TO THE HONORABLE JUDGE OF LAW OF THE 7TH COMMERCIAL COURT OF THE JUDICIAL DISTRICT OF THE CAPITAL CITY OF RIO DE JANEIRO

Case No. 0203711-65.2016.8.19.0001

JASPER REINIER BERKENBOSCH ("Mr. Berkenbosch" or "Trustee"), already identified in the case records of the Judicial Reorganization of OI S.A. – Em Recuperação Judicial ("Oi"), TELEMAR NORTE LESTE S.A. – Em Recuperação Judicial ("Telemar"), OI MÓVEL S.A. – Em Recuperação Judicial ("Oi Móvel"), COPART 4 PARTICIPAÇÕES S.A. – Em Recuperação Judicial, COPART 5 PARTICIPAÇÕES S.A. – Em Recuperação Judicial, OI BRASIL HOLDINGS COOPERATIF U.A. ("Coop") and PORTUGAL TELECOM INTERNATIONAL FINANCE B.V. ("PTIF" and, jointly with the others, "Oi Group" or "Debtors"), according to the legal duties assigned to him as trustee of Coop, appointed by the Court of Appeals of Amsterdam, hereby, represented by his attorneys, based on

Article 55 da Law No. 11.101/2005, submits to your Honor crucial developments about the restructuring of the Oi Group and presents his objection to the Judicial Recovery Plan presented by the Oi Group on pages 94.054/94.157 ("Plan"), for the reasons set forth below:

TIMELINESS

1. Considering that the publication of the call notice with the list of the creditors presented by the Judicial Administrator occurred on May 29, 2017, the period of thirty (30) days provided in Article 55 of Law No. 11.101/2005 for submission of the objection to the Plan began to flow on May 30, 2017 and shall end on July 12, 2017, for which reason this objection is manifestly timely.

BANKRUPTCY OF THE DUTCH ENTITIES: FINAL, IRREVOCABLE AND UNCONDITIONAL

2. On April 19, 2017, the Amsterdam Court of Appeals decreed the bankruptcy of Coop, appointing Mr. Berkenbosch as trustee in bankruptcy. As a result, Coop's administrative structure was significantly changed, most notably in the allocation of the management and representation powers of such entity: if, during the suspension of payments proceeding, that antecipated the bankruptcy, the Trustee (then administrator) had to consent with the management and disposal of Coop's assets[1], now in the bankruptcy he has **exclusive and universal powers** for the practice of the acts of management and disposal of Coop's assets pursuant to Dutch law, withdrawing, as a consequence, all the powers of the statutory administrators of Coop in this respect.

3. The Court of Appeal's decision was not enough to compel the Oi Group to recognize the gravity of the situation and to genuinely cooperate with Mr.

[1] See motion filed on January 25, 2017 on pages 128,507 / 128,535.

Berkenbosch in order to find a common view about how Coop's debts and assets should be restructured.

4. Almost ninety days have passed, and the Oi Group's representatives are yet to make a single contact with Mr. Berkenbosch or his advisors. Quite the opposite, as a reaction to the bankruptcy decree, Oi informed its shareholders that everything was fine (as its notices released to the market), appealed against the second degree decision with the Dutch Supreme Court and submitted outrageous requests to your Honor (pages 198,409 / 198,414) simply wishing to pretend that it can be immune to the consequences of its previous acts and commitments. Instead of open and productive cooperation, Oi bet on arrogance, intransigency and conflict.

5. It did not – and it will not – work. On 7 July 2017, **the Dutch Supreme Court, the highest court in the Netherlands, confirmed the bankruptcy ruling by the Amsterdam Court of Appeals** (doc. 1). The Dutch Supreme Court perfectly understood the underlying reasons of the Oi Group and didactically rebutted all of its arguments.

6. First, the Dutch Supreme Court established that Dutch bankruptcy law applies to Coop – a Dutch entity –, and that the fact that it is part of a group of which most companies are located in Brazil and that the judicial reorganization is opened in Brazil, does not in any way imply that Coop's board and the Oi Group can disregard Dutch bankruptcy law.

7. Moreover, the Dutch Supreme Court considers that whilst the bankruptcy trustee is allowed (but therefore not oblied) consider the interests of the group ans its creditors as a whole, "***the individual legal personality of the members of a group must be taken as the starting point in insolvency proceedings***".

