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Hearing Date: December 4, 2002

Hearing Time: 9:30 a.m.

Objection Deadline: September 12, 2002 by 4:00 p.m.

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

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In re	Chapter 11
TWA Inc. Post Confirmation Estate,	Case Nos. 01-00056 (PJW)
Debtors.	Jointly Administered

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**FINAL APPLICATION OF TRAUB, BONACQUIST & FOX LLP  
FOR COMPENSATION FOR SERVICES RENDERED  
AND REIMBURSEMENT OF EXPENSES AS COUNSEL  
TO THE OFFICIAL COMMITTEE OF RETIREES FOR THE  
PERIOD MARCH 20, 2001 THROUGH JUNE 24, 2002, INCLUSIVE**

TO THE HONORABLE PETER J. WALSH,  
UNITED STATES BANKRUPTCY JUDGE:

TRAUB, BONACQUIST & FOX LLP (“TB&F”), in its capacity as counsel to Official Committee of Retirees (the “Retirees’ Committee”) of Trans World Airlines, Inc. *et al.*, debtors and debtors in possession herein (the “Debtors”), respectfully submits this final application (the “Final Application”) pursuant to §§ 105(a), 328, 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016 and the Administrative Order approving an allowance to TB&F of compensation for professional services rendered to and on behalf of the Retirees’ Committee

during the period March 20, 2001 through June 24, 2002, inclusive (the "Retention Period") in the aggregate amount of \$370,323.75 and reimbursement of TB&F's actual, reasonable and necessary out-of-pocket expenses incurred during the Retention Period in the aggregate amount of \$25,576.05, which amounts include the following:

(A) ratification of this Court's interim allowance of \$122,700.50 in professional compensation and \$7,293.21 in expenses for the period March 20, 2001 through and including June 30, 2001 (the "First Interim Period") by Order dated September 28, 2001 (the "First Interim Award");

(B) ratification of this Court's interim allowance of \$111,557.50 in professional compensation and \$11,217.19 in expenses for the period July 1, 2001 through and including September 30, 2001 (the "Second Interim Period") by Order dated June 14, 2002 (the "Second Interim Award");

(C) a request for a final award of professional compensation and expense reimbursement for the period October 1, 2001 through and including December 31, 2001 (the "Third Interim Period") in the amounts of \$63,157.00 and \$3,943.33, respectively, for which the interim award is pending;

(D) a request for a final award of professional compensation and expense reimbursement for the period January 1, 2002 through and including March 31, 2002 (the "Fourth Interim Period") in the amounts of \$34,903.50 and \$2,396.82, respectively, for which the interim award is pending;

(E) a request for a final award of professional compensation and expense reimbursement for the period April 1, 2002 through and including June 24, 2002 (the "Final

Period”) in the amount of \$38,005.25 and \$725.50, respectively for which no interim award has been sought (and in the case of June, no monthly payment sought).

In support of its instant Application, TB&F respectfully represents and sets forth as follows:

## I.

### **BACKGROUND**

1. On January 10, 2001 (the “Petition Date”), the Debtors filed with this Court voluntary petitions for relief under chapter 11 of title 11, United States Code, 11 U.S.C. § 101, *et seq.* (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their properties pursuant to §§ 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed herein.

2. Pursuant to the Order Under Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Committee Members, dated January 10, 2001 (the “Administrative Order”), retained professionals and committee members are authorized to file monthly fee applications no earlier than the 25<sup>th</sup> day of each month following the month for which compensation is sought. The Administrative Order requires each professional or committee member filing a monthly fee application to serve notice of the fee application on the Debtors, Debtors’ counsels, counsel to the Debtors’ post-petition lender, counsel to the Official Committee of Unsecured Creditors, counsel to any other statutory committee appointed by the Office of the United States Trustee, and the United States Trustee.

