

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
TWA, Inc. Post Confirmation Estate) Case No. 01-00056 (PJW)
) (Jointly Administered)
)
Debtor.) Hearing Date: December 4, 2002 at 9:30 a.m.
)
) Objections Deadline: September 16, 2002

SUMMARY OF THE FINAL VERIFIED APPLICATION OF REESEMCMAHON FOR
COMPENSATION FOR SERVICES AND REIMBURSEMENT OF
EXPENSES AS FINANCIAL CONSULTANTS TO TRANS WORLD AIRLINES, INC.
ET AL.,
FOR THE PERIOD FROM NOVEMBER 15, 2001 THROUGH JUNE 24, 2002

Name of Applicant: ReeseMcMahon, L.L.C.

Authorized to Provide Professional Services to: Trans World Airlines, Inc., Debtors and
Debtors-in-Possession

Date of Retention: Retention Order entered January 7, 2002

Period for which compensation and reimbursement is sought: November 15, 2001 through
June 24, 2002

Amount of Compensation sought as actual, reasonable, and necessary: \$321,970.38

Amount of Final Expense Reimbursement sought as actual, reasonable, and necessary:
\$32,962.23

This is an: ___ interim X final application.

The RM consultants who rendered professional services in these cases are:

Name of Professional Person	Position with the Applicant	Number of Years in that Position	Area of Expertise	Hourly Billing Rate	Total Billed Hours	Total Compensation
Teresa W. McMahon	Managing Director	6 years	Turnaround and Financial Management	\$275.00	160.65	\$38,293.75
Sandra A. Reese	Managing Director	6 years	Turnaround and Financial Management	\$275.00	11.60	\$2,708.75
Karen J. Epps	Senior Manager	5 years	Turnaround and Financial Management	\$195.00	804.20	\$145,446.63
Robert J. Budicin	Senior Manager	2 years	Operational, Technology and Process Consulting	\$195.00	300.50	\$54,346.50
Andrew L. Gordon	Manager	1 year	Financial Management Consulting	\$165.00	465.70	\$68,508.00
Bobby Rajendran	Manager	< 1 year	Financial Management Consulting	\$165.00	59.80	\$9,297.75
Sean C. Tapson	Consultant	2.5 years	Financial Management Consulting	\$135.00	3.30	\$445.50
Miranda Y. Yu	Consultant	< 1 year	Financial Management Consulting	\$135.00	6.10	\$823.50
Linda M. Anderson	Administrative	6 years	Office Management	\$40.00	52.50	\$2,100.00

Grand Total for Fees: \$321,970.38
Blended Rate: \$172.70

COMPENSATION BY MATTER NUMBER

Matter	Project Category	Total Hours	Total Amount
1	Business Analysis	93.00	\$19,321.00
2	Case Administration	115.65	\$23,007.75
3	Document Requests	2.60	\$507.00
4	Fee/Employment Applications	148.50	\$21,180.00
5	General Ledger Conversion	570.15	\$107,190.25
6	Meetings with Debtors and Representatives	45.70	\$9,652.50
7	Payroll Conversion	35.70	\$6,637.50
8	Plan and Disclosure Statement	2.80	\$770.00
9	Transition Work Plan	98.10	\$22,486.50
10	Travel	314.85	\$30,931.38
11	Accounting/Auditing	91.00	\$16,227.00
12	Month End Accounting	201.20	\$37,893.00
13	Operating Report Preparation	33.40	\$6,342.00
14	Cash Management Conversion	101.10	\$16,909.50
15	Income Taxes	10.60	\$2,915.00
	Total	1,864.35	\$321,970.38

EXPENSE SUMMARY

Service Description	Amount
Telephone / Fax Charges	\$257.80
Overnight Delivery	45.32
Travel Expense	18,401.66
Airfare	8,773.00
Transportation to/from airport	2,426.33
Travel Meals	2,562.45
Software / Hardware purchased on behalf of TWA, Inc.	495.67
Total	\$32,962.23

