

Hearing Date: May 27, 2009 at 10:00 a.m. (prevailing Eastern Time)  
Objection Deadline: May 15, 2009 at 12:00 p.m. (prevailing Eastern Time)

DAVIS POLK & WARDWELL  
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Damian S. Schaible

*Counsel to the Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**In re:** :  
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**FRONTIER AIRLINES** : **Chapter 11 Case No.**  
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**HOLDINGS, INC., et al.,** : **08-11298 (RDD)**  
:  
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:  
**Debtors.** : **(Jointly Administered)**  
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:  
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**SUMMARY SHEET PURSUANT TO UNITED STATES TRUSTEE GUIDELINES  
FOR REVIEWING APPLICATIONS FOR COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FILED UNDER 11 U.S.C. §§ 330 AND 331**

**THIRD INTERIM APPLICATION**

<b>NAME OF APPLICANT:</b>	Davis Polk & Wardwell
<b>TIME PERIOD:</b>	December 1, 2008 through and including March 31, 2009
<b>ROLE IN THE CASE:</b>	Counsel to the Debtors
<b>CURRENT APPLICATION:</b>	Total Fees Requested: \$1,926,312.75 <sup>1</sup> Total Expenses Requested: \$44,221.86 <sup>1</sup>

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<sup>1</sup> These amounts (a) are \$1,360,382.35 lower than the total compensation approved for the second interim period and (b) reflect \$59,993.65 in voluntary reductions of fees and expenses reflected in Davis Polk's monthly fee statements, which voluntary reductions are in addition to reductions of \$10,879.66 on account of Southern District of New York and U.S. Trustee guidelines.

**PRIOR APPLICATIONS:**

**August 1, 2008 – November 30, 2008**

Fees Previously Requested: \$3,241,836.75

Fees Previously Awarded: \$3,241,836.75

Expenses Previously Requested: \$89,080.21

Expenses Previously Awarded: \$89,080.21

**April 10, 2008 – July 31, 2008**

Fees Previously Requested: \$4,778,461.50

Fees Previously Awarded: \$4,728,461.50

Expenses Previously Requested: \$126,302.07

Expenses Previously Awarded: \$122,707.37

**I.A. Partners and Counsel (2008 Data)**

NAME OF PARTNER/ COUNSEL	YEAR ADMITTED <sup>2</sup>	DEPARTMENT	TOTAL HOURS BILLED 2008	HOURLY RATE 2008	TOTAL FEES 2008
<b>Partners</b>					
Juliet Cain	1981 - England and Wales 1983-NY	Credit	5.9	\$930	\$ 5,487.00
Kathleen L. Ferrell	1981-MA 1982-DC 1998-NY	Tax	0.6	\$900	\$ 540.00
Marshall S. Huebner	1994	Insolvency & Restructuring	35.2	\$865	\$30,448.00
Benjamin Kaminetzky	1994-NJ 1995-CA 1996-NY	Litigation	52.4	\$840	\$44,016.00
Sharon Katz	1982	Litigation	2.9	\$900	\$ 2,610.00
Daniel G. Kelly, Jr.	1986-CA	Corporate	4.5	\$960	\$ 4,320.00
<b>Counsel</b>					
Timothy Graulich	1994-NJ 1995-NY	Insolvency & Restructuring	6.9	\$830	\$ 5,727.00
<b>Total Partners and Counsel 2008</b>			<b>108.4</b>		<b>\$93,148.00</b>

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<sup>2</sup> Unless otherwise stated, the year of admission is the year each attorney was admitted to practice law in the State of New York.

