

WHITE & CASE LLP
1155 Avenue of the Americas
New York, New York 10036-2787
(212) 819-8200
John K. Cunningham
Mark P. Franke

Southeast Financial Center
200 South Biscayne Blvd., Suite 4900
Miami, Florida 33131
(305) 371-2700
Jason N. Zakia (*admitted pro hac vice*)
Richard S. Kebrdle (*admitted pro hac vice*)
Laura L. Femino (*admitted pro hac vice*)

*Attorneys for Ojas N. Shah
as Petitioner and Foreign Representative*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

)	
In re)	
)	Case No. 16-11791 (SHL)
Oi S.A. et al., ¹)	(<i>Jointly Administered</i>)
)	
Debtors in a Foreign Proceeding.)	Chapter 15
)	

**SECOND DECLARATION OF OJAS N. SHAH NOTIFYING THE COURT OF A
CHANGE OF STATUS PURSUANT TO 11 U.S.C. § 1518 AND 28 U.S.C. § 1746**

I, Ojas N. Shah, recognized U.S. foreign representative of the above-captioned debtors (the “**Debtors**”) in these chapter 15 cases with respect to the Brazilian RJ Proceeding, declare under penalty of perjury under the laws of the United States of America that the following is true and correct:

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

1. I submit this declaration (i) pursuant to section 1518 of the Bankruptcy Code, which requires that a foreign representative file notices of status changes concerning foreign proceedings of the Debtors, and (ii) to keep this Court apprised of progress in the ongoing restructuring of the Oi Group, centralized in the Brazilian RJ Proceeding recognized by this Court as the foreign main proceeding of the Debtors. The information herein supplements that provided to the court in the (i) *Verified Petition for Recognition of the Brazilian RJ Proceeding and Motion for Related Relief Pursuant to 11 U.S.C. §§ 1515, 1517, and 1520* (the “**Verified Petition**”) [ECF No. 3], (ii) the *Declaration of Ojas N. Shah in Support of the 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 and Motion for Provisional Relief Pursuant to 11 U.S.C. §§ 1519, 1521(a)(7), and 362* (the “**Petitioner Declaration**”) [ECF No. 4], and (iii) the *Declaration of Ojas N. Shah Notifying the Court of a Change of Status Pursuant to 11 U.S.C. § 1518 and 28 U.S.C. § 1746* (the “**First 1518 Declaration**”) [ECF No. 32].

2. I make the statements herein on the basis of facts and matters that are known to me and on documentation or information provided to me by the Debtors and Debtors’ counsel. Where I have been informed by others, such information is true to the best of my knowledge and belief.

I. The Dutch Involuntary Bankruptcy Petitions

3. As disclosed to this Court in the First 1518 Declaration, two involuntary petitions were filed against Coop² in the District Court of Amsterdam (the “**Dutch Court**”) by

² Capitalized terms used and not defined have the meaning set forth in the Verified Petition and the First 1518 Declaration, as defined below.

bondholders Syzygy and Loomis on June 27, 2016 and July 8, 2016, respectively. Since the filing of the First 1518 Declaration and as disclosed to this Court at the recognition hearing held on July 21, 2016, two additional involuntary petitions have been filed in the Dutch Court.

4. The Dutch Court has scheduled hearings to consider the four involuntary petitions for August 9, 2016.

a. The Third Dutch Involuntary Bankruptcy Petition

5. On July 11, 2016, a group of Italian noteholders represented by Dutch counsel De Breij Evers Boon N.V. (the “**First De Breij Noteholder Group**”) purporting to beneficially own €6.5 million in principal of the Coop-issued 2021 U.S. Notes filed an involuntary bankruptcy petition against Coop (the “**Third Dutch Involuntary Petition**”) in the Dutch Court. Among other things, the noteholders requested that the Dutch Court declare the bankruptcy of Coop.

6. In the course of their petition, the applicants recognize that Coop “has no operational activities” and “depends entirely on the operational activities of the group companies,” “primarily Oi.” Nevertheless, they still seek to sever Coop from the joint restructuring of Oi and the other RJ Debtors presently ongoing under judicial supervision in Brazil—a proceeding already formally recognized by this Court under chapter 15 and by the High Court of England and Wales under UNCITRAL.

b. The Fourth Dutch Involuntary Petition

7. On July 15, 2016, another group of noteholders residing in Italy and England and also represented by the same Dutch counsel, De Breij Evers Boon (the “**Second De Breij Noteholder Group**”), purportedly the collective beneficial owners of approximately €700,000 of the 2021 U.S. Notes and US\$400m of the 2022 U.S. Notes, filed an involuntary bankruptcy

petition against Coop (the “**Fourth Dutch Involuntary Petition**”) in the Dutch Court. Among other things, these noteholders similarly request that the Dutch Court declare the bankruptcy of Coop. As with the Third Dutch Involuntary Petition, the applicants seek to extricate Coop from the Group’s organized restructuring and force Coop into a separate liquidation proceeding in the Netherlands, despite recognizing that Coop has no revenue of its own and “depends entirely on the operational activities” of its affiliates.