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**FINAL VERIFIED APPLICATION OF REESEMCMAHON, L.L.C. FOR
COMPENSATION FOR SERVICES AND REIMBURSEMENT OF
EXPENSES AS FINANCIAL CONSULTANTS TO TRANS WORLD AIRLINES, INC.
ET AL.,
FOR THE PERIOD FROM NOVEMBER 15, 2001 THROUGH JUNE 24, 2002.**

Pursuant to sections 327, 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), the order approving the application of ReeseMcMahon, L.L.C. authorizing its employment as financial management consulting professionals for the Debtors, the Administrative Order under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for the Interim Compensation and Reimbursement of Professionals (the “Interim Compensation Order”) and Delaware Local Rule 2016-1, the consulting firm of ReeseMcMahon, L.L.C. (“RM”), financial management consulting professionals for the Debtors in the above-captioned Chapter 11 case, hereby applies for an order allowing it (i) final compensation in the amount of \$321,970.38 for the reasonable and necessary financial management consulting services RM has rendered to the Debtors and (ii) final reimbursement for the actual and necessary expenses that RM incurred in the amount of \$32,962.23 (the “Final Application”), in each case for the period from November

15, 2001 through June 24, 2002 (the “Final Fee Period”). In support of this Final Application, RM respectfully states as follows:

Retention of and Continuing Disinterestedness of ReeseMcMahon, L.L.C.

1. On January 10, 2001, each of the Debtors (collectively, the “Debtors”) filed a voluntary petition for relief under Chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). Pursuant to 11 U.S.C. §§ 1107 and 1108, the Debtors are continuing to operate their businesses and manage their properties and assets as debtors in possession. On January 18, 2001, the U.S. Trustee appointed an official creditors’ committee in the Debtors’ cases (the “Committee”). No trustee has been appointed in the Debtors’ Chapter 11 cases.

2. On June 14, 2002 the United States Bankruptcy Court for the District of Delaware entered the Order confirming the Third Amended 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 (as amended, the “Plan”). The Plan became effective on June 25, 2002.

3. By this Court’s order dated January 7, 2002, the Debtors were authorized to retain RM, effective as of the respective petition dates, to provide the following services to them (i) assist the Debtors in the development/documentation of a project plan for the transition from various services (financial systems, payroll systems, office facilities and related equipment, etc.) currently provided by TWA Airlines LLC (“LLC”); (ii) assist the Debtors in transitioning their financial management systems from the system currently maintained by LLC to a stand-alone general ledger system from January 1, 2002 forward. This will facilitate the Debtors’ ongoing ability to produce timely and accurate financial reports when the LLC system is shut down by American Airlines and when the Debtors’ assets have been transferred to the post confirmation estate as contemplated in the proposed Plan; (iii) interface with Bankruptcy Management Corporation to obtain and update information and data necessary for the Debtors’ financial

management systems; and (iv) provide other financial management services as requested by the Debtors. The Retention Order authorizes the Debtors to compensate RM at RM's hourly rates charged for services of this type and to be reimbursed for actual and necessary out-of-pocket expenses that it incurred, subject to application to this Court in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and all applicable local rules and orders of this Court.

4. As disclosed in the Affidavit of Teresa W. McMahon in Support of Application For Order Pursuant to Section 327(a) of the Bankruptcy Code Authorizing Employment And Retention of ReeseMcMahon as consultants For The Debtors And Statement of ReeseMcMahon Pursuant to Federal Rule of Bankruptcy Procedure 2016(b) And Section 329(a) of the Bankruptcy Code, filed on December 17, 2001 and the Supplemental Affidavit of Teresa W. McMahon Under 11 U.S.C. Section 327(a) and Rule 2014 of the Federal Rules of Bankruptcy Procedures filed on December 17, 2001 (the "Affidavits"), RM does not hold or represent any interest adverse to the estates, and is a disinterested person as that term is defined in 11 U.S.C. § 101(14) as modified by 11 U.S.C. § 1107(b).

