

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 11
)	
UAL CORPORATION, et al.,)	Case No. 02 B 48191 (Jointly Administered)
)	Honorable Eugene R. Wedoff
Debtors.)	OBJECTION DEADLINE:
		April 3, 2006
		NO HEARING DATE IS SET

**DLA PIPER RUDNICK GRAY CARY US LLP'S FINAL
APPLICATION FOR ALLOWANCE OF COMPENSATION
FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES AS DEBTOR'S SPECIAL LABOR COUNSEL**

DLA Piper Rudnick Gray Cary US LLP ("**PR**" or "**Applicant**") submits this Final Interim Application pursuant to 11 U.S.C. § 330 and moves this Court for an order awarding it additional compensation of \$24,611.75 for the period from January 1, 2006 to date, for 56.5 hours of professional services rendered (including 2.0 hours to review and address Fee Committee comments on this Final Application and on the pending Twelfth Quarterly Interim Application, and to prepare for and participate in the hearing on the instant Final Application). In connection with those additional services, PR also requests reimbursement of ordinary and necessary costs of \$325.60 (including \$250.00 in costs expected to be incurred in connection with filing and serving the Final Interim and the instant Final Application). These requested amounts do not consider interim payments to be made before the hearing on this Final Application.

Previously, PR has filed twelve Quarterly Interim Applications. In the First Quarterly Application, this Court entered an order allowing PR \$949,260.60 in interim compensation and \$21,968.22 in expense reimbursement. In the Second Quarterly Application, this Court entered an order allowing PR \$123,878.70 in interim compensation and \$5,666.63 in expense

reimbursement. In the Third Quarterly Application, this Court entered an order allowing PR \$48,311.90 in interim compensation and \$1,560.75 in expense reimbursement. In the Fourth Quarterly Application, this Court entered an Order allowing PR \$35,035.20 in interim compensation and \$1,312.22 in expense reimbursement. In the Fifth Quarterly Application, this Court entered an Order allowing PR interim compensation of \$172,825.45 and \$960.16 in expense reimbursement. All allowed amounts have been paid in full. In the Sixth Quarterly Application, this Court allowed PR interim compensation of \$358,976.60 and \$627.57 in expense reimbursement. In the Seventh Quarterly Application, the Court allowed PR interim compensation of \$18,874.28 and \$2,062.23 in expense reimbursement. In the Eighth Quarterly Application, the Court allowed interim compensation of \$216,054.41 and \$2,172.95 in expenses. In the Ninth Quarterly Application, PR requested and received interim compensation of \$74,971.70 and \$1,810.77 in expenses. In the Tenth Quarterly Interim Application, PR requested and received interim compensation of \$31,997.40 plus \$2,979.55 in expenses. In the Eleventh Quarterly Interim Application, PR requested and received interim compensation of \$33,197.60 plus \$2,064.99 in expenses. In the Twelfth Quarterly Interim Application, PR requested interim compensation of \$52,802.90 plus \$4,543.44 in expenses. That application is still pending.

In support hereof, the Applicant states as follows:

I. COMMENCEMENT AND CONDUCT OF CASES

A. On December 8, 2002, Debtors commenced the instant Chapter 11 cases.

B. On December 8, 2002, Debtors filed an application to retain PR as special labor counsel. On December 30, 2002, this Court entered an order granting that motion retroactive to December 8, 2002.

C. On December 9, 2002, this Court entered its Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Committee Members (the "**Interim Fee Order**"), which included as Exhibit A the Procedures for Interim Compensation and Reimbursement of Expenses for Professionals (the "**Procedures**").

D. On or about February 27, 2006, PR filed its Interim Application for services rendered since January 1, 2006 (the "**Final Interim Application**"). In that application, PR requested \$24,611.75 for 56.5 hours of professional services and \$325.60 for reimbursement of expenses incurred in connection therewith. Those amounts include 2.0 hours of additional compensation plus \$250.00 in additional costs expected to be provided or incurred following the filing of the instant Final Application. Assuming no objections are raised to the Final Interim Application, United is expected to pay PR \$22,150.58 for fees and \$325.60 for expenses in Interim Compensation before the hearing on this Final Application.