**I.B. Partners and Counsel (2009 Data)**

NAME OF PARTNER/ COUNSEL	YEAR ADMITTED <sup>3</sup>	DEPARTMENT	TOTAL HOURS BILLED 2009	HOURLY RATE 2009	TOTAL FEES 2009
<b>Partners</b>					
Juliet Cain	1981- England and Wales 1983-NY	Credit	1.6	\$985	\$ 1,576.00
Julia K. Cowles	1990-NY 2006-CA	Corporate	17.0	\$955	\$ 16,235.00
Kathleen L. Ferrell	1981-MA 1982-DC 1998-NY	Tax	8.6	\$985	\$ 8,471.00
Marshall S. Huebner	1994	Insolvency & Restructuring	73.8	\$915	\$ 67,527.00
Benjamin S. Kaminetzky	1994-NJ 1995-CA 1996-NY	Litigation	45.6	\$915	\$ 41,724.00
Daniel G. Kelly, Jr.	1986-CA	Corporate	2.5	\$985	\$ 2,462.50
Jean M. McLoughlin	1995-NY 2003-CA	Executive Compensation & Employee Benefits	0.1	\$940	\$ 94.00
<b>Counsel</b>					
Timothy Graulich	1994-NJ 1995-NY	Insolvency & Restructuring	39.7	\$875	\$ 34,737.50
Ada D. Karczmer	2000	Executive Compensation & Employee Benefits	1.4	\$830	\$ 1,162.00
<b>Total Partners and Counsel 2009</b>			<b>190.3</b>		<b>\$173,989.00</b>

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<sup>3</sup> Unless otherwise stated, the year of admission is the year each attorney was admitted to practice law in the State of New York.

## II.A Associates (2008 Data)

NAME OF ASSOCIATE	YEAR ADMITTED <sup>4</sup>	DEPARTMENT	TOTAL HOURS BILLED 2008	HOURLY RATE 2008	TOTAL FEES 2008
Russell Capone	2006	Litigation	13.4	\$590	\$ 7,906.00
John Couriel	2004-FL, DC, NY	Litigation	2.7	\$675	\$ 1,822.50
Willow D. Crystal	2004	Litigation	0.4	\$675	\$ 270.00
Florian Feder	2007	Credit	0.2	\$500	\$ 100.00
John B. Gaffney	2002-CT, NY	Litigation	3.3	\$675	\$ 2,227.50
Justin Goodyear	2003-CT 2005-NY	Litigation	16.4	\$675	\$ 11,070.00
Mi-Hyang C. Kang	2009	Insolvency & Restructuring	168.6	\$305	\$ 51,423.00
Ada D. Karczmer	2000	Executive Compensation & Employee Benefits	2.8	\$675	\$ 1,890.00
Darren S. Klein	2008	Insolvency & Restructuring	23.8	\$415	\$ 9,877.00
Jason Kyrwood	2002	Credit	1.9	\$675	\$ 1,282.50
Karen Luftglass	2005	Litigation	6.0	\$640	\$ 3,840.00
Matthew R. Maddox	n/a	Litigation	58.4	\$305	\$ 17,812.00
Hugh McCullough	2005	Insolvency & Restructuring	34.5	\$640	\$ 22,080.00
Elliot Moskowitz	2002	Litigation	142.8	\$675	\$ 96,390.00
Sheldon L. Pollock	2001-CT 2002-NY	Litigation	3.9	\$675	\$ 2,632.50
Matteo J. Rosselli	2006	Litigation	40.5	\$590	\$ 23,895.00
Lara Samet	2008-NJ	Litigation	20.5	\$305	\$ 6,252.50
Damian S. Schaible	2002	Insolvency & Restructuring	63.9	\$675	\$ 43,132.50
Daniel J. Schwartz	2003	Litigation	56.5	\$675	\$ 38,137.50
Daniel Smit	2008	Insolvency & Restructuring	28.1	\$500	\$ 14,050.00
Rachel Steinback	2009	Litigation	49.8	\$305	\$ 15,189.00
Eli J. Vonnegut	2008	Insolvency & Restructuring	0.7	\$415	\$ 290.50
Ari Weinstein	2009	Tax	0.1	\$415	\$ 41.50
Jane H. Yoon	2002-NJ 2003-NY	Litigation	31.1	\$675	\$ 20,992.50
Alexander Young-Anglim	2008	Insolvency & Restructuring	0.3	\$415	\$ 124.50
<b>Total Associates 2008</b>			<b>770.6</b>		<b>\$392,728.50</b>

<sup>4</sup> Unless otherwise stated, the year of admission is the year each attorney was admitted to practice law in the State of New York.

