

David T. Beddow
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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

**NORTHWEST AIRLINES
CORPORATION, et al.,**

Debtors.

**Chapter 11
Case No. 05-17930 (ALG)**

(Jointly Administered)

FOURTH AND FINAL INTERIM FEE APPLICATION COVER SHEET

Name of Applicant:	<u>O'Melveny & Myers LLP</u>
Period for Which Compensation and Reimbursement are Sought:	<u>02/01/07 - 05/31/07</u>
Amount of Compensation Sought as Actual, Reasonable, and Necessary:	<u>\$644,628.00</u>
Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary:	<u>\$21,963.98</u>
Total Sought for Compensation and Expenses in Third Interim Application Period:	<u>\$666,591.98</u>

**FOURTH AND FINAL INTERIM FEE APPLICATION:
SERVICES RENDERED BY O'MELVENY & MYERS LLP
FROM FEBRUARY 1, 2007 TO MAY 31, 2007**

Name of Professional	Year of Partnership	Year Graduated From Law school	Average Rate Charged	Hours Engaged	Total	Rate for Similar Non Bankruptcy Matters	Fees Charged for Similar Non Bankruptcy Matter Percentage	Time Records Submitted
ATTORNEYS								
PARTNERS								
Beddow, David	1999	1979	\$760	18.6	\$14,136	\$760	100%	Yes
Brown, Thomas	2006	1995	\$665	1	\$665	\$665	100%	Yes
Wilson, Christine	2005	1995	\$665	251.3	\$167,114.50	\$665	100%	Yes
OF COUNSEL								
Muris, Timothy J.	2004	1974	\$875	156.9	\$137,287.50	\$875	100%	Yes
COUNSEL								
Farrington, Rebecca H.		1997	\$555	40.7	\$22,588.50	\$555	100%	Yes
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Zimmer, Alexandra L.			\$175	9.3	\$1,627.50	\$175	100%	Yes
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Power, Bryan			\$200	7.9	\$1,580	\$200	100%	Yes
Poole, Debra A.			\$30	5	\$150	\$30	100%	Yes
Sainvill, Kaina			\$235	2.2	\$517	\$235	100%	Yes
TOTAL				1,127	\$644,628.00			

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In re:

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CORPORATION, et al.,**

Debtors.

**Chapter 11
Case No. 05-17930 (ALG)**

(Jointly Administered)

**APPLICATION OF O'MELVENY & MYERS LLP,
ATTORNEYS FOR THE DEBTORS, FOR (I) FOURTH AND FINAL
ALLOWANCE OF COMPENSATION FOR PROFESSIONAL SERVICES
RENDERED AND FOR REIMBURSEMENT OF ACTUAL AND NECESSARY
EXPENSES INCURRED FROM FEBRUARY 1, 2007 THROUGH MAY 31, 2007,
(II) FINAL ALLOWANCE OF COMPENSATION FOR PROFESSIONAL
SERVICES RENDERED AND FOR REIMBURSEMENT OF ACTUAL AND
NECESSARY EXPENSES INCURRED FROM SEPTEMBER 14, 2005
THROUGH MAY 31, 2007, AND (III) RELEASE OF THE HOLDBACK**

O'Melveny & Myers LLP ("OMM"), attorneys for Northwest Airlines Corporation ("NWA Corp."), and certain of its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"),¹ submits this application (the "Application"), pursuant to sections 330(a) and 331 of title 11, United States Code (the "Bankruptcy Code") and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for an order (i) granting fourth and final interim compensation for professional services performed by OMM for the

¹ Specifically, in addition to NWA Corp., the Debtors consist of NWA Fuel Services Corporation, Northwest Airlines Holdings Corporation, NWA Inc., Northwest Aerospace Training Corp., Northwest Airlines, Inc., MLT Inc., Northwest Airlines Cargo, Inc., NWA Retail Sales Inc., Montana Enterprises, Inc., NW Red Baron LLC, Aircraft Foreign Sales, Inc., NWA Worldclub, Inc. and NWA Aircraft Finance, Inc. ("Aircraft Finance").

period February 1, 2007 through May 31, 2007 (the “Final Interim Period”)², (ii) granting final allowance of compensation and reimbursement of expenses for the period September 14, 2005 through May 31, 2007 (the “Representation Period”), and (iii) authorizing the payment of the amount of compensation that is subject to a holdback (the “Holdback”).

**SUMMARY OF PROFESSIONAL COMPENSATION
AND REIMBURSEMENT OF EXPENSES REQUESTED**

1. OMM was employed as an “ordinary course professional” in accordance with the October 19, 2005 Order Pursuant to Sections 105(a), 327, 328 and 330 of the Bankruptcy Code Authorizing the Debtors to Employ and Compensate Certain Professionals Utilized in the Ordinary Course of the Debtors’ Business (the “OCP Order”).