5. ReeseMcMahon may have in the past represented, may currently represent, and likely in the future will represent parties-in-interest in connection with matters unrelated to the Debtors and these Chapter 11 cases. RM disclosed in the Affidavits its connections to parties-in-interest that it has been able to ascertain using its reasonable efforts. RM will update the Affidavits when necessary and when RM becomes aware of material new information.

6. RM performed the services for which it is seeking compensation on behalf of or for the Debtors and their estates, and not on behalf of any committee, creditor or other person.

7. Except for the retainer and amounts paid to RM pursuant to previously approved monthly fee applications for compensation and reimbursement, if any, RM has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application.

8. Pursuant to Fed. R. Bank. P. 2016(b), RM has not shared, nor has agreed to share (a) any compensation it has received or may receive with another party or person other than with the partners, counsel and associates of RM, or (b) any compensation another person or party has received or may receive.

Monthly Fee Applications

9. To date, RM has filed and served six monthly fee applications on the Debtors and other parties-in-interest identified in the Interim Compensation Order. The amounts that RM has requested in the monthly fee applications and the amounts requested in the Final Application for the Final Monthly Fee Period (as defined below), as compensation for its actual fees and expenses for each month during the pendency of the Chapter 11 Cases, are listed on Exhibit A attached hereto.

10. On February 25, 2002 [Docket No. 2903] RM filed its first monthly fee application requesting compensation and reimbursement of expenses for the period November 15, 2001 through December 31, 2001 (the "First Monthly Fee Period"), attached hereto as Exhibit B, in which it sought compensation in the amount of \$87,370.88 for actual and necessary services that RM rendered and reimbursement of actual and necessary expenses that RM incurred in the amount of \$7,822.42. RM has been paid \$69,896.70 of its requested fees and \$7,822.42 of its requested expenses.

11. On March 21, 2002 [Docket No. 3023] RM filed its second monthly fee application requesting compensation and reimbursement of expenses for the period January 1, 2002 through January 31, 2002 (the "Second Monthly Fee Period"), attached hereto as Exhibit C, in which it sought compensation in the amount of \$77,934.50 for actual and necessary services

that RM rendered and reimbursement of actual and necessary expenses that RM incurred in the amount of \$9,852.46. RM has been paid \$62,347.60 of its requested fees and \$9,852.46 of its requested expenses.

12. On April 1, 2002 [Docket No. 3049] RM filed its third monthly fee application requesting compensation and reimbursement of expenses for the period February 1, 2002 through February 28, 2002 (the “Third Monthly Fee Period”), attached hereto as Exhibit D, in which it sought compensation in the amount of \$64,014.75 for actual and necessary services that RM rendered and reimbursement of actual and necessary expenses that RM incurred in the amount of \$6,565.81. RM has been paid \$51,211.80 of its requested fees and \$6,565.81 of its requested expenses.

13. On May 7, 2002, [Docket No. 3236] RM filed its fourth monthly fee application requesting compensation and reimbursement of expenses for the period March 1, 2002 through March 31, 2002 (the “Fourth Monthly Fee Period”), attached hereto as Exhibit E, in which it sought compensation in the amount of \$50,490.25 for actual and necessary services that RM rendered and reimbursement of actual and necessary expenses that RM incurred in the amount of \$5,681.29. RM has been paid \$40,392.20 of its requested fees and \$5,681.29 of its requested expenses.

14. On May 15, 2002, [Docket No. 3274] RM filed its first interim (quarterly) fee application for the period from November 15, 2001 through March 31, 2002 (the “First Interim Application”), attached here to as Exhibit F. In the First Interim Application, RM sought approval and payment of compensation in the amount of \$279,810.38 in fees and \$29,921.98 in expenses incorporating the First Monthly Fee Period, Second Monthly Fee Period, Third

Monthly Fee Period and Fourth Monthly Fee Period. RM's First Interim Application has not been heard.

