

NICHOLAS C. DREHER, ESQ. 1299-0  
THEODORE D.C. YOUNG, ESQ. 5735-0  
CADES SCHUTTE LLC  
1000 Bishop Street  
Honolulu, Hawaii 96813  
Telephone: (808) 521-9200  
Facsimile: (808) 521-9210  
ndreher@ca-des.com  
tyoung@ca-des.com

LISA G. BECKERMAN, ESQ.  
AKIN GUMP STRAUSS HAUER & FELD LLP  
590 Madison Avenue  
New York, New York 10022  
Telephone: (212) 872-1000  
Facsimile: (212) 872-1002  
lbeckerman@akingump.com

DAVID P. SIMONDS, ESQ.  
California State Bar No. 214499  
AKIN GUMP STRAUSS HAUER & FELD LLP  
2029 Century Park East, Suite 2400  
Los Angeles, California 90067  
Telephone: (310) 229-1000  
Facsimile: (310) 229-1001  
dsimonds@akingump.com

Proposed Co-Counsel for Debtor  
and Debtor in Possession

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF HAWAII**

In re

HAWAIIAN AIRLINES, INC.,  
a Hawaii corporation,

Debtor.

Case No. 03 - 00817  
(Chapter 11)

**APPLICATION OF THE DEBTOR  
PURSUANT TO SECTIONS 327(a) AND  
328(a) OF THE BANKRUPTCY CODE,**

2009 MAR 21 AM 11:42  
U.S. BANKRUPTCY COURT  
DISTRICT OF HAWAII  
HONOLULU, HAWAII

**AND RULES 2014(A) AND 2016 OF THE  
FEDERAL RULES OF BANKRUPTCY  
PROCEDURE FOR AUTHORIZATION  
TO EMPLOY AND RETAIN AKIN  
GUMP STRAUSS HAUER & FELD LLP  
AS COUNSEL FOR DEBTOR IN  
POSSESSION; DECLARATION OF  
LISA G. BECKERMAN; PROPOSED  
ORDER**

Date: March 21, 2003

Time: 2:30 pm

Judge: Hon. Robert J. Faris

Hawaiian Airlines, Inc., the debtor and debtor in possession in the above-captioned chapter 11 case (collectively, "Hawaiian" or the "Debtor"), files this Application Pursuant to Sections 327(a) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for Authorization to Employ and Retain Akin Gump Strauss Hauer & Feld LLP as counsel for Debtor in Possession (the "Application"), and, in support thereof, respectfully represents as follows:

**I. JURISDICTION**

1. This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of this Application is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (O). Venue of this proceeding is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The request to retain and

employ counsel is authorized by 11 U.S.C. §§ 327 and 328 and Bankruptcy Rule 2014.

Applicable Authority

2. Section 327(a) of the Bankruptcy Code provides, in part, as follows:

Except as otherwise provided in this section, the trustee, with the court's approval, may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title.

11 U.S.C. § 327(a).

3. Section 328(a) of the Bankruptcy Code provides, in part, as follows:

(a) The trustee . . . with the court's approval, may employ or authorize the employment of a professional person under section 327 . . . of this title . . . on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, or on a contingent fee basis.

11 U.S.C. § 328(a).

4. Section 1107 (a) of the Bankruptcy Code provides as follows:

Subject to any limitations on a trustee serving in a case under this chapter, and to such limitations or conditions as the court prescribes, a debtor in possession shall have all the rights, other than the right to compensation under

section 330 of this title, and powers, and shall perform all the functions and duties, except the duties specified in sections 1106(a)(2), (3), and (4) of this title, of a trustee serving in a case under this chapter.

11 U.S.C. § 1107(a).

5. Section 1107(b) of the Bankruptcy Code, provides, in part, as follows:

Notwithstanding section 327(a) of this title, a person is not disqualified for employment under section 327 of this title by a debtor-in-possession solely because of such person's employment by or representation of the debtor before the commencement of the case.

11 U.S.C. § 1107(b).

6. Rule 2014(a) of the Federal Rules of Bankruptcy Procedure provides, in part, as follows:

An order approving the employment of attorneys . . . or other professionals pursuant to § 327 . . . of the Code shall be made only on application of the trustee or committee.

Fed.R.Bankr.P. 2014(a).

7. Accordingly, this Court is authorized to grant the relief requested in this Application.

## **II. BACKGROUND**

8. On March 21, 2003 (the "Petition Date"), the Debtor filed a petition for relief under chapter 11 of title 11 of the United States Code (the

“Bankruptcy Code”) in the United States Bankruptcy Court for the District of Hawaii (the “Bankruptcy Court”). Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtor is operating its businesses and managing its properties as a debtor in possession. No trustee, examiner or committee of creditors has been appointed in the Debtor’s chapter 11 case.

9. The Debtor was incorporated in January of 1929 under the laws of the Territory of Hawaii and is currently a subsidiary of Hawaiian Holdings, Inc. (“Hawaiian Holdings”),<sup>1</sup> a Delaware corporation whose common stock is traded on the American Stock Exchange and Pacific Exchange under the ticker symbol “HA.” As part of the regular Securities and Exchange Commission filings of Hawaiian Holdings, Hawaiian Holdings reports its financial and operating results with those of the Debtor on a consolidated basis.

### **The Debtor’s Business**

10. The Debtor is engaged primarily in the scheduled transportation of passengers, cargo and mail. The Debtor’s passenger airline business is its chief source of revenue. Principally all of the Debtor’s flights either originate or end in the state of Hawaii. The Debtor provides passenger and cargo service from Hawaii, predominately Honolulu, to the cities of Los Angeles, Ontario,

---

<sup>1</sup> Hawaiian Holdings holds 49.1% of the outstanding common stock of the Debtor directly. The remaining 50.9% of the outstanding common stock of the Debtor is held by AIP, Inc. (“AIP”), a wholly-owned subsidiary of Hawaiian Holdings.

Sacramento, San Diego and San Francisco, California; Seattle, Washington; Portland, Oregon; Phoenix, Arizona; and Las Vegas, Nevada (the “Transpacific Routes”). The Debtor also provides non-stop service between and among the six major islands of the state of Hawaii (the “Interisland Routes”) and weekly service to each of Pago Pago, American Samoa and Pepeeete, Tahiti in the South Pacific (the “South Pacific Routes”). Charter service is provided from Honolulu to Anchorage, Alaska (the “Charter Routes”). Based upon the Debtor’s operating revenues, the Debtor is the largest airline headquartered in Hawaii.

11. Based on its unaudited results, the Debtor had a net loss of approximately \$58 million for the twelve months ended December 31, 2002 (“Year 2002”) on operating revenue of approximately \$632 million for the same period. In comparison, for the twelve months ended December 31, 2001 (“Year 2001”), the Debtor reported net income of approximately \$5 million on operating revenue of approximately \$612 million for the same period. The Debtor’s assets and liabilities, as of December 31, 2002, were approximately \$256 million and \$399 million, respectively. The Debtor’s reported assets and liabilities, as of December 31, 2001, were approximately \$305 million and \$327 million, respectively.

12. The Debtor is party to a network of agreements among airlines. Because of the interdependent nature of airline operations, coordination among airlines, provision of airline services, and efficient service by the airline industry to

the traveling public, in general, would be virtually impossible without such agreements. Among other things, these agreements facilitate cooperation among airlines with respect to such critical activities as making reservations and transferring passengers, packages, baggage and mail among airlines.