8. The Dutch Supreme Court also ruled that the submission of a judicial reorganization plan on 5 September 2016 and any subsequent amendment thereof

relating to Coop is an act of management of the estate and disposition of assets, to which Coop's managers have absolutely no authority under the bankruptcy, as Mr. Berkenbosch is the only and exclusively authorized to fulfill such acts.

9. **This decision of the Dutch Supreme Court is final, irrevocable and unconditional. Coop's bankruptcy and the subsequent appointment of Mr. Berkenbosch as trustee of Coop's estate have therewith become final and irrevocable. There is simply no way to deny or avoid it.**

AN INFLECTION POINT FOR THE OI GROUP: GLOBAL RESTRUCTURING AT RISK

10. The Oi Group continues to represent to its stakeholders that the judgments rendered by Dutch courts – including its highest court, the Supreme Court –"*do not have effects in Brazil*" and "*do not have any impact on the Company's day by day and operational activities*" (doc. 2). Apparently believing that it can insulate the business in Brazil and the judicial reorganization from the rest of the world, the Oi Group continues to disregard foreign jurisdictions, commitments undertaken in the past and the powers of Mr. Berkenbosch.

11. This strategy is doomed to failure, as the developments of the last days prove. The decision of the Dutch Supreme Court has multiple worldwide effects and is a major event for the pursued global restructuring of the Oi Group, significant enough to severely undermine prospects of a successful outcome – except, of course, if the Oi Group starts to cooperate with the Dutch trustee seeking a fair and reasonable resolution to the many issues concerning the Dutch entities assets and liabilities.

12. None of these effects depend on the homologation of the Dutch Supreme Court decision by the Brazilian Court of Justice (STJ). It is irrelevant, for that purposes, whether Coop and PTIF are formally considered bankrupt (and thus are excluded from the judicial reorganization) or not within the Brazilian territory, what

would indeed demand previous homologation by the STJ. The key factor lies in the cooperation between affected jurisdictions.

13. As of today, if the Plan were to be approved at the general creditors' meeting in Brazil and later confirmed by your Honor, **the Plan** – to the extent Coop's and PTIF's assets and liabilities are concerned – **would not be recognized and implemented in any other country where the Oi Group maintains any kind of activity**.

14. **The Plan would not be recognized or implemented in the Netherlands**, **nor in any other countries of the European Union**, because the common legislation of insolvency procedures between these countries[2] has as a principle the recognition of all main insolvency proceedings opened within the country that is the "center of main interests" of a given debtor – which, in the case of Coop and PTIF, is the Netherlands. That means even if the Plan is duly approved in Brazil, around R$ 35 billion worth of indebtedness would be completely outstanding and enforceable in the whole territory of the European Union.

15. In addition, **recognition and implementation of the Plan in the United States, the country of which law applies to the bonds issued by Coop and the biggest financial center of the world, would be highly disputable**. On 7 July 2017, the Trustee filed a motion before the Bankruptcy Court for the Southern District of New York seeking *inter alia* recognition of the Dutch bankruptcy proceeding as the foreign main proceeding for Coop and recognition of Mr. Berkenbosch as the foreign representative for Coop in that proceeding (doc 3). Mr. Berkenbosch expects a favorable ruling on this motion within three or four weeks from now. As a consequence of the requested recognition, the Plan would in principle have no effect in the United States without the cooperation of Mr. Berkenbosch.

[2] Concerns EU Regulation 2000 of the Council of the European Union on insolvency proceedings.

16. In short, to successfully complete the Oi Group's global restructuring, it is necessary to respect the Dutch jurisdiction regarding Coop and PTIF. One cannot deny that the judicial recovery of the Oi Group is in itself a transnational fact, when it is certain that the impossibility of recognition of a Plan tainted by major illegalities in other jurisdictions causes it to be impossible for the Oi Group to recover.

17. There is only one way to avoid such legal uncertainty. The Oi Group must immediate reconsider the aggressive approach towards the Trustees and start understanding international cooperation as a tool to improve chances of a global successful restructuring and maximize the recovery of creditors, not as an enemy. This should be a turning point in how cross-border issues of this judicial reorganization have been handled so far.

