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as Petitioner and Foreign Representative

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	
	)	
OI S.A., et al..[1]	)	Case No. 16-11791 (SHL)
	)	
Debtors in a Foreign Proceeding.	)	Chapter 15
	)	

VERIFIED PETITION FOR RECOGNITION OF THE BRAZILIAN RJ PROCEEDING AND MOTION FOR ORDER GRANTING RELATED RELIEF PURSUANT TO 11 U.S.C. §§ 1515, 1517, AND 1520

Petitioner Ojas N. Shah, the duly-authorized foreign representative with respect to the jointly administered judicial reorganization (*recuperação judicial* or "**RJ**") (the "**Brazilian RJ Proceeding**") pending in the Seventh Business Court of Rio de Janeiro (the *7ª Vara Empresarial do Rio de Janeiro* or "**Brazilian RJ Court**") pursuant to Federal Law No. 11.101 of February 9, 2005 (the "**Brazilian Bankruptcy Law**") of the laws of the Federative Republic of Brazil

[1] The debtors in these chapter 15 cases and the four identifying digits of the tax number of each are: Oi S.A. (5.764), Telemar Norte Leste S.A. (0.118), Oi Brasil Holdings Coöperatief U.A. (8518), and and Oi Móvel S.A. (3.963). (collectively, the "**Debtors").**

("**Brazil**") concerning Oi S.A. ("**Oi**"), Telemar Norte Leste S.A. ("**Telemar**"), Oi Brasil Holdings Coöperatief U.A. ("**Coop**"), and Oi Móvel S.A. (**Móvel**) (together, the "**Debtors**"), by and through his undersigned counsel, respectfully submits this verified petition (the "**Verified Petition**") in furtherance of the forms of voluntary petition (the "**Forms of Voluntary Petition"**) [ECF No. 1] filed concurrently herewith (this Verified Petition, together with the Form of Voluntary Petition, the "**Petition**") and hereby requests that the Court enter an order substantially in the form annexed hereto as Exhibit A (the "**Proposed Order**") pursuant to sections 1515, 1517, and 1520 of title 11 of the United States Code 11 U.S.C. §§ 101-532 (2012) (the "**Bankruptcy Code**[2]"):

a) granting recognition, pursuant to section 1517, of the Brazilian RJ Proceeding as a foreign main proceeding, as defined in section 1502(4), with respect to each of the Debtors;[3]

b) recognizing the Petitioner as the foreign representative, as defined in section 101(24), of each of the Debtors with respect to the Brazilian RJ Proceeding;

c) finding that the interests of creditors and other interested entities, including the Debtors, are sufficiently protected under section 1522; and

d) granting such other and further relief as the Court deems just and proper.[4]

In support of this request, the Petitioner refers the Court to the statements contained in (A) the *Declaration of Ojas N. Shah in Support of Petition for Recognition of the Brazilian RJ Proceeding and Motion for Order Granting Related Relief* (the "**Petitioner Declaration**") and (B) the *Declaration of José Alexandre Correa Meyer as Brazilian Counsel to the Debtors* (the

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2 Unless otherwise noted, all section references herein refer to sections of the Bankruptcy Code.

3 To the extent that the Court declines to recognize the Brazilian RJ Proceeding as a foreign main proceeding with respect to Coop, the Petitioner requests that it instead enter an order recognizing the Brazilian RJ Proceeding as a foreign nonmain proceeding, as defined in section 1502(5), with respect to Coop only, and a foreign main proceeding with respect to each of Oi, Telemar, and Móvel.

4 Pending this Court's decision on recognition of the Brazilian RJ Proceeding, the Petitioner is also seeking certain provisional injunctive relief pursuant to section 1519 of the Bankruptcy Code in a separate motion filed contemporaneously herewith.

"**Brazilian Counsel Declaration**"), which are submitted concurrently herewith and incorporated herein by reference. In further support of the relief requested, the Petitioner respectfully represents as follows:

Preliminary Statement

On June 20, 2016, the Brazilian Debtors duly commenced their jointly administered Brazilian RJ Proceeding in accordance with the Brazilian Bankruptcy Law by filing a joint voluntary petition (the "**RJ Petition**") in the Brazilian RJ Court with certain of their affiliates[5] (the "**Affiliated Debtors**" and, together with the Debtors, the "**RJ Debtors**"). The Brazilian RJ Court's acceptance of the RJ Petition is presently pending. The RJ Debtors and their non-debtor affiliates (together, the "**Oi Group,**" the "**Company**," or the "**Group**") comprise one of the world's largest telecommunications enterprises and play a critical role in Brazil's modern telecom infrastructure. Centered in Rio de Janeiro and operating almost exclusively within Brazil, the Oi Group provides services such as fixed-line data transmission and network usage for phones, internet, and cable, Wi-Fi hot-spots in public areas, and mobile phone and data services, and notably employs approximately 142,000 direct and indirect employees.

The Company's financial distress can be attributed to a perfect storm of economic strain at the corporate, sector-wide, and national level. Brazil's recent economic crisis, driven in part by the Petrobras corruption scandal and subsequent "*Lava Jato*" investigation,[6] has chilled foreign investment in Brazil, raised interest rates and generally crippled the Brazilian capital markets. Financial strain tightened under competitive pressures in the shifting telecom sector as

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5 The Affiliated Debtors are: Copart 4 Participações S.A. and Copart 5 Participações S.A., companies organized under the laws of Brazil; and Portugal Telecom International Finance B.V ("PTIF"), a company organized under the laws of the Netherlands.

6 In 2014, prosecutors investigating petroleum giant Petrobras uncovered a money laundering scandal in which Petrobras executives allegedly conspired with private companies and government officials to inflate the value of government contracts. These discoveries led to a comprehensive anti-corruption investigation, still ongoing, known as "*Lava Jato*" or "Car Wash."

marketplace demand for mobile services rapidly rose while the demand for fixed-line services—the primary operational focus of Oi and Telemar—declined just as quickly.[7] Required under its government-granted concessions to continue investing in rural-area operations despite falling revenues, the Oi Group struggled to satisfy its regulatory burdens while maintaining profitability. After announcing on February 25, 2016 the termination of discussions concerning a possible merger with competitor TIM Participações S.A. ("**TIM**")—which was to feature an up-to $4 billion equity infusion from the Russian investment group Letter One[8]—the Company was forced to consider other comprehensive strategies to address what was becoming an unsustainable capital structure.

Consequently, the Oi Group announced on March 9, 2016 that it had retained advisors to assist in optimizing its long-term debt structure, and has since engaged in productive conversations with an ad hoc group of bondholders (the "**Ad Hoc Group**") holding approximately 27.6 % of the Oi Group's bond debt. The Company is hopeful that these discussions will continue under court supervision during the course of the Brazilian RJ Proceeding as the parties work to craft a plan of reorganization acceptable to a majority of stakeholders.

Despite these ongoing negotiations, the Company is presently the target of certain hedge funds that have been circling the struggling enterprise since late 2015. In March of 2016, U.S.-run hedge fund Capricorn Capital Ltd. ("**Capricorn**")—an affiliate of hedge fund Aurelius Capital Management ("**Aurelius**")—brought actions (together, the "**Dutch Litigation**") involving Oi, Coop, PTIF, and their present and former directors in the Netherlands—

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[7] During the three-year period ended December 31, 2015, the number of Company mobile phone subscribers declined at average rate of 4.3% per year, while the number of fixed lines in service declined by an average rate of 6.3% per year. Oi 20-F, year 2015 at p. 103.

[8] Oi Material Fact Disclosure, October 26, 2015, http://ir.oi.com.br/oi2012/web/conteudo_en.asp?idioma=1&tipo=43097&conta=44&id=218315

notwithstanding no-action clauses in the governing debt documents barring the suit and choice-of-law provisions precluding action under Dutch law. The threat of additional adverse actions by creditors and the need for a centralized forum to facilitate its reorganization compelled the Company to begin preparations for a formal judicial restructuring, which culminated in the June 20, 2016 filing of the RJ Petition in Brazil.

In support of the Brazilian RJ Proceeding, the Petitioner commences these Chapter 15 Cases to ensure a centralized and efficient restructuring of the Company's capital structure, to protect any and all of the Debtors' U.S. assets, including any U.S.-located intangible assets such as licenses or usage agreements related to the Group's cross-border telecom operations, as well as intercompany debts and accounts receivable. The Petitioner seeks also to extend protection within the United States to those of its operating contracts governed by U.S. law, with U.S. counterparties, or related to its telecom operating connections with the United States (the "U.S. Contracts") from termination or from interference by opportunistic creditors. The Petitioner seeks relief to protect the Debtors against the risk of U.S. lawsuits from creditors that may interfere with the Debtors' restructuring negotiations.

Accordingly, in support of the reorganization already underway in Brazil and to ensure the continued, critical function of Oi Group operations—an integral piece of global telecom infrastructure—the Petitioner seeks recognition of the Brazilian RJ Proceeding as a foreign main proceeding with respect to each of the Debtors.

Background

A. The Oi Group

i. History and Operations

1. The Oi Group is one of the world's largest integrated telecommunications service providers and a critical source of telecom services in most of Brazil today. Originally born out

of the privatization of the Brazilian fixed-line telecommunications industry that resulted from the breakup of telecom giant Telecomunicações Brasileiras S.A. – Telebrás by the Brazilian federal government in 1998 following a comprehensive reform of Brazil's telecom regulation,[9] the Company to date remains an entirely Brazilian enterprise, with all or nearly all of its operations, management, principal executive offices, customers, assets, and employees in Brazil.[10] As the operations and services of its various affiliates are highly interdependent, the Company operates as a single, integrated economic unit headquartered and managed from the principal executive office of Oi S.A., located at Rua Humberto de Campos No. 425, 6 1/2th floor–Leblon, 22430-190 Rio de Janeiro, RJ, Brazil ("**Oi Group Headquarters**"),[11] where every aspect of the Oi Group's operations, finances, corporate management, employee management and payroll, and short- and long-term strategic planning is directed. The city of Rio de Janeiro also houses the Oi Group's substantive operating control center, in which the Group's network operations and management teams perform failure monitoring, manage and configure data banks, and compete safety and performance analyses for the Company's telecommunications networks. Finally, Rio de Janeiro serves as a key physical hub for Oi Group operations, serving as the main international transmission point for the Group's submarine cables and the base capturing point for satellite signals. Petitioner Decl. ¶ 8.

2. The Company's provides a wide range of services to y, (i) internet services it offers throughout the country[12] and in more than one million Wi-Fi hotspots in public places such as airports and shopping malls,[13] (ii) fixed-line telecommunication services, including

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9 Oi 20-F, year 2002, at item 4.

10 Oi 20-F filing, year 2015 at pp. 22, 93, 102.

11 While Oi Group Headquarters functions as the Company's corporate nerve center, coordinating and directing the activities of all Company entities, certain of the Group's operating subsidiaries maintain central offices in other states within Brazil. For instance, Móvel maintains central offices in Brasilia.

12 Oi 20-F filing, year 2015 at pp. 32, 93.

13 Oi 20-F filing, year 2015 at pp. 32. 93.

network usage, television and data transmission services, for which it services approximately 34.4% of the market, and (iii) mobile telecommunications, of which it claims an 18.6% market share nationally,[14] with 48.1 million mobile subscribers as of December 31, 2015 and a network covering residential and/or commercial locations for approximately 93.0% of the urban population of Brazil.[15] The Oi Group operates 651,000 public telephones across Brazil and has approximately 330,000 kilometers of fiber optic cables installed throughout the country. It provides broadband to more than 51,000 public schools and supplies telecom services to rural areas lacking in other basic services such as mail, banks, and hospitals. Servicing all 5,570 Brazilian municipalities, the Company meets a broad expanse of telecommunication needs for a large and varied customer base that includes residential customers, corporate customers of various sizes, and governmental agencies.[16] Oi Group technology is also responsible for such critical operations as tallying electronic votes in political elections, and was a key contributor to infrastructure preparations for the 2014 FIFA World Cup.

3. The Company is also major player in the Brazilian economy: it employs 142,000 direct and indirect employees, including 45,125 full-time employees as of December 31, 2015.[17] The Oi Group is responsible for substantial social as well as economic contributions to its country: it sponsors Oi Future, a social responsibility institute, and during the last four years has invested R$145 million in projects in education, sustainability, sports, and culture. Petitioner Decl. ¶ 11.

4. As a large telecommunications enterprise, the Company engages with many suppliers and commercial partners outside of Brazil to enable cross-border telecommunications

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14 Oi 20-F filing, year 2015 at p. 32.
15 Oi 20-F filing, year 2015 at p. 60.
16 Oi 20-F filing, year 2015 at p. 32; Oi 1Q16 Report, March 31, 2016 at p. 9.
17 Oi 20-F filing, year 2015 at p. 152.

for its customers and the customers of its foreign counterparts, including those in the United States. These agreements form part of a global telecom infrastructure supporting cross-continent communication, which also comprises access to internet content and services hosted worldwide. See Petitioner Decl. ¶ 12.