E. All professional services for which compensation is requested herein were performed or are expected to be performed by PR for and on behalf of the Debtors, and not for or on behalf of any trustee, committee, creditor or other person.

II. NATURE OF LEGAL SERVICES PERFORMED BY PIPER RUDNICK

F. PR is Debtor's special counsel for labor relations matters. Accordingly, PR has allocated the legal services covered by each of its monthly fee applications into four sections:

Section 1113 Bargaining and general labor relations (a/k/a "**Employee Relations**"), Section 1114 Bargaining, Professional Matters and Travel.

SECTION 1113 BARGAINING AND GENERAL LABOR RELATIONS

1. During the period since the Twelfth Quarterly Final Interim Application, regarding Employee Relations, PR devoted 42.4 hours for which it seeks interim compensation of \$18,020.00. An itemized breakdown of services rendered was attached to the Final Interim Application as Exhibit A(1) and is incorporated herein by reference. These services were performed by:

<u>Professional</u>	<u>Hours</u>	<u>Hourly Rate</u>
Marilyn Pearson	42.4	*\$425.00

SECTION 1114 BARGAINING

2. During the period since the Twelfth Quarterly Application, no additional services were provided for 1114 Bargaining, except as incidental to the Section 1113 Bargaining discussed above.

PROFESSIONAL MATTERS

3. In order to represent Debtors as special labor counsel, PR was required to conduct conflicts checks, monitor its ongoing disclosure obligations under the Bankruptcy Code, review and respond to Fee Committee comments, revise its time entries to comply with Court ordered fee application requirements, coordinate fee information with Debtor's counsel, and prepare the Final Interim and Final Applications, and prepare for and attend (telephonically) a court hearing on its Eleventh Quarterly Interim Application (collectively, "**Professional Matters (Non-**

Kirkland & Ellis)". During the period since the Twelfth Quarterly Application, regarding these Professional Matters (Non-Kirkland & Ellis), PR devoted 14.1 hours for which it seeks interim compensation of \$6,591.75, including 2.0 hours (estimated) to review and respond to Fee Committee comments on the Final Interim and Final Application and to prepare for and participate in the final fee hearing. An itemized breakdown of services rendered was attached to the Final Interim Application as Exhibit A(2), and is incorporated herein by reference. These services were performed by:

<u>Professional</u>	<u>Hours</u>	<u>Hourly Rate</u>
Philip V. Martino	14.1	\$467.50

TRAVEL

During the period since the Twelfth Quarterly Application, no Travel time was incurred.

III. EXPENSES

G. In connection with the above services during the period since the Twelfth Quarterly Application, PR incurred or accrued expenses of \$325.60 for, among other things, telephone charges (at actual costs), telecopy charges (at \$1.00 per page for local, long distance and overseas outgoing faxes, with no charge for incoming faxes) and photocopy charges (at 10 cents per page); this figure includes \$250.00 estimated for service of the Final Interim Application and the Final Application. A detailed breakdown of services rendered and expenses incurred was attached as Exhibit B to the Final Interim Application, which exhibit is incorporated by reference.

(footnote continued from previous page)

* These rates are 15% less than PR's standard rates. As the Fee Review Committee has requested, travel time is charged at 50% of PR's standard rates. Travel rates are not reflected on this chart.

**IV. APPLICATION OF RELEVANT CRITERIA AND
STANDARDS TO THIS COMPENSATION REQUEST**

H. In applying the criteria set forth above to this request for compensation, the Court should consider foremost the effort required of PR, the reasonableness of the services rendered and the results achieved.

Lack of Duplication of Services

I. The amount of services that PR attorneys rendered to achieve the results obtained for the benefit of the Debtors was reasonable in light of the complexity of the issues involved in this case. PR professionals judiciously allocated responsibilities to minimize possible duplication of efforts.