18. It is within this context that this objection is placed. Although entitled to pursue liquidation, Mr. Berkenbosch is still committed to a restructuring of the Oi Group as a going concern by means of a composition negotiated with the creditors both in Brazil and in the Netherlands, provided that basic rights of Coop and its creditors are duly observed. The Plan, as submitted by Oi, violates such basic rights. In the following pages, the Trustee will summarize, in a clear and concise form, the main illegalities of the Plan. The Trustee is confident that, by addressing these issues, the Oi Group would take a meaningful step towards a successful global restructuring.

FIRST OBJECTION:
IMPOSSIBILITY OF SUBSTANTIVE CONSOLIDATION

19. Despite the numerous oppositions against the presentation of a single and unique plan, having also an explicit recommendation of the *Ministério Público* for the presentation of individual plans for each of the entities of the group (pages 100.800/100.801), and although it has not been requested or authorized the substantive consolidation of its assets and liabilities, the Oi Group presented a Plan that treats all

its entities as if they were one, promoting a forced consolidation of all its assets and liabilities.

20. The fact of admitting the judicial reorganization process in a joint filing by different entities that belong to Oi Group (purely procedural matter) cannot and should not serve as a justification to ignore legal and economic autonomy of each one of these companies (substantive treatment of the assets and liabilities). Despite the existence of corporate relation between the Debtors and the practical reasons for their judicial reorganization to be processed jointly, they are still independent entities, each one with its own assets and liabilities – as also reiterated by the Dutch Supreme Court decision.

21. It is not possible to presume the solidarity between the Debtors, as it was made in the Plan, and the fact that they are in the same corporate group does not alter this assumption. In this regard, Law 6.404/76 expressly states that "*each entity will maintain its personality and estate distinct*". That is, "*the companies belonging to the group retain their legal independence, being, therefore, holders of rights and responsible for obligations incurred in its name (...) each only responding to its own obligations*" [3].

22. Such treatment could not be modified in the context of the judicial reorganization, as STJ has already ruled on the matter in judgment of the Medida Cautelar no. 20.733/GO (Provisional Measure), statingthat "*in any circumstance, however, each company maintains its independent personality and its patrimony, in the terms of the art. 266 [of Law 6.404/76] (...)"* and "*such independency (...) gains* ***relevance in the context of judicial reorganization****"* so that *"****the accountability of the corporate group for debts incurred by one of its members demands an explicit legal provision***".

[3] Nelson Eizirik, A Lei das S/A Comentada, vol. IV, 2ª ed., São Paulo, Quartier Latin, 2015, p. 437.

23. In addition, there is no economic rationale in the present case that justifies the disregard of the legal and patrimonial autonomy of such entity. Despite the enormous difficulty of information related to the debt profile of each entity of Oi Group, which is much related to Oi's illegal strategy to submit only a unique list of creditors, it is possible to state that the seven entities of Group Oi have completely different debt profile, in such a way that confusion between these companies assets and liabilities privileges certain creditors to the detriment of others, disregarding that each creditor should have access to the cash of its respective debtor.

24. Finally, it should be noted that the possibility of elaboration of a single plan of Oi Group's debts is not excluded, provided that this plan respects the different financial conditions of the Oi Group's entities and provides for different conditions for the creditors of each one of them, as has been done in the judicial reorganization plans of OGX, OSX and OAS, in order to avoid serious damages to creditors. This was also the understanding of the Court of Appeal of Rio de Janeiro in the Abengoa case, in which it was decided on the need to individualize provisions of the reorganization plan to creditors of each company under judicial reorganization, taking into account the interests of creditors[4] and the understanding provided by the legal doctrine in such cases[5].

[4] AI nº 0014865-67.2016.8.19.0000. Rel. Des. Carlos Santos de Oliveira, j. 26.07.2016.

