

Delta's legal fees reach \$74 million

Judge gets latest requests from lawyers, consultants in Ch. 11 case

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The Associated Press

Published on: 07/14/06

Lawyers and consultants involved in Delta Air Lines' bankruptcy case are asking for another \$32.8 million in fees and expenses primarily covering four months of work.

A hearing on the requests by 23 different firms and individuals is scheduled for Aug. 22. If approved, it would bring the total amount of professional compensation allowed so far in the case to \$74.2 million.

That total doesn't include money requested by certain firms that have not yet been paid and money held back from Delta's auditor on a previous pay request.

Atlanta-based Delta, the nation's third-largest carrier, filed for Chapter 11 in New York in September 2005. It has said it expects to emerge from bankruptcy within the first half of 2007, which would mean before the end of June.

The latest compensation requests, filed this week, primarily cover the period from Feb. 1 to May 31. However, some requests go back further, depending on when the firm was hired and for what purpose.

The largest fee requested in the latest round is by Delta's chief bankruptcy firm, Davis Polk & Wardwell, which is asking for a fee of \$8.8 million and expenses of \$380,530 for the four-month period. Former New York Mayor Rudolph Giuliani's consulting firm is asking for a fee of \$1.4 million and expenses of \$61,443 for the four-month period.

Big fees are common in large bankruptcy cases, and Delta's lawyers have defended the compensation as necessary, based on the amount of work being done.

The company has yet to file its reorganization plan. It has requested and received two extensions.

Delta now has until Nov. 8 to exclusively file a plan of reorganization before creditors can weigh in and until Jan. 8 to solicit acceptances of the plan.