

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)
) Chapter 11
TRANS WORLD AIRLINES, INC., et al.)
) Case No. 01-0056 (PJW)
)
Debtors.) (Jointly Administered)

**FIFTH AND FINAL APPLICATION
OF PROSKAUER ROSE LLP FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Name of Applicant: Proskauer Rose LLP

Authorized to Provide
Professional Services To: Trans World Airlines, Inc., et al., Debtors

Date of Retention: January 10, 2001

Period for Which Compensation
and Reimbursement is Sought: February 1, 2002 through and including July 31, 2002

Amount of Compensation Requested
as Actual, Reasonable, and Necessary: \$1,410.00

Amount of Expense Reimbursement Requested
as Actual, Reasonable, and Necessary: \$18.86

Total Amount of Compensation
and Reimbursement Sought: \$1,428.86

This is a(n) Monthly Interim XX Final Application

This is Proskauer Rose LLP's Fifth and Final Fee Application.

The objection period for this fee application is twenty (20) days from the date of filing.

The hearing date for this fee application has been set for December 4, 2002.

Prior Applications:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Fees Received	Expenses Received
5/14/01	1/10/01-3/31/01	\$251,059.50	\$15,663.08	\$251,059.50	\$15,663.08
6/22/01	4/1/01-4/30/01	\$ 63,505.50	\$ 8,818.69	\$ 63,505.50	\$ 8,818.69
8/20/01	5/1/01-6/30/01	\$ 6,261.00	\$ 394.76	\$ 6,261.00	\$ 394.76
5/15/02	7/1/01-1/31/02	\$ 4,397.50	\$ 474.11	Pending	Pending

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) Chapter 11
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) Case No. 01-0056 (PJW)
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Debtors.) (Jointly Administered)

**FIFTH AND FINAL APPLICATION OF PROSKAUER ROSE LLP
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

This fifth and final application for compensation and reimbursement of expenses (the "Application") of Proskauer Rose LLP ("Applicant"), special labor counsel to the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") respectfully represents:

I. SUMMARY OF RELIEF REQUESTED

1. Applicant submits this Application pursuant to Sections 330 and 331 of Title 11, United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), seeking a final allowance of compensation for legal services rendered and reimbursement of necessary expenses incurred, in connection with the Debtors' Chapter 11 cases during the period from February 1, 2002,

¹The Debtors are the following entities: Trans World Airlines, Inc., Ambassador Fuel Corporation, LAX Holding Company, Inc., Mega Advertising Inc., Northwest 112th Street Corporation, The TWA Ambassador Club, Inc., Trans World Computer Services, Inc., Transcontinental & Western Air, Inc., TWA Aviation, Inc., TWA Group, Inc., TWA Standards & Controls, Inc., TWA Stock Holding Company, TWA-D.C. Gate Company, Inc., TWA-LAX Gate Company, Inc., TWA Logan Gate Co., Inc., TWA-NY/NJ Gate Company, Inc., TWA-Omnibus Gate Company, Inc., TWA-San Francisco Gate Company, Inc., TWA-Hangar 12 Holding Company, Inc., Ozark Group, Inc., TWA Nippon, Inc., TWA Employee Services, Inc., TWA Getaway Vacations, Inc., Trans World Express, Inc., International Aviation Security Inc., Getaway Management Services, Inc., and The Getaway Group (U.K.), Inc.

through and including July 31, 2002 (the "Period"), . The Application consists of (i) an allowance of compensation for services rendered during the Period in the amount of \$1,410.00 as itemized on Exhibit A annexed hereto; (ii) reimbursement of out-of-pocket expenses in the amount of \$18.86 necessarily incurred in connection therewith, as itemized on Exhibit B annexed hereto; (iii) approval for payment of all fee holdbacks and/or outstanding fees and disbursements requested in previous interim applications filed in these cases aggregating \$4,871.61; and (iv) final approval of interim awards for fees and expenses.