### **First Interim Period**

3. For the period March 20, 2001 through June 30, 2001, TB&F rendered legal services in the amount of \$122,700.50 and incurred expenses in the amount of \$7,293.21. In accordance with the Administrative Order, TB&F sought, by monthly applications and First Interim Fee Application, \$122,700.50 in fees and reimbursement of expenses incurred during that First Interim Period in the amount of \$7,293.21. By Order dated September 28, 2001, TB&F was awarded \$122,700.50 in fees and \$7,293.21 in expenses. TB&F has received, with respect to the monthly applications and First Interim Fee Application, all of its fees for the services rendered during that period and reimbursement of all expenses incurred during that period.

### **Second Interim Period**

4. For the period July 1, 2001 through September 30, 2001, TB&F rendered legal services in the amount of \$111,557.50 and incurred expenses in the amount of \$11,217.19. In accordance with the Administrative Order, TB&F sought, by monthly applications and Second Interim Fee Application, \$111,557.50 in fees and reimbursement of expenses incurred during that Second Interim Period in the amount of \$11,217.19. By Order dated June 14, 2002, TB&F was awarded \$111,557.50 in fees and \$11,217.19 in expenses. TB&F has received, with respect to the monthly applications and Second Interim Fee Application, all of its fees for the services rendered during that period and reimbursement of all expenses incurred during that period.

### **Third Interim Period**

5. For the period October 1, 2001 through December 31, 2001, TB&F rendered legal services in the amount of \$63,157.00 and incurred expenses in the amount of \$3,943.33. In accordance with the Administrative Order, TB&F sought, by monthly applications and Third Interim Application, \$63,157.00 in fees and reimbursement of expenses incurred during

that period in the amount of \$3,943.33. TB&F has received \$50,525.60 of its fees for the services rendered during that period and reimbursement of all expenses incurred during that period. Thus, TB&F is still owed a holdback of \$12,631.40.

#### **Fourth Interim Period**

6. For the period January 1, 2002 through March 31, 2002, TB&F rendered legal services in the amount of \$34,903.50 and incurred expenses in the amount of \$2,396.82. In accordance with the Administrative Order, TB&F sought, by monthly applications and Fourth Interim Application, \$34,903.50 in fees and reimbursement of expenses incurred during that period in the amount of \$2,396.82. TB&F has received \$27,922.80 of its fees for the services rendered during that period and reimbursement of \$2,396.82 of expenses incurred during that period. Thus, TB&F is still owed a holdback of \$6,980.70.

#### **Final Period**

7. For the period April 1, 2002 through June 24, 2002, TB&F rendered legal services in the amount of \$38,005.25 and incurred expenses in the amount of \$725.50. In accordance with the Administrative Order, TB&F sought, by monthly applications for April and May. TB&F has received \$9,049.20 of its fees for the services rendered during that period and reimbursement of \$264.30 of expenses incurred during that period. Thus, TB&F is still owed a holdback of \$2,262.30. No monthly application was filed for June. This application makes such a request, \$26,693.75 for fees and \$461.20 for expenses.

## **II.**

### **TB&F'S PROFESSIONAL QUALIFICATIONS**

8. TB&F is a law firm based in New York City which has a national practice specializing in commercial law, with a primary emphasis on insolvency, creditors' rights, with a

particular emphasis in representation of creditors' committees. TB&F has a national reputation in the bankruptcy field and has been involved in a number of "leading edge" cases in the retail and other industries. TB&F is presently and in the recent past has been counsel to numerous official creditors' committees in a variety of jurisdictions.

9. In support of TB&F's instant Application for an interim award of professional compensation and expense reimbursement, TB&F submits the following supporting documentation, all of which is incorporated herein by reference:

<u>Exhibit</u>	<u>Description</u>
A	TB&F Retention Order
B	TB&F Attorney Biographies for the Retention Period
C	Certification of Paul Traub
D	Proposed Order Approving Final Application

### **III.**

#### **RELIEF REQUESTED WITH RESPECT TO FINAL PERIOD**

##### **A. Summary of Professional Compensation for the Final Period**

10. TB&F respectfully seeks an award of compensation for professional services rendered for and on behalf of the Retirees' Committee during the Final Period in the aggregate amount of \$38,005.25. In addition, TB&F seeks an award of reimbursement of its actual, reasonable and necessary out-of-pocket expenses incurred during the Final Period in the aggregate amount of \$725.50.

