

NOTICE OF FILING

This document was lodged electronically in the FEDERAL COURT OF AUSTRALIA (FCA) on 17/07/2020 4:20:47 PM AEST and has been accepted for filing under the Court's Rules. Details of filing follow and important additional information about these are set out below.

Details of Filing

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



Sia Lagos

Dated: 20/07/2020 10:52:57 AM AEST

Registrar

Important Information

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

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



Form 59
Rule 29.02(1)

Affidavit

Federal Court of Australia
District Registry: New South Wales
Division: Commercial and Corporations List

No. NSD 714 of 2020

IN THE MATTER OF VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741 & ORS

**WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION (AS OWNER TRUSTEE)
AND ANOTHER NAMED IN SCHEDULE 1**

Plaintiffs

**VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741 AND OTHERS
NAMED IN SCHEDULE 2**

Defendants

Affidavit of: Darren William Dunbier
Address: 56 Edmondstone Road Bowen Hills Queensland 4006
Occupation: General Manager, Engineering and Aircraft Servicing
Date: 17 July 2020

I, Darren William Dunbier, of Virgin Australia Airlines Pty Ltd (admins apptd), at 56 Edmondstone Road, Bowen Hills, Queensland, General Manager, Engineering and Aircraft Servicing, affirm:

1. I am the General Manager, Engineering and Aircraft Servicing, at Virgin. I have over forty years' professional experience in quality assurance, aircraft airworthiness and maintenance, and technical and engineering operations, including 17 years' experience as a manager at Virgin Australia Airlines Pty Ltd and its related entities (**Virgin**). I am the individual that the Civil Aviation Safety Authority (**CASA**) holds responsible for Virgin Australia Boeing 737 aircraft, which includes the major assemblies fitted to the aircraft and includes engines. I am also the CASA Continuing Airworthiness Manager at Virgin Australia Airlines Pty Ltd (admins apptd) and Virgin Australia International Airlines Pty Ltd (admins apptd).

Filed on behalf of (name & role of party)	The Plaintiffs		
Prepared by (name of person/lawyer)	Timothy James Sackar		
Law firm (if applicable)	Clayton Utz		
Tel	+61 2 9353 4000	Fax	+61 2 8220 6700
Email	kaadams@claytonutz.com		
Address for service (include state and postcode)	Level 15, 1 Bligh Street, Sydney NSW 2000		

[Version 3 form approved 02/05/2019]

L\336260686.1

2. Annexed to this affidavit and marked "A" is a copy of my curriculum vitae.
3. I am aware that voluntary administrators (**Administrators**) have been appointed to the First and Second Defendants and the other 37 companies set out in schedule 3 to this affidavit.
4. Unless otherwise stated, I make this affidavit based on my own knowledge and belief and on information from Virgin staff, which I believe to be true.
5. In this affidavit, I refer to:
 - (a) the affidavit of Dean Poulakidas sworn 29 June 2020 (**Poulakidas Affidavit**) and its exhibit marked "DP-2" (**Exhibit DP-2**); and
 - (b) the affidavit of Garry Failler affirmed 8 July 2020 (**Failler Affidavit**),each filed in this proceeding on behalf of the Plaintiffs.
6. I make this affidavit on behalf of the Defendants:
 - (a) in response to certain aspects of the Poulakidas Affidavit the Failler Affidavit; and
 - (b) to provide estimates of the value of equipment leased by the Plaintiffs to the Defendants and the costs of transporting the equipment.

Failler Affidavit

7. I have read the Failler Affidavit. The Failler Affidavit seeks to describe usual industry practices in relation to aircraft engine leases. Although I do not disagree with the descriptions in the Failler Affidavit of many of those usual industry practices, I note that he does not address or describe usual industry practices in circumstances where a lessee is in insolvent external administration or having regard to the COVID-19 pandemic.