15. On May 31, 2002, [Docket No. 3320] RM filed its fifth monthly fee application requesting compensation and reimbursement of expenses for the period April 1, 2002 through April 30, 2002 (the "Fifth Monthly Fee Period"), attached hereto as Exhibit G, in which it sought compensation in the amount of \$31,035.00 for actual and necessary services that RM rendered and reimbursement of actual and necessary expenses that RM incurred in the amount of \$3,015.14. RM has not yet been paid its requested fees and expenses for the Fifth Monthly Fee Period. As of the filing of this Final Application, there are no unwithdrawn objections to RM's fifth monthly fee application. A certificate of no objection was filed on August 22, 2002. Pursuant to this certificate of no objection RM is entitled to be paid \$24,828.00 of its requested fees and \$3,015.14 of its requested expenses. RM expects to be paid such amounts for the Fifth Monthly Fee Period before the Final Fee Application hearing.

16. On August 26, 2002, RM filed its sixth monthly fee application requesting compensation and reimbursement of expenses for the period May 1, 2002 through June 24, 2002 (the "Sixth Monthly Fee Period"), attached hereto as Exhibit H, in which it sought compensation in the amount of \$11,125.00 for actual and necessary services that RM rendered and reimbursement of actual and necessary expenses that RM incurred in the amount of \$25.11. RM has not yet been paid its requested fees and expenses for the Sixth Monthly Fee Period. As of the filing of this Final Application, there are no unwithdrawn objections to RM's sixth monthly fee application. It is anticipated that a certificate of no objection will be filed and pursuant to this RM is entitled to be paid \$8,900.00 of its requested fees and \$25.11 of its requested

expenses. RM expects to be paid such amounts for the Sixth Monthly Fee Period before the Final Fee Application hearing.

17. Pursuant to Rule 2016(b) of the Federal Rules of Bankruptcy Procedure, RM has not shared, nor has RM agreed to share (a) any compensation it has received or may receive with another party or person other than with the partners, counsel and associates of RM, or (b) any compensation another person or party has received or may receive.

Reasonable and Necessary Services Rendered by ReeseMcMahon - Generally

18. The RM professionals who rendered professional services in these Chapter 11 cases during the Final Fee Period are:

Name of Professional Person	Position with the Applicant	Number of Years in that Position	Area of Expertise	Hourly Billing Rate	Total Billed Hours	Total Compensation
Teresa W. McMahon	Managing Director	6 years	Turnaround and Financial Management	\$275.00	160.65	\$38,293.75
Sandra A. Reese	Managing Director	6 years	Turnaround and Financial Management	\$275.00	11.60	\$2,708.75
Karen J. Epps	Senior Manager	5 years	Turnaround and Financial Management	\$195.00	804.20	\$145,446.63
Robert J. Budicin	Senior Manager	2 years	Operational, Technology and Process Consulting	\$195.00	300.50	\$54,346.50
Andrew L. Gordon	Manager	1 year	Financial Management Consulting	\$165.00	465.70	\$68,508.00
Bobby Rajendran	Manager	< 1 year	Financial Management Consulting	\$165.00	59.80	\$9,297.75

Name of Professional Person	Position with the Applicant	Number of Years in that Position	Area of Expertise	Hourly Billing Rate	Total Billed Hours	Total Compensation
Sean C. Tapson	Consultant	2.5 years	Financial Management Consulting	\$135.00	3.30	\$445.50
Miranda Y. Yu	Consultant	< 1 year	Financial Management Consulting	\$135.00	6.10	\$823.50
Linda M. Anderson	Administrative	6 years	Office Management	\$40.00	52.50	\$2,100.00

Grand Total for Fees: \$321,970.38
Blended Rate: \$172.70

19. RM has advised the Debtors in connection with the transition of the Debtors' financial management systems from its current systems maintained by LLC to a stand-alone general ledger system from January 1, 2002 forward. Additionally, RM has (i) advised the Debtors in connection with the transition of payroll operations to a third party service, (ii) prepared a project plan to assist the Debtors in transitioning from various services currently provided by LLC, particularly with respect to income taxes (iii) assisted the Debtors in maintaining their financial records for the months of January through April 2002, (iv) advised the Debtors in connection with the transition of cash management functions including the development and documentation of cash management procedures to enhance cross-training and segregation of cash-related duties in the environment of reduced resources, (v) assisted the Debtors in the identification and review of key tax issues including the evaluation of necessary resources for the completion of required filings, (vi) assisted the Debtors in the reconciliation of database records maintained by BMC to the Debtors' general ledger, (vii) assisted the Debtors in the development of a weekly status reporting system from the Debtors' Kansas City staff to the Debtors' management team, and (viii) has performed all of the other professional services that are described in this Final Application.