II. Appointment of Judicial Administrator in the Brazilian RJ Proceeding

8. On July 22, 2016, the Brazilian RJ Court appointed financial services firm PricewaterhouseCoopers Assessoria Empresarial Ltda. and Brazilian law firm Wald Associados Advogados to serve the role of *Administradora Judicial* (the “**Judicial Administrator**” or “**AJ**”) in the Brazilian RJ Proceeding. As described in the *Corrected Declaration of José Alexandre Soares Corrêa Meyer pursuant to 28 U.S.C. § 1746 in Support of Petition for Recognition of the Brazilian RJ Proceeding and Motion for Order Granting Related Relief Pursuant to 11 U.S.C. §§1515, 1517, 1520, and 1521* [ECF No. 16] (the “**Brazilian Counsel Declaration**”):

As a general rule, a debtor retains the right to administer its assets and affairs and to run its business in the course of the RJ. The court will appoint a judicial administrator (*administrador judicial*) (the “**AJ**”) to, among other things, oversee the debtor and manage the claims verification process. The *AJ*, however, does not have the power to control or otherwise interfere with the debtor and its ongoing business operations. Rather, the *AJ* serves the supervisory role of informing the court if and when the debtor fails to meet its obligations under a confirmed plan (discussed below) or otherwise commits an unlawful act pursuant to the Brazilian Bankruptcy Law. Consequently, officers and directors of the debtor remain duly authorized to act on the debtor’s behalf and to administer its assets and affairs during the RJ.

Brazilian Counsel Declaration ¶ 15. The Company disclosed the appointment to its shareholders and the market generally in a Notice to the Market published on July 25, 2016.

III. Ratification of RJ Filing by the Shareholders

9. At an Extraordinary General Shareholders Meeting held at the Oi Group's headquarters in Rio de Janeiro on July 22, 2016, the shareholders of Oi cast 99.05% of eligible votes in favor of ratifying the Company's RJ filing and actions taken to date related thereto. The shareholders further authorized the Company's management to make arrangements and perform all acts necessary in relation to the judicial reorganization of the RJ Debtors going forward. The Company informed its shareholders and the market generally of the ratification in a Notice to the Market dated July 22, 2016.

IV. Modification of the UNCITRAL Order

10. As disclosed in the First 1518 Declaration, on June 23, 2016 the High Court of England and Wales issued the UNCITRAL Recognition Orders granting recognition of the RJ Proceeding as a foreign main proceeding under the Cross-Border Insolvency Regulations for Oi, Móvel, and Telemar. Each of the UNCITRAL Recognition Orders suspended the rights of the relevant debtor to transfer, encumber or otherwise dispose of its assets in Great Britain.

11. Following the granting of the UNCITRAL Recognition Orders by the High Court of England and Wales, it came to light that payments relating to certain operating contracts are required to be made regularly from a bank account held in the name of Móvel at CitiBank N.A. London (the "**Móvel London Account**"). Accordingly, Richard Hudson as the Foreign Representative of Móvel in England and Wales, sought modification of the UNCITRAL Recognition Order granted in respect of Móvel (the "**Original Móvel UNCITRAL Recognition**

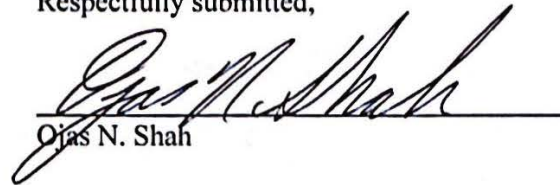
Order”) so that it could continue making these payments in the ordinary course of business from the Móvel London Account.

12. On July 28, 2016 and following a hearing, the High Court of England and Wales granted an order (the “**Móvel Recognition Modification Order**”) modifying the Original Móvel UNCITRAL Recognition Order to remove the limitation on Móvel’s use of its assets in Great Britain.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information I have received, and belief.

Dated: August 3, 2016

Respectfully submitted,



Ojas N. Shah