

## **Delta judge asked to hold back professional fees**

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NEW YORK, March 27 (Reuters) – The U.S. Trustee for the Delta Air Lines Inc. Chapter 11 case has asked the bankruptcy judge to hold back payment of part of the \$41.2 million bill lawyers, accountants and advisers have run up in the first few months of the case.

The Trustee has asked the court for a "significant holdback" and said it would also request more information from some of the professionals about the fees they had billed, according to court documents filed on Friday.

"The Debtors are engaged in litigation with the pilots' union," the Trustee said in the filing referring to Delta. "If the Debtors do not prevail, the Debtors have indicated that they will not have sufficient funds to reorganize under their business model."

"Because the outcome of these cases are in doubt, the United States Trustee believes a holdback is warranted," the filing said.

Atlanta-based Delta, which filed for bankruptcy protection in September, has asked its pilots' union for more than \$300 million in savings as part of about \$3 billion in cost cuts and revenue increases it says it needs to survive.

The professionals involved in the case have also accumulated about \$2 million in expenses between Sept. 14 and Jan. 31.

Large bankruptcies like Delta's typically are bonanzas for the armies of professionals hired by the various groups involved in the cases.

Professionals in the Northwest Airlines Corp. case, which filed for bankruptcy the same day as Delta did, had run up roughly \$15 million in fees in the first few months of the case through Dec. 31.

The U.S. Trustee said it would ask professionals involved in the Delta bankruptcy, including general counsel Davis Polk & Wardwell, special aircraft attorneys Debevoise & Plimpton and financial advisers Babcock & Brown, for further explanations regarding some of the fees.

Delta has said that the fees charged by professionals involved in its bankruptcy case are a small fraction of the savings it had achieved through the bankruptcy process.