## II.B Associates (2009 Data)

NAME OF ASSOCIATE	YEAR ADMITTED <sup>5</sup>	DEPARTMENT	TOTAL HOURS BILLED 2009	HOURLY RATE 2009	TOTAL FEES 2009
Arvin Abraham	n/a	Insolvency & Restructuring	39.7	\$440	\$ 17,468.00
Carmen E. Atkins	2008-CA	Corporate	67.6	\$440	\$ 29,744.00
Russell Capone	2006	Litigation	11.7	\$680	\$ 7,956.00
Willow D. Crystal	2004	Litigation	0.6	\$725	\$ 435.00
John B. Gaffney	2002-CT, NY	Litigation	0.3	\$675	\$ 202.50
Andrea J. Gildea	2006	Insolvency & Restructuring	45.9	\$680	\$ 31,212.00
Justin Goodyear	2003-CT 2005-NY	Litigation	0.7	\$725	\$ 507.50
Mi-Hyang C. Kang	2009	Insolvency & Restructuring	542.0	\$440	\$ 238,480.00
Darren S. Klein	2008	Insolvency & Restructuring	134.3	\$530	\$ 71,179.00
Jason Kyrwood	2002	Credit	55.7	\$725	\$ 40,382.50
Peter M. Lamb	2005-CA	Corporate	101.4	\$680	\$ 68,952.00
Tenley Laserson	2009	Insolvency & Restructuring	39.0	\$440	\$ 17,160.00
Yue Li	2008	Investment Management	36.6	\$530	\$ 19,398.00
Karen Luftglass	2005	Litigation	78.2	\$725	\$ 56,695.00
Matthew R. Maddox	n/a	Litigation	151.9	\$440	\$ 66,836.00
Hugh McCullough	2005	Insolvency & Restructuring	4.6	\$725	\$ 3,335.00
Elliot Moskowitz	2002	Litigation	129.5	\$725	\$ 93,887.50
Alexandra C. Norton	2000-Hong Kong 2007-NY	Insolvency & Restructuring	205.9	\$625	\$ 128,687.50
John W. Perry	2005	Credit	46.5	\$680	\$ 31,620.00
Adam Rachlis	n/a	Insolvency & Restructuring	34.3	\$440	\$ 15,092.00
Joshua Ruland	2007	Tax	7.1	\$625	\$ 4,437.50
Damian S. Schaible	2002	Insolvency & Restructuring	239.0	\$725	\$ 173,275.00
Daniel J. Schwartz	2003	Litigation	62.0	\$725	\$ 44,950.00
Daniel Smit	2008	Insolvency & Restructuring	42.3	\$625	\$ 26,437.50
Rachel Steinback	2009	Litigation	26.1	\$440	\$ 11,484.00
Eli J. Vonnegut	2008	Insolvency & Restructuring	0.2	\$530	\$ 106.00
Jane H. Yoon	2002-NJ 2003-NY	Litigation	1.0	\$725	\$ 725.00

<sup>5</sup> Unless otherwise stated, the year of admission is the year each attorney was admitted to practice law in the State of New York.

NAME OF ASSOCIATE	YEAR ADMITTED <sup>5</sup>	DEPARTMENT	TOTAL HOURS BILLED 2009	HOURLY RATE 2009	TOTAL FEES 2009
Alexander Young- Anglim	2008	Insolvency & Restructuring	0.8	\$530	\$ 424.00
<b>Total Associates 2009</b>			<b>2104.9</b>		<b>\$1,201,068.50</b>

	ATTORNEY BLENDED HOURLY RATE	TOTAL ATTORNEY HOURS BILLED	TOTAL ATTORNEY FEES <sup>6</sup>
<b>Partners and Counsel</b>	\$894.33	298.7	\$ 267,137.00
<b>Associates</b>	\$554.27	2875.5	\$1,593,797.00
<b>Total</b>	\$586.27	3174.2	\$1,860,934.00

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<sup>6</sup> This chart reflects voluntary reductions of fees and expenses of \$59,993.65, which reductions were included in Davis Polk & Wardwell's monthly fee statements, which voluntary reductions are in addition to reductions of \$10,879.66 on account of Southern District of New York and U.S. Trustee guidelines.



### III.A Paraprofessionals (2008 Data)

NAME OF PARAPROFESSIONAL	DEPARTMENT	TOTAL HOURS BILLED 2008	HOURLY RATE 2008	TOTAL FEES 2008
Melanie Chan	Litigation	9.3	\$180	\$ 1,674.00
Edgar Bernard Halford	Research Services/Library	4.5	\$280	\$ 1,260.00
Marguerite M. Melvin	Insolvency & Restructuring	39.9	\$355	\$14,164.50
Marlon Oliva	Research Services/Library	3.5	\$280	\$ 980.00
Hima Raviprakash	Insolvency & Restructuring	12.1	\$220	\$ 2,662.00
Denny Won	Litigation	6.4	\$180	\$ 1,152.00
Kathy C. Wong	Litigation	1.0	\$180	\$ 180.00
<b>Total Paraprofessionals 2008</b>		<b>76.7</b>		<b>\$22,072.50</b>