20. The rates described above are RM's hourly rates for services of this type. Based on these rates and the services performed by each individual during the Final Fee Period, the total reasonable value of such services rendered during the Final Fee Period is \$321,970.38. The RM consultants expended a total of 1,864.35 hours working on these matters during the Final Fee Period. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (a) the complexity of these cases; (b) the time expended; (c) the nature and extent of the services rendered; (d) the value of such services; and (e) the costs of comparable services other than in a case under the Bankruptcy Code.

21. Further, Exhibit A to each monthly fee application (a) identifies the individuals that rendered services in each Subject Matter (as defined below), (b) describes each activity or service that each individual performed, and (c) states the number of hours (in increments of one-sixth of an hour) spent by each individual providing the services. Each numbered tab in Exhibit A to each monthly fee application herein corresponds to the matter number that RM assigned to the Subject Matters (as defined and described below).

Reasonable and Necessary Services Rendered by ReeseMcMahon - Categorized by Matter

22. The professional services that RM rendered during the Final Fee Period are grouped into the numbered and titled categories of the subject matters (the "Subject Matter(s)") described in Paragraphs 23-37 herein.

23. Matter 1 – Business Analysis

(Fees: \$19,321.00; Hours: 93.00)

This Subject Matter includes activities related to RM's initial analysis and assessment of the Debtors' financial management systems and transition requirements away from various services then provided by LLC. In performing this analysis, time was spent meeting with M. Lichty, J. Farmer and interviewing various LLC employees working on behalf of the Debtors in capacities for accounting, payroll, taxes, cash management and accounts payable. Additionally, RM time was spent reviewing monthly operating reports and other materials to provide background and to prepare agendas to ensure effective and efficient meetings with the Debtors' and LLC representatives.

In the latter stages of the Final Fee Period, this Subject Matter also describes activities related to various financial-related matters with which the Debtors requested assistance including, among other things: (a) analysis and completion of quarterly fee statements to be filed with the U.S. Trustee; (b) review of documentation underlying certain tax returns; (c) analysis and summarization of cash balances related to various Debtors; and (d) the development of a weekly status reporting system between the Debtors' Kansas City staff and the Debtors' management team.

24. Matter 2 – Case Administration

(Fees: \$23,007.75; Hours: 115.65)

This Subject Matter describes activities not described elsewhere under another matter related to, among other things: (a) administering, managing and coordinating the project team and their task assignments; (b) reviewing correspondence between Debtors, Debtors' employees and Kirkland and Ellis in order to maintain awareness of progress with the project and the Debtors' cases; (c) preparing backup copies of electronic files and downloading files from laptops utilized by traveling consultants to RM's network in order to ensure that work product is not destroyed during required travel to and from the Debtors' location; and (d) preparing electronic and hard copy materials for continuity during the Debtors' move to a new office location.

25. Matter 3 – Document Requests

(Fees: \$507.00; Hours: 2.60)

This Subject Matter describes activities related to the development and maintenance of a template to be used in communicating RM's request for (and receipt of) documents from the Debtors and LLC employees working on their behalf. During the initial phases of the project, various documents were requested in order to obtain background information and to assist in the development of a work plan to assist the Debtors in transitioning from various services then provided by LLC.

26. Matter 4 – Fee/Employment Applications

(Fees: \$21,180.00; Hours: 148.50)

This Subject Matter includes activities in connection with RM's preparation of its monthly and quarterly fee applications in accordance with the procedures and standards of the Bankruptcy Code, the Bankruptcy Rules, the Orders of this Court, and the U.S. Trustee for the District of Delaware.