Professional experience relevant to value of aircraft equipment and costs of transport

8. In the course of my professional experience and performing my day-to-day responsibilities at Virgin, I occasionally am required to consider quotes, invoices and contracts that detail the purchase or lease costs of aircraft equipment and the costs of maintaining and transporting aircraft equipment. As a result, I am familiar with Virgin's costs of buying or leasing aircraft equipment and of maintaining and transporting it.
9. In order to make this affidavit, I have also had regard to quotes, invoices and contracts in Virgin's possession that in my view are relevant to making the estimates at paragraphs 11 to 16 below.

10. The quotes, invoices and contracts to which I refer above (except Annexure B to this affidavit) have not been exhibited to this affidavit because they contain confidential proprietary information of the relevant manufacturer, are strictly commercial-in-confidence and Virgin is not permitted to disclose them to any person.

Value of aircraft equipment

11. The Failler Affidavit refers to CFM International Engine, Model CFM56-7B24 aircraft engines with serial numbers 888473, 897193, 896999 and 894902 (**Willis Engines**) and the engine stands leased together with the Willis Engines (**Willis Stands**).
12. Each of the four leases located in Exhibit DP-2 at pages 125, 151, 196 and 220 (**Willis Lease**) consists of a lease of "Equipment", a term which is defined as comprising:
- (a) the relevant Willis Engine;
 - (b) a Willis Stand, identified by cradle serial number and base serial number;
 - (c) a QEC (quick engine change) kit with components specified in an accessory inventory annexed to the lease; and
 - (d) all engine records in the possession of the lessor and requested by the lessee, or generated by the lessee during the term of the lease.
13. I consider that the Willis Engines will comprise, by some substantial margin, the majority of the economic value of the Equipment leased to the First Defendant by Willis. As to the estimated value of the individual components of Equipment, I estimate that the current market value of:
- (a) a new aircraft engine comparable to the Willis Engines is approximately US\$11.2 million;
 - (b) the current market value of a stand comparable to a Willis Stand is approximately US\$50,000;
 - (c) the current market value of a QEC kit of superior specification to the kind leased by Willis, is approximately US\$1.6 million; and
 - (d) the records associated with the Willis Engines are of no commercial value other than as documents specifically ancillary to the Willis Engines. I say that because those records record the history of use of the particular engine in each case. They are of value to the lessor and lessee of the particular engine, but have no value otherwise.
14. In each case, the estimates of the values of Equipment that I give at paragraph 13 above are based on new equipment and do not account for depreciation.

15. Based on the estimates of the values of Equipment that I give at paragraph 13 above, the Willis Engines comprise at least 87% of the economic value of the Equipment.

Costs of transporting Willis Engines and Willis Stands

16. I estimate that the total costs of redelivering the Willis Engines to Florida in accordance with the return conditions set out in Section 18 of the General Terms Engine Lease Agreement (**GTA**) which appears at page 65 of Exhibit DP-2 and the relevant Engine lease, would be over AU\$1 million (and potentially significantly higher), comprising:
- (a) approximately AU\$80,000 (or \$20,000 per engine) to remove the Willis Engines from the airframes on which they are currently installed and thereafter to preserve them;
 - (b) approximately US\$400,000 (or US\$100,000 per engine) (which, at the current exchange rate of approximately \$1 US to \$1.43 AU, is approximately AU\$572,000) for the necessary "engine shop inspection" and certification for the overhaul, inspection and repair of the Willis Engines, assuming that no significant or unanticipated issues requiring repair are identified in that process;
 - (c) approximately US\$200,000 to US\$400,000 (which, at the current exchange rate of approximately \$1 US to \$1.43 AU, is approximately AU\$286,000 to AU\$572,000) for shipping or freight costs from Melbourne to Coconut Creek, Florida (for all the Willis Engines) and from Adelaide to Melbourne, then onwards to Coconut Creek, Florida (in the case of engine 897193). The estimate includes air freight to the United States of America and inland transport by truck. Air freight within reasonable timeframes is extremely expensive for aircraft engines due to their size, and considerable premiums are payable for priority freight or guaranteed carriage, particularly during the COVID-19 pandemic. The wide range in my estimate accounts for the current market very high international freight costs due to limited capacity caused by the COVID-19 pandemic. Virgin has not undertaken any comparable shipment during this period. In making this estimate, I have had regard to a quote Virgin has received for transporting a single engine (comparable in weight and size to the Willis Engines) to the United States of America for AU\$108,930 to AU\$117,285. A copy of that quote is annexed to this affidavit and marked "**B**"; and
 - (d) further costs for transporting the Willis Stands currently located at the Delta facility in Atlanta, Georgia to Coconut Creek, Florida and/or buying or leasing other engine stands to transport the Willis Engines from Melbourne to Coconut Creek, Florida.