11. In further support of TB&F's instant Final Application for an award of professional compensation and expense reimbursement, TB&F submits the following supporting documentation, all of which is incorporated herein by reference:

<u>Exhibit</u>	<u>Description</u>
E	Detailed Daily Narrative Report of Professional Services Performed for the Final Period
F	Summary of Out-of-Pocket Expenses Incurred for the Final Period

Each of the foregoing reports is prepared and maintained by TB&F in the ordinary course of its business. With regard to Exhibits "E" and "F," respectively, these reports are prepared substantially contemporaneously with the performance of the professional services described or the incurrence of the expense for which reimbursement is sought hereby. The hourly time charges set forth herein, and reflected in Exhibit "E," represent the usual and customary rates charged by TB&F to its clients for the types of services rendered herein.

**B. Description of Professional Services Performed During The Final Period**

12. For time and record keeping purposes, and to approximate those suggested categories set forth in the Guidelines promulgated by the Executive Office for United States Trustee pursuant to the Bankruptcy Reform Act of 1994, dated January 30, 1996, and in compliance with Local Rule 2016-2 effective February 1, 2001, TB&F has included Local Forms 101 and 102 and in addition has categorized the services it has performed during the Final Period by delineating twelve (12) separate categories of tasks, and has billed the time spent on rendering services relating to each distinct task to the relevant categories. It should be noted that there are instances where the actual services performed, based on the description of the services, could

have been placed in any one of a number of the categories. However, none of the services were billed to or included in more than one category. Each category is identified by a descriptive title and a matter number, beginning with number “001” through “012.”

### **General Overview for the Retention Period**

13. Under circumstances of which this Court is well-aware, TB&F was selected by the Retirees’ Committee, which was initially brought together by the Debtors as an unofficial committee. Formal appointment of the Retirees’ Committee was then sought by the Debtors by a motion which also sought to modify TWA’s obligations to pay non-pension benefits to its retirees, all pursuant to Bankruptcy Code § 1114. An application for this Court’s approval of the retention of TB&F was thereafter filed. While that application was still pending, TB&F undertook to represent the Retirees’ Committee in its negotiations with American Airlines (“AA”) and the Debtors regarding the benefit modifications. In that capacity and under those circumstances, TB&F assisted the Retirees’ Committee in understanding the parameters of its tasks under section 1114, understanding the obligation assumed by AA pursuant to the Asset Purchase Agreement, understanding the process underway by which AA was seeking to fulfill that obligation and negotiating with TWA and AA with regard to these issues. To assist in that process, TB&F also guided the Retirees’ Committee in obtaining the services of experienced benefits actuaries and accountants, J.H. Cohn LLP. After negotiations with American Airlines and the Debtors, the Committee entered into a stipulated order setting forth the obligations with regard to non-pension retirement benefits of the Debtors and American Airlines pursuant to the Asset Purchase Agreement and section 1114 of the Code (the “1114 Order”).

14. Pursuant to the 1114 Order, in July 2001, American Airlines made a presentation to the Retirees’ Committee with regard to the benefits it would be providing to the



TWA retirees. The Retirees Committee took issue with American Airline's intended allocation of the assumed liability of the Asset Purchase Agreement. In an exchange of several letters and several telephone conversations between counsel, American Airlines refused to discuss much less negotiate its allocation. The Retirees' Committee then continued its investigation into whether American Airlines has properly implemented the Asset Purchase Agreement with regard to the retirees. As part of that investigation, the Retirees' Committee sought to meet with Larry Cleveland the premier benefits specialist at TWA LLC. American Airlines refused to allow such an informal meeting. Thus, in August 2001, the Retirees' Committee moved to take Mr. Cleveland's 2004 examination and to obtain documents from American Airlines. American strongly opposed that motion.