5. Finally, as a telecom provider of significant size and scope, the Company's services are inextricably linked to those of other global telecom giants through service agreements facilitating various forms of cross-border telecommunication, including landline communication between the Americas, cell phone roaming capability on foreign networks for its customers abroad (and vice-versa for the customers of its foreign counterparts), and much of Brazil's access to the global network, the bulk of which it accesses through IP hubs in the United States.

ii. Regulation Governing Company Operations in Brazil

6. The Company's Brazilian operations are heavily regulated under concessions and similar authorizations granted by Brazil's national telecommunications agency, *Agência Nacional de Telecomunicações* ("**ANATEL**"), and by Brazilian regulations promulgated by the federal Ministry of Communications.[18] ANATEL operates to implement policies set by the Ministry of Communications and exercises regulatory authority to impose on concessionaries various service and customer satisfaction targets driven by policy goals of "universalizing" telecommunication access to all persons, regardless of location or socio-economic status, improving the quality of existing services, and utilizing telecommunications services for essential public services. Target milestones are (i) determined in the course of discussions between ANATEL, the Ministry of Communication, and concessionaires, (ii) informed by the

[18] Oi 20-F filing, year 2015 at p. 15.

ongoing research and analysis of special working groups, and (iii) subject to ongoing revision driven by shifts in Brazil's telecommunication needs, with an opportunity for formal revisions every five years. These service and infrastructure targets require constant investment by concessionaires, who must maintain profitability while satsifying investment requirements not neccsarily justified by their economic benefit.[19]

7. ANATEL oversees implementation of these service targets and is empowered to impose fines or, in extreme cases, terminate concessions in the event targets are not met. Petitioner Decl. ¶ 14.

8. One of the two largest concession holders in the sector,[20] the Oi Group presently holds concessions or similar authorizations from ANATEL for the provision of local, fixed-line telephone services, national and international long-distance services, mobile telephone services, the use of certain radio frequencies, multimedia services (that is, data, voice, and image transmission), and Pay-TV throughout specified regions in Brazil. Among others, the Company holds its concessions for fixed-line services in Region I and Region II of the three regions into which ANATEL divides Brazil's territory for the purposes of concessions[21]—regions substantially less populous and with substantially poorer consumers as compared to Region III, the state of São Paulo. As discussed further below, regulatory service targets in these rural areas

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19 One article noted that public phones in Brazil requiring R$ 300m to run each year generated only R$ 17m in revenue. BTG Pactual, "Brazilian Communications," at p.6, Sector Note, February 25, 2016, *available at* https://www.btgpactual.com/Research/OpenPdf.aspx?file=32021.pdf

20 Id.

21 ANATEL's regulatory framework divides Brazil into three regions: (i) Region I consists of 16 Brazilian states located in the northeastern and part of the northern and southeastern regions and represents approximately 64% of the country's total land area and 54.7% of the total population; (ii) Region II consists of the Federal District and nine Brazilian states located in the western, central and southern regions and represents approximately 33.5% of the country's total land area and 23.7% of the total population; and (iii) Region III consists of the State of São Paulo and represents approximately 2.9% of the country's total land area and 21.6% of the total population of Brazil.

have proven substantially more burdensome than equivalent targets in Region III, precisely because of their lower population density and consumer purchasing power.

iii. Company Assets

9. As of March 31, 2016, Oi Group assets amounted to R$ 87,506 million,[22] the vast majority of which are located in Brazil and, as of March 31, 2015, 96.8% of Company revenues were derived from Brazilian operations.[23] Outside of Brazil, the Company owns certain interests purchased in May 2014, which the Company is currently seeking to sell.[24] These include the assets of Oi's subsidiary in West Timor, Telecomunicações Públicas de Timor, S.A., as well as less significant assets and operations in Angola, Cape Verde, Namibia, São Tomé and Príncipe, all held indirectly by the Oi Group through Oi's 86%-owned subsidiary Africatel Holding B.V. ("**Africatel**").[25] As the Oi Group has been a Brazil-based enterprise primarily operating in Brazil, it elected in 2014 to further concentrate its operations domestically, and as such authorized management to market the Oi Group's shares in Africatel on September 16, 2014.[26] Africatel remains on the market today. Aside from these *de minimus* and temporary operations through Africatel's subsidiaries, and a short-lived expansion into Portugal as part of its acquisition of PT Portugal in 2014 (which it sold shortly thereafter in 2015), the Oi Group has always operated the vast majority of its business in Brazil, as it still does today. See Petitioner Decl. ¶ 16.

10. In addition to its above-described foreign holdings, the Company also owns certain limited U.S. assets. At present, these assets are comprised primarily of i) a bank

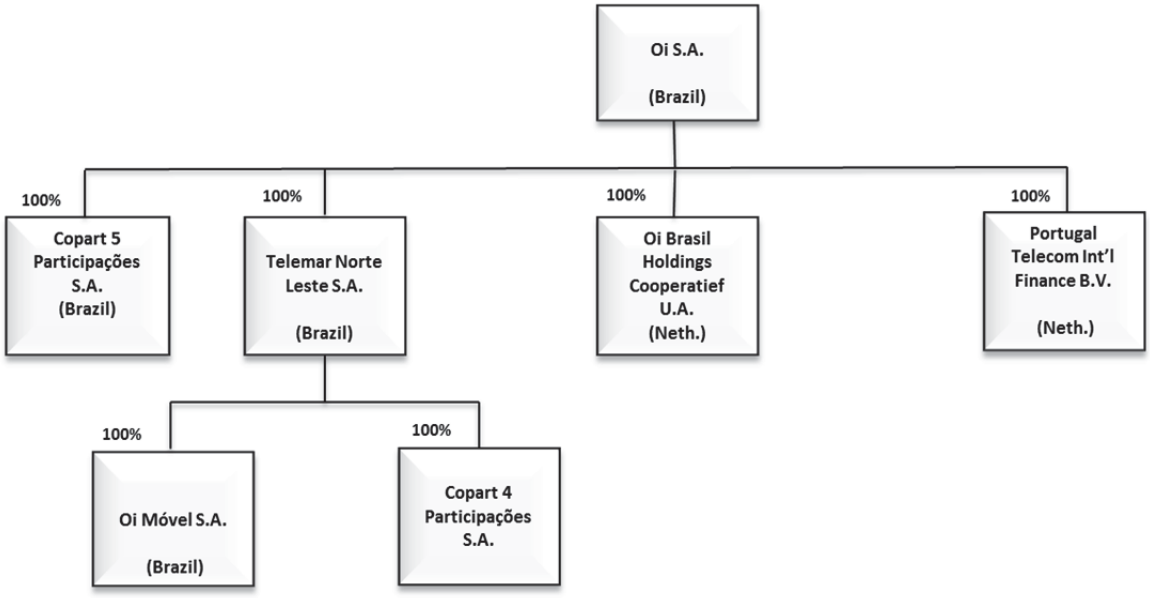
22 Oi 1Q16 Report, March 31, 2016 at p. 22.
23 Oi 1Q16 Report, March 31, 2015 at p. 5 (net revenue from Brazilian operations comprises 96.8% of the total).
24 Oi 20-F filing, year 2015 at p. 32
25 Oi 20-F filing, year 2015 at p. 32.
26 Oi 20-F filing, year 2015 at p. 18.

account held by Oi at Banco do Brasil (New York Branch) containing approximately $70,000; ii) interests in certain U.S.-located equipment and related tangible property used in the course of the telecom services of Oi, Telemar, and Móvel (the "Operating Debtors") in conjunction with U.S. telecom companies (e.g., routers, lines for network access to internet data hubs that allow Brazilian-located customers to access the global internet); and (iii) certain intangible assets which may be found to be U.S.-located property, including licenses, mutual service agreements common in the telecommunications sector, and accounts receivable. In addition, each of the debtors presently holds $10,000 in a client trust account at Citibank (New York).

B. The Oi Group's Debt Structure

11. As a single, integrated economic unit, the Oi Group employs a capital structure designed to minimize its cost of capital and maximize value for its customers and stakeholders. As the Oi Group generates substantial cash revenues from its operations, the vast majority of its debt is in the form of long-term financial indebtedness issued under bonds or borrowed under bank lending facilities. When issuing long-term debt and as is customary for corporate enterprises, the Oi Group makes use of special purpose financing companies, intercompany guarantees, and intercompany transfers to reduce its cost of capital. Petitioner. Decl. ¶ 18.

12. The Group issues debt primarily through parent company Oi S.A. and subsidiaries Telemar, Coop, PTIF, and Móvel (together, the "**Oi Obligors**"), and with the use, as detailed below, of subsidiaries Copart 4 and Copart 5. The structural position of each of these entities is shown in the simplified corporate chart below.



13. The Oi Group's present financial indebtedness totals approximately R$65 billion, consisting primarily of four types of debt: i) unsecured export credit facilities with various export credit agencies or other quasi-governmental financial institutions (the "**ECA Facilities**"); ii) unsecured bonds and similar securities issued, varyingly, under New York law (the "**U.S. Notes**"), English law (the "**U.K. Notes**"), and Brazilian law (the "**Brazilian Debentures**"); (iii) two series of *certificados de recebíveis imobiliários* (the "**CRIs**"), securities issued through Brazilian financial institutions which consist of interests in lease payments owed by Telemar, Oi, and Móvel for the use of certain real property leased from Oi Group affiliates Copart 4 and Copart 5, and (iv) secured and unsecured bilateral and syndicated Brazilian bank debt (the "**Brazilian Bank Debt**"). Petitioner Decl. ¶ 20.

14. Proceeds from debt issued by the Oi Obligors is used to fund Company operations and for general corporate purposes, including the ongoing payment of maturing principal and interest payments as they come due.

C. The Debtors

15. The following provides an overview of the role of each Debtor within the Oi Group enterprise.

i. *Oi*

16. Oi, formerly known as Brasil Telecom S.A., is incorporated under the laws of Brazil and serves as the parent company of the Oi Group. As such, it directly holds 100% of the equity in each of Telemar and Coop, and directly or indirectly holds equity in all other members of the Oi Group, including Móvel. As one of the Group's principal operating entities, Oi also owns substantial tangible assets, including fixed-line cables installed throughout Region II of Brazil. Petitioner Decl. ¶ 23.

17. Oi is a primary obligor on the following long-term third-party financial indebtedness: (i) four series of the U.S. Notes, namely, R$1,101,952,000 of the 9.75% notes due 2016 (the "**2016 U.S. Notes**"), €588,918,000 of the 5.125% notes due 2017 (the "**2017 U.S. Notes**"), $144,838,000 of the 9.5% notes due 2019 (the "**2019 U.S. Notes**"), and $1,845,881,000 of the 5.5% notes due 2020 (the "**2020 U.S. Notes**"); (ii) four series of the Brazilian Debentures totaling approximately R$4,000,000; (iii) the CRIs; (iv) a limited number of the ECA Facilities; and (v) a limited number of Brazilian Bank Debt facilities.

18. Additionally, Oi has unconditionally guaranteed the following indebtedness of its subsidiaries: (i) the two series of U.S. Notes issued by Coop, namely, €628,112,000 of the 5.625% U.S. Notes due 2021 (the "**2021 U.S. Notes**") and $1,451,413,000 of the 5.75% U.S. Notes due 2022 (the "**2022 U.S. Notes**") (together, the "**Coop Notes**"); (ii) all of the U.K. Notes totaling approximately €17,204,082; (iii) a limited number of the ECA Facilities; and (v) a limited number of Brazilian Bank Debt facilities.

19. Oi maintains its registered office in Brazil at Rua do Lavradio nº 71, Centro, in the City and State of Rio de Janeiro, CEP 20230-070. Copies of Oi's Registration Certificate, along with a certified translation of the same from Portuguese to English, are attached to the Petitioner Declaration as Exhibits A and B.

ii. *Telemar*

20. Telemar, a company incorporated under the laws of Brazil, became a part of the present-day Oi Group following the 2012 merger between its then-parent Tele Norte Leste Participações S.A. and Brasil Telecom S.A. (now Oi), a horizontal merger that combined these entities' integrated telecommunications services in Regions I and II of Brazil.[27, 28] As a consequence of the structural reorganization that followed, Telemar became a direct and 100%-owned subsidiary of Oi. Telemar today operates the Oi Group's "Region I" fixed-line telecommunications services. As such, its assets consist primarily of operating assets used to run segments of Oi Group operations, such as fixed-line cables installed throughout Region I, as well as equity in other Oi Group entities, including 100% of the equity of Móvel, which owns and operates the Company's internet and mobile phone businesses. See Petitioner Decl. ¶ 27.

21. Telemar's primary obligations under long-term third-party financial indebtedness consist of debt owed under: (i) one series of the Brazilian Debentures; (ii) the CRIs; (iii) most of the ECA Facilities, and (iv) certain of the Brazilian Bank Debt. In addition, Telemar has guaranteed the following primary obligations of other Oi Group entities: (i) the 2017, 2019, and 2020 U.S. Notes, all issued by Oi; and (ii) a limited number of Brazilian Bank Debt facilities.

