

**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)**  
**Debtors.** )  
 ) **Honorable Eugene R. Wedoff**  
 )  
 )  
 ) **Hearing Date: Only if necessary**  
 ) **Objection Deadline: March 27, 2006**

**VERIFIED SIXTH QUARTERLY FEE APPLICATION OF THE SEGAL COMPANY  
FOR ALLOWANCE OF ADMINISTRATIVE CLAIM FOR COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FOR THE QUARTERLY PERIOD  
OCTOBER 1, 2005 THROUGH DECEMBER 31, 2005**

The Segal Company (“Segal”), actuarial and benefits consultants for the Section 1114(c) Retired Pilots’ Committee (“Retired Pilots Committee” or “Committee”), hereby files its Sixth Quarterly Fee Application, pursuant to 11 U.S.C. §§ 1114(b)(2), 1103(a), 330 and 331, Bankruptcy Rule 2016(a), this Court’s Interim Compensation Order and all applicable local rules, for payment of an administrative claim for (i) professional actuarial and benefits consulting services in the amount of \$5,644.80 representing 90% of \$6,272.00 total reasonable and necessary actuarial and benefits consulting services Segal rendered to the Committee from October 1, 2005 through December 31, 2005 (“Sixth Quarterly Fee Period”) and (ii) the reimbursement of \$0 in actual and necessary expenses Segal incurred during the Sixth Quarterly Fee Period. In support of this Quarterly Application, Segal respectfully states as follows:

**Background**

1. On December 9, 2002, the UAL Corporation, United Air Lines, Inc. and related companies (“United”) filed voluntary petitions for relief under Chapter 11 of the United States

Code. In March 2004, United announced that it would seek modifications of the medical benefits it currently pays its retirees, including United's retired pilots, survivors and dependents.

2. On March 23, 2004, United filed its Emergency Motion for an Order to Appoint a Retiree Committee Pursuant to 11 U.S.C. § 1114(d) and to Establish Procedures for the Committee Formation Process. After issues related to this motion were briefed, on February 3, 2004, this Court announced that a § 1114(c)(2) committee would be appointed to represent the unique interests of United's retired pilots and that a separate committee would be formed pursuant to § 1114(d) to represent former United salaried and management employees. On February 20, 2004, after a number of retired pilots interested in being selected for committee membership submitted questionnaires and supplemental questionnaires, this Court announced that the Retired Pilots' Committee members would be Alan L. Black, Roger D. Hall, Sr., Harlow B. Osteboe, William H. Palmer and Gerard Terstiege.

3. On March 10, 2004, the Committee selected Segal as its actuarial and benefits consulting firm. On March 25, 2004, the Court approved Segal's retention, *nunc pro tunc*, effective March 11, 2004. This Application is for the Sixth Quarterly Fee Period, which, as is stated above, is the time period from October 1, 2005 through December 31, 2005. Segal's ninth and tenth interim application for professional fees and expenses were submitted on January 30, 2006 (docket numbers 15117 and 15119, respectively), (as reflected in the chart included in the Summary at the beginning of this Quarterly Application - there were no fees or expenses for December, 2005 so no applications were filed) pursuant to the procedures established in connection with the Interim Compensation Order. This is Segal's Sixth Quarterly Fee Application.

**Professional Services Rendered**

4. Segal performed services during the Sixth Quarterly Fee Period including reviewing proof of claim calculations and continued assistance to the retirees in developing communication materials regarding settlement.

5. The Segal actuaries and benefits consultants who rendered professional services for the Committee during the Second Period are:

<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Stuart Wohl	Sr. Vice President	\$420.00	12.30	5,166.00
Brian C. Nichols	Actuarial Analyst	\$260.00	4.00	1,040.00
Adam E. Condrick	Assistant Actuary	\$330.00	0.20	66.00
<b>Total Segal Hours and Fees:</b>			<b>16.50</b>	<b>\$6,272.00</b>

Segal provided \$6,272.00 worth of professional services during the Sixth Quarterly Fee Period and incurred \$0.00 in expenses. Billing records that include detailed itemizations and descriptions of the services performed and expenses incurred by Segal during the Sixth Quarterly Fee Period are attached to Segal's ninth and tenth interim application for professional fees and expenses which were submitted on January 30, 2006 (docket numbers 15117 and 15119, respectively). There were no fees or expenses for Segal during December, 2005, so no corresponding monthly applications.

6. The professional fees charged by Segal are reasonable in light of the complexity of the issues faced by the Committee, the necessity of providing the Committee with comprehensive advice and the time constraints that have been placed upon the Committee and its advisors by this Court's Scheduling Order Regarding Section 1114. The services performed by Segal were necessary in order to prepare and assist the Committee in negotiations, settlement and continued advice.

### **Actual and Necessary Expenses**

7. It is Segal's policy to charge their clients for identifiable, non-overhead expenses incurred in connection with a client's matter that would not have been incurred except for retention by that particular client. It is Segal's policy to charge their clients only the actual amount incurred in connection with such items. Examples of such expenses are overnight mail, courier delivery, computer assisted research, photocopying, out-going facsimile transmissions, airfare and lodging. With respect to airfare expense, all travel, by all individuals, is billed at the coach class rate with the allowance of class upgrades. When possible, Segal has conferred with the Debtors in an attempt to reduce travel-related expenses.

8. Segal incurred \$0.0 in expenses during the Sixth Quarterly Fee Period.

### **Representations**

9. Pursuant to Rule 2016(a), Segal has not shared, nor has Segal agreed to share, (a) any compensation they may receive with another party or person other than with the other members within Segal or (b) any compensation another person or party has received or may receive.

10. Although every effort has been made to include all fees and expenses from the Sixth Quarterly Fee Period in this Application, some fees and expenses from the Sixth Quarterly Fee Period might not be included in this Application due to delays caused by accounting and processing procedures. Segal reserves the right to make further application to the Court for allowance of fees and expenses not included herein.

11. Segal has made every effort to comply with the Third Amended Fee Committee Billing Guidelines.

Summary

12. In summary, by this Application, Segal requests allowance for fees and expenses in the total amount of \$6,272.00 consisting of (a) 6,272.00 for the reasonable and necessary professional services rendered and (b) \$0.0 for actual and necessary costs and expenses. Pursuant to the Interim Compensation Order, Segal requests payment of \$6,272.00 for professional service fees incurred in the Sixth Quarterly Fee Period, less any sums paid to Segal pursuant to their ninth and tenth interim application for professional fees and expenses which were submitted on January 30, 2006 (docket numbers 15117 and 15119, respectively) and the procedures set forth in the Interim Compensation Order.

WHEREFORE, The Segal Company requests (a) that an allowance be made, as fully described above, for the (i) reasonable and necessary professional services Segal has rendered during the Sixth Quarterly Fee Period and (ii) reimbursement of actual and necessary costs and expenses Segal incurred during the Sixth Quarterly Fee Period, and (b) that both fees and expenses be payable as administrative expenses of the estates.

Dated: February 16, 2006



*Sonia F. Richardson*

Respectfully submitted  
THE SEGAL COMPANY,

By: \_\_\_\_\_

*Stuart Wohl*

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Actuarial and Benefits Consultants to the Retired  
Pilots' Committee