

Cape Town Convention Academic Project

Facilitating the study of the Convention on International Interests in Mobile Equipment

REPORTING ON ADMINISTRATIVE AND OTHER NON-JUDICIAL ACTIVITY

Following an administrative or other non-judicial activity related to the Cape Town Convention and its Aircraft Protocol (CTC) or interaction with an administrative agency in connection with establishing rights under the CTC, all parties involved in such activity or the related transaction (lawyers, commercial parties, or government officials) are invited to complete and submit this reporting form via [email to kyleb22@uw.edu](mailto:kyleb22@uw.edu) copying jawool@uw.edu.

The report must be factual and objective, and may not include speculation, opinion, or any commercial or proprietary information or materials. All other relevant parties should be identified in the report. Any official documents issued by governmental authorities should also be included as appendices and should be cited in the report.

The Cape Town Convention Academic Project (the Project) will review the submitted report against the above terms of reference, and will seek any required revisions.

Once the initial report *prima facie* conforms with the terms of reference, the Project will assign a reference number based on the state and the year in which the activity occurred. The Project will then notify the other relevant parties for which it has contact information, seeking their comments on the report. Those parties will have three weeks to reply or indicate a prompt timeframe to reply. Comments should reference the part of the report to which they refer. Comments must also conform with the terms of reference set out above.

The Project will then attempt to harmonise the contents of the report and any comments into an activity summary (Summary). If the relevant parties approve the Summary (within a three week period), it will be included in the database. If no consensus is reached, the report and all comments will be included in the database, except any information which does not *prima facie* conform with the terms of reference.

In connection with the foregoing notification procedures, please provide contact information for other relevant parties involved in the reported activity.

Please note that no compensation will be provided for your work on reporting or commenting as such is part of the Cape Town Convention Academic Project's ongoing effort to make accurate information about the CTC available to scholars and practitioners.

Capitalised terms used in the report shall have the meanings set forth in the CTC.

Please send all completed activity reports to the Project Manager at kyleb22@uw.edu, with a copy to the Executive Director at jawool@uw.edu.

I. Report (R)¹

Item	Factual Information
1. Date of the transaction	Both Airbus A319-112 aircraft bearing MSNs 1706 and 1750 were leased to Hunnu Air LLC (formerly known as Mongolian Airlines Group LLC) by Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee, pursuant to lease agreements dated 21 December 2011. Delivery of both aircraft to lessee took place on 26 January 2012.
2. Creditor	Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee.
3. State of Creditor	United States of America
4. Debtor	Hunnu Air LLC (fka Mongolian Airlines Group LLC)
5. State of Debtor	Mongolia
6. State and date of aircraft registration	Both MSNs 1706 and 1750 registered on 27 January 2012 in Mongolia. (Copies of the Certificates of Registration attached.)
7. Summary of transaction structure	On 21 December 2011, Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee as creditor (lessor) entered into lease agreements (international interests) with Hunnu Air LLC (formerly known as Mongolian Airlines Group LLC) as debtor (lessee) for each of two Airbus A319-212 aircraft bearing MSNs 1706 and 1750, respectively. Creditor is located in the United States of America, and Debtor is located in Mongolia. The aircraft were registered in Mongolia on 27 January 2012; were deregistered in Mongolia on 24 November 2014; and re-registered in the United States of America on the FAA register on 25 November 2014.
8. Recordation of IDERA	Yes, IDERAs for both aircraft were lodged with the Civil Aviation Authority of Mongolia on 26 January 2012 (copies attached).
9. Registrations with International Registry	Yes, IR filings for both aircraft were registered on 3 February 2012.
10. Commencement by Creditor of the exercise of CTC remedies: a) to obtain possession of the aircraft object b) to deregister the aircraft c) to export the aircraft object	a) Effort to obtain possession of AC undertaken via judicial action in UK and Hong Kong beginning on or about 31 October 2014 (UK) and on or about 3 November 2014 (Hong Kong). b) Effort to deregister AC commenced on or about 7 November 2014.

¹ Instructions and educational notes are included in the Annex.

	<p>c) Both AC were located in Hong Kong (i.e. outside Mongolia / jurisdiction of registration) when they were exported back to Victorville, California, U.S.A., both on or about 30 November 2014.</p>
<p>11. Completion of the exercise of CTC remedies by Creditor:</p> <p>a) possession of the aircraft object</p> <p>b) de-registration of the aircraft</p> <p>c) export of the aircraft object</p>	<p>a) Possession of MSN 1750 obtained on 3 November 2014 and MSN 1706 on 5 November 2014, both in Hong Kong.</p> <p>b) Deregistration of both aircraft accomplished on 24 November 2014.</p> <p>c) Export of both aircraft from Hong Kong accomplished on or about 30 November 2014.</p>
<p>12. Nature of governmental action sought and taken, including by which authority and where and when</p>	<p>Deregistration in Mongolian sought from Civil Aviation Authority of Mongolia beginning on or about 7 November 2014.</p>
<p>13. Related court order, if any, and timing therefor</p>	<p>Lessor sought and obtained court orders in Hong Kong on 3 and 14 November 2014 seeking possession of the aircraft pursuant to Lessor's rights under the aircraft leases. They did not seek to enforce any CTC-related rights as the court action for possession was taken in a jurisdiction (where the aircraft was located) that was not a party to CTC..</p>
<p>14. Other CTC related technical information pertinent to the replies to Questions 8 – 13 above</p>	
<p>15. List and description of attachments, being official government documents</p>	<p>(1) Certificates of Registration in Mongolia dated 27 January 2012 for both aircraft;</p> <p>(2) IDERAs for both aircraft from Debtor/ Lessee dated 26 January 2012; and</p> <p>(3) Certificates of Deregistration from Mongolia dated 24 November 2014.</p>
<p>16. List the relevant parties and their contact details</p>	<p>Lessor Wells Fargo Bank Northwest, N.A., not in its individual capacity but solely as owner trustee</p> <p>c/o Aviation Capital Group 840 Newport Center Drive, Suite 300 Newport Beach, CA USA 92660 Attention: Mr. Donal Hanley Telephone: +1-949-219-4659 Email: Donal.Hanley@AviationCapital.com</p> <p>Lessee Hunnu Air LLC (formerly known as Mongolian Airlines Group LLC) Sukhbaatar Duureg Narnii zam-15 Ulaanbaatar 14251 Mongolia Attention: Mr. Bayar Badrai, CEO Email: bayar@hunnuair.com</p> <p>Civil Aviation Authority of Mongolia</p>