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[27] Brasil Telecom S.A. Amendment No. 2 to Form F-4, p. 78-79; Material Fact/ Notice to Shareholders, Feb. 27, 2012, *available at:* http://www mzweb.com.br/oi2012/web/conteudo_en.asp?idioma=1&tipo=43101&conta=44&id=158784

[28] Brasil Telecom S.A. Amendment No. 2 to Form F-4, p. 12.

22. Telemar maintains its registered office in Brazil at Rua do Lavradio nº 71, Centro, in the City and State of Rio de Janeiro, CEP 20230-070; Copies of the Registration Certificate, along with certified translations of the same from Portuguese to English, are attached to the Petitioner Declaration as Exhibits C and D.

i. *Móvel*

23. A 100% subsidiary of Telemar, Móvel was incorporated by the Oi group under the laws of Brazil in 2002, and since September 2004 has operated the Company's personal mobile and cable television services. Móvel services Region II of Brazil under an authorization from ANATEL granted in December of 2002, providing local voice transmission, long distance, mobile, broadband, subscription TV and one of Brazil's principal Wi-Fi networks. As such, its assets consist primarily of equipment and other assets related to its mobile telecom services, as well as equity in other Oi Group entities.

24. Móvel's primary obligations under long-term third-party financial indebtedness consist of debt owed under: (i) certain of the Brazilian Bank Debt facilities; and (ii) inter-company debt. In addition, Móvel has guaranteed one series of the Brazilian Debentures issued by Oi.

25. Móvel maintains its registered office in Brazil at Setor Comercial Norte, Quadra 3, Bloco A, Edificio Estação Telefônica, Térreo #2, in the City and State of SCN Brasilia DF 15000-712. Copies of the Registration Certificate, along with certified translations of the same from Portuguese to English are attached to the Petitioner Declaration as Exhibits F and G.

ii. *Coop*

26. Coop was incorporated by the Company as a foreign special-purpose financing company in 2011 under the laws of the Netherlands. As is customary for multi-billion dollar enterprises, the Oi Group makes use of foreign subsidiary financing in order to facilitate access to the international debt markets and thereby minimize its cost of capital. Coop exists exclusively to service the financing needs of the economically integrated Oi Group; it has no subsidiaries and operates no business of its own beyond the issuing of debt to finance the Oi Group's operations.[29] Indeed, Coop is *prohibited* under the indenture governing the 2021 U.S. Notes (the "**2021 U.S. Notes Indenture**") from engaging in any activity other than those related to borrowing debt and on-lending the proceeds to its Oi Group affiliates.[30]

27. Coop's activity in the Netherlands is limited to that required to maintain its corporate existence under the laws of the Netherlands and comply with the minimum substance requirements for Dutch tax purposes and respect, as between it and Oi S.A., the regulatory regimes of both jurisdictions. Specifically, Coop maintains its registered office in the Netherlands at Schipol Boulevard 231, 1118 BH, Amsterdam, Netherlands, and is governed by two directors, one of whom resides in the Netherlands. Copies of the Registration Certificate of Coop is attached to the Petitioner Declaration as Exhibit E. Coop enters routine filings with the Dutch Chamber of Commerce to maintain its corporate existence, files tax returns with the Dutch tax authorities, employs Baker Tilly International as auditor, and completes other ministerial activities required under Dutch law. See Petitioner Decl. ¶¶ 31–32.

28. Aside from addressing these existential legal requirements, Coop has no business or operational presence in the Netherlands. Coop and its directors have always worked with the Oi Group to coordinate a unified, enterprise-wide strategy, including the retention of advisory

[29] 2012 Irish Listing Supplement at p. 2 ("The Issuer does not have any operations independent from Oi.").
[30] 2021 Indenture, Section 4.17 "Limitations with Respect to the Issuer"

firms for the Group[31] (prior to the Dutch Litigation, when Coop hired independent Dutch counsel to ensure the protection of its interests in a joint defense with its Oi Group affiliates). While Coop's board of directors, all of whom are appointed by Oi as the sole member (equityholder) of Coop,[32] hold their meetings in the Netherlands, as is required under Dutch and Brazilian law to respect the corporate separateness of Coop, Coop remains functionally centered at, and economically and strategically coordinated from, the Oi Group Headquarters in Brazil.

29. Coop's assets consist solely of receivables owed to it by its Brazilian Oi Group affiliates on account of the proceeds of debt issued or assumed by Coop and on-lent for use in the Company's Brazilian operations. As Coop owns no other property, all its substantial assets—namely, intercompany receivables against Brazilian entities—are presently located in Brazil.

30. Coop's long-term third-party financial indebtedness consists entirely of its obligations as issuer of the N.Y. law-governed Coop Notes. Because Coop is a special-purpose vehicle (an "**SPV**") with no ability to generate a return on cash proceeds itself, any proceeds from debt issuances at Coop must be on-lent to (eventually) an operating Oi Group entity capable of earning a profit for Coop's creditors. For the same reason, any debt issued by Coop has always been guaranteed by an operating Oi Group affiliate—Oi, in the case of the Coop Notes. Coop is also the obligor on any intragroup loans received by it from Oi Group affiliates in its capacity as an intragroup financing company in the Oi Group.

D. Connections to the United States

31. As noted, the Oi Group is entirely centered in and managed from Company Headquarters in Rio de Janeiro and maintains substantially all its operations, assets, and employees in Brazil. As a large telecommunications enterprise, however, the Company also

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[31] For example, Coop relied on the Oi Group's U.S. counsel, White & Case LLP, for the issuance of its 2021 U.S. Notes.

[32] 2012 Irish Listing Supplement, at p. 2.

engages with many firms outside of Brazil to coordinate cross-border telecommunications for its customers and the customers of its foreign counterparts, including those in the United States. These agreements form part of a global telecom infrastructure supporting cross-continent communication.

32. As noted above, the Operating Debtors contract with telecom entities outside of Brazil, including those in the United States, to buy, sell, and mutually exchange telecom services. Petitioner Decl. ¶ 43. For example, Oi and Telemar, as landline operators, contract with U.S. entities to connect their networks in Brazil to those in the United States through fixed "submarine lines" running between the countries and emanating from the Company's operational nerve centers in Rio de Janeiro and Fortaleza. They also contract for the use of satellites, including satellites owned directly or indirectly by U.S. firms, to send and receive data from various points of contact throughout Brazil. Satellite usage enables, among other telecom services, the Company's HDTV and voice, data, and mobile broadcast services. The Operating Debtors also engage with foreign firms, including U.S. firms, in broadcasting agreements that license to the Company the right to broadcast television content in Brazil.

33. Móvel, which operates the Company's cable television and mobile operations, maintains roaming agreements with U.S. companies Verizon, Sprint, T-Mobile and AT&T to allow, varyingly, the customers of one or both providers to use the networks of the other for voice, SMS, and data when outside the reach of their home networks.

34. Additionally, Oi Group customers in Brazil access international content on World Wide Web—which comprises the majority of high-use websites such as Amazon, Yahoo, and Skype, among others—through IP hubs located in New York and Miami.

35. In addition to its operating connections to the United States, the Company also strategically accesses the international capital markets to broaden its sources of available financing, to minimize its cost of capital, and to benefit from larger, more liquid, and less volatile securities markets.[33] As a special-purpose financing vehicle, Coop serves as this critical point of connection between the Oi Group and foreign capital. Through Coop and the other Debtors, the Company issues debt governed by New York law; it borrows, denominates, and repays certain of its financial indebtedness in U.S. dollars; and it sells both equity and debt securities to qualified U.S. investors.[34]

36. Oi lists its shares on the New York Stock Exchange ("**NYSE**") in the form of American Depository Receipts ("**ADRs**") (in addition to their listing on the São Paulo stock exchange), and counts among its 1.1 million shareholders qualified U.S. residents holding an aggregate of 99,329,988 common shares and 76,478,434 preferred shares.[35] With respect to debt, Oi, Telemar, and Coop are obligors of U.S. dollar-denominated, New York law-governed debt. Oi and Coop have issued and/or guaranteed all of the New York law-governed U.S. Notes,[36] which consist of six series of unsecured notes with a total principal of USD $2,526,252,642 outstanding as of June 2016. Telemar is the borrower of two New York law-governed, U.S. dollar-denominated ECA facilities with the China Development Bank (the "**CDB Facilities**"), one of which Oi has guaranteed. Further, all of the New York law-governed debt instruments contain forum-selection clauses in which the obligors consent to the jurisdiction of New York state courts and U.S. federal courts sitting in New York. Oi and Coop, with respect to

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33 Oi 2015 20-F at 125-126.

34 as permitted under Rule 144A of the Securities Act of 1933.

35 Oi 2015 20-F at 157.

36 The 2019, 2020, and 2022 U.S. Notes are denominated and payable in USD. The 2016 U.S. Notes are denominated in *reais* but payable in USD using a conversion rate determined at the time of payment; the 2017 and 2021 U.S. Notes are denominated and payable in euro.

the U.S. Notes, and Telemar, with respect to the CDB Facilities, engage agencies in the U.S. where notices and demands related to these debt issuances may be served.[37] See Petitioner Decl. ¶ 49.

37. Additionally and as noted above, the Debtors' U.S. assets consist of cash in bank accounts, including money held in trust by White & Case and certain tangible and intangible property related to its operations in conjunction with U.S. telecommunication companies (e.g., equipment connecting landline phone calls between customers in the United States and customers in Brazil).

E. Events Precipitating Commencement of the Brazilian RJ Proceeding

i. Financial Distress

38. The Oi Group's recent difficulties began in the wake of a perfect storm of financial stress at the regulatory, corporate, and national level.

39. As noted, the Company is severely burdened by regulatory obligations imposed through concessions granted by ANATEL and policies set by the Ministry of Communications. These operation milestones, designed to increase access and quality in Brazil's telecom sector, impose on concessionaires, among other obligations, the requirement to make fixed telephone services universally available throughout the country—a regulatory burden that weighs most heavily on operators servicing rural sectors, whose low population densities and meager purchasing power generate insufficient revenue to economically justify expansion costs.[38] Also,

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[37] Barclay Street, Floor 4E, New York, NY 10286 (2016 U.S. Notes Indenture, §4.12); 10 E. 40th Street, 10th Floor, New York, NY 10016 (2017 and 2020 U.S. Notes Indenture, §4.12) ; 111 Eight Avenue, New York, NY 10011 (2019 U.S. Notes Indenture, §4.12); 101 Barclay Street, Floor 7E, New York, NY 10286 (2021 U.S. Notes Indenture, §4.12); Barclay Street, Floor 4E, New York, NY 10286 (2022 U.S. Notes Indenture, §4.12).

[38] The Company provides services to areas 80 times larger than those serviced by the next widest-operating concessionaire, yet a population 30 times smaller.

as noted above, the Oi Group is distinct from its domestic competitors[39] in that it holds concessions to provide fixed-line services in Regions I and II of Brazil, which span large, sparsely populated areas (e.g., the State of Amazonas) in the north, northeast, and midwest of Brazil—areas on average ten times less dense than the State of São Paulo comprising Region I and serviced by the Group's competitors. Over the last decade, the Company has struggled to meet these ambitious requirements as mobile phones replaced landlines[40] and the use of fixed-line services plummeted; revenues from certain fixed-line services, for example, have dropped 33% since 2006, while Oi remains obligated to continue installing new fixed lines for improved access and to satisfy what some have described as "ultra-high" quality standards.[41] Petitioner Decl. ¶ 52.

40. As a testament to the regulatory burden presently shouldered by the Company—and a promising start to its financial recovery—Brazil's Ministry of Communications has recognized the need for a comprehensive review and revision of its regulatory framework. In September of 2015 it formed, in conjunction with ANATEL, a working group tasked with evaluating outstanding concessions and proposing guidelines for amendments to outstanding concession agreements.[42] The joint evaluation yielded a series of studies, published by the Ministry of Communications on April 8, 2016, noting the decreasing need for fixed-line services in Brazil and acknowledging that the financial burden weighing on concessionaires—particularly

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39 Competitor Telefônica Vivo, for example, holds concessions for fixed telephone service in the State of São Paulo, which is substantially smaller and denser in population (2.9% of land area and 21.6% of Brazil's population) than Regions I (64% of land area and 54.7% of the population) and II (33.5% of land and 23.7% of the population) for which the Oi Group is responsible, and thus has more easily survived its regulatory burden as the rise of mobile phone use reshaped demand in the telecommunication sector.