This Subject Matter includes activities in connection with the retention of RM as accounting and tax advisors under 11 U.S.C. § 327 including coordination with Kirkland & Ellis regarding RM's employment application. Additionally, this Subject Matter includes activities in connection with RM's establishment of appropriate time reporting categories within RM's internal billing systems and discussions with Kirkland & Ellis regarding the fee application process for this case in accordance with the procedures and standards of the Bankruptcy Code, the Bankruptcy Rules, the Orders of this Court, and the U.S. Trustee for the District of Delaware.

27. Matter 5 – General Ledger Conversion

(Fees: \$107,190.25; Hours: 570.15)

This Subject Matter is significant and describes time spent initiating, overseeing and completing the transition of the Debtors' financial management systems from the systems previously maintained by LLC to a stand-alone general ledger system from January 1, 2002 forward. Transition of the financial management systems will facilitate the preparation of various timely reports necessary to the Debtors' operations, including, but not limited to, monthly operating reports.

During the initiation phase, this Subject Matter includes, among other things (a) evaluation of the Debtors' system requirements and available software to meet those requirements; (b) documentation of RM software recommendations and review of same with Debtors' representatives; (c) obtaining hardware and software approved by Debtors'

management and loading of software to the computer system; (d) initial development of processes and procedures for the payment of vendors under the new general ledger system; and (e) review of Debtors' current accounting records (including interviews and analyses) to determine necessary actions prior to conversion of account balances to the new general ledger, including establishing the necessary chart of accounts and determining adjustments and documentation of account balance content needed.

During the implementation phase, this Subject Matter includes, among other things (a) determining an appropriate chart of accounts with the Estate's accounting and cash management representatives; (b) installing the chart of accounts and setting various parameters for access controls, baseline accounting, cash management and accounts payable within the new general ledger; (c) evaluating the current accounts payable process and determining and documenting new processes to be followed under the new general ledger, the accounts payable database maintained by BMC and with the limited staffing resources available to the Estate after January 31, 2002; and (d) developing journal entry forms and processes to be followed with the new general ledger and decreased staff resources.

During the completion phase, this Subject Matter includes, among other things (a) determining and developing daily and monthly reports to be generated through the new general ledger system with the Estate's accounting and cash management representatives; (b) uploading opening balances to the ledger and documenting a map of balances from the old to the new general ledger for future reference by the Estate's staff; (c) finalizing formats and conducting training for daily and monthly reports to be generated through the new general ledger system with the Estate's accounting and cash management staff; and (d) documenting procedural reference materials and checklists for long-term use of the Estate's staff in operating the new general ledger system and conducting training of the Estate's financial staff members.

28. Matter 6 – Meetings with Debtors and Representatives

(Fees: \$9,652.50; Hours: 45.70)

This category describes time spent preparing for and holding discussions and meetings with M. Lichty, J. Farmer and other Estate representatives for the purpose of obtaining background information, directional guidance or updating them with respect to RM progress on the various Case Matters. This category also describes time spent preparing weekly status update reports issued to these parties and Kirkland & Ellis via electronic mail.

29. Matter 7 – Payroll Conversion

(Fees: \$6,637.50; Hours: 35.70)

This Subject Matter includes time spent initiating the transition of the Debtors' payroll systems from systems then maintained by LLC to a third-party payroll service provider from January 1, 2002 forward. Transition of the payroll systems will facilitate the preparation of various timely reports necessary to the Debtors' operations, including, but not limited to, monthly operating reports. Transition of the payroll systems will also ensure that the Debtors' employees are compensated on a timely basis and that the Debtors comply with all necessary Federal and state income and unemployment taxation and related reporting requirements.

30. Matter 8 – Plan and Disclosure Statement

(Fees: \$770.00; Hours: 2.80)

This Subject Matter includes time spent reviewing the Plan document and liquidation analysis for background information about the Debtors' financial operations and related financial reporting requirements.

31. Matter 9 – Transition Work Plan

(Fees: \$22,486.50; Hours: 98.10)

This Subject Matter is significant and describes time spent developing and documenting a project plan to assist the Debtors in transitioning from various services then provided by LLC.