2. Applicant has functioned as Special Labor Counsel for the Debtors pursuant to Section 327(e) of the Bankruptcy Code since the filing of the Petition. As discussed in more detail below, Applicant spent a substantial amount of time prior to the Period working with the Debtors and the labor organizations representing the unionized employees of the Debtors in an effort to ensure that the conditions precedent to closing of the asset sale to American Airlines relating to Debtors' unionized employees were satisfied and/or did not create an impediment to the transaction.

3. During the Period, Applicant expended a total of 7.20 hours in providing legal services to the Debtors in connection with these cases (including preparation of prior fee applications), including an aggregate of 2.0 professional hours and 5.20 paraprofessional hours. A detailed description of the services rendered by Applicant during the Period is set forth in Section V of this Application. In addition, annexed hereto as Exhibit A is a breakdown by individual attorney of Applicant's actual time charges during the Period, itemizing the dates upon which services were rendered, the time spent on each date, the services rendered and the

dollar value of such services.

II. JURISDICTION

4. This Court has jurisdiction over the Application pursuant to 28 U.S.C. §1334. This matter is a “core” proceeding within the meaning of 28 U.S.C. §157(b)(2)(A).

III. DESCRIPTION OF APPLICANT

5. Proskauer Rose LLP is a full service law firm with approximately 140 partners and counsel, 35 senior counsel and 324 associates. Applicant’s primary office (and the office from which most services were rendered in this case) is located in New York City. Applicant also maintains offices in Newark, New Jersey, Washington, D.C., Boca Raton, Florida, Los Angeles, California and Paris, France.

6. Applicant was founded over one hundred twenty-five years ago and represents a broad spectrum of clientele including major public companies, large and small privately-held corporations, partnerships, private foundations, trusts, estates and individuals. Included in the list are a large variety of enterprises of varied size, form and function, including financial and investment institutions, manufacturing companies, department stores, real estate development companies and professional firms.

7. The partner coordinating Proskauer’s role as Section 327(e) Special Labor Counsel for the Debtors’ Chapter 11 case is Bernard M. Plum, who has been practicing labor and employment law for approximately twenty years and has represented or represents major clients,

including The New York Times, Dow Jones, Pennsylvania Power & Light, and The League of American Theatre Owners & Producers.

IV. BACKGROUND

8. On the Petition Date, each of the Debtors filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code and a motion to procedurally consolidate their Chapter 11 cases for administrative purposes only. The Debtors are continuing to operate their businesses and manage their properties as debtors in possession pursuant to 11 U.S.C. § 1107(a) and 1108.

9. Applicant was retained to serve as Special Labor Counsel to the Debtors, nunc pro tunc to the Petition Date, by order of the Court entered on March 13, 2001.

10. On January 10, 2001, this Court entered an Administrative Order Establishing Procedures for Allowance and Payment of Interim Compensation and Reimbursement of Expenses of Professionals (the "Administrative Order"), which provides for the filing of monthly and interim applications for payment of compensation and reimbursement of expenses.

11. On May 14, 2001, Applicant filed its First Quarterly Interim Application for Compensation and Reimbursement of Expenses for the period January 10, 2001 through and including March 30, 2001 (the "First Quarterly Application"), seeking \$251,059.50 in fees and \$15,663.08 in expenses. No objection to Applicant's First Quarterly Application was filed. In

accordance with the Administrative Order, Applicant received payment of \$266,722.58 representing 100% of the fees requested and 100% of the expenses requested.

12. On June 22, 2001, Applicant filed its Second Monthly Interim Application for Compensation and Reimbursement of Expenses for the period April 1, 2001 through and including April 30, 2001 (the "Second Interim Application"), seeking \$63,505.50 in fees and \$8,818.69 in expenses. No objection to Applicant's Second Interim Application was filed. Applicant has to date received payment of \$72,324.19 representing 100% of the fees requested and 100% of the expenses requested.