40 As of February 2016, more than 80% of the Brazilian population has access to mobile phone coverage (more than 60% of that number with access to coverage offered by three or more providers), and the number of households with cell phones now exceeds the number of those with landlines. BTG Pactual, "Brazilian Communications," Sector Note, February 25, 2016, *available at* https://www.btgpactual.com/Research/OpenPdf.aspx?file=32021.pdf

41 Id.

42 Oi 20-F, year 2015, at p.16.

those servicing poor or rural areas—could have a net negative present value that ultimately "compromise[s] the sustainability and continuity of the public [telecom services] under concessions." Regulators have since published a proposal for a new regulatory framework that would substantially alleviate the financial presently plaguing rural operators.

41. The Oi Group struggled financially in 2015 under competitive pressures in the shifting telecommunications sector, as marketplace demand for mobile services rapidly rose while the demand for fixed-line services—the primary operational focus of Oi and Telemar—declined just as quickly.[43] Saddled with a significant debt load following expansion efforts from 2000-2014, the Company faced-off against financially nimbler competitors in the sector-wide scramble to meet shifting customer demands. Its financial woes worsened in recent years as economic conditions in Brazil deteriorated, with exacerbating elements such as political instability; contraction of the Brazilian economy; steep devaluation of the Brazilian *real*;[44] and inflationary pressure and high interest rates. These declining domestic conditions further rendered the Company uncompetitive as against international servicers such as TIM (a member of the Telecom Italia Group), Claro (a member of the Mexican Telmex group), and Vivo (a subsidiary of Telefónica S.A., a Spanish company with global operations).

42. In addition, the telecommunications industry generally has been negatively impacted by factors such as: intensive investment and increased competition, reduced margins; faster technology life cycles; outdated regulations; increased labor costs; expensive and scarce credit; risk assessment downgrades; increased operating costs; and high financial costs. The Company sought to strengthen its market position in a possible merger with telecom giant TIM,

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[43] During the three-year period ended December 31, 2015, the number of Oi mobile subscribers declined at an average rate of 4.3% per year, while the number of fixed lines in service declined by an average rate of 6.3% per year in the same time period. Oi 2015 20-F at p.103.

[44] The Brazilian *real* plummeted as against the U.S. dollar from R$2.184 in October 2013 to R$4.019 in January 2016.

financed by a $4 billion equity infusion from Letter One, but these efforts proved fruitless when negotiations terminated on February 25, 2016. As the Group's debt began to fall drastically in the secondary markets following the failed merger discussions, the Oi Group considered other comprehensive strategies to address an unsustainable capital structure. Petitioner Decl. ¶ 56.

ii. The Dutch Litigation

43. Ongoing events in the Dutch Litigation contributed significantly to the Oi Group's filing in Brazil. As the Oi Group began considering the need to optimize its long-term debt profile at the end of 2015, certain of the Debtors began receiving threatening letters from its investors. In particular, counsel to U.S.-run hedge fund Capricorn —now revealed as an affiliate of the hedge fund Aurelius—ultimately threatened Oi, Coop, and Oi Group financing SPV PTIF (the "**Dutch Writ Defendants**") with legal action at the expense of other creditors and to the immediate detriment of Oi Group operations. When the Oi Group did not submit to its demands, Capricorn commenced litigation against Dutch Writ Defendants and their current and former directors in the Court of Amsterdam—notwithstanding no-action clauses in the governing debt documents barring these suits and choice-of-law provisions unrelated to the Netherlands. Capricorn then filed further, related summary action against Coop, notwithstanding that Capricorn then held and, to the best of the Oi Group's knowledge, still holds, no debt of Coop whatsoever.

44. On May 2, 2016, the Dutch court denied Capricorn's motion for a freezing order, thereby allowing Coop to continue in its function as a special purpose financing vehicle of the Oi Group as needed for Company operations. The court agreed with Coop in holding that individual creditors (holding no debt of Coop) have no right to question the transfer of funds by a

financial company to its operating affiliates (after all, this is the role of a special purpose financial vehicle).

45. On May 19, 2016, Capricorn appealed the Dutch court's judgment in an effort to block Coop from transfer of further funds to the Company. The appeal hearing was held on June 15, 2016 and the judgment in respect appeal is expected on July 19, 2016.

iii. Bondholder Negotiations

46. On March 9, 2016, the Company announced that it had retained advisors to assist in optimizing its long-term debt structure. In the following months, the Oi Group began engaging in what continue to be productive conversations with many of its creditors, including several of the largest financial institutions in Brazil, various export credit agencies, and bondholder groups in an ongoing effort to reach a consensual global solution to its financial distress.

47. On May 16, 2016, the Oi Group announced that it would begin formal discussions with Moelis & Company, advisor for an ad hoc group of bondholders issued by Oi and its subsidiaries (the "**Ad Hoc Group**"). On the same date, it issued a press release formally announcing these negotiations and asking creditors with Oi Group bond debt to join the Ad Hoc Group. As of May 31, 2016, the Ad Hoc Group holds a total of $ 2,526,252,642 or 27.6% of Oi Group bond debt, consisting of holdings of various series of the U.S. Notes, the U.K. Notes, and the Brazilian Debentures.

48. On June 6, 2016 and June 7, 2016, representatives of the Oi Group and its financial and legal advisors met in New York with members of the Ad Hoc Group (the "**Steering Committee**") and the Steering Committee's financial and legal advisors (the "**Noteholder Advisors**") to negotiate the terms of a potential restructuring.

49. On June 6, 2016, the Company provided the Noteholder Advisors with a term sheet (the "**Company Term Sheet**") setting forth an out-of-court exchange proposal intended to address the capital structure and liquidity challenges faced by the Company, while keeping the Company out of a Brazilian court process. Under the Company Term Sheet, lenders of the Brazilian Bank Debt and the ECA Facilities were offered extended maturities, while the majority of bondholders were offered secured take-back debt and equity in Oi at a premium to market prices.

50. In response to the Company Term Sheet, on June 11, 2016, the Noteholder Representatives provided the Company with a counterproposal for a potential restructuring (the "**Noteholder Term Sheet**"). The Noteholder Term Sheet proposed, among other things, (i) the issuance of two series of new secured notes to bondholders in the aggregate principal amount of R$ 9 billion, payable in cash and denominated in U.S. dollars and euro, with 95% participation from the bondholders; (ii) the extension of the maturities of bank and ECA debt and (iii) the receipt by bondholders and existing shareholders of 95% and 5% of Oi's equity, respectively. The Noteholder Term Sheet further provided that the exchange offer include consents for a *recuperação extrajudicial* on the same economic terms as the exchange offer, and that the Company execute a restructuring support agreement including an agreed plan for an RJ in the event the exchanges failed.

51. Unfortunately, these discussions did not yield a resolution in sufficient time to avoid a formal judicial restructuring process in Brazil. Burdened with the combined effects of the declining Brazilian economy and increasingly uneconomic regulatory standards in a rapidly evolving sector, and mindful of the threat of additional adverse creditor action in multiple

foreign forums, the Oi Group had no choice but to commence the Brazilian RJ Proceeding. See Petitioner Decl. ¶ 59.

F. Commencement of the Brazilian RJ Proceeding and these Chapter 15 Cases

52. As a consequence of the financial distress detailed above and after first attempting a number of out-of-court alternatives—including its negotiations with the Ad Hoc Group—the Oi Group concluded that a judicially-supervised restructuring proceeding in a centralized forum would best maximize value for all Oi Group stakeholders.

53. Accordingly, on June 20, 2016, the RJ Debtors duly commenced the Brazilian RJ Proceeding by filing a joint voluntary bankruptcy petition in the Brazilian RJ Court. A copy of the Petition and a certified translation of the same from Portuguese to English are attached to the Petitioner Declaration as Exhibits H and I. The Brazilian RJ Court's acceptance of the Brazilian RJ Proceeding is presently pending.

54. None of the Debtors have a domicile or any place of business in the United States. Each of Oi, Telemar, and Coop, however, have borrowed U.S. dollar-denominated funds under instruments governed by New York law, and have selected and consented to the jurisdiction of the courts of the State of New York and the Southern District of New York for any disputes arising under such documents. As such, these Debtors are now vulnerable to enforcement proceedings and other lawsuits in the United States following events of default triggered by commencement of the Brazilian RJ Proceeding.

55. Móvel, as one of the Group's principal operating companies it is party, as are Telemar and Oi, to a number of contracts, integral to the Company's provision of telecom services with contract counterparties, and/or related to the Company's operating telecom connections with the United States. Specifically, Móvel's roaming contracts with U.S. telecom

operators, which permit the customers of one or both contract counterparties to use the networks of the other when outside the coverage of their home network, and its contracts facilitating Company customer access to the World Wide Web through IP port hubs in New York and Miami, leave it vulnerable in the United States to *ipso facto* contract termination and to adverse creditor action that may interfere with the continued provision of its telecom services during the course of the Brazilian RJ Proceeding.

G. Present Status and Ongoing Operations

56. Despite its financial distress, the Oi Group is poised to successfully emerge from restructuring and to continue to provide its customers with the highest level of telecom services.

57. Most significantly, Oi stands to benefit from the proposed overhaul of Brazil's telecom regulation, published by ANATEL and the Ministry of Finance on April 8, 2016. The regulators' joint working group has suggested a new regulatory framework, most notably featuring the grant of operating rights in the form of unilateral government authorizations rather than bilateral concessions. This alternative structure will relieve concessionaires of the many well-intended but ultimately infeasible requirements responsible for much of the Oi Group's recent financial difficulties. The proposal also suggests the use of governmental funds to subsidize service in areas of low population density that currently generate operating losses, a critical benefit for the Oi Group given its operations in Region I and Region II of Brazil and one likely to render it more competitive as against its counterparts operating in São Paulo. Petitioner Decl. ¶ 70.

58. The Oi Group has also undertaken, with much early success,[45] a comprehensive

[45] For example, the Group's cost-minimization efforts have already reduced total expenses by 8%, which represents a real gain of about 20%.

internal overhaul of business operations aimed at cutting costs and improving operational efficiency. The Company's internal "transformation plan" is led by an internal division responsible for coordinating concrete improvements and promoting a corporate culture of increased productivity and reduced costs. It features more than 370 initiatives, most of which have already been implemented, including:

- downsizing personnel and reducing overtime work and employee expenses;
- renegotiating contracts with suppliers to obtain more favorable terms;
- reducing internal energy costs; and
- installing new controls on corporate spending

59. On the sales front, Oi has launched with great initial success launched a series of new and improved consumer services.[46] These programs, designed to address the shifting demands of its customers as wireless and data-driven telecommunications continue to claim an increasingly dominant share of the telecommunications sector, have proven immensely successful,[47] and offer a promising indication of the Oi Group's likely economic recovery.[48] Extrinsic measures of Oi Group services are equally optimistic, as the Oi Group continues to receive improved quality indicators from ANATEL for its 3G coverage and quality.[49] On May 19, 2016, the Oi Group received approval ANATEL for a $R 3.2 billion *reais* investment plan

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[46] For example, the Oi Group in Q4 2015 and Q1 2016 introduced new products to meet the increased demand for wireless data usage and the increasing penetration of 3G/4G smartphones. Its "Oi Livre" and "Oi Mais" plans offer customers prepaid plans with increased data usage, and the recently launched "Oi Total nationwide," which offers customers bundled services (landline, broadband, pay-TV, and wireless), capitalizes on the Company's existing base of fixed-line customers to grow its mobile market share while increasing the profitability of its customer base. See generally Oi 1Q16 Report, March 31, 2016; Oi 20-5 year 2015.

[47] The Company's new telephone service plans have increased sales of unlimited post-paid plans and recharges under pre-paid plans. The convergence of services under the new "Oi Total" plans, designed to leverage the ease of maintaining existing clients as compared to the expense of winning new ones, has significantly improved revenue generation and operational efficiency.

[48] In March 2016, 19% of Oi total residential sales were to new customers,[48] and by end of Q1 2016 Oi's 3G and 4G coverage had expanded to reach 79% and 51%, respectively, of the Brazilian urban population,[48] leading to the Oi Group's Glomo Award in the Outstanding LTE Contribution category for implementing the first RAN Sharing project for 4G/LTE networks in Brazil and one of the largest of such projects in the world. Oi 1Q15 Report, March 31, 2016 at pp. 2-15.

[49] Oi 1Q16 Report, March 31, 2016 at p. 10.

that will expand mobile coverage and upgrade its fixed-line assets to fiber optic capable, ensuring that the Group will continuing to offer its customers the highest quality of services in the rapidly

60. Throughout the course of its above-described restructuring efforts, the Oi Group continues to provide uninterrupted critical telecommunication services such as internet, landlines, and mobile phone network coverage to its roughly 74.5 million Brazilian customers.[50] Oi Group management is confident that through its centralized, court-supervised restructuring in Brazil, it will be able to continue providing these vital services.

Jurisdiction, Eligibility and Venue

61. This Court has jurisdiction to consider this Petition pursuant to sections 157 and 1334 of title 28 of the United States Code, as well as the Amended Standing Order of Reference dated January 31, 2012, Reference M-431, In re Standing Order of Reference Re: Title 11, 12 Misc. 00032 (S.D.N.Y. Feb. 2, 2012) (Preska, C.J.) (the "**Amended Standing Order**").