[5] "*As far as the reorganization plan is concerned, this one, although unique – and, therefore, turned to the reality that is an economic group, and, therefore, there are common interests to be respected and a group objective to be pursued - must, on the other hand, respect the individuality of each member of the group. Remember, by purpose, that the group does not have legal personality, but is formed for legal entities, endowed, consequently, with their own patrimony. There is no reason to disregard their legal personality, even because the plan, especially in the case of an economic group of fact, cannot contain patrimonial confusion*". (Paulo Fernando Campos Salles de Toledo, Recuperação Judicial de Grupos de Empresas in Temas de Direito Empresarial e Outros Estudos, São Paulo, Malheiros, 2014, pp. 351-357).
"*This is what can be called an 'unique plan', that is, a single document describing the means of recovery that each debtor intends to use, but this does not represent any affront to the autonomy of each of them. In this sense, one may say that one takes care of a formal union between the parties, in as much as, although the means of recovery are set out in the same document, they do not include a disregard for the autonomy of each of the debtors, whose assets answer to the respective creditors of each reorganization*". (Sheila Neder Cerezetti, Grupos de Socieddes e Recuperação Judicial: O Indispensável Encontro entre Direitos Societário, Processual e Concursal, in Flávio Luiz Yarshell e Guilherme Setoguti J. Pereira (coord.), Processo Societário II, São Paulo, Quartier Latin, 2015, pp. 762-763).

SECOND OBJECTION:

FRAUDULENT TRANSFERS

25. According to the List of Creditors presented in these proceedings by the Judicial Administrator, Coop holds, on the date of the judicial reorganization filing, **claims in the amount of approx. R$ 5 billion[6] and approx. R$ 16 billion against Oi and Oi Móvel, which make it by far the largest single creditor of this judicial reorganization with a credit that surpasses R$ 20 billion** (page 198.843).

26. Since the purpose of this objection is to outline the unfair and illegal treatment afforded by the Plan to Coop's claims, it should be pointed out, preliminarily, that at least part of these loans constitute fraudulent transfers.

27. Short before the request of the judicial reorganization, in 2015, Coop had approx. **EUR 4 billion** in cash (approx. R$ 15 billion). As an example of the relevance of these amounts, it should be noticed that the amount of cash held by Coop in that moment was almost **three times higher** than the cash held by all entities of the Oi Group (including the operating companies Oi, Telemar and Oi Móvel) on the date of the filing of the judicial reorganization. These amounts were totally drained out by Oi Group before the filing of this judicial reorganization.

28. Through 2015 and in early 2016, **under very suspicious circumstances**, Coop transferred to Brazil EUR 2.45 billion (approx. R$ 9.3 billion) under a loan agreement executed in June 2015. At that time, financial conditions of the Debtors were rapidly deteriorating, as evidenced by the market price of Oi's shares[7], credit ratings being downgraded[8], record breaking operational losses[9] and a

[6] The amounts in Reais are indicated approximately and consider the exchange rate of the euro and the dollar on June 30, 2017, in which EUR 1,00 corresponded to R$ 3,7758 and USD 1,00 corresponded to 3,3123.

[7] The Oi shares price has fallen 97% from January 2014 to July 20, 2016 (date of the filing of the judicial reorganization).

consolidated gross-debt-to-EBITDA ratio multiple times higher than its competitors[10]. In addition, according to Oi's request for Judicial Reorganization, all the alleged reasons of the Debtor's severe financial distress – such as the substantial debt arising from the acquisition of Brasil Telecom S.A. and the large amount of court deposits related to fines charged by ANATEL – were already affecting their business and financial conditions when such resources were disbursed to Oi.

29. The situation was deeply aggravated in early 2016. The Russian investor LetterOne withdrew its proposal for an investment transaction in February and Oi began extrajudicial restructuring attempts on February 25, 2016. At that time, Oi had already been formally notified multiple times by its creditors about the impossibility of effectively complying with all its payment obligations and the unstable position of the Oi Group in general.

30. Nonetheless, **in February and March 2016,** only four and three months prior to the filing of the request for judicial reorganization, **new loan agreements were executed with Oi and Oi Móvel**, respectively, by which Coop transferred to these companies approx. R$ 6.4 billion, virtually all the cash it had left. Both Coop and the Oi Group were already unable to pay its obligations back then. Evidently, transferring all the available funds to Oi and Oi Móvel with no security or contingency plan has dramatically aggravated Coop's insolvency situation.