During the initial portion of the Final Fee Period, this Subject Matter includes, among other things (a) development of the transition work plan documentation format, (b) determination of the areas necessary to be addressed by the work plan, (c) drafting and reviewing with Debtors' management the General Ledger and Cash Management sections of the work plan for conceptual approval prior to the performance of substantial drafting, and (d) ongoing development of the transition work plan including determination of necessary tasks, projected start and completion dates for tasks and identification of resources responsible for overseeing and executing the individual tasks.

During later portions of the Final Fee Period, this Subject Matter includes, among other things, (a) participation in the Estate's retention analysis for electronic records; (b) conducting discussions with the LLC staff responsible for preparing the Debtors' population of tax returns and documenting, for the Debtors' management, a summary of key tax issues, taxing jurisdictions and upcoming filing requirements and an assessment of immediate resources needs for complete those required filings; and (c) documenting the status of closing the Debtors' population of bank accounts and required actions to complete the process.

32. Matter 10 – Travel

(Fees: \$30,931.38; Hours: 314.85)

This Subject Matter involves time spent traveling between Chicago, Illinois and Kansas City, Missouri to work with the Debtors' employees. RM bills the Debtors at one-half of its normal hourly rate for the total time that RM professionals spend for non-working travel.

33. Matter 11 – Accounting/Auditing

(Fees: \$16,227.00; Hours: 91.00)

This Subject Matter includes coordinating with the LLC staff responsible for Estate accounting matters to close the Estate's general ledger for the year ended December 31, 2001 and to obtain documentation supporting general ledger account balances for future reference by the Estate's financial staff. Completion of this process is necessary to support the transition of the Debtors' financial management systems from its previous systems maintained by LLC to a stand-alone general ledger system from January 1, 2002 forward.

This Subject Matter includes, among other things (a) the development of a project plan identifying individuals responsible for each general ledger account and issuing guidance as to year-end close requirements; (b) conducting meetings with management and staff in areas including cash management, payroll, tax and revenue to review year-end close requirements; (c) development of a tracking mechanism to log in general ledger accounts closed and for which supporting reconciliation documentation has been received; and (d) review of materials received to ensure completeness and filing in a summary binder for future reference by the Estate's financial staff members.

34. Matter 12 – Month-End Accounting

(Fees: \$37,893.00 Hours: 201.20)

This Subject Matter includes time spent posting financial activity of the Estate to the new general ledger accounting system adopted as of January 1, 2002. RM provided assistance to the Debtors in maintaining financial records for the months of January, February and March 2002 as the Estate and LLC financial staff conducted the year-end close, the move to a new office location and other matters.

RM's assistance included developing and posting journals entries to reflect financial activity, documenting the components of various month-end general ledger account

balances, and documenting a reconciliation between activity in the accounts payable database maintained by BMC and corresponding accounts in the Debtors' general ledger.

35. Matter 13 – Operating Report Preparation

(Fees: \$6,342.00; Hours: 33.40)

This Subject Matter includes time spent assisting the Debtors in preparing the Monthly Operating Report for the months of November 2001 through March 2002.

36. Matter 14 – Cash Management Conversion

(Fees: \$16,909.50; Hours: 101.10)

This Subject Matter includes time spent assessing the Debtors' transition from its former cash management systems and resources maintained by LLC and resource requirements to facilitate ongoing cash management-related operations. RM's assessment included conducting discussions with cash management staff and developing procedural documentation to facilitate cross training of staff and segregation of cash-related duties in the environment of limited resources.

RM's assessment included conducting discussions with cash management staff and initiating a document for the Debtors' management summarizing such discussions. The topics of RM's observations and recommendations include authorized account signers, preparation of bank account reconciliations, investment processes, records management and required resources to conduct ongoing cash management functions.

37. Matter 16 – Income Taxes

(Fees: \$2,915.00; Hours: 10.60)

This Subject Matter primarily includes conducting discussions with the LLC staff responsible for preparing the Debtors' population of tax returns and documenting, for the Debtors' management, a summary of key tax issues, taxing jurisdictions and upcoming filing

requirements and an assessment of immediate resource needs for completion of those required filings.