13. On August 20, 2001, Applicant filed its Third Monthly Interim Application for Compensation and Reimbursement of Expenses for the period June 1, 2001 through and including June 30, 2001 (the "Third Interim Application"), seeking \$6,261.00 in fees and \$394.76 in expenses. No objection to Applicant's Third Interim Application was filed. To date, Applicant received payment of \$6,655.76 representing 100% of the fees requested and 100% of the expenses requested.

14. On August 20, 2001, Applicant filed its Second Quarterly Application for Compensation and Reimbursement of Expenses for the periods covered by Applicant's Second and Third Monthly Statements (the "Second Quarterly Application"). No objection to Applicant's Quarterly Application was filed, and Applicant was authorized to receive payment in full of all outstanding fees and disbursements detailed in its Second and Third Monthly Statements.

15. On May 15, 2002, Applicant filed its Fourth Monthly Interim Application for Compensation and Reimbursement of Expenses for the period July 1, 2001 through and including January 31, 2002 (the "Fourth Interim Application"), seeking \$4,397.50 in fees and \$474.11 in expenses. At the time of filing, an omnibus objection to all professional fees had been filed by creditor MBNA. This objection has now been resolved and withdrawn. Applicant now intends to file a certificate of no objection and will be seeking payment from the Debtors.

16. Thus, prior to the Period, Applicant had requested compensation for fees totaling \$325,223.50, and reimbursement of expenses totaling \$25,350.64, and had been paid \$320,826.00 in fees and \$24,876.53 in expenses.

V. DESCRIPTION OF SERVICES RENDERED

17. Set forth below is an overview of the major areas in which the Applicant rendered services to the Debtors as Special Labor Counsel prior to the Period. Applicant has also provided legal services to the Debtors as a provider of services in the Ordinary Course of Business. These Ordinary Course services are not detailed in this application.

18. During the Period, the significant portion of time spent by Proskauer was in connection with preparing and filing its Fourth Monthly Fee Application for work performed for the Debtors between July 1, 2001 and January 31, 2002, when, as detailed in its prior fee applications, Proskauer provided services to the Debtors, including:

a. Domestic Union Issues: The Asset Purchase Agreement between

American and the Debtors required as a precondition for sale the waiver or modification of certain provisions of the collective bargaining agreement between Trans World Airlines, Inc. ("TWA") and the various labor organizations which represented approximately 18,000 unionized TWA employees. Proskauer provided legal (including the application of the Railway Labor Act in a bankruptcy context) and strategic advice to TWA as part of TWA's efforts to secure the necessary waivers or modifications to the collective bargaining agreements. Proskauer further represented TWA in extensive collective bargaining negotiations with the International Association of Machinists ("IAM"), the Air Line Pilots Association ("ALPA") and the International Brotherhood of Teamsters ("IBT") regarding the necessary waivers and modifications. As part of this bargaining process, Proskauer drafted and analyzed numerous proposals to and from the unions and interfaced with representatives of American Airlines on a regular basis to address labor issues in the transaction. When it appeared as if IAM and ALPA would refuse to provide the necessary waivers and modifications, Proskauer also prepared a motion pursuant to Section 1113 of the Bankruptcy Code to reject the IAM and ALPA collective bargaining agreements. Proskauer continued to represent TWA in negotiations up to the day before the Section 1113 motion was to be heard by the Bankruptcy Court and eventually assisted in securing the necessary waivers from ALPA, IAM, and IBT without the need for a decision on the Section 1113 motion.

b. International Union Issues: As a result of the transaction between American and the Debtors, TWA announced its intention to close its facility in Tel Aviv, Israel. This plan prompted TWA's Israeli employees to file a lawsuit in Israel seeking to appoint a

temporary liquidator for TWA's assets in Israel. Proskauer assisted in retention of Israeli counsel and provided strategic and legal advice to the Debtors regarding this lawsuit.