	Ulaanbaatar-34 Mongolia Mr. Ganzorig Purevjav Email: ganzorig.p@mcaa.gov.mn Mr. Lkhagvasuren Togtokhbayar, Temporary Acting Director Mr. Tsedenbaljir Mr. Gankhuyag Ganbold
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II. Comments on report

Use this space to submit comments on the report above. Please reference the point(s) in the report to which your comment refers

III. Comments on comments

Use this space to submit comments on other comments. Please reference the point(s) in the relevant comment to which your comment refers

Annex – Instructions and Educational Notes

Section I:

Question 1: Insert the closing date of the transaction, including the effective dates of any amendments to transaction documents to the extent relevant to the application of CTC.

Question 2: Insert the legal name of the Creditor, as appearing in the transaction documents. Include contact details, if available. A ‘Creditor’ under CTC is a ‘chargee’ (holder of a security interest), a ‘lessor’ (under a leasing agreement), or a ‘conditional seller’ (under a title reservation agreement).

Question 3: Insert the State where the Creditor is incorporated or formed.

Question 4: Insert the legal name of the Debtor, as appearing in the transaction documents. Include contact details, if available. A ‘Debtor’ under CTC is a ‘chargor’ (granting a security interest), a ‘lessee’ (under a leasing agreement), or a ‘conditional buyer’ (under a title reservation agreement).

Question 5: Insert the State where Debtor is incorporated or formed, and, if the report addresses insolvency related items, the State in which its centre of main interests is situated. If the foregoing is not the basis of CTC application, add the other State or States in which the Debtor is situated for purposes of Article 4 of the Convention.

Question 6: Insert the State where the aircraft is registered under the Chicago Convention of 1944 and the date on which it was registered in that State. If there was an earlier agreement to register the aircraft in that State, add that fact and the date of such agreement. If the aircraft has changed registrations during the term of the transaction, add the prior State of registration and the date of registration and de-registration in that State.

Question 7: Insert a simple and basic summary of the transaction structure, using CTC defined terms. For example: ‘party X as debtor (chargor) entered into a security agreement (international interest) with party Y as creditor (chargee) on date 1, then as creditor (lessor) entered into a leasing agreement (international interest) of the aircraft that was subject to that security agreement with an airline, party Z as debtor (lessee), on date 2. Party X is situated in Singapore, party y is situated in the US, and party Z is situated in China. The aircraft was registered in the US on date 1 and re-registered in China on date 2. Include actual names, dates, and aircraft object type (manufacturer name, model, and serial number). It would be helpful to annex a schematic of the transaction structure depicting CTC relevant facts.

Question 8: Insert whether an IDERA was recorded, and, if so, when and in which State. Where the base of operation and the State of Registration are different, add a statement to that effect. Include any significant delay between submission and recordation of the IDERA.

Question 9: Insert the type of registrations made with the International Registry and the dates made. Include a description of any delays or inability to obtain AEP codes to make registrations.

Question 10: Insert the dates when, and place where, the Creditor took affirmative legal steps to actually exercise CTC remedies seeking: a) possession, b) de-registration, and/or c) export. List these dates and places separately. Do not include dates of notices of default which were not conjoined with such actual exercise of CTC remedies.

Question 11: Insert the dates when, and place where, the Creditor obtained: a) possession (actual or constructive), b) de-registration, and c) export. List these dates and places separately.

Question 12: Insert the specific government action sought and taken, including the name and place of the government entity and the relevant dates.

Question 13: If the Creditor sought a court order, insert a statement, if applicable, that a court order was sought and/or issued, including the nature of the court order (for example, was it an order under Article 13 of the Convention) and the relevant dates.

Question 14: Insert CTC-related **technical information** which is pertinent to the replies to other questions. Only technical information may be included. Here are three examples. Ex. I: Possession was not obtained for 60 days given the applicability of an enforcement stay during bankruptcy proceedings. Ex. II: Possession was delayed given that airport X asserted a right of detention under Article 39(1)(b) of the Convention. Ex. III: No IDERA was recorded as State x did not have procedures in place to record IDERAs. Important note: **the Project will not include any information submitted under Question 13 if it is not prima facie factual, technical information.**

Question 15: Insert references to, and, if possible, attach copies of official government documents relevant to questions 8 – 14 above and the schematic noted in respect of question 7 above.

Question 16: Insert the names and contact details of the relevant parties, meaning, the parties to the reported transaction **and** the government authority taking CTC-related action. Include email addresses (which will not be made public).

Section II:

Insert comments on questions 1-15 of the report specifically identifying the sub-section of the report the comment refers to. The comments must be limited to factual and technical information.

Section III:

Insert comments on comments provided in Section II specifically identifying the sub-section of the report the comment refers to. The comments must be limited to factual and technical information.