15. Notwithstanding the foregoing, American Airlines filed a "statement" with this Court alleging (but not seeking any relief therefor) that it had fulfilled all of its obligations pursuant to Bankruptcy Code § 1114 and the 1114 Order. In furtherance of that strategy of intimidation, American Airlines also objected to several of TB&F's Monthly Applications. After this Court granted the Retirees' 2004 Committee's motion in October 2001, American Airlines withdrew its objections.

16. Finally, in January 2002, the Retirees' Committee professionals deposed Mr. Cleveland. Thereafter, in June 2002, after completing its investigation, the Retirees' Committee moved to compel American Airlines to properly implemented the APA by properly allocating the Assumed Liability. That motion is pending.

### **Final Period Services**

#### **a. Case Administration (001)**

17. The tasks assigned to the Case Administration category identified on Exhibit “E” as matter #001 relate to the general legal services performed by TB&F in connection with obtaining and reviewing miscellaneous pleadings and various other documents; case management, interoffice conferences, maintaining a litigation and proceedings calendar, document control, reviewing agenda notices, speaking with retirees; and other services that do not otherwise fit into another category.

<b>PROFESSIONALS</b>	<b>HOURS</b>	<b>RATE</b>	<b>TOTAL FEE</b>
Paul Traub, Partner, (PT)	1.10	\$600.00	\$660.00
Brian E. Kriger, Of Counsel (BEK)	2.20	\$365.00	\$803.00
Fredrick J. Levy, Of Counsel (FL)	1.70	\$365.00	\$620.50
Andrea Chouprouta, Paralegal (AC)	3.80	\$135.00	\$513.00
Zeinab Hassoun, Docket File Clerk (ZH)	9.00	\$50.00	\$450.00
<b>TOTAL</b>	<b>17.80</b>		<b>\$3,046.50</b>

**b. Asset Analysis And Disposition (002)**

18. The tasks assigned to the Asset Analysis and Disposition category identified on Exhibit “E” as matter #002 relate primarily to review of pleadings filed by MBNA including seventh objection to payment of administrative fees, objection to settlement by Debtors and various clearing houses and objection to settlement between Debtor and American Airlines.

<b>PROFESSIONALS</b>	<b>HOURS</b>	<b>RATE</b>	<b>TOTAL FEE</b>
Brian E. Kriger, Of Counsel (BEK)	.40	\$365.00	\$146.00
<b>TOTAL</b>	<b>0.40</b>		<b>\$146.00</b>

**c. Retirees’ Committee Communications (003)**

19. The tasks assigned to this category pertain to all of TB&F’s communications, including faxes, e-mails and phone calls, correspondence, both written and verbal, committee meetings with the Retirees’ Committee, its members and their representatives.

<b>PROFESSIONALS</b>	<b>HOURS</b>	<b>RATE</b>	<b>TOTAL FEE</b>
Brian E. Kriger, Of Counsel (BEK)	7.30	\$365.00	\$2,664.50
Fredrick J. Levy, Of Counsel (FL)	8.50	\$365.00	\$3,102.50
<b>TOTAL</b>	<b>15.80</b>		<b>\$5,767.00</b>

**d. Employee Benefits/Pensions (004)**

20. During the Final Period, no tasks were assigned to the Employee

Benefits/Pensions category.

**e. Claims Administration/Objections (005)**

21. The tasks assigned to the Claims Administration/Objections category

consists of reviewing the Debtor's memorandum to the Court re: the treatment of MBNA's claim.

<b>PROFESSIONALS</b>	<b>HOURS</b>	<b>RATE</b>	<b>TOTAL FEE</b>
Brian E. Kriger, Of Counsel (BEK)	0.40	\$365.00	\$146.00
<b>TOTAL</b>	<b>0.40</b>		<b>\$146.00</b>

**f. Financing/Secured Creditor Issues (006)**

22. During the Final Period, no tasks were assigned to the Financing/Secured

Creditor Issues category.

