capacity as voluntary administrators of the First and Second Respondents)**

Date: 29 June 2020