**III.B Paraprofessionals (2009 Data)**

NAME OF PARAPROFESSIONAL	DEPARTMENT	TOTAL HOURS BILLED 2009	HOURLY RATE 2009	TOTAL FEES 2009
Edward M. Carafella	Investment Management	4.4	\$380	\$ 1,672.00
Melanie Chan	Litigation	19.5	\$235	\$ 4,582.50
Manuel F. Gomez	Corporate	13	\$235	\$ 3,055.00
Edgar Bernard Halford	Research Services/Library	1.0	\$280	\$ 280.00
Sonya Jackman	Corporate	2.0	\$380	\$ 760.00
Robert Jones	Managing Attorney's Office	1.0	\$315	\$ 315.00
Kimberley A. Junas	Document Clerk	0.1	\$100	\$ 10.00
Theresa C. Kim	Research Services/Library	0.8	\$300	\$ 240.00
Marguerite M. Melvin	Insolvency & Restructuring	75.2	\$380	\$28,576.00
Michael Nguyen	Corporate	1.2	\$290	\$ 348.00
Marlon Oliva	Research Services/Library	9.0	\$300	\$ 2,700.00
Lisa M. Ranno	Document Clerk	2.0	\$100	\$ 200.00
Hima Raviprakash	Insolvency & Restructuring	36.5	\$290	\$10,585.00
Michael Rhodes	Corporate	0.5	\$235	\$ 117.50
Jessica L. Talbot	Corporate	0.4	\$235	\$ 94.00
Kathy C. Wong	Litigation	0.6	\$235	\$ 141.00
<b>Total Paraprofessionals 2009</b>		<b>167.2</b>		<b>\$53,676.00</b>

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*Counsel to the Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re:</b>	:
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	:
	: <b>Chapter 11 Case No.</b>
<b>FRONTIER AIRLINES</b>	:
<b>HOLDINGS, INC., et al.,</b>	: <b>08-11298 (RDD)</b>
	:
	: <b>(Jointly Administered)</b>
<b>Debtors.</b> <sup>1</sup>	:
	:
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**THIRD INTERIM APPLICATION OF DAVIS POLK & WARDWELL FOR  
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

TO THE HONORABLE ROBERT D. DRAIN,  
UNITED STATES BANKRUPTCY JUDGE:

Davis Polk & Wardwell (“**Davis Polk**”), counsel to Frontier Airlines Holdings, Inc. and its two subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”), for its third interim application (the

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<sup>1</sup> The Debtors are the following entities: Frontier Airlines Holdings, Inc.; Frontier Airlines, Inc.; and Lynx Aviation, Inc.

“**Application**”) pursuant to sections 330(a) and 331 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) for allowance of compensation for professional services performed by Davis Polk during the period commencing December 1, 2008 through and including March 31, 2009 (the “**Compensation Period**”), and for reimbursement of its actual and necessary expenses incurred during the Compensation Period, respectfully represents:

### **PRELIMINARY STATEMENT**

1. The Debtors’ chapter 11 cases are large and complex. The Debtors’ petitions listed more than \$500 million in assets and more than \$500 million in liabilities. They also had, as of the Petition Date, more than 70 aircraft subject to lease or separate financing. The Debtors sent their Notice of Commencement to nearly 34,000 entities, and they are party to thousands of contracts. As lead bankruptcy counsel, it has been necessary for Davis Polk to expend considerable amounts of time, energy and resources in order to help the Debtors continue operating their businesses, address the various complex issues that have arisen in these chapter 11 cases and undertake the process of reorganization. Throughout the Compensation Period, Davis Polk’s professionals and paraprofessionals have engaged in all of the types of tasks commonly required by a chapter 11 case of this size, including filing and responding to numerous pleadings, preparing for and attending court proceedings, conducting research, advising the Debtors’ employees on the chapter 11 process and coordinating with the Debtors’ employees, other professionals and other parties in interest through meetings and conference calls. As of March 31, 2009, there were 814 entries on the Debtors’ docket,

many of which required attention by Davis Polk attorneys. In addition, Davis Polk successfully addressed scores of additional inquiries and issues, many of which might have otherwise become contested matters.