### **The Debtor's Fleet**

13. Beginning in the fourth quarter of 1999, the Debtor initiated a plan to replace its entire fleet of McDonnell Douglas DC-9 aircraft used to service its Interisland Routes. This effort was completed in the first quarter of 2002, with the Debtor taking delivery of thirteen Boeing 717-200 aircraft (the "717 Aircraft").

14. Similarly, in the fourth quarter of 2001, the Debtor initiated a plan to replace, by June 2003, its entire fleet of McDonnell Douglas DC-10 aircraft (the "DC-10 Aircraft") used to service the Transpacific Routes, South Pacific Routes and Charter Routes (the "Overseas Routes") with sixteen Boeing 767-300ER aircraft (the "767 Aircraft"). To date, the Debtor has taken delivery of ten new and four used Boeing 767-300ER aircraft and has returned eleven DC-10 Aircraft leased from Continental Airlines, Inc. and a subsidiary of American Airlines, Inc ("American"). The Overseas Routes are currently serviced by fourteen Boeing 767-300ER aircraft.

15. All of the Debtor's aircraft are leased from various lessors under either financing or operating leases. Three of the Debtor's 767 Aircraft are leased

under fifteen-year operating leases with a subsidiary of Ansett Worldwide Aviation Services, Inc. (“Ansett”) and were delivered to the Debtor in the fourth quarter of 2001. Four 767 Aircraft were delivered in 2002 under seven-year operating leases with International Lease Finance Corporation. Seven of the Debtor’s 767 Aircraft are leased under eighteen-year operating leases from Ansett and a subsidiary of Boeing Capital Corporation (“Boeing”). Each of the 717 Aircraft is leased under an eighteen-year leveraged financing lease with Boeing. The Debtor’s four remaining DC-10 Aircraft are leased under operating leases with American and B.C.I. Leasing.

### **Employees**

16. The Debtor has approximately 3,200 active employees, approximately 2,600 of which are employed on a full time basis. The majority of the Debtor’s employees are covered by labor agreements with the International Association of Machinists and Aerospace Workers (AFL-CIO) (“IAM”); the Airline Pilots Association, International (“ALPA”); the Association of Flight Attendants (“AFA”); the Transport Workers Union (“TWU”); or the Employees of the Communications Section (“Communications Section”). Each of these labor agreements, other than the contract with the seven-member Communications Section, was renegotiated in 2000 or 2001, and will be subject to renegotiation again in 2004 or 2005.

## **Previous Restructurings**

17. On September 21, 1993, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Bankruptcy Court (the “1993 Bankruptcy”).<sup>2</sup> Following confirmation of the Debtor’s plan of reorganization in the 1993 Bankruptcy on August 30, 1994, the Debtor successfully emerged from the 1993 Bankruptcy. Thereafter, on August 29, 2002, the Debtor was restructured from a public company into a wholly-owned subsidiary of Hawaiian Holdings and AIP (the “Restructuring”). As part of the Restructuring, the stockholders of the Debtor became stockholders of Hawaiian Holdings and Hawaiian Holdings assumed sponsorship of the Debtor’s existing stock agreements. Prior to the Restructuring, the common stock of the Debtor was publicly traded on the American Stock Exchange and Pacific Exchange under Hawaiian Holdings’ ticker symbol of “HA.”

## **The Debtor’s Current Financial Crisis**

18. The Debtor’s current financial crisis was precipitated by a confluence of factors relating, in large part, to the depressed economic conditions of both the United States and Japan. These factors include: (a) decreased fare revenue, (b) high aircraft lease costs, (c) high labor costs and (d) increased insurance, security and fuel costs. Although the terrorist attacks of September 11,

---

<sup>2</sup> United States Bankruptcy Court, District of Hawaii, Case No. 93-01074.

2001 are one of the most obvious and publicized reasons for the Debtor's current financial crisis, it is the significant, though related, decline in the economies of the United States and Japan that has most contributed to the necessity of the Debtor's chapter 11 filing.

19. Following the events of September 11, 2001, the Debtor has seen a marked and dramatic reduction in the demand for travel to and within the islands of Hawaii. This reduced demand has been exacerbated by the flagging economies of the United States and Japan since that time. The demand for vacation travel, which historically has been the Debtor's greatest source of income, has been most affected by the economic decline. In order to attract passengers, airlines, including the Debtor, have been forced to lower their fares. The introduction of "low cost carriers," such as Jet Blue, has led to a further reduction in fare structure, as national airlines have been forced to reduce ticket prices to remain competitive. The combination of fewer ticket sales made at reduced fares continues to impact the Debtor's revenue and earnings negatively.

20. Beginning in late 1999, as discussed above, the Debtor began a re-fleeting process under which its aging fleet of McDonnell Douglas DC-9 aircraft and DC-10 Aircraft would be completely replaced by the end of 2003. By July of 2001, the Debtor had entered into the last of its agreements with lessors that would provide the aircraft for this re-fleeting. Although the terms of these agreements

were considered to be fair and at market rates when agreed to, the subsequent and unforeseen decline in economic conditions in the United States and abroad have caused the terms of such leases to be highly unfavorable. Because its aircraft lease costs are grounded in economic assumptions that have failed to materialize, the Debtor has been forced to shoulder the crippling costs of over-market leases. For the Year 2002, expenses associated with the Debtor's aircraft leases made up 12% of its total operating expenses.

21. Similarly, because the Debtor's union agreements were renegotiated in 2000 and 2001, the Debtor's labor costs have not been in line with current economic conditions. Based upon market assumptions made in 2000 and pre-September 11, 2001, the Debtor's labor costs have exceeded what the Debtor could realistically maintain based upon its revenues. This relative increase in labor costs, as compared to revenue, has negatively impacted the Debtor's ability to remain a viable enterprise. For the Year 2002, the Debtor's labor costs made up 30% of its total operating expenses.

22. As a direct result of the events of September 11, 2001 and the long-standing international crises in the Middle East, the Debtor has seen increases in several of its cost centers. For instance, insurance rates associated with airline operations have increased substantially as compared to pre-September 11, 2001 rates. Because of increased airline security requirements, the Debtor also has been

faced with increased security expenditures. Moreover, fuel costs, which made up approximately 14% of the Debtor's operating expenses for Year 2002, also have steadily increased during this period. These increased costs, in the face of declining revenues, have further weakened the Debtor's ability to succeed as a going-concern.

### **Prepetition Activities**

23. The two largest controllable components of the Debtor's cost structure are labor and aircraft costs. These are, therefore, the two areas upon which the Debtor had focused prior to the Petition Date in trying to accomplish a successful out-of-court financial and operational restructuring. To that end, the Debtor has, particularly within the past year, been actively negotiating with both its aircraft lessors and labor unions to reduce its aircraft and labor costs, respectively. These negotiations have continued up until the Debtor's bankruptcy filing. On February 20, 2003, the Debtor's employees represented by IAM agreed to \$3.8 million in concessions. On March 6, 2003, the Debtor's employees represented by ALPA reached an agreement with the Debtor with respect to approximately \$8 million in concessions. Similarly, on March 11, 2003, the Debtor's employees represented by AFA agreed to approximately \$3.5 million in concessions. Although the Debtor and its labor unions have made great progress in these negotiations, it now appears that the only practicable way for the Debtor to

reorganize is under the protection afforded to it under the Bankruptcy Code, as the Debtor has not been successful in its attempts to negotiate significant concessions from its aircraft lessors.