Records

17. I refer to paragraph 27 of the Failler Affidavit. Virgin is authorised to issue an Australian CASA serviceable tag, but not an FAA Form 8130-3 or an EASA Form 1.

18. In my view, having regard to my experience and industry practice and the circumstances of Virgin, I and my staff (and the Administrators) have taken all reasonable steps to locate the documents identified at paragraphs 24 and 25 of the Failler Affidavit and make them available to Willis as quickly as practicable. Other than the FAA Form 8130-3 or EASA Form 1, as at the date of this affidavit Virgin has made all documents identified at paragraphs 24 and 25 of the Failler Affidavit available to Willis.

Willis Stands

19. In my experience, engine stands of the CFM International (manufacturer's) specification or other specifications that meet the engine manufacturer's required standard for transport can be used interchangeably to remove, store and transport CFM International engines, in accordance with the engine manufacturer's requirements.
20. In respect of the Willis Engines, I note that annexure GF-2 to the Failler Affidavit comprises the transportation guide for CFM56 engines published by the manufacturer (which is applicable to the Willis Engines). Pages 60–65 of annexure GF-2 include a list of approved shipping stands applicable to the Willis Engines (**Approved Shipping Stands**). Virgin is currently in possession of a number of Approved Shipping Stands in addition to the Willis Stands. In my view, nothing in the manufacturer's requirements for transportation would prevent a Willis Engine being transported on any Approved Shipping Stand that may be available. Provided that the Approved Shipping Stand is not damaged or in a state of disrepair, it would be appropriate and not contrary to the the manufacturer's requirements for transportation to use an Approved Shipping Stand regardless of its condition.
21. In that context, I interpret paragraph 23 of the Failler Affidavit as being limited to his opinions in relation to what is typical in a solvent leasing scenario and the preference of Willis to have the Willis Stands returned. I note that Mr Failler does not claim that the Willis Engines must be shipped on Willis Stands to comply with the manufacturer's requirements.



22. Mr Poulakidas states in paragraph 60 of the Poulakidas Affidavit that "*I believe transportation of engines on the Engine Stands is the approved method of transporting commercial aircraft engines (where they are not affixed to airframes)*". "Engine Stands" is defined to mean the Willis Stands. For the reasons outlined in paragraph 20 above, I disagree that the Willis Engines cannot be transported on Approved Shipping Stands other than the Willis Stands.

Affirmed by the deponent
at Brisbane
in Queensland
on 17 July 2020
Before me:



Melissa Jane Bastock
Signature of witness

Melissa Jane Bastock, Legal Practitioner
Name and qualification of witness

Signature of Darren William Dunbier




SCHEDULE 1

Federal Court of Australia
District Registry: New South Wales
Division: Commercial and Corporations List

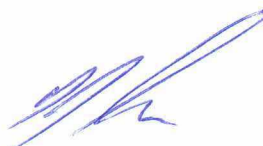
No. NSD 714 of 2020

**IN THE MATTER OF VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741 &
ORS**

Plaintiffs

First Plaintiff: Wells Fargo Trust Company, National Association (as owner trustee)