31. Coop's previous knowledge of those circumstances is unquestionable and derives from both the corporate structure of Oi's economic group and common management. Two of the members of Coop's board of directors were also employees of

[8] From August 28 2014 from June 21 2016, Moody's rating of Oi downgrated from CFR "Ba1" to CFR "C". Also, on March 1st 2016, Moody's has stated in its ratings report: "*(...) Since there is no visibility of another transforming event such as a merger or capital injection that could lead to lower leverage, a more confortable maturity profile, and stronger financial flexibility, we see a high risk of debt restructuring initiatives over the next 12-18 months, that would likely involve losses to creditors*˜.

[9] During 2014, the financing costs of Oi Group increased 85%. At the same time, the operational results of Oi Group have fallen from a **profit** of BRL 8.1 million in 2014 to a **loss** of BRL 6.4 billion in 2015.

[10] In Jun 2015, December 2015 and Jun 2016 the gross debt to EBITDA of Oi Group was, respectively, superior to 4; 7,05 and 6,9. On the same time the gross debt to EBITDA of Oi Group competitors was less than 1.

Oi, and one of them, Mr. Flavio Nicolay Guimarães, was also Chief Financial Officer of Oi and Oi Móvel. In such capacity, Mr. Guimarães had to be deeply involved in the planning and implementation of the Debtors' restructuring efforts, and obviously aware of the deterioration of the group's economics during 2015 and 2016.

32. All of these circumstances are evidence that the decisions taken by Coop's management in the months prior to the judicial reorganization filing have been driven by interests other than the corporate interests of Coop and the interests of its creditors. Also, all such intercompany loans have inflicted major damages to Coop's creditors. Had Coop kept the funds correspondent solely to the two loans executed in 2016 to pay its debts, financial information and valuation analysis indicate that Coop's creditors would receive a 52.7% recovery – which represent an increase of 22.6% over the recovery foreseen in the Plan.

33. It is therefore clear that at least a portion of the intercompany loans are void acts since they comprise fraudulent transactions whose nullification meets all applicable criteria under Brazilian law and Dutch law. Accordingly, on April 30, 2017, the Trustee has commenced an *actio pauliana* in the Netherlands with the purpose of unwinding both the February 2016 and March 2016 loan agreements and is also currently further investigating the facts surrounding the loan entered into in 2015 and payments made thereon – in the amount of EUR 2,5 billion – up to March 2016. The Dutch lawsuit does not prevent the Brazilian authorities from processing the same litigation and Mr. Berkenbosch reserve his rights to pursue other measures deemed applicable to seek claw back of any fraudulent transactions.

34. It is not the case to further elaborate on the solid arguments and evidences that support the *action pauliana* in the Netherlands. However, two consequences of the fraud must be clear: (i) first, Coop has a **property right** over the amounts wrongly brought to Brazil just before the judicial reorganization filing, and its **restitution** by Oi and Oi Móvel, for the exclusive benefit of Coop's creditors, **is not subject to the effects of the Plan – or any other plan**; and (ii) at the same time, restitution to Coop of fraudulently transferred amounts shall be adopted as the

starting point or **true premise** of the Plan, whose payment proposals must consider the economic reality of the Oi Group after the reversal of the illegal loans.

THIRD OBJECTION: PARI PASSU CONSIDERATION OF THE INTERCOMPANY CREDITS

35. Intercompany claims are governed under the Plan by clauses 4.6 and 4.6.1 thereof. Although clause 4.6[11] admits the existence of such credits (as does the Creditors' List published by the Judicial Administrator), the ruling intended for such credits under clause 4.6.1 is completely inadmissible.

36. The reading of such clause shows that the Plan chooses to govern the **biggest claims of the judicial reorganization** in an obscure and unintelligible way, giving the Oi Group full discretion to unilaterally determine what to do with these credits – as previously noted, Coop's and PTIF's intercompany claims correspond to aprox. R$ 35 billion. This treatment only makes it clearer, what was already suspicious, that the Oi Group tries to hide without any shame the biggest claims of this judicial reorganization, directly violating the Dutch entities' and its creditors' rights. Although the List of Creditors presented in these case records by the Trustee indicates as it being owned by Coop, on the date of the filing of the judicial reorganization, claims of **more than R$ 20 billion** against Oi and Oi Móvel, the Plan sets forth the possibility of the Oi Group, if it so wishes in the future, erasing such credits and treat them as if they never existed in order to avoid "*overpayment*".