2. This Application has been prepared in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the “Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement Expenses Filed Under 11 U.S.C. § 330 adopted on January 30, 1996 (the “UST Guidelines”), the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Committee Members (the “Administrative Order,” collectively with the Local Guidelines and UST Guidelines, the “Guidelines”). Pursuant to the Local Guidelines, a certification regarding compliance with same is attached hereto as Exhibit “A.”

² This application also includes 41.3 hours expended during January 2007 in connection with Northwest’s acquisition of Mesaba Airlines. These hours were not reported in OMM’s Third Interim Application because at the time the application was filed OMM had yet to open a new billing number for this matter and therefore had not generated any invoices for the work performed.

3. OMM seeks allowance of interim compensation for professional services rendered to the Debtors during the Final Interim Period, in the aggregate amount of \$644,628.00, and for reimbursement of expenses incurred in connection with the rendition of such services in the aggregate amount of \$21,963.98. During the Final Interim Period, OMM attorneys and paraprofessionals expended a total of 1,127 hours for which compensation is requested. By this application, OMM also seeks final approval of \$1,685,630.40 in fees and \$45,580.03 in charges and disbursements actually and necessarily incurred during the Representation Period. Further, OMM seeks an order authorizing the Debtors to: (a) pay \$208,200.48 on account of the Holdback for the first, second, and third interim compensation periods, and (b) release any amounts held back with respect to the Final Interim Period.³

4. OMM has provided the Debtor with monthly fee statements for professional services rendered and expenses incurred on behalf of the Debtors, along with a detailed report of time entries and expenses. Pursuant to the OCP Order dated October 10, 2005, the Debtors are authorized to pay OMM up to 80% of its fees for professional services and 100% of the expenses for such periods where OMM's fees and expenses exceed the \$50,000 monthly limit ordered by the court. Debtors were billed a total of \$666,591.98 during the Final Interim Period (\$644,628.00 for professional fees and \$21,963.98 for expenses). \$238,784.42 has been paid. By this Application, OMM requests the full amount of the fees for professional services and expenses rendered during the Final Interim Period.

5. The fees charged by OMM in these cases are billed in accordance with its existing billing rates and procedures in effect during the Representation Period. The rates OMM charges

³ To the extent this Application requests final approval of fees and expenses previously awarded to OMM on an interim basis, OMM fully incorporates herein the descriptions of the services rendered and expenses incurred as set forth more fully in OMM's prior fee applications in these Chapter 11 Cases.

for the services rendered by its professionals and paraprofessionals in connection with NWA matters ongoing during these chapter 11 cases are the same rates OMM charges for professional and paraprofessional services rendered in comparable non-bankruptcy related matters. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable non-bankruptcy cases in a competitive national legal market.

6. Pursuant to the UST Guidelines, annexed hereto as Exhibit “B” is a schedule setting forth all OMM professionals and paraprofessionals who have performed services on behalf of the Debtors in connection with NWA matters during the Final Interim Period, the capacity in which each such individual is employed by OMM, the hourly billing rate charged by OMM for services performed by each such individual, the aggregate number of hours expended in connection with NWA matters and fees billed therefore from February 1, 2007 through May 31, 2007, and the year in which each professional was first licensed to practice law.

7. Annexed hereto as Exhibit “C” is a schedule specifying the categories of expenses for which OMM is seeking reimbursement, and the total amount for each such expense category.

8. OMM’s work on behalf of NWA during the entire Representation Period related to Department of Transportation antitrust immunity issues as well as general antitrust analysis and counseling.

9. OMM maintains computerized records of the time spent by all OMM attorneys and paraprofessionals in connection with the OMM representation of the Debtors in connection with NWA matters.

BACKGROUND

10. On September 14, 2005 (the “Petition Date”), each of the Northwest Debtors (except Aircraft Finance) filed with this Court a voluntary petition for relief under chapter 11 of title 11 of the Bankruptcy Code.⁴ Each Northwest Debtor is continuing to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

11. On September 30, 2005, pursuant to section 1102 of the Bankruptcy Code, the United States Trustee appointed the Unsecured Creditors Committee. On November 17, 2005, the United States Trustee appointed the Retired Employees Committee. No trustee or examiner has been appointed.

12. Pursuant to the OCP Order dated October 19, 2005, the Debtors were authorized to retain OMM to render legal services in connection with NWA matters.

13. During the Compensation Period, OMM rendered professional antitrust counseling services.

14. OMM provided significant professional services to the Debtors during the compensation period relating to antitrust issues and advice.

15. The professional services performed by OMM in connection with NWA matters were necessary and appropriate. The professional services performed by OMM were in the best interests of the Debtors and the other parties in interest. Compensation for the foregoing services, as requested, is commensurate with the complexity, importance and nature of the

⁴ Aircraft Finance filed its chapter 11 petition on September 30, 2005.

problems, issues or tasks involved. The professional services were performed in an expeditious and efficient manner.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

16. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. 11 U.S.C. § 331. Section 330 of the Bankruptcy Code provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330 of the Bankruptcy Code also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including -

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and
- (E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

17. In the instant case, OMM respectfully submits that the compensation requested herein (including services performed during the recent Final Interim Period and the previously approved First, Second, and Third Interim Periods) is reasonable in light of the nature, extent, and value of such services to the Debtors, their estates and all parties in interest.