Benefit to the Estate

J. The services that PR provided to the Debtors in this case assisted in the preservation of the Debtors' assets for the benefit of this estate and its creditors, and assisted the Debtors generally in performing their duties.

Experience and Expertise of the Applicants

K. The experience and expertise in labor areas and the quality of the services brought to this case by PR further supports the requested compensation. This law firm has charged the Debtors the normal and customary hourly rates for similar services rendered in like circumstances to other clients. The rates are comparable to the rates charged by other practitioners of similar experience, competence and standing. The compensation request is well within an acceptable range for comparable legal services, and is fair given the efforts required of PR in these cases and the results achieved for the benefit of this estate and its creditors.

L. All of the services performed by PR were required for the proper representation of the Debtors in this case, were authorized by the Court and were performed by PR at the request

and direction of the Debtors. Pursuant to section 331 and the generally applicable criteria of the time, nature, extent and value of the services performed, all of PR's services are compensable.

M. No agreement exists between PR and any third person for the sharing of compensation received by PR in this case, except as allowed by the exception set forth in Section 504 and Bankruptcy Rule 2016 with respect to the sharing of compensation among members of PR.

N. All of the services performed were authorized by Debtors; within the scope of the order retaining PR; charged at the rates customarily charged by PR for services of this nature whether performed in connection with a bankruptcy estate or otherwise; necessary to the administration of the estates and beneficial towards the completion of the instant bankruptcy cases; commensurate with the complexity, importance and nature of the task addressed; and reasonable based on the customary compensation charged by comparably skilled practitioners in non-bankruptcy cases.

O. Attached as **Exhibit C** is the affidavit of Philip V. Martino attesting to the accuracy of the information as set forth in Exhibits A and B of the Final Interim Application.

P. Attached as **Exhibit D** is a biographical sketch of each professional whose time is reflected in this Application.

V. **SUMMARY OF PROFESSIONALS, HOURS, RATES AND FEES**

Q. Each PR professional performing services on behalf of Debtors' estate, the hours spent this quarter, the billing rates, and the requested fees for those services is as follows:

<u>Professional</u>	<u>Current Application</u>		<u>2006 Rate</u>	<u>Since Retention</u>	
	Hours	Fees		Hours	Fees
Joseph Manson III (partner)	N/A	N/A	-	4.3	\$2,051.10
Ronald Natalie (partner)	N/A	N/A	-	13.2	5,730.75
David Neff (partner)	N/A	N/A	-	3.0	1,282.50
Philip V. Martino (partner)	14.1	\$6,591.75	\$467.50	255.4	103,909.30
Cynthia Surrisi (partner)	N/A	N/A	-	1,273.7	513,426.85
Douglas Hall (partner)	N/A	N/S	-	409.3	137,454.65
Gregg Avitabile (of counsel)	N/A	N/A	-	521.0	165,856.30
Marilyn Pearson (of counsel)	42.4	\$18,020.00	\$425.00	2,777.0	969,178.66
Sang-Yul Lee (associate)	N/A	N/A	-	699.4	223,443.35
Brooks Amiot	N/A	N/A	-	319.5	3,370.73

FIRM TOTALS

R. Prior to the commencement of this case, PR received a retainer of \$185,000.00. Pursuant to prior order of this Court, Debtor may have made provisional payments to PR of 90% of fees and 100% of costs.

WHEREFORE Piper Rudnick prays for an order:

1. Making final the interim amounts of fees and costs awarded in response to Piper Rudnick's First through Twelfth Interim Fee Applications.
2. Allowing it additional compensation of \$24,611.75 for professional services rendered since December 31, 2005;
3. Awarding it reimbursement of \$325.60 for expenses incurred or expected to be incurred or accrued in connection with current services rendered;
4. Authorizing and directing Debtors to pay PR \$24,611.75 for professional services and \$325.60 for expenses, less provisional payments already made; and

5. For such further relief as is reasonable and just.

Respectfully submitted,

Dated: March 3, 2006

DLA PIPER RUDNICK GRAY CARY US LLP

By: /s/ Philip V. Martino
One of its partners

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