[11] "*4.6. The financial funds OI GROUP raised to support the activities of the COMPANIES UNDERGOING REORGANIZATION, which reinforces the integration and consolidation of their operations (...). Companies from the OI GROUP took out loans among themselves as a way of cash management and transfer of funds among different companies composing the OI GROUP. Such loans were made with funds resulting from fund raisings made in the international market by COMPANIES UNDERGOING REORGANIZATION from Creditors in the List of Creditors of the Companies undergoing reorganization. (...)*".

37. One could argue that what the Oi Group means by avoiding "overpayment" is that the creditors of Coop could not receive more than the full amount of their claims – which would indeed be correct. However, except if the Oi Group were to fully compensate the holders of bonds issued by Coop and therefore provide for their full recovery, **the vague and imprecise concept of *"overpayment"* simply does not exist**. It is a contradiction in itself, a conceptual mistake of the Oi Group.

38. Since the Oi Group is not offering full compensation to any of its creditors, the reference to "overpayment" in the Plan seems that the Oi Group intends that Coop is not compensated for its billionaire claims against Oi and Oi Móvel, and thus the creditors of Coop are paid only once under their claim against Oi, and not under their claim against Coop itself, the primary obligor. Otherwise, if Coop receives any compensation under the Plan and the proceeds thereof are used to pay its own creditors, such creditors would allegedly receive an "overpayment" – **in spite of the total compensation being less than the value of the relevant claims**.

39. As it has already been explained in the case records, this line of reasoning is totally groundless, as Brazilian judicial reorganization law (Law no. 11.101/2005) expressly provides in article 49, paragraph 1º that even if the debtor is under a judicial reorganization proceeding, the creditor conserves its claims against the debtor and the guarantor, and can be compensated under both claims until the total amount.

40. Further, all the intercompany claims, which are valid and existing claims included in the Judicial Administrator Creditors' List, must be ranked and paid *pari passu vis-à-vis* other unsecured claims against the same Debtor. There are no legal grounds to simply ignore their existence under the Plan.

41. The intercompany claims cannot be set off with any claim Oi would receive following payment to Coop's creditors – as clarified in detail in the Trustee's

response to the Goldentree petition (pages 210,095 / 210,115 – items 41 / 51). And this is impossible because: (i) the indenture of bonds issued by Coop expressly bars any sett of, which is allowed under article 375 of the Civil Code, except in case of full payment of the bonds[12]; (ii) with relation to the credit held against Oi Móvel, it is still absent the indispensable reciprocity between the creditor and debtor of the liabilities offset demanded by article 368 of the Civil Code; (iii) even if one could consider an set off, still the payment in full of the bonds issued by Coop would not completely correspond to the credits of Coop against Oi and Oi Móvel, as under the same article 368 of the Civil Code, the claims only extinguish to the extent of the offset, but the debit balance of the bonds issued by Coop is much smaller than Coop claims against such entities[13].

42. Moreover, there is no legal provision that establishes the subordination of related parties' claims in a judicial reorganization proceeding. The cases provided for in Article 83, VIII, "b" of LRF applies only to **bankruptcy**, and not to a judicial reorganization. Moreover, because the claims held by Coop are not "*credits of shareholders and managers without an employment relationship*" as Coop does not hold an equity stake in Oi, but only an indirect corporate relationship and does not have any administration role in that company. And if there is no legal subordination, the Plan shall take into account the isonomic treatment to creditors of the same class, without giving any disadvantage or privilege to a determinate creditor[14].

---

[12] As it can be seen in clause 11.05 of the indenture related to the emission of 2015 Notes (with maturity date in 20121): *"Upon making any payment with respect to any obligation of the Issuer under this Article 11, the Company will be subrogated to the rights of the payee against the Issuer with respect to such obligation;* ***provided, however, that the Company shall not be entitled to enforce, or to receive any payments arising out of or based upon, such right of subrogation until the principal of (and premium, if any) interest, and Additional Amounts on all Securities shall have been paid in full"***[12] (pages 128.584/128.589). The First Suppemental Indenture Trust Deed of Notes 2012 due 2022 also contains a similar provision in its Clause 2.5 (fls.