Second Plaintiff: Willis Lease Finance Corporation



SCHEDULE 2

Federal Court of Australia
District Registry: New South Wales
Division: Commercial and Corporations List

No. NSD 714 of 2020

IN THE MATTER OF VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741 & ORS**Defendants**

First Defendant:	VB Leaseco Pty Ltd (Administrators Appointed) ACN 134 268 741
Second Defendant:	Virgin Australia Airlines Pty Ltd (Administrators Appointed) ACN 090 670 965
Third Defendant	Vaughan Strawbridge, Salvatore Algeri, John Greig and Richard Hughes, in their capacity as joint and several voluntary administrators of the First and Second Defendants



SCHEDULE 3

Federal Court of Australia
District Registry: New South Wales
Division: Commercial and Corporations List

No. NSD 714 of 2020

IN THE MATTER OF VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741 & ORS**Virgin entities in administration**

1. Virgin Australia Holdings Ltd (Administrators Appointed) ACN 100 686 226
2. Virgin Australia International Operations Pty Ltd (Administrators Appointed) ACN 155 859 608
3. Virgin Australia International Holdings Pty Ltd (Administrators Appointed) ACN 155 860 021
4. Virgin Australia International Airlines Pty Ltd (Administrators Appointed) ACN 125 580 823
5. Virgin Australia Airlines (SE Asia) Pty Ltd (Administrators Appointed) ACN 097 892 389
6. Virgin Australia Airlines Holdings Pty Ltd (Administrators Appointed) ACN 093 924 675
7. VAH Newco No.1 Pty Ltd (Administrators Appointed) ACN 160 881 345
8. Tiger Airways Australia Pty Limited (Administrators Appointed) ACN 124 369 008
9. Virgin Australia Airlines Pty Ltd (Administrators Appointed) ACN 090 670 965
10. VA Borrower 2019 No. 1 Pty Ltd (Administrators Appointed) ACN 633 241 059
11. VA Borrower 2019 No. 2 Pty Ltd (Administrators Appointed) ACN 637 371 343
12. Virgin Tech Pty Ltd (Administrators Appointed) ACN 101 808 879
13. Short Haul 2018 No. 1 Pty Ltd (Administrators Appointed) ACN 622 014 831
14. Short Haul 2017 No. 1 Pty Ltd (Administrators Appointed) ACN 617 644 390
15. Short Haul 2017 No. 2 Pty Ltd (Administrators Appointed) ACN 617 644 443
16. Short Haul 2017 No. 3 Pty Ltd (Administrators Appointed) ACN 622 014 813
17. VBNC5 Pty Ltd (Administrators Appointed) ACN 119 691 502
18. A.C.N. 098 904 262 Pty Ltd (Administrators Appointed) ACN 098 904 262
19. Virgin Australia Regional Airlines Pty Ltd (Administrators Appointed) ACN 008 997 662
20. Virgin Australia Holidays Pty Ltd (Administrators Appointed) ACN 118 552 159

21. VB Ventures Pty Ltd (Administrators Appointed) ACN 125 139 004
22. Virgin Australia Cargo Pty Ltd (Administrators Appointed) ACN 600 667 838
23. VB Leaseco Pty Ltd (Administrators Appointed) ACN 134 268 741
24. VA Hold Co Pty Ltd (Administrators Appointed) ACN 165 507 157
25. VA Lease Co Pty Ltd (Administrators Appointed) ACN 165 507 291
26. Virgin Australia 2013-1 Issuer Co Pty Ltd (Administrators Appointed) ACN 165 507 326
27. 737 2012 No.1 Pty. Ltd (Administrators Appointed) ACN 154 201 859
28. 737 2012 No. 2 Pty Ltd (Administrators Appointed) ACN 154 225 064
29. Short Haul 2016 No. 1 Pty Ltd (Administrators Appointed) ACN 612 766 328
30. Short Haul 2016 No. 2 Pty Ltd (Administrators Appointed) ACN 612 796 077
31. Short Haul 2014 No. 1 Pty Ltd (Administrators Appointed) ACN 600 809 612
32. Short Haul 2014 No. 2 Pty Ltd (Administrators Appointed) ACN 600 878 199
33. VA Regional Leaseco Pty Ltd (Administrators Appointed) ACN 127 491 605
34. VB 800 2009 Pty Ltd (Administrators Appointed) ACN 135 488 934
35. VB Leaseco No 2 Pty Ltd (Administrators Appointed) ACN 142 533 319
36. VB LH 2008 No. 1 Pty Ltd (Administrators Appointed) ACN 134 280 354
37. VB LH 2008 No. 2 Pty Ltd (Administrators Appointed) ACN 134 288 805
38. VB PDP 2010-11 Pty Ltd (Administrators Appointed) ACN 140 818 266
39. Tiger International Number 1 Pty Ltd (Administrators Appointed) ACN 606 131 944