19. Applicant has been mindful of the need to provide services efficiently. Accordingly, Applicant has utilized attorneys possessing greater experience and expertise only when required by the importance of particular matters to the Debtors' reorganization efforts, and as requested by the Debtors. Applicant assigned junior attorneys where appropriate to render services required by the Debtors in as economical a manner as possible, consistent with obtaining a professional and expeditious result. Multiple attorneys of Applicant participated in conferences and internal meetings only when required to ensure that individuals working on matters possessed requisite information to perform particular tasks, or where the expertise and knowledge of more than one individual was required or requested.

F. Paralegal Time

20. The compensation for legal services rendered in this case by Applicant includes paralegal time. Paralegal time is charged at the same rate billed by Applicant to all of its clients and averaged approximately \$125.00 per hour during the Period. Applicant's paralegal staff performed an essential function in ensuring that appropriate notice of certain matters was given to the service list herein and in organizing a large flow of information and documents. Without the assistance of Applicant's paralegal staff, substantial additional attorney time would have been expended.

VI. DISBURSEMENTS

21. During the Period, Applicant incurred certain necessary expenses in rendering legal services to the Debtors as set forth in Exhibit B. Certain expenses detailed in Exhibit B were incurred in the period covered by the previous Application, but were not billed until the period covered by this Application. All disbursements set forth in this Application are charged to all Applicant's clients on the same basis as charged to the Debtors in these cases.

22. Applicant's disbursements include \$9.40 for reproduction charges. In accordance with the rules of this Court, Applicant charged \$.10 per page for reproduction charges.

23. Applicant seeks reimbursement for its reasonable, necessary and actual expenses incurred during the Period aggregating \$18.86.

VII. LEGAL STANDARD

24. Section 330(a)(1) of the bankruptcy Code allows that payment of:
- (A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, professional person, or attorney and by any paraprofessional person employed by any such person; and
 - (B) reimbursement for actual, necessary expenses.
11 U.S.C. §330(a)(1).

25. Reasonableness of compensation is determined by the "market-driven approach" which considers the nature, extent and value of the services provided by the professional, and the cost of comparable services in non-bankruptcy contexts. *See, Zolfo Cooper*

& Co. v. Sunbeam-Oster Co., 50 F.3d 253, 258 (3d Cir. 1995); *In re Busy Beaver Building Ctr., Inc.* 19 F.3d 833, 849 (3d Cir. 1994). Thus, “the baseline rule is for firms to receive their customary rates.” *Zolfo Cooper*, 50 F.3d at 259.

26. In accordance with its practice in non-bankruptcy matters, Applicant has calculated the compensation requested in the Application by applying its standard hourly rates. Applicant’s hourly rates are well within the range of rates that are charged by comparable firms in other large bankruptcy cases. Accordingly, Applicant’s rates should be determined to be reasonable under Section 330 of the Bankruptcy Code.

27. Section 330(a)(1)(B) of the Bankruptcy Code permits reimbursement for actual, necessary expenses. Applicant’s expenses incurred during the Period constitute only those necessary expenses that were incurred for the benefit of the Debtors’ estates. Applicant has properly requested reimbursement of only actual, necessary and appropriate legal expenses.

28. In accordance with Rule 2016 of the Federal Rules of Bankruptcy Procedure (“Fed. R. Bank. P.”), Applicant hereby states that (i) all services for which compensation is sought herein were rendered to the Debtors solely in connection with their Chapter 11 cases and not on behalf of any committee, individual creditor or other persons, (ii) other than pre-petition retainers and pre-petition payments previously disclosed to this Court, Applicant has received no payment or promise of payment for services rendered as Special Labor Counsel in these Chapter 11 cases, (iii) no agreement or understanding exists between Applicant and any other person for the sharing of compensation to be received for services rendered in or in connection with these cases, and (iv) no division of compensation will be made by Applicant,

except as between members of Applicant, and no agreement prohibited by 18 U.S.C. § 155 or Section 504 of the Bankruptcy Code has been made. The foregoing statements are reiterated in the affidavit, submitted pursuant to Section 504 of the Bankruptcy Code, of Bernard M. Plum, a member of Applicant, which was submitted in conjunction with Applicant's retention application.