[13] The debit balance of the Coop Bonds, on the date the petition for court-supervised reorganization is filed, is USD 1,461,659,396.80 and EUR 633,565,573.77 (**approximately R$ 7.2 billion**), while the credits of Coop against Oi and Oi Móvel reach a total of EUR 4.2 billion and USD 1.5 billion (**approximately R$ 28.8 billion**).

[14] This conclusion was explicitly shared by the directors of Coop – amongst whom Mr. Guimaraes, then Chief Financial Officer of the Oi Group – and their Brazilian, American and Dutch lawyers themselves, asserted in Coop's board minutes concerning the request of the RJ that Coop's claims would be respected and considered under an eventual judicial reorganization: ***"The Company [Coop] will be***

43. This conclusion was explicitly shared by the directors of Coop – amongst whom Mr. Guimaraes, then Chief Financial Officer of the Oi Group – and their Brazilian, American and Dutch lawyers themselves, asserted in Coop's board minutes concerning the request of the RJ that Coop's claims would be respected and considered under an eventual judicial reorganization:

> *"**The Company [Coop] will be accepted as a creditor of Oi and thus it is not precluded by law from being able to receive a consideration under the RJ Plan as any other creditor in the same class as the Company**. In its turn, PTIF will be accepted as a creditor of the Company and thus is not precluded by law from being able to receive a consideration under the RJ Plan as any other creditor in the same class as PTIF."* (pages 128.563/128.575)

44. Finally, as already presented to Your Honor in pages 210,095 / 210,115, the Trustee reiterates that the Plan should reflect the actual legal and economic position of Coop and its creditors. As such, the Plan should first of all reflect that Coop's note holders have a claim on Oi and on Coop, based on the indentures that govern the notes that Coop has issued (pages 128,584 / 128,589 and 210,128 / 210,022). Secondly, it should reflect that Coop has intra group claims on both Oi and Oi Móvel, as mentioned above. Therefore, in reflecting the actual legal and economic position of Coop and its creditors, the Plan must respect (i) the intra group claims of Coop – as has been confirmed by the Coop board members upon requesting the RJ as indicated in footnote 14 herein – and (ii) the claims of the note holders on Coop under the indentures, and must provide adequate compensation for both types of claims.

***accepted as a creditor of Oi and thus it is not precluded by law from being able to receive a consideration under the RJ Plan as any other creditor in the same class as the Company**. In its turn, PTIF will be accepted as a creditor of the Company and thus is not precluded by law from being able to receive a consideration under the RJ Plan as any other creditor in the same class as PTIF."* (pages 128.563/128.575)

FOURTH OBJECTION

POWERS TO PRESENT A PLAN REGARDING COOP'S CLAIMS

45. The abovementioned objections should be taken into account by Your Honor, not only based on their merit, but also because the Trustee is solely authorized to manage and dispose of Coop's assets worldwide.

46. One does not ignore the decision rendered by Your Honor in pages 198.409/198.414, which was partially suspended by the later decision rendered by the Court of Appeals of the State of Rio de Janeiro, limiting its effects to brazilian territory and isolating Brasil from the consequencies of the insolvency proceedings in the Netherlands. However, considering that the decision rendered by Your Honor can still be entirely modified, and also taking into account that the recognition of foreing jurisdictions and international cooperation are mandatory to guarantee the sucess of this proceeding, the following considerations are still pertintent.

47. The Plan provides for the disposal of assets (i.e. the claims it holds against Oi and Oi Móvel), creation of obligations and the restructuring of rights and prerogatives held by Coop itself, without any involvement or consent of the Trustee, who is **worldwide solely authorized to manage and dispose of assets that are included in the estate of Coop,** pursuant to Dutch law. As mentioned in paragraph 4, with its final, irrevocable and unconditional decision of 7 July 2017, this has been confirmed by the Dutch Supreme Court.

48. That the Trustee's position should also be taken into account pursuant to Brazilian law, follows from Article 11 of the LINDB – which states that the applicable law to companies is that of the country of their incorporation[15] - as we have reiterated on several occasions. One must therefore recognize that the Trustee is the only one that could interfere in Coop's assets. As a result, any and all acts of disposal of Coop's assets as provided for in the Plan, should have been subject to the Trustee's

[15] LINDB, Article 11. "*The organizations that are intended for purposes of collective interest such as the companies and foundations follow the law of the Country in which are incorporated*".

authorization since the first submission of the Plan and, also, after the bankruptcy of Coop, are subject to the exclusive discretion of the Trustee.