Darren William Dunbier ARN 574691



PROFILE

Experienced Aviation Airworthiness and Maintenance Manager

CONTACT

PHONE:

+6 421 618 798

+61 7 3622 5552

EMAIL:

darren.dunbier@virginaustralia.com

This is Annexure A referred to in the affidavit of Darren William Dunbier

Sworn on

17 July 2020 at Brisbane

Before me

Melissa Jane Bostock
Legal Practitioner

WORK EXPERIENCE

CASA Continuing Airworthiness Manager Part 42 & CASA Accountable Manager part 145

CASA Responsible Manager Technical Operations - Virgin Australia Airlines (2013 to current)

CASA Responsible Manager Technical Operations - Virgin Australia International Airlines (2015 to current)

CASA Maintenance Controller - Virgin Blue Airlines / Virgin Australia Airlines (2008 to current)

CASA HAAMC - Virgin Blue Airlines (2008-2011)

CASA Quality Manager - Virgin Tech (2003 - 2008)/Del. Holder for issue of Transit Authorisation - CASA (2003-08)

Authorised Person for issue of CRS Approvals - CAA Singapore (2004 - 2005);

JAA Approved Quality Manager - Ansett Engine Overhaul, Aircraft Heavy Maintenance and Component

Maintenance (2001 - 2003);

FAA Chief Inspector - Ansett Engine Overhaul (2001 - 2002);

SKILLS

Experienced Engineering & Maintenance Manager across Part 42 (M) Part 145 Aircraft Maintenance & Aeronautical Product.

Completed CASR Part 42 CAMO training and management of airworthiness;

Co-authored and completed Virgin Australia's internal training overview of CASR Part 42;

Comprehensive knowledge of, co-authored and reviewed Virgin Australia's CAME, especially those sections that apply to the role of RM and continuing airworthiness management;

Extensive knowledge of maintenance regulations (Airworthiness Management Vs Maintenance) in relation to aircraft on the VAA AOC and especially that applicable to continuing airworthiness;

Knowledge of the relevant parts of VAA's operations manual that have continuing airworthiness implications for aircraft under its AOC;

Extensive knowledge of aviation maintenance quality management systems.



Friday 17th July 2020

Schenker Australia
20B Clyde Gessel Place
Eagle Farm Qld
07 36227500

Dear Rob Nelson, Virgin Australia

This is Annexure B referred
to in the affidavit of Darren William
Dunbier

Sworn on

17 July 2020 at Brisbane

Before me

Melissa Jane Bostock, Legal Practitioner

The below rate is to move Jet Engine Chargeable Weight 5400KG from Melbourne Australia to Fort Lauderdale USA.

I have provided a rate variance, due to the current market at present with Covid and aviation each day the freight rate is changing, due to space and limited aircraft flying.

The rate is an all in from door to door of \$108,930.00 to \$117,285.00 AUD based on the market today.

Thank you
Kelly McKellar
Customer Service & Key Account Manager
Schenker Australia
0478 316 482

[Handwritten signature] *[Handwritten signature]*