### **III. THE RETENTION OF AKIN GUMP STRAUSS HAUER & FELD LLP**

24. The Debtor seeks to employ and retain Akin Gump Strauss Hauer & Feld LLP (“Akin Gump”) as counsel, effective as of the Petition Date. The Debtor seeks to retain Akin Gump as counsel under a general retainer because of Akin Gump’s familiarity with the Debtor’s operations and personnel acquired from its prepetition representation of the Debtor as restructuring counsel, as well as Akin Gump’s expertise in debtor and creditor representations under the Bankruptcy Code. The Debtor believes that Akin Gump is well qualified to represent it in its chapter 11 case.

25. The Debtor believes that it would be most efficient and in the best interest of its estate if Akin Gump is retained as counsel under a general retainer, pursuant to section 327(a) and 328(a) of the Bankruptcy Code, to perform the extensive legal services that will be necessary during the pendency of this chapter 11 case in accordance with Akin Gump’s normal hourly rates in effect when services are rendered and normal reimbursement policies, as described more fully herein. Additionally, the Debtor will be filing an application for authority to retain Cades Schutte LLC (“Cades”), as Hawaii co-counsel. Akin Gump will

carefully coordinate with Cades and clearly delineate their respective duties so as to prevent duplication of effort whenever possible.

26. Akin Gump will provide various legal services to the Debtor in its role as counsel, including, without limitation, the following:

- (a) provide legal advice with respect to the powers and duties of the Debtor, as it continues to operate its business and manage its properties as a debtor in possession;
- (b) negotiate, prepare and file a plan of reorganization and disclosure statement in connection with such plan, and otherwise promote the financial rehabilitation of the Debtor;
- (c) take necessary or appropriate action to protect and preserve the estate of the Debtor, including the prosecution of actions on the Debtor's behalf, the defense of actions commenced against the Debtor, negotiations concerning litigation in which the Debtor is or will become involved, and the evaluation and objection to claims filed against the Debtor's estate;
- (d) prepare, on behalf of the Debtor, all necessary applications, motions, answers, orders, reports and papers in connection with the administration of the estate herein, and appear on behalf of the Debtor at Court hearings in connection with the Debtor's chapter 11 case;
- (e) render legal advice and perform other legal services in connection with the foregoing and in connection with the Debtor's chapter 11 case; and
- (f) perform other necessary or appropriate legal services in connection with the Debtor's chapter 11 case.

27. The Debtor has selected Akin Gump as its counsel because of the firm's knowledge of the Debtor's businesses and financial affairs and its extensive

general experience and knowledge, and in particular, its recognized expertise in the field of debtors' protections and creditors' rights, and business reorganizations under chapter 11 of the Bankruptcy Code. Akin Gump has been actively involved in major chapter 11 cases, including the representation of the debtor(s) in Boston Chicken, Inc., Criimi Mae, Florsheim, Inc., Mosaic Group, Inc., Raytech Corporation, Scott Cable Communications, Inc. and ServInt Corporation.

28. Akin Gump is also familiar with the Debtor's business, affairs, and capital structure. Since 1999, Akin Gump has served as the Debtor's primary aircraft leasing counsel and was involved in the negotiation of the Debtor's aircraft leases with Boeing Capital Corporation, Ansett Worldwide Aviation Services, Inc., and International Lease Finance Corporation, including the acquisition and financing by the Debtor of a fleet of Boeing 717 aircraft (the "Lease/Acquisition Services"). Prior to the Petition Date, in January 2003, pursuant to an engagement letter dated January 22, 2003, the Debtor engaged Akin Gump to assist and advise it with respect to the formulation, evaluation, and implementation of various restructuring alternatives, and then with respect to the commencement and prosecution of its chapter 11 case. Accordingly, Akin Gump has the necessary background to deal effectively with many of the potential legal issues and problems that may arise in the context of the Debtor's chapter 11 case. The Debtor

believes that Akin Gump is both well qualified and uniquely able to represent it in its chapter 11 case in an efficient manner.

29. Were the Debtor required to retain attorneys other than Akin Gump in connection with the prosecution of this chapter 11 case, the Debtor, its estate, and all parties in interest would be unduly prejudiced by the time and expense necessarily attendant to such attorneys' familiarization with the intricacies of the Debtor and its business operations.

30. Akin Gump has stated its desire and willingness to act in this chapter 11 case and render the necessary professional services as attorneys for the Debtor, as a debtor and debtor in possession. To the best of the Debtor's knowledge, the members of, counsel to, and associates of Akin Gump do not have any connection with, or any interests adverse to, the Debtor, its creditors, or any other party in interest, or their respective attorneys and accountants, except as may be set forth in the annexed declaration of Lisa G. Beckerman, a member of Akin Gump (the "Akin Gump Declaration").

31. To the best of the Debtor's knowledge and except as disclosed herein and in the Akin Gump Declaration, Akin Gump has not represented the Debtor's creditors, or any other parties in interest, or their respective attorneys, in any matter relating to the Debtor or its estate.

32. The Debtor desires to retain Akin Gump under a general retainer because of the extensive services that may be required and the fact that the nature and extent of such services are not known at this time. To the best of the Debtor's knowledge, and except as otherwise disclosed in the Akin Gump Declaration, Akin Gump does not hold or represent any interest adverse to the Debtor's estate and is a "disinterested person," as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code.

33. Prior to the Petition Date, Akin Gump received advance payments in the amount of \$575,000.00 for legal services to be performed for the Debtor and for related out-of-pocket expenses. In addition, prior to the Petition Date, Akin Gump has sent invoices to the Debtor for legal services relating to debt restructuring, corporate reorganization and bankruptcy and has received payment in the amount of \$598,379.65 with respect to these invoices. In addition, Akin Gump estimates that the fees and expenses for the period March 15, 2003 through March 20, 2003 is approximately \$75,000.00. The source of the retainer and the prepetition payments made to Akin Gump was the Debtor's operating cash.

34. Presently, Akin Gump holds a retainer in the approximate amount of \$500,000.00.

35. The Debtor understands that Akin Gump hereafter intends to apply to the Court for allowances of compensation and reimbursement of expenses in

accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules for the District of Hawaii for all services performed and expenses incurred after the Petition Date.

36. Pursuant to section 328(a) of the Bankruptcy Code, subject to the Court's approval, the Debtor may retain and employ Akin Gump on any reasonable terms and conditions. The Debtor submits that the most reasonable terms and conditions are those charged by Akin Gump to the Debtor and other clients on a daily basis in a competitive market for legal services. Therefore, the Debtor and Akin Gump have agreed that Akin Gump shall be paid its customary hourly rates for services rendered that are in effect from time to time, as set forth below.

