

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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In re	Chapter 11
TWA POST CONFIRMATION ESTATE,	Case No. 01-00056 (PJW)
Debtor.	Jointly Administered

Objection deadline: Septmber 17, 2002 at 4:00 p.m.
Hearing Date: December 4, 2002 at 9:30 a.m.

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**FINAL FEE APPLICATION OF REED SMITH LLP,
CO-COUNSEL TO THE OFFICIAL COMMITTEE OF RETIREES,
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR
THE PERIOD OCTOBER 19, 2001 THROUGH JUNE 24, 2002**

Name of Applicant:	<u>REED SMITH LLP</u>	
Authorized to Provide Professional Services to:	<u>The Official Committee of Retirees</u>	
Date of Retention:	<u>October 19, 2001</u>	
Period for which compensation and reimbursement is sought:	<u>October 19, 2001 through June 24, 2002</u>	
Amount of Compensation sought as actual, reasonable and necessary:	<u>\$22,154.50</u>	[\$18,067.70 - Total Amount of Compensation Currently Unpaid]
Amount of Expense Reimbursement sought as actual, reasonable and necessary:	<u>\$13,910.97</u>	[\$7,751.83 - Total Amount of Expenses Currently Unpaid]
This is a:	<u>Final Fee Application</u>	

		Requested		Approved	
Date Filed	Period Covered	Fees	Expenses	Fees	Expenses
February 28, 2002 (Amended Quarterly)	October 19, 2001 through December 31, 2001	\$9,722.00	\$2,591.32	Hearing yet to be held	Hearing yet to be held

February 28, 2002 (Monthly)	January 1, 2002 through January 31, 2002	\$2,203.50	\$1,824.91	\$1,762.80	\$1,824.91
March 25, 2002 (Monthly)	February 1, 2002 through February 28, 2002	\$1,600.00	\$274.40	Objections withdrawn; Certification filed with CNO	Objections withdrawn; Certification filed with CNO
May 15, 2002 (Monthly)	March 1, 2002 through March 31, 2002	\$1,125.00	\$795.17	Objection withdrawn; Certification filed with CNO	Objection withdrawn; Certification filed with CNO
May 15, 2002 (Second Quarterly)	January 1, 2002 through March 31, 2002	\$4,928.50	\$2,894.48	Objection withdrawn; Certification filed with CNO	Objection withdrawn; Certification filed with CNO
June 28, 2002 (Combined Monthly)	April 1, 2002 through May 31, 2002	\$5,108.50	\$6,159.14	\$4,086.80	\$6,159.14

**REED SMITH'S SUMMARY OF PROFESSIONALS AND PARAPROFESSIONALS
RENDERING SERVICES FROM JANUARY 1, 2002 THROUGH JUNE 24, 2002
(YEAR 2002 ONLY)**

Name of Professional Person	Position of the Applicant, Number of Years in that Position, Year of Obtaining License to Practice	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
Jan A.T. van Amerongen, Jr.	Joined firm as associate in 2000. Member DE bar since 1996. Member DC and MD bars since 1992. Member NJ and PA bars since 1990.	\$285.00	9.5	\$2,707.50
Richard A. Keuler, Jr.	Joined firm as associate in 2001. Member of the DE bar since 2001, Member of PA and NJ bars since 1999.	\$240.0	8.5	\$2,022.50
Kelly H. Gordon	N/A. Joined firm as paralegal in 2000. Paralegal for two years.	\$145.00	8.0	\$1,160.00
John B. Lord	N/A. Joined firm as paralegal in 2000. Paralegal for nine years	\$145.00	44.30	\$6,423.50
Lisa Lankford	N/A. Joined firm in 2000. Bankruptcy Assistant since 2002.	\$70.00	1.70	\$119.00
Grand Total:			72.00	\$12,432.50
Blended Rate:				\$172.67
Blended Rate (excluding paralegal and paraprofessional time):				\$262.77