49. Having it clear that it is a duty of Coop to comply with Dutch law, the law of the place of its incorporation, it is imperious to recognize that the filing of the Plan by the Oi Group on behalf of Coop, disposing of its assets and creating obligations in its name without any ratification or consent of the Trustee, simultaneously consists of a violation to Dutch and Brazilian. Thus, it is unquestionable that the Plan does not bind Coop, its estate or its creditors – which obviously also applies to any amended plan that the Oi Group intends to file, to the extent such amended had not been approved by the Trustee.

CONCLUSION AND REQUEST

50. The Plan reflects the Oi Group attitude towards the Dutch Trustees so far. It simply ignores Coop's and its creditors individual position within Oi's economic group. Substantive consolidation, being the case exception in restructuring proceedings, is used as an eraser that magically extinguishes all credit analysis, rights and prerogatives (such as guarantees, rights of recourse, rights of set-off etc) arising from transactions entered into by two or more different legal entities, with separate assets and limited liabilities. No compensation is provided for Coop's claims against Oi and Oi Móvel, which are unsecured claims as many others, and should be paid accordingly.

51. However, after the decision of the Dutch Supreme Court, **there is only an effective chance of recovery** of the Oi Group insofar as it respects the jurisdictions in which it has made its commitments in the past. This necessarily implies cooperation with the Dutch jurisdiction and, therefore, with the Trustee, and also the acknowledgement that he has competence to manage and dispose of Coop's assets in the light of that jurisdiction. Therefore, the Trustee must agree upon any Plan before it is put to vote at a creditors' meeting. Even in the event the Brazilian

jurisdiction disregards the Trustee's sole worldwide authority to dispose of Coop's assets, a successful global restructuring of the Oi Group requires that Oi and the Trustee find common ground in respect to the Plan.

52. To this end, it is not possible to give another treatment to Coop's claim that does not consider it as an Unsecured Credit – Class III, observing its peculiarities and the consequences of recognizing that each company of Grupo Oi has specific assets and liabilities, in compliance with the access of each creditor to the equity of each one of these companies[16].

53. In observing such peculiarities, it must be recognized that the Plan, involving Coop's sole asset – the claims held against Oi and Oi Móvel – must (i) reflect the fraudulent transfer of billions by Coop to Oi and Movel in the year prior to the opening of this RJ proceeding and (ii) respect the claims held by Coop against Oi and Oi Móvel, notwithstanding the direct claims that Coop's note holders have against Oi pursuant to the indentures that govern the respective notes.

54. In the light of the above, the Trustee formally expresses an objection to the Plan and requests that the Group Oi initiates serious and sincere negotiations with the Trustee, to correct the herein above mentioned illegalities, considering that the Plan, as in its actual form, does not binds Coop and its creditors and cannot be validly submitted to vote on a General Meeting of Creditors.

Terms in which, approval is requested.

From São Paulo to Rio de Janeiro, on July 12, 2017.

[16] These peculiarities include, for example the fact that Coop, concerning the credit held against Oi Movel, should receive before any other creditor of other Debtor, including Telemar. This results from the fact that the shareholders, in this case Telemar regarding Oi Móvel, participate only in the **net** assets, and any value that Telemar may receive – and transfer to its creditors – by virtue of the equity capital in Oi Móvel is conditioned to the full payment of Oi Móvel debts, which includes EUR 1,5 billion owed to Coop.

Eduardo Secchi Munhoz
OAB/SP n° 126,764

Laura Mendes Bumachar
OAB/RJ n° 102,691
OAB/SP 185,255-A

João Vicente Lapa de Carvalho
OAB/SP n° 343,531

Lucas Paulino
OAB/SP n° 246,584

Carolina Kiyomi Iwamoto
OAB/SP n° 305,207

Rafael Paes Arida
OAB/SP n° 324,800

Ana Luiza Tesser Arguello
OAB/SP n. ° 356,135