37. Subject to this Court's approval, Akin Gump will charge for its legal services on an hourly basis in accordance with its hourly rates in effect on the date services are rendered. The principal attorneys who will represent the Debtor in its chapter 11 case and their hourly rates are:

- |     |                     |       |
|-----|---------------------|-------|
| (a) | Daniel H. Golden    | \$735 |
| (b) | Lisa G. Beckerman   | \$625 |
| (c) | Ronald W. Goldberg  | \$525 |
| (d) | David P. Simonds    | \$400 |
| (e) | Nava Hazan          | \$375 |
| (f) | Chris Adams         | \$350 |
| (g) | Edward P. Christian | \$330 |

- (h) Drake D. Foster \$250
- (i) Patrick J. Ivie \$200

38. Other attorneys and support staff may provide services to the Debtor in connection with this chapter 11 case, within the following ranges: for partners and senior counsel – from \$325 to \$735 per hour; for counsel and associates – from \$175 to \$450 per hour; and for paralegals – from \$45 to \$190 per hour. Such hourly rates are subject to periodic increase (typically in December of each year) in the normal course of Akin Gump’s business.

39. In addition to seeking payment for such hourly charges, Akin Gump will charge for all expenses actually incurred on behalf of the Debtor, consistent with its normal practices. These expenses and charges include: telephone charges, mail and express mail charges, facsimile charges, hand delivery and other delivery charges, travel expenses, computerized research, transcription costs, document processing, photocopying charges and other expenses, such as secretarial overtime. Akin Gump has agreed with the Debtor to charge these expenses in amounts that do not exceed actual costs and within the guidelines established by the Office of the United States Trustee for the District of Hawaii.

40. The Debtor believes that the proposed rates and expense reimbursement policy are reasonable. Payment for services will be made only after

notice and hearing pursuant to section 330 or 331 of the Bankruptcy Code and/or as otherwise ordered by this Court.

41. The Debtor submits the relief is necessary and appropriate, is in the best interests of its estate and creditors, and should be granted in all respects.

#### IV. NOTICE

42. Notice of this Motion has been provided to: (i) the Office of the United States Trustee for District of Hawaii; (ii) parties appearing on the Debtor's list of creditors holding the twenty largest unsecured claims; (iii) the Securities and Exchange Commission; and (iv) the Internal Revenue Service. Given the circumstances, the Debtor submits that no other or further notice need be given.

43. No prior request for the relief sought in this Application has been made to the Court or any other court.

WHEREFORE, the Debtor respectfully requests entry of an order, substantially in the form annexed hereto, (i) authorizing the retention and employment of Akin Gump under a general retainer to represent the Debtor in this chapter 11 case and (ii) granting the Debtor such other and further relief as is just and proper.

Respectfully submitted this 21<sup>st</sup> day of March, 2003.

**HAWAIIAN AIRLINES, INC.**

By: Christine R. Deister  
Name: CHRISTINE R. DEISTER  
Title: EXEC. V.P., CFO & TREASURER

Nicholas C. Dreher, Esq. 1299-0  
Theodore D.C. Young, Esq. 5735-0  
CADES SCHUTTE LLC  
1000 Bishop Street  
Honolulu, Hawaii 96813  
Telephone: (808) 521-9200  
Facsimile: (808) 521-9210  
ndreher@cades.com  
tyoung@cades.com

Lisa G. Beckerman, Esq.  
AKIN GUMP STRAUSS HAUER & FELD LLP  
590 Madison Avenue  
New York, New York 10022  
Telephone: (212) 872-1000  
Facsimile: (212) 872-1002  
lbeckerman@akingump.com

David P. Simonds, Esq.  
California State Bar No. 214499  
AKIN GUMP STRAUSS HAUER & FELD LLP  
2029 Century Park East, Suite 2400  
Los Angeles, California 90067  
Telephone: (310) 229-1000  
Facsimile: (310) 229-1001  
dsimonds@akingump.com

Proposed Co-Counsel for Debtor  
and Debtor in Possession

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF HAWAII**

In re  
HAWAIIAN AIRLINES, INC.,  
a Hawaii corporation,  
Debtor.

} **Case No. 03-** \_\_\_\_\_  
{ (Chapter 11)  
{ **DECLARATION OF LISA G.**  
{ **BECKERMAN IN SUPPORT OF**  
{ **APPLICATION FOR AN ORDER,**

**} PURSUANT TO SECTIONS 327,  
} 328(a), 329 OF THE BANKRUPTCY  
} CODE, AND FEDERAL RULES OF  
} BANKRUPTCY PROCEDURE 2014(a)  
} AND 2016, AUTHORIZING THE  
} EMPLOYMENT AND RETENTION  
} OF AKIN GUMP STRAUSS HAUER &  
} FELD LLP AS COUNSEL FOR  
} DEBTOR IN POSSESSION; EXHIBIT  
} A**

**} Date: March 21, 2003**

**} Time:**

**} Judge: Hon. Robert J. Faris**

---

I, Lisa G. Beckerman, declare:

1. I am a member of the law firm of Akin Gump Strauss Hauer & Feld LLP (“Akin Gump”), which firm maintains an office, among other places, at 590 Madison Avenue, New York, New York 10022, and I am authorized to execute this declaration on behalf of Akin Gump.

2. Akin Gump is an international law firm with in excess of 900 lawyers in thirteen offices located in the United States and abroad.

3. On March 21, 2003 (the “Petition Date”), a voluntary petition under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) was filed on behalf of Hawaiian Airlines, Inc. (the “Debtor”).

4. I submit this declaration in connection with the application dated March 21, 2003 (the “Application”) of the Debtor for approval of the Debtor’s

retention and employment of Akin Gump, as its attorneys in the above-captioned chapter 11 case, at Akin Gump's normal hourly rates in effect from time to time and in accordance with Akin Gump's normal reimbursement policies, in compliance with sections 328(a), 329 and 504 of the Bankruptcy Code, and to provide disclosure required under Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

5. Unless otherwise stated in this declaration, I have personal knowledge of the facts set forth herein. To the extent any information disclosed herein requires amendment or modification upon Akin Gump's completion of further review or as additional party-in-interest information becomes available to it, a supplemental affidavit will be submitted to the Court reflecting such amended or modified information.

6. To the best of my knowledge, upon due inquiry, neither I, Akin Gump, nor any member, counsel or associate of the firm represent any entities other than the Debtor in connection with the Debtor's chapter 11 case. In addition, except as set forth herein, to the best of my knowledge, after due inquiry, neither I, Akin Gump, nor any member or counsel, or associate of the firm represent any party in interest other than the Debtor in this chapter 11 case.

7. Akin Gump is a “disinterested person,” as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, in that Akin Gump, its members, counsel, and associates:

- a. are not creditors or insiders of the Debtor;
- b. are not and were not investment bankers for any outstanding security of the Debtor;
- c. have not been, within three years before the Petition Date, (i) investment bankers for a security of the Debtor, or (ii) attorneys for such an investment banker in connection with the offer, sale, or issuance of a security of the Debtor;
- d. are not and were not, within two years before the Petition Date of this affidavit, a director, officer, or employee of the Debtor or any investment banker as specified in subparagraph (b) or (c) of this paragraph; and
- e. have certain relationships with certain creditors, other parties in interest, and other professionals in connection with unrelated matters, but has not represented any such party in connection with matters relating to the Debtor, except as set forth herein.