62. This case has been properly commenced pursuant to section 1504 of the Bankruptcy Code by the filing of this Petition for recognition of the Brazilian RJ Proceeding as a foreign main proceeding with respect to each of the Debtors pursuant to section 1515 of the Bankruptcy Code. These are core proceedings pursuant to section 157(b)(2)(P) of title 28 of the United States Code.

63. Venue is proper in this Court pursuant to section 1410(1) of title 28 of the United States Code (stating that a case under chapter 15 of the Bankruptcy Code where debtor has principal U.S. assets or principal place of business) as the Debtors' principal U.S. assets,

[50] As of the end of 2014 Oi had 74.5 million clients. http://ri.oi.com.br/conteudo_en.asp?idioma=1&conta=44&tipo=43737.

funds held in a N.Y. bank accounts at Banco do Brasil, New York Branch, with respect to Oi, and funds held in a client trust account at Citi Bank (New York), as to each of Coop, Telemar, and Móvel are located in New York County and thus within this District.

64. The presence of assets within the United States renders the Debtors eligible to file these Chapter 15 Cases pursuant to section 109(a) of the Bankruptcy Code. See In re Suntech Power Holdings Co, 520 B.R. 399, 411 (Bankr. S.D.N.Y. 2014); Drawbridge Special Opportunities Fund LP v. Barnet (In re Barnet), 737 F.3d 238, 247 (2d Cir. 2013) (applying section 109(a)'s local property requirement to chapter 15 cases); In re Octaviar Admin. Pty Ltd., 511 B.R. 361, 372 (Bankr. S.D.N.Y. 2014) (holding cash in client trust account maintained by the foreign representative's U.S. counsel satisfied the section 109(a) requirement).

65. Sections 1515, 1517, and 1520 of the Bankruptcy Code form the statutory predicates for the relief requested.

Relief Requested

66. The Petitioner requests that this Court enter an order, substantially in the form of the Proposed Order attached hereto and pursuant to sections 1515, 1517, and 1520 of the Bankruptcy Code:

a) recognizing the Brazilian RJ Proceeding as a foreign main proceeding with respect to each of the Debtors,[51] pursuant to section 1517 of the Bankruptcy Code;

b) recognizing the Petitioner as the foreign representative of each of the Debtors, as that term is defined in section 101(24) of the Bankruptcy Code, with respect to the Brazilian RJ Proceeding;

d) grants such other and further relief as the Court deems just and proper.

(the "**Requested Relief**").

[51] To the extent that the Court declines to recognize the Brazilian RJ Proceeding as a foreign main proceeding with respect to Coop, the Petitioner requests that it instead enter an order recognizing the Brazilian RJ Proceeding as a foreign nonmain proceeding, as defined in section 1502(5), with respect to Coop only, and a foreign main proceeding with respect to Oi, Telemar, and Móvel.

Basis for Relief

A. The Court Should Recognize the Brazilian RJ Proceeding as a Foreign Main Proceeding, and the Petitioner as the Duly Authorized Foreign Representative with Respect thereto, of each Debtor

67. The purpose of chapter 15 is to "incorporate the Model Law on Cross-Border Insolvency (the "**Model Law**") so as to provide effective mechanisms for dealing with cases of cross-border insolvency." 11 U.S.C. § 1501(a). Thus:

> The language of chapter 15 tracks the Model Law, with adaptations designed to mesh with United States law. Congress prescribed a rule of interpretation that expressly requires United States courts to take into account the statute's international origin and to promote applications of chapter 15 that are consistent with versions of the Model Law adopted in other jurisdictions.

In re Pro-Fit Holdings Ltd., 391 B.R. 850, 857 (Bankr. C.D. Cal. 2008); see also Krys v. Farnum Place, LLC (In re Fairfield Sentry Ltd.), 768 F.3d 239, 245 (2d Cir. 2014) (quoting statute); In re British Am. Ins. Co., 425 B.R. 884, 899 (Bankr. S.D. Fla. 2010). Accordingly, in interpreting chapter 15, a court is to "consider its international origin, and the need to promote an application of [chapter 15] that is consistent with the application of similar statutes adopted by foreign jurisdictions." 11 U.S.C. § 1508.[52]

68. Section 1517(a) of the Bankruptcy Code provides that, after notice and a hearing, the Court shall enter an order recognizing a foreign proceeding as a foreign main proceeding if (1) such foreign proceeding is a foreign main proceeding within the meaning of section 1502 of the Bankruptcy Code, (2) the foreign representative applying for recognition is a person or body, and (3) the petition meets the requirements of section 1515 of the Bankruptcy Code. See 11 U.S.C. § 1517(a); In re Overnight & Control Comm'n of Avánzit, S.A., 385 B.R. 525, 532

[52] The legislative history notes that "[i]nterpretation of [chapter 15] on a uniform basis will be aided by reference to the Guide [to Enactment of the UNCITRAL MODEL LAW on Cross-Border Insolvency, U.N. Gen. Ass., UNCITRAL 30th Sess. U.N. Doc. A/CN.9/442 (1997) (the "Guide")] and the Reports cited therein, which explain the reasons for the terms used and often cite their origins as well." H. Rep. No. 109-31, Pt. 1, 109th Cong., 1st Sess. 109-110 (2005).

(Bankr. S.D.N.Y. 2008). These foregoing requirements are satisfied with respect to the Brazilian RJ Proceeding, the Petitioner, and this Petition.

B. The Brazilian RJ Proceeding is a Foreign Main Proceeding for Respect to each of the Debtors

69. The Brazilian RJ Proceeding is a foreign main proceeding and as such satisfies the first condition for entry of an order recognizing such a proceeding under section 1517(a).

i. The Brazilian RJ Proceeding is a "foreign proceeding"

70. Section 101(23) defines a "foreign proceeding" as (1) a collective judicial or administrative proceeding relating to insolvency or adjustment of debt, (2) pending in a foreign country, (3) under the supervision of a foreign court and (4) for the purpose of reorganizing or liquidating the assets and affairs of the debtor. See 11 U.S.C. § 101(23). The Bankruptcy Code defines "foreign court" as "a judicial or other authority competent to control or supervise a foreign proceeding." See 11 U.S.C. § 1502(3).

71. The Brazilian RJ Proceeding meets the definition of "foreign proceeding" set forth in section 101(23) of the Bankruptcy Code.[53] As detailed in the Brazilian Counsel Declaration, the Brazilian RJ Proceeding is jointly administered—that is, consolidated for procedural purposes only—RJ proceeding under the Brazilian Bankruptcy Law. It is "collective" in the sense that it involves the treatment of multiple creditors and claims together rather than merely the resolution of a two-party dispute. Legal Decl. ¶ 9. Indeed, the Brazilian Bankruptcy Law provides that an RJ culminate in a restructuring plan that normally requires approval by impaired creditors representing at least (depending on the class of claims) half in number and

[53] "'[F]oreign proceeding' means a collective judicial . . . proceeding in a foreign country, including an interim proceeding, under a law relating to insolvency or adjustment of debt in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization." 11 U.S.C. § 101(23).

claim amount in order to proceed, although a "cram-down" procedure with lessened voting requirements also exists. See Legal Decl. ¶ 22. The restructuring plan, as contemplated by the Brazilian Bankruptcy Law, is intended to directly or indirectly benefit all creditors collectively rather than to benefit any single creditor alone. Legal Decl. ¶¶ 20-21.

72. Under the Brazilian Bankruptcy Law, RJ proceedings commence at petition. Legal Decl. ¶ 7 ("A company commences an RJ by filing a petition for court-supervised reorganization with the court."). While the court must analyze the petition and supporting documentation to verify that the debtor has met all of the legal requirements for admission to RJ, the moment of filing triggers the formal consequences of the RJ, including restrictions that prevent the debtor from making payments on claims subject to the proceeding or, more generally, disposing of or encumbering its fixed assets without prior authorization from the court or its creditors. Id. at ¶ 11.

73. Additionally, chapter 15 is designed to extend to foreign debtors in interim periods of restructuring proceedings. It defines a "foreign proceeding" as a "collective judicial or administrative proceeding in a foreign country, including an interim proceeding, under a law relating to insolvency or adjustment of debt . . . ." 11 U.SC. §§ 101-23 (emphasis added). Additionally, section 1515 provides that debtors may evidence the commencement of a foreign proceeding by filing with the U.S. court a certified copy of a judicial order commencing such foreign proceeding, a certificate from the foreign court affirming the existence of such foreign proceeding, or "any other evidence acceptable to the court of the existence of such foreign proceeding and of the appointment of the foreign representative." 11 U.SC. § 1515(b). That the Bankruptcy Code contemplates evidencing a foreign proceeding with something *other than a foreign court order* demonstrates that Congress intended its protections

to extend to foreign debtors prior to the entry of such an order. Had it not so provided, foreign debtors would remain vulnerable to adverse actions in the United States during what could be lengthy interim periods in the foreign jurisdiction—a particularly dangerous gap in protection given that bankruptcy filing typically triggers events of default in a debtors' debt contracts—as it did for the Debtors in this case. For this reason, it is unsurprising that U.S. courts, including this Court, have routinely granted provisional relief to chapter 15 debtors while the foreign court's formal acceptance order remained pending. See, e.g., In re Sifco, S.A., Case No. 14-11179-reg, DE 21 (Bankr. S.D.N.Y. May 7, 2014; In re Compania Mexicana De Aviacion, S.A. de C.V., Case No. 10-1419(MG), DE 150 (S.D.N.Y. Aug. 8, 2010).

74. As noted above, on June 20, 2015, the RJ Debtors filed their joint voluntary petition for relief under the Brazilian Bankruptcy Law. Thus, the Brazilian RJ Proceeding has been properly commenced and is therefore pending in a foreign country. See In re SIFCO S.A., No. 14-11179 (REG) (Bankr. S.D.N.Y. May 7, 2014) (granting preliminary injunction the Brazilian Bankruptcy Law prior to the Brazilian RJ Court entering an order approving the processing of the foreign debtor's reorganization).

75. The Brazilian RJ Proceeding is a judicial proceeding in that it is presided over and supervised by, and may not be dismissed except by order of, the Brazilian RJ Court, whose approval is also necessary for a plan of reorganization to become effective. See Legal Decl. ¶ 24. The Brazilian RJ Court retains jurisdiction to enforce the restructuring plan, including by specific performance. Legal Decl. ¶ 25. Moreover, immediately following the filing of a petition for relief under the Brazilian Bankruptcy law, the Brazilian RJ Court must approve any disposals of or new encumbrances upon any of the debtor's permanent assets. See Legal Decl. ¶ 10.

76. The Brazilian RJ Proceeding is pending in a foreign country (Brazil) under a law relating to insolvency, pursuant to which the assets and affairs of the Debtors are subject to the control and supervision of the Brazilian RJ Court. See Brazilian Bankruptcy Law, Art. 47 ("[J]udicial reorganization has the purpose of enabling the debtor to overcome financial and economic crisis, in order to preserve its productive function, employment and the interests of the creditors, thus promoting the preservation of the company and its social role and stimulating economic activity."); Legal Decl. ¶ 5.

77. That is why every U.S. bankruptcy court to consider the question, including this Court, has held that the Brazilian RJ Proceedings constitute "foreign proceedings." See, e.g., In re OAS S.A.,533 B.R. 83 (Bankr. S.D.N.Y. 2015); In re SIFCO S.A., No. 14-11179 (REG) (Bankr. S.D.N.Y. Oct. 23, 2014); In re Rede Energia S.A., No. 14-10078 (SCC) (Bankr. S.D.N.Y. March 6, 2014); Centrais Elétricas Do Pará S.A., No. 12-14568 (SCC) (Bankr. S.D.N.Y. Dec. 12, 2012); In re Independência S.A., No. 09-10903 (SMB) (Bankr. S.D.N.Y. Mar. 26, 2009); In re VarigLogística S.A., No. 09-15717-RAM (Bankr. S.D. Fla. May 11, 2009) (same); see also In re ITSA Intercontinental Telecomunicações Ltda., No. 08-13927 (ALG) (Bankr. S.D.N.Y. Jan. 29, 2009); In re Enco Zolcsak Equipamentos Industriais Ltda., No. 11-22924 [Docket No. 15] (Bankr. S.D. Fla. July 12, 2011); In re Transbrasil S.A. Linhas Aéreas, No. 11-19484-AJC (Bankr. S.D. Fla. May 11, 2011); In re Banco Santos, S.A., No. 10-47543 BKC LMI (Bankr. S.D. Fla. Jan. 13, 2011) (order recognizing a foreign Brazilian RJ Proceeding); In re Fazendas Reunidas Boi Gordo, S.A., No. 09-37116-AJC (Bankr. S.D. Fla. Jan. 11, 2010).