2. During the Compensation Period, Davis Polk attorneys assisted the Debtors with a variety of tasks common in large and complex chapter 11 cases, including educating management and key employees on the chapter 11 process and its effect on day-to-day business operations, assisting the Debtors with their analysis of executory contracts, unexpired leases, and claims, and coordinating with the Debtors' vendors, agreement counterparties, governmental entities and taxing authorities. During the Compensation Period, Davis Polk worked with the Debtors to analyze a number of potential and existing executory contract relationships, and to structure, negotiate and seek court approval of a number of new or amended contracts important to the Debtors' operations. Davis Polk also spent a great deal of time working with the Debtors to analyze proofs of claim filed in their Cases, negotiate with certain claimants toward consensual resolution of those claims and construct, file and seek court approval of omnibus claims objections covering nearly 300 disputed proofs of claim.

3. During the Compensation Period, Davis Polk was instrumental in structuring, negotiating, drafting and closing an amended and restated debtor-in-possession credit facility (the “**Amended DIP Facility**”) for the Debtors with Republic Airways (together with its affiliates, “**Republic**”) as lender. Davis Polk coordinated with and worked to gain the approval of the Amended DIP Facility by the statutory committee of unsecured creditors appointed in the cases (the “**Creditors' Committee**”), and Davis Polk worked to gain the approval of this Court for the facility. As a prerequisite to

agreeing to provide the Amended DIP Facility, Republic required that certain disputed proofs of claim that it had filed be resolved, and Davis Polk was heavily involved in analyzing, and advising the Debtors with respect to, those claims and then helping to reach a consensual resolution of them with Republic and the Creditors' Committee.

4. During the Compensation Period, Davis Polk was also involved in negotiation and drafting with respect to, and obtaining court approval for, the lease of an aircraft to C.I.T. Leasing Corporation and the sale of another aircraft to Q Aviation, LLC.

5. In addition, Davis Polk has spent significant amounts of time assisting the Debtors with numerous employee-related issues. For example, during the Compensation Period, Davis Polk defended against, and obtained an order denying, the International Brotherhood of Teamsters' ("**IBT**") motion to stay the Bankruptcy Court's order granting Frontier relief under section 1113 of the Bankruptcy Code. Davis Polk is currently defending against the IBT's appeal of the order to the U.S. District Court for the Southern District of New York. In addition, Davis Polk filed a complaint seeking a declaratory judgment that would enforce the Bankruptcy Court's Order Approving the Restructuring Agreement with the Frontier Airline Pilots Association ("**FAPA**"). These proceedings required extensive preparation, drafting, research and analysis, in addition to numerous court appearances and conference calls.

6. Through all of this, Davis Polk has tried to be as efficient as possible to minimize cost to the Debtors' estates.

7. A core group of approximately 5 Davis Polk attorneys accounted for approximately 50% of the attorney time expended during the Compensation Period. Moreover, only 3 partners/counsel accounted for approximately 75% of the

partner/counsel hours worked. In addition to the efficient core teams, due to the large number of varied issues in these cases, attorneys from different practice areas were assigned to work on discrete issues within their areas of expertise. Many of these attorneys, of course, billed only a very limited number of hours.

8. As described in further detail herein, Davis Polk's efforts to advise and represent the Debtors during the Compensation Period have provided substantial benefit to the Debtors' chapter 11 estates. Among other things, Davis Polk has (1) assisted the Debtors in resolving scores of matters consensually in order to minimize expense to the estates, (2) successfully represented the Debtors in litigation relating to significant labor costs, (3) obtained Court authorization for the rejection of numerous and substantial contracts and has successfully objected to or settled numerous and substantial claims, (4) assisted the Debtors in the process of rationalizing their operating contracts and their fleet and (5) assisted the Debtors complete the negotiation of a critically-needed extension amendment to their debtor-in-possession credit facility. Moreover, Davis Polk and the Debtors have maintained a harmonious relationship with the Creditors' Committee and reached agreement with the Creditors' Committee on virtually every matter raised or litigated during the Compensation Period. Given the complexity and scale of these cases, Davis Polk's fees for professional services and expenses are reasonable under the applicable standards. For all of these reasons, Davis Polk requests that the Court grant this application and allow the compensation for professional services and the reimbursement of expenses described herein.