**Akin Gump’s Prepetition Relationship with the Debtor**

8. Since 1999, Akin Gump has served as the Debtor’s primary aircraft leasing counsel and was involved in the negotiation of the Debtor’s aircraft leases with Boeing Capital Corporation, Ansett Worldwide Aviation Services, Inc., and International Lease Finance Corporation, including the acquisition and financing by the Debtor of a fleet of Boeing 717 aircraft (the “Lease/Acquisition Services”). In January 2003, pursuant to an engagement letter, the Debtor engaged Akin Gump to represent and advise it in connection with strategic alternatives, financial

restructuring and bankruptcy matters. In that regard, Akin Gump represented the Debtor in connection various matters in with respect to the financial restructuring of the Debtor. Akin Gump prepared the chapter 11 petition for the Debtor and the initial motions, applications, and relevant documents relating to this chapter 11 case. In connection with the "Lease/Acquisition Services", Akin Gump received \$98,424.00 from the Debtor in 2002.

9. Akin Gump is not a creditor of the Debtor. In the one year prior to the Petition Date, Akin Gump has received payment in the amount of \$598,379.65 for services rendered to the Debtor. In addition, the Debtor advanced \$575,000.00 to Akin Gump on account of services performed and to be performed and expenses incurred and to be incurred in connection with the Petition and prosecution of the Debtor's chapter 11 case (the "Advance Payment Retainer"). As of the Petition Date, the fees and expenses incurred by Akin Gump and debited against the amounts advanced to it approximated \$75,000.00 (including an estimate of the charges for the period from March 15, 2003 through March 20, 2003). The precise amount will be determined upon the final recording of all time and expense charges. As of the Petition Date, Akin Gump has a remaining credit balance in favor of the Debtor in the approximate amount of \$500,000.00 for additional professional services performed and to be performed and expenses incurred and to be incurred in connection with this chapter 11 case. After application of amounts

for payment of any additional prepetition professional services and related expenses, the excess advance amounts will be held by Akin Gump for application to and payment of postpetition fees and expenses that are allowed by the Court.

10. Akin Gump has conducted its customary conflicts review with respect to this representation. To the best of my knowledge, and as a result of such customary conflicts review, the connections that Akin Gump has as a law firm with the Debtor, any of its affiliated entities, its creditors or any other parties in interest herein, or its respective attorneys and accountants are set forth herein.

11. The conflict check system and adverse party index maintained by Akin Gump is designed to include every matter on which the firm is now or has been engaged, by which entity the firm is now or has been engaged, and, in each instance, the identity of related parties and adverse parties and the attorneys in the firm that are knowledgeable about the matter. It is the policy of Akin Gump that no new matter may be accepted or opened within the firm without completing and submitting to those charged with maintaining the conflict check system and adverse party index the information necessary to check each such matter for conflicts, including the identity of the prospective client, the matter, and related and adverse parties. Accordingly, Akin Gump maintains and systematically updates this system in the regular course of business of the firm, and it is the regular practice of the firm to make and maintain these records.

12. As part of its diverse practice, Akin Gump appears in cases, proceedings and transactions involving many different professionals, including attorneys, accountants, financial consultants and investment bankers, some of which may represent claimants and parties in interest in the Debtor's chapter 11 case. In addition, Akin Gump may have in the past or may currently be representing professionals involved in this chapter 11 case in matters unrelated to this chapter 11 case. Based on the current knowledge of the professionals involved, and to the best of my knowledge, Akin Gump does not represent or have a relationship with any attorneys, accountants, financial consultants or investment bankers involved in this chapter 11 case that would adversely affect its representation of the Debtor or its estate.

13. Certain partners, counsel and associates of Akin Gump have in the past represented, presently represent, and likely will represent corporate entities and individuals that are either equity security holders, creditors or affiliates of the Debtor in matters unrelated to this chapter 11 case. However, Akin Gump will not provide any legal services to any of these entities in connection with any matter that arises in this chapter 11 case. Akin Gump is confident that its prior and current representation of such entities in such unrelated matters will not adversely affect its representation of the Debtor in this proceeding. Akin Gump has

determined that it does not currently represent any creditors or equity security holders in matters related to this chapter 11 case.

14. In conducting its conflict check review, Akin Gump submitted approximately 20,000 names to its conflict check process. A list of those entities that the Debtor believes are creditors, equity securities holders or parties in interest in this chapter 11 case, which Akin Gump has reviewed in its normal conflicts check procedures (the "Conflict Check List") is approximately 500 pages long and has not been filed with the Court. The Conflict Check List will be sent to any party that requests it. Attached hereto as Exhibit A is a list of the parties that Akin Gump currently represents or has represented in matters unrelated to the Debtor's chapter 11 case. With the exception of Tyco International Corporation, AT&T Corporation, and United Parcel Services, none of the parties listed on Exhibit B accounted for more than 1% of Akin Gump's revenue for the year ended December 31, 2002.<sup>1</sup> Listed below is additional disclosure information with respect to certain entities Akin Gump currently represents.

15. Akin Gump has in the past and currently represents Smith Management, LLC ("Smith") and/or certain of its affiliates and subsidiaries of

---

<sup>1</sup> The fees collected by Akin Gump in connection with services rendered in 2002 to Tyco International Corporation were \$10,154,382.00 and represented approximately 1.77% of Akin Gump's revenue for 2002. The fees collected by Akin Gump in connection with services rendered in 2002 to AT&T Corporation were \$7,496,140.00 and represented approximately 1.31% of Akin Gump's revenue for 2002. The fees collected by Akin Gump in connection with services rendered in 2002 to United Parcel Services were \$5,905,877.00 and represented approximately 1.03% of Akin Gump's revenue for 2002.

Smith on matters wholly unrelated to the Debtor's chapter 11 case. Smith is party to a services agreement with the Debtor. Akin Gump has not represented AIP, LLC, an affiliate of Smith and a major equity holder of Hawaiian Holdings, Inc. (which in turn owns 49.1% of the outstanding common stock of the Debtor).<sup>2</sup> Attorneys in Akin Gump's Dallas office represent Smith in connection with real estate matters. Akin Gump has received a waiver letter executed by Smith in connection with the Debtor's chapter 11 case. In addition, Akin Gump has established an ethical wall with respect to the individuals rendering services to Smith and the individuals rendering services to the Debtor. The fees collected in 2002 in connection with services rendered to Smith were \$291,675.66 and represented approximately 0.05% of Akin Gump's revenue for 2002.

16. Akin Gump has in the past and currently represents Bank of America, a secured and unsecured creditor of the Debtor, and/or certain of its affiliates and subsidiaries of Bank of America, on matters wholly unrelated to the Debtor's chapter 11 case. Attorneys in Akin Gump's San Antonio office are representing Bank of America with respect to litigation matters. Akin Gump has received a waiver letter executed by Bank of America in connection with the Debtor's chapter 11 case. In addition, Akin Gump has established an ethical wall with respect to the

---

<sup>2</sup> Akin Gump has not represented AIP, Inc., which owns 50.9% of the outstanding common stock of the Debtor. AIP, Inc. is 100% owned by Hawaiian Holdings, Inc.

individuals rendering services to Bank of America and the individuals rendering services to the Debtor. The fees collected by Akin Gump in 2002 in connection with services rendered to Bank of America were \$12,156.78 and represented approximately 0.0021% of Akin Gump's revenue for 2002.