Dated: August 23, 2002

**REED SMITH'S SUMMARY OF PROFESSIONALS AND PARAPROFESSIONALS
RENDERING SERVICES FROM OCTOBER 19, 2001 THROUGH DECEMBER 31, 2001
(YEAR 2001 ONLY)**

Name of Professional Person	Position of the Applicant, Number of Years in that Position, Year of Obtaining License to Practice	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
Kurt F. Gwynne	Partner since 2000. Joined firm as partner in 2001. Member DE bar since 2000. Member PA and NJ bars since 1992.	\$315.00	2.90	\$913.50
Richard A. Keuler, Jr.	Joined firm as associate in 2001. Member of DE bar since 2001. Member of PA and NJ bars since 1999.	\$205.00	4.20	\$861.00
John G. Harris	Joined firm as associate in 2000. Member of DE bar since 2001. Member of PA bar since 2000. Member of NJ bar since 1997.	\$210.00	0.90	\$189.00
David K. Sheppard	Joined firm as associate in 2001. Member of the DE bar since 2001.	\$205.00	19.90	\$4,079.50
John B. Lord	N/A. Joined firm as paralegal in 2001. Paralegal for nine years.	\$130.00	4.30	\$559.00
Kelly H. Gordon	N/A. Joined firm as paralegal in 2000. Paralegal for two years.	\$120.00	26.00	\$3,120.00
Grand Total:			58.20	\$9,722.00
Blended Rate:				\$167.04
Blended Rate (excluding paralegal and paraprofessional time):				\$216.59

Dated: August 23, 2002

COMPENSATION BY PROJECT CATEGORY

Project Category (Examples)	Total Hours	Total Fees
Case Administration - B110	25.50	\$4,469.50
Asset Analysis and Recovery – B120	3.20	\$464.00
Fee/Employment Applications – B160/170	92.70	\$14,970.50
Plan and Disclosure Statement - B320	0.20	\$57.00
Litigation/Hearings – B430	8.60	\$2,193.50
Total:	130.20	\$22,154.50

EXPENSE SUMMARY

Expense Category (Examples)	Service Provider (if applicable)	Total Expenses
Telephone Expense		\$15.77
Documentation Charge	Parcels, Inc.	\$620.66
In-House Duplication		\$608.50
Outside Duplication	Parcels, Inc.	\$10,479.69
Express Mail	FedEx	\$381.00
Postage		\$2.85
Transportation		\$1.00
Courier Service	Parcels, Inc.	\$1,509.95
General		\$291.50
Total		\$13,910.97

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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In re
TWA POST CONFIRMATION ESTATE,

Debtor.

Chapter 11
Case Nos. 01-00056 (PJW)

Jointly Administered

Objection deadline: September 16, 2002 at 4:00 p.m.
Hearing Date: December 4, 2002 at 9:30 a.m.

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**FINAL FEE APPLICATION OF REED SMITH LLP, CO-COUNSEL TO THE
OFFICIAL COMMITTEE OF RETIREES, FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR THE
PERIOD OCTOBER 19, 2001 THROUGH JUNE 24, 2002**

Reed Smith LLP ("Reed Smith"), co-counsel to the Official Committee Of Retirees (the "Committee"), hereby submits this Final Fee Application for Allowance of Compensation and Reimbursement of Expenses for the Period From October 19, 2001 Through June 24, 2002 (the "Final Fee Application") pursuant to 11 U.S.C. §§ 327,328, 329, 330, 331, 503(b), and 1103, Federal Rule of Bankruptcy Procedure 2016, and Local Bankruptcy Rule 2016-2, Administrative Order Establishing Procedures For Interim Compensation and Reimbursement of Expenses of Professionals Pursuant to 105(a) and 331 of the Bankruptcy Code (the "Administrative Order"), Order Confirming Joint Liquidating Plan of Reorganization of the Debtors and the Official Committee of Unsecured Creditors Pursuant to Chapter 11 of the United States Bankruptcy Code (the "Confirmation Order"), and the Guidelines for reviewing Applications for Compensation and Reimbursement of Expenses promulgated by the Executive Office of the United States Trustees pursuant to 28 U.S.C. § 586(a)(3)(A). By this Final Fee Application, Reed Smith, as co-counsel to the Committee in this proceeding, seeks approval and payment of compensation

for legal services performed and expenses incurred during the period commencing October 19, 2001 through June 24, 2002 the ("Final Compensation Period"). In support hereof, Reed Smith respectfully represents the following:

I. FACTUAL BACKGROUND

1. On January 10, 2001, Trans World Airlines, Inc. (the "Debtors") filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, 11 U.S.C. Section 101 *et seq.* (the "Bankruptcy Code").

2. The Committee selected Traub Bonacquist & Fox LLP ("TB&F") as counsel for the Committee pursuant to 11 U.S.C. Sections 328(a) and 1103(a).

3. The Committee selected TB&F because its attorneys have experience in cases and proceedings in or related to Title 11 of the United States Code, and the Committee has confidence in TB&F's ability to provide superior legal services during this bankruptcy proceeding.

4. On November 16, 2001, the Committee filed an application to employ Reed Smith LLP ("Reed Smith") as local counsel for the Committee in this bankruptcy proceeding.

5. The Committee selected Reed Smith because its attorneys also have experience in cases and proceedings in or related to Title 11 of the United States Code, and the Committee has confidence in Reed Smith's ability to provide superior legal services in this bankruptcy proceeding.

6. On February 14, 2002, the Bankruptcy Court approved the Committee's retention of Reed Smith. A copy of the Order Authorizing the Employment and Retention of Reed Smith LLP, *Nunc Pro Tunc*, as Co-Counsel for the Official Committee of Retirees ("Retention Order") is attached hereto as **Exhibit A**.

II. FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES

7. Reed Smith submits this Final Fee Application to the Bankruptcy Court for an allowance of reasonable compensation for actual and necessary professional services provided to the Committee as its co-counsel in this case from October 19, 2001 through June 24, 2002, and for reimbursement of actual and necessary out-of-pocket expenses incurred in representing the Committee during the Final Compensation Period. All included services and costs for which Reed Smith seeks compensation were performed for, or on behalf of, the Committee during the Final Compensation Period.

8. Reed Smith billed a total of \$22,154.50 in fees and disbursed \$13,910.97 in its efforts performed on behalf of the Committee during the Final Compensation Period. To date, Reed Smith has been paid \$4,086.80 for actual and necessary professional expenses provided to the Committee and \$6,159.14 for reimbursement of actual and necessary out-of-pocket expenses.

9. By this Final Fee Application, Reed Smith thus seeks an allowance of compensation in the amount of \$22,154.50 for legal services rendered during the Final Compensation Period, and allowance of reimbursement in the amount of \$13,910.47 for expenses incurred and disbursed during the Final Compensation Period.

10. For the Bankruptcy Court's review, two summaries containing the names of each Reed Smith professional and paraprofessional for the years 2001 and 2002 rendering services to the Committee during the Final Compensation Period, their customary billing rates, the time expended by each professional and paraprofessional, and the total value of time incurred by each professional and paraprofessional are attached as **Exhibit B**.

11. In addition, **Exhibit B** contains computer-printouts reflecting the time recorded for services rendered on a daily basis during the Final Compensation Period and descriptions of the services provided, identified by project task categories.

12. **Exhibit C** contains a breakdown of expenses incurred and disbursed by Reed Smith during the Final Compensation Period. Reed Smith has incurred out-of-pocket expenses during the Final Compensation Period in the amount of \$13,910.97. This sum is broken down into categories of charges, including, *inter alia*, telephone charges, mail and express mail charges, special or hand delivery charges, documentation charges and photocopying charges. Reed Smith's rate for duplication is \$.15 per page. Reed Smith also uses outside duplication services for large photocopy work. Reed Smith has not charged or sought reimbursement for incoming or outgoing facsimile transmissions.