18. The services rendered by OMM during the entire Representation Period, including the Final Interim Period, were necessary and beneficial to the Debtors' estates, and were consistently performed in a timely manner, commensurate with the complexity, importance, and nature of the issues involved; and approval of the compensation sought herein is therefore warranted.

MEMORANDUM OF LAW

19. OMM submits that the relevant legal authorities are set forth herein, and that the requirement pursuant to Local Bankruptcy Rule 9013-1 - that OMM file a memorandum of law in support of this Application - is satisfied.

CONCLUSION

WHEREFORE, OMM respectfully requests entry of an order (i) granting an allowance of compensation for professional services rendered during the Final Interim Period in the amount of \$644,628.00 and reimbursement for actual and necessary expenses OMM incurred during the Final Interim Period in the amount of \$21,963.98; (ii) for the final allowance of compensation for professional services rendered during the Representation Period of \$1,685,630.40 in fees and reimbursement of actual and necessary expenses incurred during the Representation Period of \$45,580.03; (iii) authorizing the Debtors to: (a) pay OMM \$208,200.48 on account of the Holdback for the first, second, and third interim compensation periods, and (b) release any

amounts held back with respect to the Final Interim Period, and (iv) granting such other and further relief as is just.

Dated: Washington, D.C.
July 18, 2007

Respectfully submitted,

/s/ David T. Beddow
David T. Beddow
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1625 Eye Street, N.W.
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ATTORNEYS FOR THE DEBTORS AND
DEBTORS IN POSSESSION

EXHIBIT A

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No.

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(Jointly Administered)

**CERTIFICATION UNDER GUIDELINES FOR FEES AND
DISBURSEMENTS FOR PROFESSIONALS IN RESPECT OF
THIRD APPLICATION OF O'MELVENY & MYERS LLP FOR
INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES**

I, David T. Beddow, hereby certify that:

1. I am a partner with the applicant firm, O'Melveny & Myers LLP ("OMM"), with responsibility for OMM's work on behalf of Northwest Airlines Corporation and certain of its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), in respect of compliance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the "Local Guidelines"), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the "UST Guidelines"), and the Order Pursuant to

Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Committee Members (the “Administrative Order,” collectively with the Local Guidelines and UST Guidelines, the “Guidelines”).

2. This certification is made in respect of OMM’s application, dated July 18, 2007 (the “Application”), for interim compensation and reimbursement of expenses for the period February 1, 2007 through May 31, 2007 (the “Final Interim Period”) in accordance with the Guidelines.

3. In respect of section B.1 of the Local Guidelines, I certify that:

- I have read the Application;
- to the best of my knowledge, information, and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Local Guidelines and the UST Guidelines;
- the fees and disbursements sought are billed at rates in accordance with practices customarily employed by OMM and generally accepted by OMM’s clients; and
- in providing a reimbursable service, OMM does not make a profit on that service, whether the service is performed by OMM in-house or through a third party.

4. In respect of section B.2 of the Local Guidelines, and as required by the Administrative Order, I certify that OMM has provided the Debtors, counsel for the statutory committee of unsecured creditors appointed in these cases (the “Unsecured Creditors Committee”), the Retired Employees Committee appointed in these cases (the “Retired Employees Committee;” together with the Unsecured Creditors Committee, collectively, the “Committees”) and the United States Trustee for the Southern District of New York (the “United States Trustee”) with a statement of OMM’s fees and disbursements subject to this Application.

5. In respect of section B.3 of the Local Guidelines, I certify that the Debtors, counsel for the Committees and the United States Trustee are each being provided with a copy of the Application.

Dated: Washington, D.C.
July 18, 2007

/s/ David T. Beddow
David T. Beddow

EXHIBIT B

**FOURTH AND FINAL INTERIM FEE APPLICATION:
SERVICES RENDERED BY O'MELVENY & MYERS LLP
FROM FEBRUARY 1, 2007 TO MAY 31, 2007**

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EXHIBIT C

**ACTUAL AND NECESSARY DISBURSEMENTS INCURRED BY
O'MELVENY & MYERS LLP FROM FEBRUARY 1, 2007 TO MAY 31, 2007**

Disbursements	Amount
COPYING	\$3,373.50
FACSIMILE	\$13.50
SCANNING	\$19.80
ONLINE RESEARCH	\$10,918.62
LOCAL TRAVEL	\$180.02
DELIVERY SERVICES / MESSENGERS	\$487.05
MEALS	\$104.08
OTHER PROFESSIONALS	\$141.73
EXPENSE REPORTS / OUT OF TOWN TRAVEL	\$1,055.56
OUTSIDE PRINTING / REPRODUCTION	\$3,320.02
OTHER	\$2,350.10
TOTAL	\$21,963.98