The Brazilian RJ Proceeding is a "foreign main proceeding" with respect to each of the

Debtors

78. In addition to qualifying as a "foreign proceeding" under section 101(23), the Brazilian RJ Proceeding qualifies as a "foreign main proceeding," for each Debtor. See 11 U.S.C. § 1502(4); see also 11 U.S.C. § 1517(b)(1) (providing that an order of recognition as a foreign main proceeding shall be entered if the foreign proceeding that is subject to the petition "is pending in the country where the debtor has the center of its main interests").

79. The Bankruptcy Code establishes a presumption that a debtor's "registered office" is its center of main interests ("**COMI**"). See 11 U.S.C. § 1516(c). The legislative history makes clear, however, that this presumption is rebuttable and that the rule of the "registered office," i.e., "place of incorporation," is "designed to make recognition as simple and expedient as possible" in cases where the facts are not controversial, rather than to establish a conclusive presumption. H. REP. NO. 109-31, PT. 1, 109TH CONG., 1ST SESS. 112–13 (2005); In re Bear Stearns High-Grade Structured Credit Strategies Master Fund, Ltd., 374 B.R. 122, 127–28 (Bankr. S.D.N.Y. 2007). Accordingly, where any "evidence to the contrary" is presented, the presumption does not govern. Collins v. Oilsands Quest Inc., 484 B.R. 593, 595 (S.D.N.Y. 2012).

80. Although neither the Bankruptcy Code nor the Model Law defines COMI, courts have viewed COMI as a concept rooted in substance over form—the debtor's "real seat," as one court put it. In re Bear Stearns High-Grade Structured Credit Strategies Master Fund, Ltd., 374 B.R. 122, 130 (Bankr. S.D.N.Y. 2007). That Congress intended a substance-over-form consideration is evidenced by the minor weight afforded the presumption that COMI lies in the jurisdiction of formal registered office. See, e.g., In re OAS S.A., 553 B.R. at 101–02 (rejecting argument that COMI lay in the debtor's letterbox jurisdiction because it had no assets,

operations, employees, or other connections to its place of formal incorporation); In re SPhinX, LTD, 351 B.R. 103, 119 (Bankr. S.D.N.Y. 2006) (same); In re Bear Stearns, 374 B.R. at 129 (same). In short, a COMI analysis inquires as to the debtor's substantive "nerve center"—the center of its purpose, function, business activities, and strategic direction. Courts and commentators have noted that Congress could have invoked the same substantive inquiry by using in place of "COMI" a term more familiar to U.S. courts, "principal place of business," and that it chose to leave unamended the UN's language only in order to keep its statutory text strictly uniform with the Model Law. See In re Millennium Global Emerging Credit Master Fund Ltd., 458 B.R. 63, 72–73 (Bankr. S.D.N.Y 2011) ("Chapter 15 was drafted to follow the Model Law as closely as possible, with the idea of encouraging other countries to do the same…. (quoting In re Tri-Cont'l Exch. Ltd., 349 B.R. 627, 633 (Bankr. E.D. Cal. 2006)); Jay Lawrence Westbrook, Chapter 15 at Last, 79 A.M. BANKR. L.J. 713, 719–20 (2005) (quoted by Tri-Cont'l, 349 B.R. at 633); H.R. REP. NO. 109-31 (2005) ("The definitions of . . . 'foreign main proceeding,' and 'foreign non-main proceeding' have been taken from Model Law article 2, with only minor language variations necessary to comport with [U.S.] terminology."). Indeed, a company's substantive "principal place of business" is well established under U.S. case law to require a substantive inquiry essentially identical to that of a COMI analysis, as articulated by the Supreme Court in Hertz Corp. v. Friend, 559 U.S. 77, 93 (2010):

> ['Principal place of business'] should normally be the place where the corporation maintains its headquarters—provided that the headquarters is the actual center of direction, control, and coordination, i.e., the 'nerve center,' and not simply an office where the corporation holds its board meetings (for example, attended by directors and officers who have traveled there for the occasion.)

Courts have used the terms "center of main interests" and "principal place of business" interchangeably. Millennium Global, 458 B.R. at 72 (citing In re Basis Yield Alpha Fund (Master), 381 B.R. 37, 48 (Bankr. S.D.N.Y. 2008); In re Betcorp, 400 B.R. 266, 287–88 (Bankr. D. Nev. 2009)).

81. Aiding in this substantive inquiry, courts in this Circuit have developed a list of "factors" a court may consider when determining a debtor's COMI. These factors include:

> [T]he location of the debtor's headquarters; the location of those who actually manage the debtor (which, conceivably could be the headquarters of a holding company); the location of the debtor's primary assets; the location of the majority of the debtor's creditors or of a majority of the creditors who would be affected by the case; and/or the jurisdiction whose law would apply to most disputes…. the principal place of business . . . [and] the expectations of third parties [as to] the debtor's COMI.

In re Fairfield Sentry Ltd., No. 10 Civ. 7311 (GBD), 2011 U.S. Dist. LEXIS 105770, at *10 (S.D.N.Y. Sep. 15, 2011) (citing In re Bear Stearns High-Grade Structured Credit Strategies Master Fund, Ltd, 389 B.R. 325, 336 (Bankr. S.D.N.Y. 2008) [hereinafter Bear Stearns II]; In re SPhinX, LTD, 351 B.R. at 117; In re British Am. Isle of Venice, 441 B.R. 713, 720 (Bankr. S.D. Fla. 2010)). Courts may consider some or all of these factors, See Morning Mist Holdings Ltd. v. Krys (In re Fairfield Sentry Ltd.), 714 F.3d 127, 137 (2d Cir. 2013) ("Consideration of these specific factors is neither required nor dispositive."); In re Betcorp Ltd., 400 B.R. at 290 ("[C]ourts do not apply any rigid formula or consistently find one [COMI] factor dispositive; instead, courts analyze a variety of factors to discern, objectively, where a particular debtor has its principal place of business."). This flexible, working definition respects that Congress, in declining to provide a definition "for a term that is not self-defining," left the text "open-ended, and invite[d] development by courts, depending on the facts presented, without prescription or limitation." Fairfield Sentry, 714 F.3d at 138. Accordingly, courts have tailored their COMI

analyses varyingly across a wide range of facts and circumstances—deciding, for example, that the COMI analysis of an SPV may differ from that of an operating company, a point discussed in greater detail below. See infra ¶¶ 10–12 (discussing In re OAS S.A., 553 B.R. at 101).

82. Applying this required substantive analysis to the Debtors, it is clear that the COMI of each lies in Rio de Janeiro, Brazil. This is where, the integrated Oi Group enterprise is managed, directed, and monitored as a strategic whole. All major Group decisions are effected at Oi Group Headquarters, including much of the negotiations and discussions in the months leading up to the Oi Group's present restructuring.[54] Oi Group Headquarters is a corporate nerve center in the truest sense. As each Debtor operates in conjunction with its Oi Group affiliates as part of this integrated enterprise, and as that enterprise is coordinated from and functionally located in this corporate nerve center, each Debtor has its COMI in Brazil.

83. Oi, Telemar, and Móvel, all are Brazilian-incorporated companies with registered offices in Brazil, giving rise to the rebuttable presumption, correct in this instance, that the COMI of each lies in Brazil. These companies, like all Oi Group entities, are run from the Groups' headquarters in Rio de Janeiro. Further, as operating entities, Oi, Telemar, and Móvel maintain all or nearly all of their assets, employees, management board, directors, creditors, and business operations in Brazil. Oi and Telemar's fixed-line services, are literally built into Brazil.

84. Coop is a financing vehicle for cash proceeds borrowed from Oi Group investors for use in Brazil by its Brazilian affiliates. The fact that a SPV, such as Coop, has no other operations renders most of the COMI factors inapplicable. That is why courts take special consideration when determining the COMI of an SPV. In re OAS S.A., 553 B.R. at 101 ("[T]he

[54] Meetings with the Ad Hoc Group in the months preceding commencement of the bankruptcy cases took place both in Rio de Janeiro and, for the convenience of bondholders, in New York City.

COMI analysis when applied to a special-purpose financing vehicle proves less straightforward than the typical case.").

85. The COMI of an SPV turns on the location of the corporate nerve center and the expectations of creditors (e.g., whether creditors are aware of the debtor's nature as an SPV). See, e.g., OAS, 533 B.R. at 102 (relying heavily on nerve center location and creditor expectations to determine COMI of an SPV); In re Suntech Power Holdings Co, 520 B.R. 399, 416–17 (Bankr. S.D.N.Y. 2014) (at time of foreign filing, holding company with no tangible assets or operations had its COMI in the functional nerve center of its corporate group, which was ascertainable to creditors). Courts also look to the function of the debtor within its corporate group. See OAS, 533 B.R. at 102 (finding COMI of a foreign SPV in the jurisdiction of its corporate group largely because its "principal purpose [was] the financing of the operations of [the parent], its affiliates and direct and indirect subsidiaries"). In inquiring into the corporate group context, additional factors that speak to COMI include the location of the corporate group and operations serviced by the SPV, and, more specifically, the location of the parent entity ultimately responsible for coordinating the activities of the SPV and its transactions, if any, with affiliates. See id. at 101–102 (location of group operations and of parent entity led to finding of COMI in the jurisdiction of the group, not that of the debtor's registered office); see also In re SPhinX, LTD., 351 B.R. at 117 (noting that a subsidiary's nerve center could very well sit with its parent company).

86. The specially tailored COMI analysis required for an SPV was recently articulated by this Court, in a case nearly identical to these Chapter 15 Cases. In In re OAS S.A., 553 B.R. 83 (Bankr. S.D.N.Y 2015), this Court considered chapter 15 petitions of certain entities in the OAS group, a Brazilian engineering and infrastructure enterprise, seeking foreign main

recognition of the debtors' RJ proceeding in Brazil. One of the debtors, an SPV financing vehicle incorporated in Austria, was utilized by the OAS Group for the sole purposes of issuing debt to finance OAS group operations centered in Brazil. As with Coop, the Austrian debtor had no operations of its own and existed only to serve as a financing vehicle for the Brazilian group.

87. In the course of its COMI analysis, this Court articulated the considerations outlined above, namely, that the COMI analysis of a corporate group's foreign SPV is distinct from that of an ordinary operating debtor and requires a further inquiry into the context of the corporate group served by the debtor SPV. Id. 101. Rebutting the presumption that the Austrian debtor has its COMI in Austria—a location in which it had no operations or employees—the Court relied heavily on the nerve center factor and the expectations of creditors, while also devoting serious analysis to the debtor's purpose and function within the Brazilian-based OAS group. Id. at 101-02.

88. To begin, the Court noted that the Austrian debtor existed solely to serve the financing needs of the OAS Group in the international capital markets, and had "no other business" beyond borrowing and lending. Id. at 101. The Austrian debtor's sole assets (like Coop) were the intercompany receivables deriving from its limited financing function, and it maintained no employees and had no operations in Austria. Id. Because the debtor's entire purpose was to provide financing to its Brazilian group, this weighed heavily in favor of a finding of COMI with the corporate group in Brazil.

89. The Court further found that, because the limited activity of the Austrian entity was coordinated as part of enterprise-wide group strategy determined in Brazil by its Brazilian affiliates, its "nerve center," too, lay in Brazil:

> Brazil, in this regard, is [the Austrian debtor's] nerve center and headquarters. OAS, a Brazilian entity and its sole shareholder, has

> the power to elect [the debtor's] executive officers and determine the outcome of any action requiring shareholder approval, including transactions with related parties, acquisitions and dispositions of assets and the timing and payment of any future dividends, according to the Brazilian Corporation Law.

Id. at 101–02 (internal quotations omitted).

90. Finally, the Court found that the expectations of creditors contributed significantly to a finding of COMI in Brazil. Id. at 102. Specifically, the "risk factors" disclosed to holders of bonds issued by the Austrian debtor creditors cautioned investors to "carefully consider before deciding to purchase the notes . . . the risks associated with the businesses of the OAS Group [generally], not [only those of] the Austrian debtor, and included a separate discussion focusing on the special risks relating to investments that could be affected by the Brazilian economy and Brazilian government actions." Id. Because investors had been thoroughly advised of the Austrian debtor's connections to Brazil, the Court reasoned, they assumed the risk of investing in a Brazilian enterprise and could not now claim to believe the debtor was substantively centered in Austria. Id. at 103 ("[P]urchasers of the 2019 Notes understood that they were investing in Brazilian-based businesses . . . ."). Indeed, the creditworthiness of debt issued by the SPV rose and fell with that of its guarantors—Brazilian operating entities in the OAS Group—"[the SPV's] place of incorporation, or for that matter its very existence, was immaterial to [bondholders'] decision to purchase their notes." Id. Accordingly, the OAS court found that all these factors compelled a finding of the SPV's COMI in Brazil, the location of its corporate group and coordinating nerve center, in addition to, as well-advertised to creditors, the economic value of the SPV and the creditworthiness of its debt.