**III. ANALYSIS AND NARRATIVE DESCRIPTION
OF SERVICES RENDERED AND TIME EXPENDED**

13. Section 330(a) of the Bankruptcy Code provides, in pertinent part, that bankruptcy courts may award "reasonable compensation for actual, necessary services rendered by the trustee, examiner, professional person, or attorney and by any paraprofessional employed by any such person." 11 U.S.C. § 330(a)(1)(A). The attorneys requesting compensation from the bankruptcy estate bear the burden of demonstrating to the Bankruptcy Court that the services performed and fees incurred were reasonable.

14. In determining the amount of reasonable compensation to be awarded, the Court shall consider, pursuant to 11 U.S.C. § 330(a)(3), the nature, 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 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. See 11 U.S.C. §330(a)(3)(A)-(E).

15. With respect to the time and labor expended by Reed Smith in this case, as set forth in **Exhibit B**, during the Final Compensation Period, Reed Smith rendered professional services in the amount of \$22,154.50. Reed Smith believes that it is appropriate to be compensated for the time spent in connection with these matters, and sets forth a brief narrative description of the services rendered for or on behalf of the Committee and the time expended, organized by project task categories, as follows:

A. CASE ADMINISTRATION (B110)

During the Final Compensation Period, Reed Smith, as local counsel, coordinated the execution, filing, and service of all pleadings submitted on behalf of the Committee, prepared notices, certificates of mailing, and promptly obtained pleadings and other materials and information for the Committee. Reed Smith advised co-counsel for the Committee of all material developments of which it became aware during the Final Compensation Period, provided advice on local practices and procedures, and made efforts to ensure compliance with the requirements of this Bankruptcy Court, the Office of the United States Trustee and/or the Bankruptcy Code and Federal Rules of Bankruptcy Procedure. Reed Smith seeks compensation for 25.50 hours of reasonable and necessary legal expenses incurred for Case Administration during the Final Compensation Period in the total amount of \$4,469.50.

B. ASSET ANALYSIS AND RECOVERY (B120)

During the Final Compensation Period, Reed Smith assisted co-counsel with the preparation of a motion to enforce American Airlines to abide by the Asset Purchase Agreement. Reed Smith seeks compensation for 3.20 hours of reasonable and necessary legal expenses incurred for B120 issues during the Final Compensation Period in the total amount of \$464.00.

C. FEE/EMPLOYMENT APPLICATIONS AND OBJECTIONS (B160/170)

During the Final Compensation Period, Reed Smith reviewed and assisted in the preparation, filing, noticing and serving of fee applications for professionals employed by the Committee, including Reed Smith, TB&F, and J.H. Cohn LLP, as financial analyst and consultant, monitored the objection deadlines, and preparation of certificates of no objection thereto. Reed Smith monitored the Bankruptcy Court's approval of those fee applications, reviewed the Administrative Order regarding fee applications, communicated with co-counsel with respect to same. Further, Reed Smith corresponded with co-counsel regarding objections of MBNA and the United States Trustee to Reed Smith and TB&F fee applications. In addition, Reed Smith prepared pleadings in response to these objections, as well as corresponded with the objecting parties. Reed Smith seeks compensation for 92.70 hours of reasonable and necessary legal expenses incurred for Fee/Employment Applications during the Final Compensation Period in the total amount of \$14,970.50.

D. PLAN AND DISCLOSURE STATEMENT (B320)

During the Final Compensation Period, Reed Smith reviewed correspondence regarding the Plan and Confirmation Hearing. Reed Smith seeks compensation for 0.20 hours of reasonable and necessary legal expenses incurred for B320 issues during the Final Compensation Period in the total amount of \$57.00.