VIII. NOTICE

29. No trustee or examiner has been appointed in these Chapter 11 cases. Notice of this Application has been provided to: (a) Debtors; (b) counsel for Debtors; (c) the United States Trustee; (d) counsel to the Committee; (e) counsel to the Debtors' lenders; and (f) all other entities required to receive notice pursuant to the Court's Administrative Order. In light of the nature of the relief requested herein, the Applicant submits that no other or further notice is required.

IX. CONCLUSION

30. In summary, Applicant requests that the instant Application for a fifth and final allowance of fees and reimbursement of expenses be granted in all respects. As set forth in Exhibit A, Applicant expended 7.20 hours in rendering essential legal services to the Debtors during the Period having an aggregate monetary value of \$1,410.00. Applicant's blended hourly rate during the Period was approximately \$195.83 per hour. Applicant believes that its blended hourly rate is comparable to the rate charged by comparable firms in such cases. The specific hourly rates set forth in this Application are equal to the rates charged by Applicant for comparable services provided to non-bankruptcy clients. Applicant has assigned junior people to

the actual and necessary sums advanced or incurred by Applicant.

32. No previous application for the relief sought herein has been made to this or any other Court.

WHEREFORE, Applicant respectfully requests (i) a final allowance of fees for legal services rendered to the Debtors during the Period in the amount of \$1,410.00; (ii) a final allowance for reimbursement of the actual and necessary expenses incurred on behalf of the Debtors during the Period in the amount of \$18.86; (iii) approval for the payment of all fee holdbacks and/or outstanding fees and disbursements requested in previous interim applications filed in these cases aggregating \$4,871.61; (iv) final approval of all awards; and (V) such other and further relief as is just and proper.

The objection period for this fee application is twenty (20) days from the date of filing. The hearing date for this fee application has been set for December 4, 2002.

Dated: New York, New York
August 23, 2002

PROSKAUER ROSE LLP
Special Labor Counsel to the Debtors and
Debtors-in-Possession

By: 

Bernard M. Plum
1585 Broadway
New York, New York 10036
(212) 969-3000

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FOR THE DISTRICT OF DELAWARE**

In re:)
) Chapter 11
TRANS WORLD AIRLINES, INC., et al.,)
) Case No. 01-0056 (PJW)
Debtors.) (Jointly Administered)

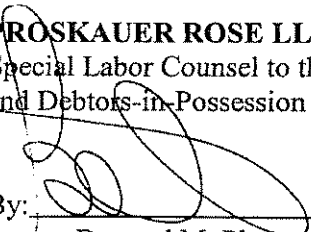
CERTIFICATION

Bernard M. Plum, an attorney admitted to practice in the State of New York,
certifies that:

1. I am a member of Proskauer Rose LLP (the "Applicant"). Applicant was retained as special labor counsel by the above-captioned debtors and debtors-in-possession pursuant to an Order of this Court. This certification is made in support of the Fifth and Final Application of Proskauer Rose LLP for Compensation and Reimbursement of Expenses dated August 23, 2002 (the "Application") and in compliance with this Court's Administrative Order Establishing Procedures for Allowance and Payment of Interim Compensation and Reimbursement of Expenses of Professionals (the "Administrative Order").

2. I have read the Application and I certify that the Application complies with the Administrative Order.

PROSKAUER ROSE LLP
Special Labor Counsel to the Debtors
and Debtors-in-Possession

By: 
Bernard M. Plum
1585 Broadway
New York, New York 10036
(212) 969-3000

TRANS WORLD AIRLINES, INC., ET AL.
 Summary of Services Rendered During the Period
 of February 1, 2002 through and including July 31, 2002

Name of Professional	Year Admitted to Bar	Position with the Applicant (Area of Expertise)	Billing Rate	Total Hrs. Billed	Total Compensation
Michael E. Foreman	1986 (NY)	Partner (Bankruptcy)	515.00	0.30	154.50
Michael J. Lebowich	1998 (NY)	Associate (Labor)	356.18*	1.70	605.50
David C. Cooper	N/A	Paralegal	125.00	5.20	650.00
TOTAL			<u>195.83*</u>	<u>7.20</u>	<u>\$1,410.00</u>