**g. Litigation (007)**

23. The tasks assigned to the Litigation category identified on Exhibit "E" as

matter #007 consist of preparation of the motion to compel proper allocation of the Assumed Liability against American Airlines, review of the Cooper complaint against Debtor and office conferences and telephone calls regarding same.

<b>PROFESSIONALS</b>	<b>HOURS</b>	<b>RATE</b>	<b>TOTAL FEE</b>
Brian E. Kriger, Of Counsel (BEK)	6.10	\$365.00	\$2,226.50
Fredrick J. Levy, Of Counsel (FL)	29.80	\$365.00	\$10,877.00
<b>TOTAL</b>	<b>35.90</b>		<b>\$13,103.50</b>

**h. Fee/Employment Applications/Objections (008)**

24. The tasks assigned to Fee/Employment Applications/Objections category identified on Exhibit “E” as matter #008 consist of legal services rendered primarily in connection with the preparation of TB&F’s quarterly interim fee applications and monthly interim fee applications, preparation of certifications of no objection to fee applications, reviewing interim applications filed by other professionals retained in the cases and following up upon payment of all fees due. Due to the objections filed against the payment of monthly fees and the difficulties encountered by TB&F in obtaining certain Interim Awards, an unusual amount of time has been spent in these endeavors.

<b>PROFESSIONALS</b>	<b>HOURS</b>	<b>RATE</b>	<b>TOTAL FEE</b>
Brian E. Kriger, Of Counsel (BEK)	4.80	\$365.00	\$1,752.00
Fredrick J. Levy, Of Counsel (FL)	8.60	\$365.00	\$3,139.00
Donna Picone Angiulo, Paralegal (DPA)	2.70	\$135.00	\$364.50
Andrea Chouprouta, Paralegal (AC)	21.80	\$135.00	\$2,943.00
Zeinab Hassoun, Docket File Clerk (ZH)	1.10	\$50.00	\$55.00
<b>TOTAL</b>	<b>39.00</b>		<b>\$8,253.50</b>

**i. Communications With Debtors (009)**

25. During the Final Period, no tasks were assigned to the Communications With Debtors category.

**j. Plan And Disclosure Statement (010)**

26. The tasks assigned to the Plan And Disclosure Statement category identified on Exhibit “E” as matter #010 involve the review of revised Plan, assuring that the revised Plan properly provided for the post-confirmation existence of the Committee and preparation for and attendance of confirmation hearing, and interoffice discussions and memos regarding same.

<b>PROFESSIONALS</b>	<b>HOURS</b>	<b>RATE</b>	<b>TOTAL FEE</b>
Paul Traub, Partner, (PT)	.80	\$600.00	\$480.00
Brian E. Kriger, Of Counsel (BEK)	7.10	\$365.00	\$2,591.50
Fredrick J. Levy, Of Counsel (FL)	10.80	\$365.00	\$3,942.00
<b>TOTAL</b>	<b>18.7</b>		<b>\$7,013.50</b>

**k. Relief From Stay (011)**

27. During the Final Period, no tasks were assigned to the Relief From Stay category.

**l. Travel Time (012)**

28. The tasks assigned to the Travel Time category identified on Exhibit "E" as matter 012 consist of non-working travel time of Fredrick J. Levy for appearance in Court on confirmation hearing. This time is billed at 50% of TB&F's regular rate for such professional.

<b>PROFESSIONALS</b>	<b>HOURS</b>	<b>RATE</b>	<b>TOTAL FEE</b>
Fredrick J. Levy, Of Counsel (FL)	2.90	\$182.50	\$529.25
<b>TOTAL</b>	<b>2.90</b>		<b>\$529.25</b>

**C. Summary of Expenses Incurred During Final Period**

29. During the Final Period, TB&F has been required to incur actual and necessary expenses in connection with the rendition of services, on behalf of the Retirees' Committee, in the amount of \$725.50. A summary break-down of these out-of-pocket expenses, by disbursement category, is annexed hereto as Exhibit "F" and incorporated herein by reference. This does not include expenses incurred by individual members of the Retirees' Committee. Reimbursement of same shall be sought separately.