E. LITIGATION/HEARINGS (B430)

Reed Smith seeks compensation of 8.60 hours of reasonable and necessary legal expenses incurred for attending omnibus, confirmation and status hearings before this Court. Also included is time spent preparing for hearings, including review of documents and agenda letters and strategy meetings with Committee representatives and co-counsel during the Final Compensation Period. Further Reed Smith corresponded with co-counsel with regard to issues involving the confirmation hearing. Reed Smith seeks compensation for preparation for and attendance at hearings on behalf of the Committee in the total amount of \$2,193.50.

16. Reed Smith charged and now requests those fees that are customary and charged by most counsel in this marketplace for similar Chapter 11 cases. Billing rates set forth in Reed Smith's Summary of Professionals and Paraprofessionals Rendering Services From October 19, 2001 Through December 31, 2001 and Reed Smith's Summary of Professionals and Paraprofessionals Rendering Services From January 1, 2002 Through June 24, 2002 (both attached in **Exhibit B**) represent customary rates routinely billed to the firm's many clients. Moreover, Reed Smith stated in its Retention Application and accompanying Affidavit that it would be compensated on an hourly basis, plus reimbursement of actual, reasonable and necessary out-of-pocket expenses incurred by the firm. The compensation requested in this Final Fee Application does not exceed the reasonable value of the services rendered. Reed Smith's standard hourly rates for work of this nature are set at a level designed to fairly compensate Reed Smith for the work of its attorneys and paraprofessionals and to cover fixed and routine overhead expenses.

17. In addition, as set forth in its Retention Application, the Committee believed that the retention of Reed Smith as its local counsel would be cost-effective and

efficient since the retention of local counsel on the terms set forth in that application would prevent, among other things, the incurring of unnecessary costs and expenses associated with the appearance of New York counsel at each and every pro forma hearing and meeting of creditors pursuant to section 341 of the Bankruptcy Code.

18. Further, the Committee sought to retain Reed Smith as its co-counsel due to its extensive experience and knowledge in the field of debtors' and creditors' rights, and because of its expertise, experience and knowledge practicing before the Bankruptcy Court in matters that were likely to arise in this case before this court. The Committee also believed that the retention of Reed Smith was necessary for the Committee to properly and adequately discharge its fiduciary duties to creditors in these cases, and that Reed Smith would provide distinct benefits to the Committee and enhance the administration of the bankruptcy case.

19. This Final Fee Application covers the period from October 19, 2001 through and including June 24, 2002. Although every effort was made to include all fees and expenses from the Final Compensation Period in this Final Fee Application, some fees and/or expenses from the Final Compensation Period might not be included in this fee application due to delays in processing time and receipt of invoices for expenses. Reed Smith has also incurred fees and expenses subsequent to the Final Compensation Period. Accordingly, Reed Smith reserves the right to request compensation and reimbursement of legal fees and expenses from the Post Confirmation Estate in accordance with the Confirmation Order, and without order of the Court.

20. Reed Smith believes that the instant application and the description of services set forth herein of work performed are in compliance with the requirements of Delaware Local Rule 2016-2, the Administrative Order, and the applicable guidelines and requirements of

the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, and the Executive Office for the United States Trustees. A true and correct copy of the Verification of Richard A. Keuler, Jr. is attached hereto as **Exhibit D**.

WHEREFORE, Reed Smith respectfully requests entry of an Order (a) awarding to Reed Smith allowance of compensation for professional services rendered in the amount of \$22,154.50 and reimbursement of expenses in the amount of \$13,910.97, (b) directing the Post Confirmation Estate to pay outstanding fees in the amount of \$18,067.70 and reimburse expenses in the amount of \$7,751.83, and (c) granting such other and further relief as may be appropriate.

Dated: August 23, 2002

REED SMITH LLP

By: /s/ Richard A. Keuler, Jr.
Richard A. Keuler, Jr. (No. 4108)
1201 Market Street, Suite 1500
Wilmington, DE 19801
Phone: (302) 778-7500
Facsimile: (302) 778-7575
E-mail: rkeuler@reedsmith.com

Co-Counsel to the Official Committee of Retirees