## **BACKGROUND**

9. On April 10, 2008 (the “**Petition Date**”), each Debtor commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

10. Pursuant to an order of this Court dated May 2, 2008, the Debtors were authorized to retain Davis Polk as their attorneys to render legal services in the prosecution of their chapter 11 cases *nunc pro tunc* to the Petition Date.

11. On April 24, 2008, the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) appointed the Creditors’ Committee pursuant to section 1102(a) of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtors’ chapter 11 cases.

12. The Debtors have filed monthly operating reports each month since the Petition Date. The Debtors have advised Davis Polk that, to date, they have paid all quarterly fees on account of invoices received from the U.S. Trustee.

13. To date, no disclosure statement or chapter 11 plan of reorganization has been filed in these cases.

14. On January 21, 2009, the Court entered an Order extending the Debtors’ exclusive periods within which to file a plan of reorganization and solicit acceptance thereon to June 4, 2009 and August 4, 2009, respectively.

## **SUMMARY OF REQUESTED PROFESSIONAL COMPENSATION AND REIMBURSEMENT OF EXPENSES**

15. This Application has been prepared in accordance with (a) the Amended Guidelines for Fees and Disbursements for Professionals in Southern District



of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the “**Local Guidelines**”), (b) the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 adopted on January 30, 1996 (the “**UST Guidelines**”) and (c) the Order to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals entered by the Court on May 2, 2008 (the “**Interim Compensation Order**” and, collectively with the Local Guidelines and the UST Guidelines, the “**Guidelines**”).

16. By this Application, Davis Polk seeks allowance in full of interim compensation for professional services rendered to the Debtors during the Compensation Period, in the aggregate amount of \$1,926,312.75, and for reimbursement of actual, necessary expenses incurred in connection with such services in the aggregate amount of \$44,221.86. During the Compensation Period, Davis Polk attorneys and paraprofessionals expended a total of 3,418.1 hours for which compensation is sought.

17. In accordance with the Interim Compensation Order, Davis Polk will have (assuming payment of the March 2009 bill prior to the hearing on this Application) received payments to date totaling \$1,585,272.06 (\$1,541,050.20 of which is for services rendered and \$44,221.86 of which is for reimbursement of expenses) for the Compensation Period. By this Application, Davis Polk seeks payment of \$385,262.55, which amount represents the Court-ordered 20% holdback of Davis Polk’s requested fees for the Compensation Period.

18. During the Compensation Period, other than pursuant to the Interim Compensation Order, Davis Polk has received no payment and no promises of payment from any source for services rendered or to be rendered in any capacity

whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between Davis Polk and any other person, other than partners of the firm, for the sharing of compensation to be received for services rendered in these cases.

19. The fees charged by Davis Polk in these cases are billed in accordance with its agreed-upon billing rates and procedures in effect during the Compensation Period. The rates charged by Davis Polk for the services rendered in these chapter 11 cases do not (and will not) exceed the rates Davis Polk customarily charges for services rendered in comparable matters. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable assignments in a competitive national legal market.

20. Prior to the filing of this Application, Davis Polk sent the Debtors, the U.S. Trustee and the Creditors' Committee monthly fee statements setting forth Davis Polk's fees for professional services rendered and expenses incurred beginning December 1, 2008 through March 31, 2009. In connection with preparing each of the four monthly statements and this Application, Davis Polk has voluntarily adjusted its fees and expenses in favor of the estates. Specifically, Davis Polk, since December 1, 2008, has voluntarily reduced its fees and expenses by \$59,993.65.

21. Pursuant to the UST Guidelines, annexed to the U.S. Trustee summary section preceding this Application is a schedule setting forth all Davis Polk professionals and paraprofessionals who have performed services in these chapter 11 cases during the Compensation Period, the capacities in which each such individual is employed by Davis Polk, the department in which each individual practices, the hourly

billing rate charged by Davis Polk for services performed by such individual, the year in which each professional was first licensed to practice law and the year in which each professional was licensed to practice in New York, if different and applicable, and the aggregate number of hours expended in this matter and fees billed therefor.

22. Pursuant to the Local Guidelines, a certification regarding compliance with the same is annexed hereto as Exhibit A.

23. Annexed hereto as Exhibit B is a schedule specifying the categories of actual, necessary expenses for which Davis Polk is seeking reimbursement and the total amount for each such expense category.