17. Akin Gump has in the past and currently represents Heller Financial Leasing Inc. ("Heller"), a secured creditor of the Debtor, and/or certain of its affiliates and subsidiaries of Heller on matters wholly unrelated to the Debtor's chapter 11 cases. Akin Gump currently represents Heller in connection with real estate and leasing matters. The fees collected by Akin Gump in 2002 in connection with services rendered to Heller were \$3,687.50 and represented approximately 0.00064% of Akin Gump's revenue for 2002.

18. Akin Gump has in the past and currently represents Hewlett Packard ("HP"), a secured creditor of the Debtor, and/or certain of its affiliates and subsidiaries, on matters wholly unrelated to the Debtor's chapter 11 case. Akin Gump currently represents HP in connection with intellectual property matters. The fees collected in 2002 by Akin Gump in connection with services rendered to HP were \$202,918.92 and represented approximately 0.035% of Akin Gump's revenue for 2002.

19. Akin Gump has in the past and currently represents Wells Fargo Bank Minnesota, N.A. and Wells Fargo Bank Texas, N.A. (collectively, "WFB") and/or

certain of its affiliates and subsidiaries, on matters wholly unrelated to the Debtor's chapter 11 case. Akin Gump does not represent Wells Fargo Bank Northwest, N.A., which is an aircraft lessor in the Debtor's Chapter 11 case. Akin Gump currently represents WFB in connection with corporate matters. The fees collected in 2002 by Akin Gump in connection with services rendered to WFB were \$239,448.36 and represented approximately 0.041% of Akin Gump's revenue for 2002. Akin Gump does not represent Wells Fargo Bank Northwest, N.A.

20. Akin Gump has in the past and currently represents General Electric Capital Corporation ("GECC"), one of the Debtor's 20 largest unsecured creditors, and/or certain of its affiliates and subsidiaries, on matters wholly unrelated to the Debtor's chapter 11 case. Akin Gump currently represents GECC in connection with real estate and corporate matters. The fees collected in 2002 by Akin Gump in connection with services rendered to GECC were \$1,046,259.44 and represented approximately 0.18% of Akin Gump's revenue for 2002.

21. Akin Gump has in the past and currently represents American Airlines, Inc. ("American"), one of the Debtor's 20 largest unsecured creditors, and/or certain of its affiliates and subsidiaries, on matters wholly unrelated to the Debtor's chapter 11 case. Akin Gump currently represents American in connection with governmental affairs. The fees collected in 2002 by Akin Gump

in connection with services rendered to American were \$408,675.85 and represented approximately 0.07% of Akin Gump's revenue for 2002.

22. Akin Gump has in the past and currently represents SABRE, Inc., one of the Debtor's 20 largest unsecured creditors, and/or certain of its affiliates and subsidiaries, on matters wholly unrelated to the Debtor's chapter 11 case. Akin Gump currently represents SABRE, Inc. in connection with corporate matters. The fees collected in 2002 by Akin Gump in connection with services rendered to SABRE, Inc. were \$64,576.30 and represented approximately 0.00011% of Akin Gump's revenue for 2002.

23. Akin Gump has in the past and currently represents Delta Airlines, Inc. ("Delta"), one of the Debtor's 20 largest unsecured creditors, and/or certain of its affiliates and subsidiaries, on matters wholly unrelated to the Debtor's chapter 11 case. Akin Gump currently represents Delta in connection with governmental affairs. Akin Gump did not receive any fees from Delta in 2002.

24. Akin Gump has in the past and currently represents Transamerica Equipment Financial Services Corp. ("Transamerica"), one of the Debtor's unsecured creditors, and/or certain of its affiliates and subsidiaries on matters wholly unrelated to the Debtor's chapter 11 case. Akin Gump currently represents Transamerica in connection with real estate matters. Akin Gump did not receive any fees from Transamerica in 2002.

25. Akin Gump has in the past and currently represents AT&T Corporation (“AT&T”), which is a party to an executory contract with the Debtor, and/or certain of its affiliates and subsidiaries, on matters wholly unrelated to the Debtor’s chapter 11 case. Akin Gump currently represents AT&T in connection with corporate matters. The fees collected in 2002 by Akin Gump in connection with services rendered to AT&T were \$7,496,140.00 and represented approximately 1.31% of Akin Gump’s revenue for 2002.

26. Akin Gump has in the past and currently represents The Boeing Company (“Boeing”) and/or certain of its affiliates and subsidiaries, which are a parties to various executory contracts and leases with the Debtor and one of the Debtor’s 20 largest unsecured creditors, and/or certain of its affiliates and subsidiaries, on matters wholly unrelated to the Debtor’s chapter 11 case. Akin Gump currently represents Boeing in connection with governmental affairs. Akin Gump has received a waiver letter executed by Boeing in connection with the Debtor’s chapter 11 case. In addition, Akin Gump has established an ethical wall with respect to the individuals rendering services to Boeing and individuals rendering services to the Debtor. The fees collected in 2002 by Akin Gump in connection with services rendered to Boeing were \$598,355.02 and represented approximately 0.10% of Akin Gump’s revenue for 2002.

27. Akin Gump has in the past and currently represents Tyco International, Inc. ("Tyco"), an unsecured creditor of the Debtor, and/or certain affiliates and subsidiaries, on matters wholly unrelated to the Debtor's chapter 11 case. Akin Gump currently represents Tyco in connection with corporate and litigation matters. The fees collected in 2002 by Akin Gump in connection with services rendered to Tyco were \$10,154,382.00 and represented approximately 1.77% of Akin Gump's revenue for 2002.

28. Akin Gump is counsel to the Official Committee of Unsecured Creditors of WorldCom, Inc., et al. ("WorldCom") and the Official Committee of Unsecured Creditors of Lemout & Hauspie Speech Products N.V., et al. ("L&H"). WorldCom and L&H are unsecured creditors of the Debtor. In the event of a potential adverse matter between WorldCom and the Debtor, and L&H and the Debtor, the Debtor will use Cades Schutte in these matters and Akin Gump will not represent the counterparty in such adverse matters.

29. To the best of my knowledge, Akin Gump has no connection with the United States Trustee, the Bankruptcy Judge in this chapter 11 case, or any person employed by the Office of the United States Trustee, other than through its professional representation of clients in the normal course of its legal practice before the Bankruptcy Court and its work with the Office of the United States Trustee.

30. Subject to Court approval and in accordance with sections 330(a) and 331 of the Bankruptcy Code, Akin Gump will seek payment for compensation on an hourly basis, plus reimbursement of actual, necessary expenses incurred by Akin Gump. Akin Gump's customary hourly rates as charged to both bankruptcy and non-bankruptcy clients, subject to periodic adjustments to reflect economic and other conditions, are:

- |                                                         |               |
|---------------------------------------------------------|---------------|
| (a) Partners, Senior Counsels<br>Counsel and Associates | \$175 - \$735 |
| (b) Paralegals                                          | \$ 45 - \$190 |

Such hourly rates are subject to periodic increase (typically in December of each year) in the normal course of Akin Gump's business. Akin Gump will maintain written records of time expended by attorneys and paraprofessionals in the rendition of their professional services to the Debtor. Such time records will be made contemporaneously with the rendition of services by the person rendering such services and in the ordinary course of Akin Gump's practice, and will be presented in a form that is in compliance with the Local Rules for the District of Hawaii.