30. Exhibit "F" hereto itemizes by category the expenses incurred by TB&F during the Final Period in rendering legal services to the Retirees' Committee. All expenses for

which reimbursement is sought were incurred in connection with the rendition of professional services to the Retirees' Committee, and were reasonable and necessary.

31. From time to time TB&F has utilized certain services, including overnight couriers and long distance telephone services. There have been occasions when the Retirees' Committee required information and documents on an expedited basis. Although TB&F makes every effort to use regular postal services when possible, overnight delivery of documents and long distance conference calls were occasionally and unavoidably required.

32. TB&F has made every effort to minimize the out-of-pocket expenses incurred in connection with its representation of the Retirees' Committee in this case. TB&F believes the expenditures for which reimbursement is sought herein were appropriate and well warranted. TB&F maintains detailed records of all out-of-pocket expenses incurred in connection with its representation of the Retirees' Committee. To the extent that such detailed records are necessary, they are available to supplement the summary of charges set forth in Exhibit "F." Facsimile charges are \$1.00 per page, and there is no charge for incoming facsimiles. Copies are charged at \$.15 per page. Accordingly, TB&F requests reimbursement of expenses incurred as co-counsel to the Retirees' Committee during the Final Period in the amount \$725.50.

#### IV.

#### **RATIFICATION OF FIRST AND SECOND INTERIM FEE APPLICATIONS**

33. TB&F requests that this Court ratify its First Interim Award dated September 28, 2001, granting TB&F its fees for legal services rendered during the First Interim Period in the amount of \$122,700.50 and expenses incurred in the amount of \$7,293.21.

34. TB&F requests that this Court ratify its Second Interim Award dated June 14, 2002, granting TB&F its fees for legal services rendered during the Second Interim Period in the amount of \$111,557.50 and expenses incurred in the amount of \$11,217.19.

**V.**

**AWARD OF THIRD AND FOURTH INTERIM FEE APPLICATIONS**

35. TB&F requests that this Court award TB&F its fees for legal services rendered during the Third Interim Period in the amount of \$63,157.00 and expenses incurred in the amount of \$3,943.33.

36. TB&F requests that this Court award TB&F its fees for legal services rendered during the Fourth Interim Period in the amount of \$34,903.50 and expenses incurred in the amount of \$2,396.82.

37. TB&F further requests that this Court direct the Debtors to pay any unpaid outstanding amounts.

**VI.**

**CONCLUSION**

38. This Application is made without prejudice to TB&F's right to file further requests for interim and/or final compensation pursuant to the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, applicable local rules, and the Administrative Order.

WHEREFORE, based upon the foregoing, TB&F hereby respectfully requests that the Court issue and enter an order, pursuant to §§ 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, the Administrative Order, Order #32 of the Bankruptcy Court for the District of Delaware, as follows:

- (a) ratifying the First Interim Award of \$122,700.50 in fees and \$7,293.21 in expenses,
- (b) ratifying the Second Interim Award of \$111,557.50 in fees and \$11,217.19 in expenses;
- (c) awarding TB&F a final allowance of compensation for the Third Interim Period in the amount of \$63,157.00 and reimbursement of its actual, reasonable and necessary out-of-pocket expenses incurred during the Third Interim Period in the aggregate amount of \$3,943.33;
- (d) awarding TB&F a final allowance of compensation for the Fourth Interim Period in the amount of \$34,903.50 and reimbursement of its actual, reasonable and necessary out-of-pocket expenses incurred during the Fourth Interim Period in the aggregate amount of \$2,396.82;
- (e) awarding TB&F a final allowance of compensation for the Final Period in the amount of \$38,005.25 and reimbursement of its actual, reasonable and necessary out-of-pocket expenses incurred during the Final Period in the aggregate amount of \$725.50; and



(f) granting TB&F such other and further relief as is just and proper.

Dated: New York, New York  
August 19, 2002

Respectfully submitted,

TRAUB, BONACQUIST & FOX LLP

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