Actual and Necessary Expenses

38. It is RM's policy to charge its clients in all areas of practice for identifiable, non-overhead expenses incurred in connection with the client's case that would not have been incurred except for representation of that particular client. It is RM's policy to charge its clients only the amount actually incurred by RM in connection with such items. Examples of such expenses are postage, overnight mail, courier delivery, transportation, airfare, meals and lodging. With respect to airfare expenses, all travel, by all individuals, is billed at the coach class rate.

39. A summary of expenses by type, as well as detailed itemizations and descriptions of the disbursements made by RM on the Debtors' behalf during the Final Fee Period follows below.

Expense Summary

Service Description	Amount
Telephone / Fax Charges	\$257.80
Overnight Delivery	45.32
Travel Expense	18,401.66
Airfare	8,773.00
Transportation to/from airport	2,426.33
Travel Meals	2,562.45
Software / Hardware purchased on behalf of TWA, Inc.	495.67
Total	\$32,962.23

40. These disbursements are grouped in Exhibit B to each monthly fee application.

Representations

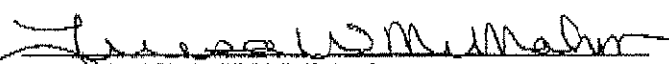
41. RM expects that this will be RM's final fee application. Although every effort has been made to include all fees and expenses from the Final Fee Period in this Final Application, some fees and expenses from the Final Fee Period might not be included in this Final Application due to delays caused by accounting and processing procedures. RM reserves the right to make further application to the Court for allowance of fees and expenses not included herein. Subsequent fee applications will be filed in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the procedures established by this Court, and the Interim Compensation Order.

42. In summary, by this Final Application, RM requests final allowance and compensation for fees and expenses in the total amount of \$354,932.61 consisting of (a) \$321,970.38 for reasonable and necessary professional services rendered and (b) \$32,962.23 for actual and necessary costs and expenses, of which \$101,162.33 has not been previously paid pursuant to prior Orders of the Court. As of the filing of this Final Application, there are no unwithdrawn objections to RM's fifth monthly fee application. A certificate of no objection was filed on August 22, 2002 and pursuant to this RM is entitled to be paid \$24,828.00 of its requested fees and \$3,015.14 of its requested expenses. RM expects to be paid such amounts for the Fifth Monthly Fee Period before the Final Fee Application hearing. Additionally, as of the filing of this Final Application, there are no unwithdrawn objections to RM's sixth monthly fee application. It is anticipated that a certificate of no objection will be filed and pursuant to this RM is entitled to be paid \$8,900.00 of its requested fees and \$25.11 of its requested expenses. RM expects to be paid such amounts for the Sixth Monthly Fee Period before the Final Fee Application hearing.

WHEREFORE, RM requests and entry of an order (a) allowing RM on the final basis (i) compensation in the amount of \$321,970.38 for the reasonable and necessary financial management consulting services RM has rendered to the Debtors and (ii) reimbursement in the amount of \$32,962.23 for the actual and necessary expenses that RM incurred for the Final Fee Period; (b) authorizing the Debtors to pay RM on the final basis (i) compensation in the amount of \$98,122.08 for the reasonable and necessary consulting services RM has rendered to the Debtor and (ii) reimbursement in the amount of \$3,040.25 for the actual and necessary expenses that RM incurred for the Final Fee Period; and (c) deeming all compensation and expenses previously paid by the Debtors in the total amounts of \$223,848.30 and \$29,921.98 respectively, approved as final.

Wilmington, Delaware
 Dated: August 26, 2002

Respectfully submitted,


 REESEMCMAHON, L.L.C.
 Teresa W. McMahon
 Sandra A. Reese
 303 West Erie, Suite 410
 Chicago, Illinois 60610
 (312) 397-3100

SWORN TO AND SUBSCRIBED before me this
23 day of August, 2002.



Notary Public
 My Commission Expires:

8-11-06