31. In connection with the reimbursement of actual, necessary expenses, it is Akin Gump's policy to charge its clients in all areas of practice for expenses incurred in connection with the client's representation. These expenses and charges include telephone charges, mail and express mail charges, facsimile

charges, hand delivery and other delivery charges, travel expenses, computerized research, transcription costs, document processing, photocopying charges and other expenses, such as secretarial overtime. Akin Gump has agreed with the Debtor to charge these expenses in amounts that do not exceed actual costs and are within the guidelines established by the office of the United States Trustee for the District of Hawaii.

32. The Application requests, pursuant to section 328(a) of the Bankruptcy Code, approval of the Debtor's retention of Akin Gump on rates, terms and conditions consistent with what Akin Gump charges non-chapter 11 debtors, namely, prompt payment of its hourly rates as adjusted from time to time and reimbursement of out-of-pocket disbursements at cost or based on formulae that approximate the actual cost where the actual cost is not easily ascertainable. Subject to these terms and conditions, Akin Gump intends to apply pursuant to sections 330 and 331 of the Bankruptcy Code for allowances of compensation for professional services rendered in this chapter 11 case and for reimbursement of actual and necessary expenses incurred in connection therewith.

33. Akin Gump understands that the Debtor will seek to retain additional law firms as counsel in connection with this chapter 11 case. Akin Gump intends to carefully coordinate with such firms and clearly delineate their respective duties so as to prevent duplication of effort whenever possible. Rather than resulting in

any extra expense to the Debtor's estate, it is anticipated that the efficient coordination of efforts of the Debtor's attorneys will greatly add to the progress and effective administration of this chapter 11 case.

34. No promises have been received by Akin Gump, nor any partner, counsel or associate thereof, as to compensation or payment in connection with this chapter 11 case other than in accordance with the provisions of the Bankruptcy Code. Akin Gump has no agreement with any other entity to share with such entity any compensation received by Akin Gump in connection with this chapter 11 case.

35. Based on our normal and customary conflicts review, Akin Gump has complied with the requirements of section 327 of the Bankruptcy Code, is a "disinterested person" as defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and does not hold or represent an interest adverse to the interests of the Debtor's estate.

36. Akin Gump reserves the right to supplement and amend this declaration should it subsequently discover further pertinent relationships that require disclosure in this chapter 11 case.

37. The retention and employment of Akin Gump to perform the services described in the Application is in the best interests of the Debtor and the Debtor's estate.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 21, 2003

  
\_\_\_\_\_  
LISA G. BECKERMAN

## EXHIBIT A

### HAWAIIAN AIRLINES, INC. RESULTS OF CONFLICT CHECK

#### **Debtor's Professionals**

Akin Gump has in the past and currently represents the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtor's chapter 11 case:

Ernst & Young

White & Case LLP

Akin Gump has in the past represented the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtor's chapter 11 case:

Paul Weiss Rifkind Wharton &  
Garrison LLP

Watson Wyatt & Company

#### **Debtor's Directors and Director's Affiliations**

Akin Gump has in the past and currently represents Smith Management and/or certain affiliates and subsidiaries on matters wholly unrelated to the Debtor's chapter 11 case.

#### **Secured Creditors**

Akin Gump has in the past and currently represents the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtor's chapter 11 case:

Bank of America

Heller Financial Leasing, Inc.

Hewlett-Packard

Akin Gump has in the past represented the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtor's chapter case:

Bank of Hawaii

IBM Credit Corporation

Rolls Royce

#### **Twenty Largest Creditors**

Akin Gump has in the past and currently represents the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtor's chapter 11 case:

Bank of America	American Airlines, Inc.
General Electric Capital Corporation	SABRE, Inc.
Delta Airlines	Flight Safety Boeing
Transamerica Equipment Financial Services Corp.	

Akin Gump has in the past represented the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtor's chapter case:

Rolls Royce	Honeywell
Pratt & Whitney	Wackenhut
Tesoro Hawaiian Corporation	

**Executory Contract Parties**

Akin Gump has in the past and currently represents the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtor's chapter 11 case:

Air Canada	American Airlines
AT&T Corporation	Babcock & Brown
The Bank of Hawaii	BP Exploration (Alaska), Inc.
The Boeing Company	Compaq
Bear Stearns & Co.	Electronic Data Systems Corporation
Brink's Incorporated	GE Capital Corporation
Delta Airlines, Inc.	Hertz Corporation
Exxon Mobile Corporation	Hyatt Corporation
Heller Financial Corporation	New York Life Insurance Co.
Hewlett-Packard Company	SABRE Inc.
Morgan Stanley	Verizon

Northwest Airlines, Inc.

Southwest Airlines Company

US Bank

Akin Gump has in the past represented the following companies and/or certain affiliates of such companies on matters wholly unrelated to the Debtor's chapter 11 case:

Axiom Corporation

Air India

Alaska Airlines

American Red Cross

American Stock Exchange, Inc.

American Trans Air

British Airways

Chevron USA Products Company

Budget Rent A Car

El Al Israel Airlines, Inc.

Continental Airlines, Inc.

Frontier Airlines, Inc.

Deision One

Federal Express

DHL Airways, Inc.

Goodyear Tire & Rubber Company

Gibson Dunn & Crutcher

IBM Corporation

Honeywell, Inc.

LSG Sky Chefs

International Lease Finance Corporation

McDonnell Douglas

Lufthansa German Airlines

Mexicana Airlines

MCI-WorldCom

Pratt & Whitney Engine Services, Inc.

Peoplesoft USA, Inc.

Rolls-Royce

Qwest Microwave Corp. (?)

Sprint

Scenic Airlines, Inc.

U.S. Department of Justice

Sun Microsystems, Inc.

United Airlines, Inc.

World Travel, Inc.

## **Other Creditors and Interested Parties**

Akin Gump has in the past and currently represents the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtor's chapter 11 case:

AIG Hawaii	Allstate Insurance Company
American Express	Bear Stearns
Boise Cascade Corp.	Cable & Wireless
Chubb Insurance Group	Dixie Air Parts
CIT Group	CitiFinancial
City of Atlanta	City of Los Angeles
City of San Diego	Clear Channel Communications
Coach USA	Coca-Cola
Coast Business Credit	Consolidated Freightways Corp.
Dee Howard Aircraft Maintenance, LLP	Eastman Kodak
Ericsson	Equilon Enterprises, LLC
Finova Capital Corp.	General Electric
GTE	Gruntal & Co.
Goodrich Corporation	Heller Financial
Home Depot	Hyatt Corporation
McDonalds Corporation	Merrill Lynch
New York Life	Next Generation
Northwest Airlines	Paramount Pictures
Pilot Air	Phillips Petroleum
Safety Kleen	Salomon Smith Barney
Shreveport Airport Authority	Lazard Freres

Los Angeles Times	Lockheed Martin
Time Warner	Time, Inc.
Tyco International	Toshiba International
Unisys	The Vanguard Group
Universal Weather & Aviation, Inc.	United Parcel Service
Vopak USA, Inc.	Viking Office Products
Walt Disney	Verizon
Morgan Stanley	Waste Management
Rosenbluth Travel	Motorola, Inc.
SONY Hawaii	Sonnenschein, Nath & Rosenthal
SPRINT	Southwest Airline
Transamerica Equipment Financial Service	State Farm Insurance
World Travel, Inc.	Xerox Corporation
Wells Fargo Bank Texas, N.A.	Wyndham Hotels
	Wells Fargo Bank Minnesota, N.A.