* - Blended hourly rate

CLIENT: TRANS WORLD AIRLINES (BMP/AIF)

DETAIL DESCRIPTION OF SERVICES RENDERED:

MATTER NAME: CHAPTER 11 BANKRUPTCY PROCEEDING
FILE # 73976.0015

DATE	DESCRIPTION	HOURS	AMOUNT
02/19/02	Begin prep. of fee app. at request of Mike Lebowich (0.7) LEGAL ASSISTANT: DAVID C. COOPER	.70	87.50
02/20/02	E-mail Mike Lebowich re fee app (0.1), e-mail accounting to request proforma and backup re same (0.4), conf Sofia Kats (Accounting) re same (0.4) LEGAL ASSISTANT: DAVID C. COOPER	.90	112.50
02/21/02	Continued prep. of fee application (1.8) LEGAL ASSISTANT: DAVID C. COOPER	1.80	225.00
02/25/02	Work on fourth fee application ASSOCIATE: MICHAEL J. LEBOWICH	.40	134.00
02/25/02	Revisions to fee application (0.6), t/cs Mike Lebowich (x3) re same (0.3), t/cs Accounting (x2) re same (0.3) LEGAL ASSISTANT: DAVID C. COOPER	1.20	150.00
02/28/02	Revise fee application (0.6) LEGAL ASSISTANT: DAVID C. COOPER	.60	75.00
03/01/02	Tel's Carmel, Lebowich - status of case PARTNER: MICHAEL E. FOREMAN	.30	154.50
03/01/02	Revised Fee Application ASSOCIATE: MICHAEL J. LEBOWICH	.20	67.00
04/08/02	Reviewed Agenda for Bank court hearing; meeting with A.Schindel re: same ASSOCIATE: MICHAEL J. LEBOWICH	.20	67.00

05/10/02	Work on fee application. ASSOCIATE: MICHAEL J. LEBOWICH	.30	112.50
05/13/02	Work on fee application. ASSOCIATE: MICHAEL J. LEBOWICH	.20	75.00
05/14/02	Finalized and served fee app. ASSOCIATE: MICHAEL J. LEBOWICH	.20	75.00
05/16/02	T/C w/R. Jenkins of K&E re: MBNA objection. ASSOCIATE: MICHAEL J. LEBOWICH	.20	75.00

TRANS WORLD AIRLINES, INC., ET AL.

Summary of Disbursements Incurred During the Period
February 1, 2002 through and including July 31, 2002

<u>Description</u>	<u>Service Provider</u>	<u>Total</u>
Long Distance Telephone	Verizon	2.46
Reproduction - In-House	Pitney Bowes	9.40
Word Processing	In-house	7.00
Total		<u>\$18.86</u>

03/06/02	REPRODUCTION	3.00
04/09/02	REPRODUCTION	3.00
06/10/02	REPRODUCTION	3.40
Total	REPRODUCTION	9.40
05/14/02	Job #60; scan 2 docs into pdf and email to m.lebowich	7.00
Total	WORD PROCESSING	7.00
03/04/02	X3217 to (314) 895-5486 (LADUE, MO) at 1807	0.46
04/12/02	LONG DISTANCE TELEPHONE	1.38
05/15/02	X3217 to (314) 895-5486 (LADUE, MO) at 1430	0.62
Total	LONG DISTANCE TELEPHONE	2.46

Client: LEBOWICH, MICHAEL J.	Work Phone: 3217
Customer Id: 3959	Home Phone:
PC <input type="checkbox"/> MSWord <input type="checkbox"/>	
Document Path/Name: 940769 V1	
Description: print doc - replace pages 14 and 15 (attached) - scan to pdf - email	

OpEst:	Promised Time:
PrEst:	9:00 AM + - :00 :15 :30 :45

Client:	Client Name:
Matter:	Matter Name:

Add Record

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