91. The COMI analysis before the Court is nearly identical to that in OAS. First, like the Austrian debtor in OAS, Coop has "no other business" than to fund Brazilian operations by

issuing debt guaranteed by Brazilian affiliates and on-lending the proceeds to Brazilian affiliates within the Brazilian-centered Oi Group, and on-lend financing proceeds issued by other SPVs within the Oi Group. See OAS, 533 B.R. at 101. Indeed, as noted earlier, Coop is in fact restricted under the terms of its own debt documents from "engag[ing] in any business" or entering any transaction other than those related to issuing debt and on-lending the proceeds to affiliates in its corporate group. 2021 U.S. Notes Indenture, § 4.17.

92. Coop's ultimate business function lies with the Oi Group in Brazil. It relies on Brazilian affiliates and their Brazilian operations—the only source of cash flow—to service its debt obligations, and its principal assets—namely, intercompany receivables owed by its Brazilian affiliates—are located in Brazil. When Coop repays its bondholder, it is with Oi Group profits earned in Brazil from services provided to Brazilian customers under a Brazilian regulatory regime. As such, Coop's profitability and the creditworthiness of its debt rises and falls with operations and economic conditions in Brazil. While Coop and parent company Oi comply with obligations under Dutch and Brazilian tax and regulatory law to maintain Coop as a Dutch entity duly existing under the laws of the Netherlands, fulfillment of such technical legal requirements have no place in the substance-over-form analysis required by governing chapter 15 precedent. See OAS, 533 B.R. at 101 (Austrian SPV's limited Austrian activities, effected to maintain its corporate existence under Austrian law, did not detract from finding of COMI in Brazil).

93. As a financing SPV with access to the international debt markets, Coop, like the OAS SPV, is "part of, and inseparable from, [its corporate] group in Brazil." OAS, 533 B.R. at 103. As such, it is coordinated with its Brazilian affiliates in an integrated strategy centralized at Oi Group Headquarters in Rio de Janeiro. Coop and its affiliates collaborate to effect in their

respective jurisdictions unified, enterprise-wide direction—all in support of the Brazilian Group's operations in Brazil. As such, Coop shares with its affiliates a common "nerve center" located in Rio de Janeiro. Specifically, this nerve center, and not Coop's office in the Netherlands, is responsible for coordinating as between Coop and its affiliates the Group's integrated cash management. Coop's financial statements are filed as consolidated with the financials of Oi and its other subsidiaries.

94. Further, and a factor of particular relevance in determining the COMI of an SPV, Coop's direct and sole equityholder, Oi, is a Brazilian entity headquartered in and run from Rio de Janeiro. As the sole member (shareholder) of Coop, Oi has the power to elect Coop's directors and dictate corporate action of sufficient magnitude to require member approval—a compelling factor for the OAS court in identifying the Brazilian COMI of the Austrian SPV. See Petition, supra 90–91.

95. Third, Coop's creditors have been informed that their investment in the U.S. bonds is an investment in the Brazilian operations of a Brazilian corporate group, and as such are subject to economic, political, and regulatory risks in Brazil—not in the Netherlands. Indeed, bondholders of the 2022 U.S. Notes *originally invested in Brazil* when Oi first issued the notes in February of 2012, and became creditors of Coop only later that year when Coop was substituted as issuer (supported by an Oi-issued guarantee) as permitted under the terms of the governing indenture.[55] Moreover, "risk factor" provisions of the offering memorandum accompanying the 2022 U.S. Notes, which warned of the risks associated with investing in a *Brazilian* telecommunications company and cautioned bondholders of investment risk related to

[55] 2022 U.S. Notes Indenture, § 10.01 (permitting substitution of the issuer by [who], so long as Oi issued a guarantee and remained the reference entity in the covenants and events of default under the indenture); see also infra ¶ 98 (discussing the substitution provisions of the 2021 U.S. Notes and 2022 U.S. Notes and their implications for the Court's COMI considerations in detail).

competition and regulation in Brazilian telecom, as well as general "political, regulatory and economic conditions in Brazil." 2021 U.S. Notes OM, p. *viii*.

96. Holders of the second series of Coop bond debt, the 2021 U.S. Notes, were on similar notice that their investment was an investment in Brazil, not an investment in the Netherlands. The 2021 Notes OM cautions of the "extensive risk factors relating to our company, the telecommunications industry and Brazil," (2021 U.S. Notes OM, p. 15), and that a substantial portion of the Group's assets consisted of fixed telecom lines in Brazil which in the case of bankruptcy or attachment would "revert to the Brazilian government" under governing Brazilian law. 2021 U.S. Notes OM, p. 19.

97. As noted above, Coop's bondholders never relied on Coop—a company with no assets or revenue—for the payment of principal and interest, but rather depended on a guarantee from parent company Oi. As the 2002 Irish Listing Supplement dated August 21, 2012 to Coop's Irish Listing Particulars dated February 17, 2012 (the "2012 Irish Listing Supplement") stated:

> The Issuer [Coop] does not have subsidiaries or hold any equity investments. The Issuer does not have any operations independent from Oi. The Issuer's obligations under the Notes have been fully and unconditionally guaranteed by Oi. Accordingly, the ability of the Issuer to pay principal, interest and other amounts due on the Notes will depend upon the financial condition and results of operations of Oi and its consolidated subsidiaries.

2012 Irish Listing Supplement at p. 2. As expected, financial and other covenants in the documents governing the Coop Notes largely restrict Oi, rather than Coop, from actions that might compromise its ability to pay creditors,[56] and repurchase requirements under the indentures are triggered by a change of control and ratings decline at Oi, rather than Coop, again

[56] See 2021 Notes Indenture, section 4; 2022 First Supplemental Indenture, Article 2 ("Article 4 of the [i]ndenture (*covenants*) . . . and [s]ection 6.01 of the [i]ndenture (*events of default*) shall continue to apply to [Oi] in respect of the [s]ecurities if no . . . [issuer] substitution had occurred.")

reiterating that payment is ultimately to derive from Oi or another operating Oi Group entity—not from the SPV.[57] Also as expected, Coop's financials were not included in the U.S. Notes OMs, as they were immaterial to creditors—another factor of significance to the OAS court in its recent decision. 2021 U.S. Notes OM, p. *iv* ("We have not included any financial statements for Oi Netherlands in this offering memorandum."); see OAS, 533 B.R. at 102 ("Notably, the offering memorandum did not include any financial information regarding OAS Investments[.]").

98. Indeed, Coop bondholders were so dependent on the creditworthiness of Oi, and so indifferent to the creditworthiness *and even identity* of the issuer, that the indentures governing the Coop Notes permitted Oi, at any time prior to default and without the consent of or notice to the bondholders, to substitute Coop as the issuer of the 2021 U.S. Notes with any other wholly-owned subsidiary of Oi S.A., in any jurisdiction, so long as the bondholders were compensated for the tax consequences thereof. 2021 U.S. Notes OM § 10.

99. Creditors of Coop, like the creditors of all Oi Group entities, have always been on notice that if bankruptcy proceedings occurred, they would occur in Brazil. In the OMs for both series of Coop Notes, the Oi Group advised investors that if it proved unable to pay its debts, the Oi Group—including Coop[58]—could commence bankruptcy or RJ in Brazil under restructuring laws that may differ from those of investors' own jurisdictions. 2021 U.S. Notes OM, p. 21; 2022 U.S. Notes OM, p. 26. As bondholders have always known that an Oi Group restructuring would occur in Brazil, a COMI finding that failed to grant proper full comity to the Brazilian RJ Proceeding as a foreign main proceeding with respect to each Debtor would thus up-end creditor expectations and compromise the ability of future participants in the capital markets to contract

[57] 2021 Notes Indenture, section 4.06; 2022 Notes Indenture, section 4.06 (same).
[58] 2021 U.S. Notes OM, at p. *i* ("[A]ll references to "our company," "we," "our," "ours," "us" or similar terms are to Oi S.A. and its consolidated subsidiaries . . . ."); 2022 U.S. Notes OM, at *i* (same, calling Oi by its former name, Oi Brasil Telecom S.A.).

credibly on the future terms of their transactions. The written evidence of creditor expectations thus serves as a strong factor in favor of finding COMI in Brazil. See OAS, 533 B.R. at 103 (finding COMI in Brazil where creditors of the Austrian SPV "had no legitimate expectation that the Austrian courts would play any role in the determination or payment of their claims.").

100. The Brazilian courts, too, recognize that foreign companies operating as part of an integrated group centered in Brazil have their COMI in Brazil with the corporate group. See, e.g., In re: Lupatech, et. al., Case No. 16-11078-mg, EFC 6 (Exhibit B) (April, 27, 2016) (translation of 1st Bankruptcy and Reorganization Court's decision date June 22, 2015 recognizing that "the petitioners satisfy the legal requirements to request reorganization" where Lupatch Group filed together with Lupatech Finance Limited (a company based in the Cayman Islands)); In re: OAS S.A., et al., Case No. 15-10937 (SMB), EFC 4 (Exhibit B) (April 15, 2015) (same). As chapter 15 is premised on the overarching goal of granting comity to foreign proceedings, the Petitioner respectfully submits that this Court should find persuasive the Brazilian courts decisions, which track Second Circuit case law, and locate Coop's COMI in Brazil.

101. In conclusion, Oi, Telemar, and Móvel, as operating companies incorporated, managed, and operating almost exclusively in Brazil, and Coop, as an SPV existing only to fulfill the financing needs of the Brazilian Group's Brazilian operations, all share a COMI in Brazil at the Oi Group's corporate nerve center in Rio de Janeiro.

2. The Petitioner is a Proper "Foreign Representative"

102. The second requirement for recognition of a foreign main proceeding under section 1517(a) of the Bankruptcy Code is that a foreign representative applying for recognition

be a person or body. See 11 U.S.C. § 1517(a)(2). Section 101(24) of the Bankruptcy Code provides that

> The term "foreign representative" means a person or body, including a person or body appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor's assets or affairs or to act as a representative of such foreign proceeding.

11 U.S.C. § 101(24).

103. Here, the Petitioner is an individual, which is included in the term "person," 11 U.S.C. § 101(41), who has been duly appointed by the Debtors to act as foreign representative in accordance with section 101(24) and authorized to commence this chapter 15 case. As explained in the Brazilian Counsel Declaration, the Brazilian Bankruptcy Law authorizes the Debtor to administer the reorganization of its assets and affairs. Brazilian Counsel Decl. ¶¶ 6-7. As such, the Petitioner satisfies sections 101(24) and 1517(a)(2) of the Bankruptcy Code. Ad Hoc Group of Vitro Noteholders v. Vitro, S.A.B., de C.V. (In re Vitro, S.A.B. de C.V.), 470 B.R. 408 (Bankr. N.D. Tex. 2012), aff'd, 701 F.3d 1031 (5th Cir. 2012) (holding that an individual appointed as foreign representative by the debtor's board in anticipation of a Mexican *concurso* proceeding, which contemplates "self-management" during the proceeding similar to that of a debtor in possession, fit within the scope of the Bankruptcy Code's definition of "foreign representative," and recognizing the individual as the foreign representative); See OAS S.A., 553 B.R. 83, 93 (Bankr. S.D.N.Y 2015) (citing In re Vitro, S,A,B. de C.V., 701 F.3d 1031, 1046 (5th Cir. 2012)).

3. The Petition Was Properly Filed under Sections 1504 and 1509 and Satisfied the Requirements of Section 1515

104. The third and final requirement for recognition of a foreign proceeding under section 1517(a) of the Bankruptcy Code is that the petition for recognition meets the procedural requirements of section 1515 of the Bankruptcy Code. See 11 U.S.C. § 1517(a)(3). Here, all of those procedural requirements are satisfied.

105. First, the Petitioner duly and properly commenced this chapter 15 case in accordance with sections 1504 and 1509(a) of the Bankruptcy Code by filing its petition with all the documents and information required by sections 1515(b) and 1515(c). See In re Bear Stearns, 374 B.R. at 127 ("A case under chapter 15 is commenced by a foreign representative filing a petition for recognition of a foreign proceeding under section 1515 of the Bankruptcy Code."), aff'd, 389 B.R. 325 (S.D.N.Y. 2008).

106. Second, in accordance with section 1515(b)(1)-(2) and (d) of the Bankruptcy Code, the Petitioner has submitted evidence, translated into English, of the existence of the Brazilian RJ Proceeding and the appointment of the Petitioner as foreign representative with respect thereto. See Exhibits H – I & O – Q to the Petitioner Decl. (together containing true and correct copies of the Petition and the Resolutions of Appointment, along with certified translations of each from Portuguese to English).

107. Finally, in accordance with section 1515(c) of the Bankruptcy Code, the Petitioner's Declaration contains a statement identifying the Brazilian RJ Proceeding as the only foreign insolvency proceeding currently pending with respect to each of the Debtors. Petitioner Decl. ¶ 71.