Akin Gump has in the past represented the following companies and/or certain affiliates and subsidiaries of such companies on matters wholly unrelated to the Debtor's chapter case:

Ademco Distribution, Inc.	Agilent Technologies
Air Canada	Air Liquide America
Alamo Aircraft Supply, Inc.	Aramark
Anheuser-Busch	Aviation Sales Co.
Atlas Air	Auntie Anne's, Inc.
Avis	Bell Atlantic
BanTec, Inc.	Burger King Corp.
Bell and Howell	CHZM Hill

Caesars Palace	Circuit City
CIGNA	CNA Insurance
City of Philadelphia	Courtaulds Coatings, Inc.
Compucom Systems, Inc.	Crum and Forster
Cruise Holidays	Dallas – Forth Worth Airport
Culligan International	Dynair Services, Inc.
Dell Computers	EDS
Digital Equipment	EXL Group
Dunn & Bradstreet	Fulbright & Jaworski
Eurocontrol	General Dynamics
Fidelity Financial	Goodyear
GEICO	Gould, Inc.
Global Telecommunications	Government of Guam
Halliburton Company	Hamilton Sundstram
Heidrick & Struggles, Inc.	Hilton Hotels
Honeywell, Inc.	Ikon Office Solutions
Intermac Technologies	ITT Industries
Johnson Controls	Johnson & Higgins
Kaye Scholer	Kelly Services
KMart Corporation	Kraft General Foods, Inc.
Marsh & McLennan	National Car Rental
National Fire Protection Assn.	Sears Roebuck
Sheraton Hotels	Shell Oil
Southwestern Bell Corp.	Sprint
The St. Paul Companies	WorldCom, Inc.

Brown Ferris	Leisure Group
Louis Vuitton	McDonnell Douglas
McGraw Hill	Micro Tempus Corp.
Mellon Leasing	Merrill Corporation
Met Life	Nextel
Ogilvy & Mather	Office Depot
Office Max	Parker Hannifin
PBGC	Plog Research
Pizza Hut	Ramada Inns
Sands Enterprises	Sidley & Austin
Signature Flight Support	Sky Chefs
Snap on Tools	Sun Microsystems
Thompson CSF	Tivoli Systems, Inc.
US Postal Service	United Technologies
Van Waters & Rogers, Inc.	Wackenhut Corporation
Warner Brothers	Wesco International
Westinghouse Electric	Willis Corroon
Mobil Oil Corporation	Monsanto Company
Morris, Nichols, Arsht & Tunnell	Moving Solutions
Munger Tolls & Olson LLP	Pratt & Whitney Engine Services, Inc.
PriceWaterhouseCoopers	Prudential Securities
Radisson Corporation	Rolls Royce
Rubicon Corporation	Softmart, Inc.
Software AG	Staples, Inc.
TAG Aviation Group (USA), Inc.	Tektronic, Inc.

Textron, Inc.

World Airways

YWCA

IN THE UNITED STATES BANKRUPTCY COURT

DISTRICT OF HAWAII

In re ) **Case No. 03 –**  
 )  
HAWAIIAN AIRLINES, INC., ) (Chapter 11)  
a Hawaii corporation, )  
 )  
Debtor. ) **INTERIM ORDER, PURSUANT TO**  
 ) **SECTION 327(a) AND SECTION 328(a)**  
 ) **OF THE BANKRUPTCY CODE, AND**  
 ) **RULES 2014 (a) AND 2016 OF THE**  
 ) **FEDERAL RULES OF BANKRUPTCY**  
 ) **PROCEDURE AUTHORIZING THE**  
 ) **RETENTION AND EMPLOYMENT**  
 ) **OF AKIN GUMP STRAUSS HAUER &**  
 ) **FELD LLP AS COUNSEL FOR**  
 ) **DEBTOR IN POSSESSION**  
 )  
 )  
 )  
 ) Date: March 21, 2003  
 ) Time:  
 ) Judge: Hon. Robert J. Faris  
 )  
\_\_\_\_\_ )

Upon consideration of the application (the “Application”) of Hawaiian Airlines, Inc., as debtor and debtor in possession (the “Debtor”), seeking an order pursuant to section 327(a) and section 328(a) of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), and Rules 2014 (a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) authorizing and approving the retention and employment of Akin Gump Strauss Hauer & Feld LLP (“Akin Gump”), effective as of the commencement of the Debtor’s chapter 11

case, as its attorneys under a general retainer, all as more fully set forth in the Application; and upon consideration of the Declaration of Lisa G. Beckerman, a member of Akin Gump (the “Akin Gump Declaration”); and the Court being satisfied, based on the representations made in the Application and the Akin Gump Declaration that said attorneys represent no interest adverse to the Debtor’s estate with respect to the matters upon which they are to be engaged, that they are “disinterested persons,” as that term is defined under section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and that the Debtor’s employment of Akin Gump is necessary and would be in the best interests of the Debtor and its estate; and it appearing that adequate and sufficient notice of the Application has been given; and sufficient cause appearing therefore, it is

ORDERED that the Application is approved upon the terms set forth herein; provided, however, that any party in interest shall have twenty (20) days from the date hereof to object to the Debtor’s retention and employment of Akin Gump. If no objection is filed and received by the Debtor and Akin Gump in such time, this Order shall be deemed final on the twenty-first (21<sup>st</sup>) day after the date hereof. If a timely objection is received, the Court will set a hearing date and the Debtor will provide notice of such hearing to the appropriate parties; and it is further

ORDERED that if no objections to Akin Gump's retention and employment on a permanent basis are timely filed, served and received in accordance with this Order, this Court may enter a final order without further notice or hearing, and the Application shall be granted in its entirety, and Akin Gump's retention and employment on a permanent basis shall be made effective nunc pro tunc to the date of the commencement of this chapter 11 case; and it is further

ORDERED that notice of the Application as provided therein shall be deemed good and sufficient notice of such Application; and it is further

ORDERED that, in accordance with section 327(a) and section 328(a) of the Bankruptcy Code, the Debtor is hereby authorized to employ and retain Akin Gump as its attorneys under a general retainer, effective as the commencement of this chapter 11 case in accordance with Akin Gump's normal hourly rates and expense reimbursement policies as set forth in the Application upon the terms and conditions set forth in the Application; and it is further

ORDERED that Akin Gump may apply for compensation and reimbursement in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code and applicable Federal Rules of Bankruptcy Procedure,

the Bankruptcy Rules, the Local Rules for the District of Hawaii, and further orders of this Court.

Dated: Honolulu, Hawaii, \_\_\_\_\_, 2003.

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

-----  
In re Hawaiian Airlines, Inc., Chapter 11, Case No. 03-\_\_\_\_\_;  
INTERIM ORDER, PURSUANT TO SECTION 327(a) AND SECTION 328(a)  
OF THE BANKRUPTCY CODE, AND RULES 2014 (a) AND 2016 OF THE  
FEDERAL RULES OF BANKRUPTCY PROCEDURE AUTHORIZING THE  
RETENTION AND EMPLOYMENT OF AKIN GUMP STRAUSS HAUER &  
FELD LLP AS COUNSEL FOR DEBTOR IN POSSESSION