* * *

108. For all of the reasons set forth above, the Petitioner respectfully submits that all of the requirements of section 1517(a) have been satisfied and that Debtors are entitled to all of the relief provided under section 1520 of the Bankruptcy Code.[59] Thus, the Petitioner respectfully asks that the Court enter the Proposed Order attached hereto as Exhibit A recognizing the Brazilian RJ Proceeding as a foreign main proceeding with respect to each of the Debtors.[60]

4. The Relief Requested Is Not Manifestly Contrary to the Public Policy of the United States

109. Recognition of the Brazilian RJ Proceeding as a foreign main proceeding and the granting of associated relief "manifestly contrary to the public policy of the United States." 11 U.S.C. § 1506. The legislative history indicates that this "public policy" exception is narrow, to be invoked only when the "most fundamental policies of the United States" may be jeopardized by judicial action taken under chapter 15. H.R. REP. No. 109-31, pt. 1, at 109 (2005). The exception has been interpreted as operating only to ensure that foreign proceedings receiving comity in the United States protect the same fundamental notions of fairness safeguarded under the Bankruptcy Code and other applicable U.S. law. As one court put it, "[t]he key determination . . . is whether the procedures used in [the foreign proceeding] meet our fundamental standards of fairness." In re Metcalfe & Mansfield Alt. Invs., 421 B.R. 685, 697 (Bankr. S.D.N.Y. 2010). Section 1506 does not require that law governing the foreign proceeding be identical to its U.S. law counterpart; rather, it only requires that fundamental U.S.

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[59] Upon recognition of the Brazilian RJ Proceeding as a foreign main proceeding, certain relief is automatically granted as a matter of right, including a stay that enjoins actions against and otherwise protects the Debtor. See 11 U.S.C. § 1520. In particular, upon the Court's recognition of the Brazilian RJ Proceeding as a foreign main proceeding, section 1520(a)(1) of the Bankruptcy Code triggers the automatic stay provisions of section 362 of the Bankruptcy Code with respect to the Debtor.

[60] To the extent that the Court declines to recognize the Brazilian RJ Proceeding as a foreign main proceeding with respect to Coop, the Petitioner requests that it instead enter an order recognizing the Brazilian RJ Proceeding as a foreign nonmain proceeding, as defined in section 1502(5), with respect to Coop only, and a foreign main proceeding with respect to Oi, Telemar, and Móvel.

law notions of substantive and procedural fairness be adequately protected. See, e.g., In re Rede Energia S.A., 515 B.R. 69, 104 (Bankr. S.D.N.Y. 2014) (rejecting arguments that it should deny comity on the basis that the Brazilian Bankruptcy Law is not identical to U.S. law); OAS S.A., 553 B.R. 83, 103 (Bankr. S.D.N.Y 2015) (holding that objectors "have not mounted a serious challenge to the fairness of [Brazilian RJ proceedings] on a 'macro system' level, and this Court recently held that 'Brazilian bankruptcy law meets our fundamental standards of fairness and accords with the course of civilized jurisprudence.").

110. Here, recognition of the Brazilian RJ Proceeding is consistent with the public policy of the United States and the goal of chapter 15 to afford comity to foreign insolvency proceedings. In fact, "Brazil's new reorganization procedure was inspired by Chapter 11 of the U.S. Bankruptcy Code." Aloisio P. Araujo et al., *The Brazilian Bankruptcy Law Experience*, J. CORP. FIN. (2012), at 4. Specifically, and as noted above and further described in detail in the Brazilian Counsel Declaration, the Brazilian Bankruptcy Law, like the Bankruptcy Code, provides for a centralized process to assert and resolve claims against the debtors in an RJ in one tribunal. In addition, the Brazilian Bankruptcy Law provides that claims of a same class must be treated equally absent an economic justification for treating a subgroup of claims differently, such as to the need for prioritizing payment of past-due claims of critical suppliers, or to give special treatment to creditors providing the debtor with additional financing during the RJ proceeding. Legal Decl. ¶ 18. Finally, the Brazilian Bankruptcy Law requires that a plan of reorganization follow certain statutorily defined hierarchy for the priority payment of different classes of claims, including priority for administrative claims and the payment of secured claims before unsecured claims, which scheme has been found to comport with the priority and payment scheme in the Bankruptcy Code. Legal decl. ¶ ¶ 20–22.

111. During the course of a reorganization, the Brazilian Bankruptcy Law contains robust procedural safeguards for creditors and sets forth a comprehensive procedure for the orderly renegotiation of claims and the equitable distribution of assets among the debtor's creditors in a single, centralized proceeding. Approval of a plan by majority vote requires significant consensus among the creditors of each secured and unsecured class: a majority in both number and face value of claims in each class held by creditors present and voting must approve the plan. Legal Decl. ¶ 22.

112. Thus, the Brazilian RJ Proceeding are governed by a manifestly equitable and orderly process that comports with the United States' standards of substantive and procedural fairness. As such, the relief requested herein does not violate the public policy of the United States. To the contrary, recognition of the Brazilian RJ Proceeding as a foreign main proceeding follows the dictates of chapter 15 to foster comity and cooperation between this Court and the Brazilian RJ Court with the ultimate goal of an orderly forum for a judicially-supervised reorganization and an orderly administration of the Debtors' assets. For these reasons, the Petitioner respectfully submits that the Requested Relief should be granted.

Notice

113. Notice of this Motion has been provided to:

i. Oi S.A., R. Lavradio, No. 71, 2nd Floor, Rio de Janeiro, Brazil, email: priscila.salomao@oi.net.br, as a Debtor in these Chapter 15 Cases;

ii. Telemar Norte Leste S.A., R. General Polidoro, No. 99, Rio de Janeiro, RJ, Brazil, email: priscila.salomao@oi.net.br, as a Debtor in these Chapter 15 cases;

iii. Oi Móvel S.A., Setor Comercial Norte, Quadra 3, Bloco A, Edifício Estação Telefônica, térreo #2, Rio de Janeiro, RJ,13900, Brazil, email: priscila.salomao@oi.net.br, as a Debtor in these Chapter 15 cases;

iv. Oi Brasil Holdings Cooperatief U.A., Naritaweg 165, Amsterdam, Netherlands, as a Debtor in these Chapter 15 cases;

v. Luiz Antonio de Sampaio Campos, Barbosa Mussnich Aragoa, Av. Alm. Barroso, 52 Centro, Rio de Janeiro, RJ, 20031, Brazil, email: lac@bmalaw.com.br, as Brazilian co-counsel to the Debtors;

vi. Meyer and Paolo Penalva Santos, Rosman, Penalva, Souza Leao, Franco, Rua de Assembleia, 10, 38° Andar, Rio de Janeiro, RJ, 20031, Brazil, email: jacmeyer@psadvs.com.br and paulopenalva@psadvs.com.br, as Brazilian co-counsel to the Debtors;

vii. Hendrik Van Druten, Loyens & Leoff, Fred. Roeskestraat 100, 1076 ED Amsterdam, the Netherlands, email: hendrik.van.druten@loyensloeff.com, as Dutch counsel to Oi;

viii. Lucas P. Kortmann, Resor N.V., Symphony Offices, Gustav Mahlerplein 27, 1082MS Amsterdam, the Netherlands, email: lucas.kortmann@resor.nl as Dutch counsel to Coop;

ix. Richard J. Cooper, Cleary Gottlieb Steen & Hamilton LLP, One Liberty Plaza, New York, NY 10006, email: rcooper@cgsh.com, as U.S. counsel to the Ad Hoc Group;

x. Pinheiro Neto Advogados, Rua Hungria, 1100, São Paulo, SP, 01455-906, Brasil, email: gcolombo@pn.com.br, as Brazilian counsel to the ad hoc group of bondholders;

xi. Capricorn Capital LTD - Corporate Services Ltd., PO Box 1344, dms House, 20 Genesis Close, Grand Cayman KY1-110, Cayman Islands, c/o Aurelius Capital Management, email: Dprieto@aurelius-capital.com, as bondholder;

xii. Houthoff Buruma Coöperatief U.A. Postbus 75505, 1070 AM Amsterdam, Netherlands, email: verhoeven@houthoff.com as Dutch counsel to Capricorn;

i. Syzygy Capital Management Ltd., 10 East 40Th Street 10Th Floor, New York, New York, 10016, as bondholders;

ii. Quinn Emanuel Urqyart & Sullivan, LLP), 865 South Figueroa Street, 10th Floor, Los Angeles, CA, 90017-2543, email: johnshaffer@quinnemanuel.com, as U.S. counsel to Syzygy;

iii. Falceri Ivano, Via Villanuova 10, Mori (Trento), cap 38065, Italia, as a bondholder;

iv. The Bank of New York Mellon, 101 Barclay Street, Floor 4E, New York, NY 10286, as the Indenture Trustee for the 2016, 2017, 2019, 2020, and 2022 U.S. Notes;

v. The Bank of New York Mellon, 101 Barclay Street, Floor 7E, New York, NY 10286, as the Indenture Trustee for the 2021 U.S. Notes;

vi. Chadbourne, 1301 Avenue of the Americas, New York, NY 10019, email: mbaldwin@chadbourne.com, as Counsel for The Bank of New York Mellon;

vii. Citicorp Trustee Company Limited, Canada Square, Canary Wharf, London E14 5LB, United Kingdom;

viii. The Bank of New York Mellon (Trustee), 385 Rifle Camp Road - 3rd floor - Garret Tower - Woodland Park, N.J 07424, as Trustee for U.S. 2016, 2019, and 2020 Senior Notes;

ix. China Development Bank Corporation, 12th-15th Floor, Citic Tower, No. 1093 Shennan Zhong Road, Shenzhen 518031, P.R. China;

x. Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, EC2N 2DB London, United Kindgom;

xi. Export Development Canada, 150 Slater Street, Ottawa, Canada K1A 1K3;

xii. Finnish Export Credit LTD., P.O. Box 123, Eteläesplanadi 8, FI-00131 Helsink, Finland;

xiii. HSBC Bank USA, 452 Fifth Ave, New York, NY 10018;

xiv. Nordic Investment Bank, Fabianinkatu 34 - P.O. Box 249, FI-00171,Helsinki, Finland;

xv. The Bank of Tokyo-Mitsubishi UFH, Ltd., Ropemaker Place, 25 Ropemaker Street, London, EC2Y 9AN, United Kindgom;

xvi. Portugal Telecom International Finance B.V, Naritaweg 165, 1043 BW Amsterdam, the Netherlands, as affiliate;

xvii. Nick Biegman, De Brauw Blackstone Westbroek N.V., Claude Debussylan 80, P.O. Box 75084, 1070 AB Amsterdam, The Netherlands, email: niek.biegman@debrauw.com as Dutch counsel to Portugal Telecom International Finance B.V.;

xviii. Portugal Telecom Participações SGPS, Avenida Fontes Pereira de Melo, nº 51, 6º andar, letra G, freguesia Avenidas Novas, concelho de Lisboa, 1050-120 Lisboa, Portugal, as affiliate;

xix. Richard Hudson, of McKinsey & Company, 1 Jermyn St, London SW1Y 4UH, as Foreign Representative in the United Kingdom;

xx. Jeff Fourmaux, esq. Friedman Kaplan Seidler & Adelman LLP, email: jfourmaux@fklaw.com;

xxi. Edward Friedman, esq., Friedman Kaplan Seidler & Adelman LLP, email: efriedman@fklaw.com;

xxii. Lawrence Robbins, esq., Robbins Russell Englert Orseck Untereiner & Sauber LLP, email: lrobbins@robbinsrussell.com;

xxiii. Ariel Lavinbuk, esq., Robbins Russell Englert Orseck Untereiner & Sauber LLP email: alavinbuk@robbinsrussell.com;

xxiv. Lee Turner Friedman, esq., Robbins Russell Englert Orseck Untereiner & Sauber LLP, email: lfriedman@robbinsrussell.com;

xxv. The Office of the United States Trustee for the Southern District of New York, 201 Varick Street, Suite 1006, New York, NY 10014, email: USTP.Region02@usdoj.gov; and

xxvi. the following contract counterparties and additional creditors as provided in Exhibit B.

No Prior Request

114. No previous request for the relief requested herein has been made to this or any other court.

Conclusion

115. WHEREFORE, the Petitioner respectfully requests that the Court: (a) enter the Proposed Order, upon notice and a hearing, substantially in the form attached hereto as Exhibit A, and (b) grant such other and further relief as may be just and proper ("**Requested Relief**").

Dated: June 21, 2016
New York, New York

Respectfully submitted,

By: /s/ John K. Cunninham
John K. Cunningham

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VERIFICATION OF CHAPTER 15 PETITION

Pursuant to 28 U.S.C. § 1746, I, Ojas N. Shah, declare as follows:

I am the authorized foreign representative of the Debtors with respect to the Brazilian RJ Proceeding. I have received the factual contents of foregoing Verified Petition, including each of the attachments and appendices thereto from the Debtors and their legal counsels, and I am informed and believe that the allegations contained therein are true and accurate to the best of my knowledge, information, and belief.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: June 21, 2016

Respectfully submitted,

Ojas N. Shah