24. Pursuant to the UST Guidelines, annexed hereto as Exhibit C is a summary of the number of hours and amounts billed by Davis Polk during the Compensation Period, organized by project categories.

25. Davis Polk maintains computerized records of the time spent by all Davis Polk attorneys and paraprofessionals in connection with the Debtors' chapter 11 cases.<sup>2</sup>

26. To the extent that time or disbursement charges for services rendered or expenses incurred relate to the Compensation Period, but were not processed prior to the last monthly fee statement during the Compensation Period, Davis Polk reserves the right to request compensation for such services and reimbursement of such expenses in a future application.

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<sup>2</sup> Detailed time and expense records are not being publicly filed but are being provided to the Debtors, the Court, the U.S. Trustee and the Creditors' Committee. Parties in interest required to be served with monthly fee statements pursuant to the Interim Compensation Order have previously received such records. Copies of these records will be made available to other parties in interest upon reasonable request.

## **SUMMARY OF SERVICES**

27. During the Compensation Period, Davis Polk was required to render substantial professional services to assist the Debtors in dealing with various issues typically faced by debtors during a large chapter 11 case and to work toward the implementation of the Debtors' business plan. Recitation of each and every item of professional services performed by Davis Polk during the Compensation Period would be extremely burdensome. Hence, the following summary highlights the major areas to which Davis Polk devoted time and attention during the Compensation Period. This summary is organized in accordance with Davis Polk's internal system of project categories. Exhibit C provides a detailed breakdown of the time devoted and fees allocable to each project category.

### **(a) Aircraft / Engines (Project Category 1)**

The total number of hours billed for this project was 368.1. The total fees related to this project were \$205,136.50.

The Debtors are party to numerous aircraft leases and mortgages, many of which contain complicated financing and cross-collateralization arrangements. Addressing the concerns and issues raised by aircraft lessors, mortgagees, other parties-in-interest and assisting the Debtors with the rationalization of their fleet required a substantial amount of work by Davis Polk attorneys and paraprofessionals. In relation to these issues, during the Compensation, Davis Polk worked on matters including:

- Research, analysis and drafting related to the financing of aircraft, engines and spare parts and advising the Debtors regarding the same.
- Research, analysis, negotiation and drafting related to the term sheet, purchase agreement and motion for authorization to sell an aircraft to Q Aviation, LLC free and clear of all liens, claims and encumbrances and the release of all of the Debtors' outstanding obligations under the loan documentation and coordination with the Creditors' Committee regarding the same.
- Research, analysis, negotiation and drafting related to the term sheet, lease agreement and motion for authorization to enter into an aircraft lease agreement

with C.I.T. Leasing Corporation and coordination with the Creditors' Committee regarding the same.

(b) Asset Dispositions (Project Category 2)

No hours were billed to this project category. All of Davis Polk's work with respect to asset dispositions related to aircraft, engines and spare parts and was billed to the Aircraft/Engines project category.

(c) Automatic Stay / Litigation (Project Category 3)

The total number of hours billed for this project was 11.0. The total fees related to this project were \$7,419.50.

During the Compensation Period, Davis Polk provided services in connection with enforcing the automatic stay against creditors seeking to contravene the mandates of the Bankruptcy Code. Under this project category, Davis Polk worked on matters including:

- Negotiating settlements with certain providers of goods and services in relation to threatened motions to lift the automatic stay.
- Research, negotiation and drafting related to various stipulations permitting certain creditors to setoff amounts owed to the Debtors against pre-petition claims.
- Discussions with the Debtors regarding potential violations of the automatic stay, critical vendor issues and related issues.
- Negotiations with various vendors of the Debtors regarding certain of their pre-petition and post-petition obligations.

(d) Claims (Project Category 4)

The total number of hours billed for this project was 343.5. The total fees related to this project were \$169,384.50.

Davis Polk attorneys assisted the Debtors with various claims-related issues including:

- Analysis, coordination, negotiation and advice to the Debtors with respect to issues related to pre-petition filed claims and associated drafting and documentation of various settlement agreements and stipulations.
- Extensive discussions and communications with the Debtors, Jefferson Wells, Epiq Systems and Seabury in regards to the claims process and research and analysis regarding claims classification.

- Research, analysis, drafting and extensive coordination related to Debtors' first, second, and third omnibus objections to the allowance of certain claims.
- Research for and coordination with the Debtors regarding negotiations with vendors pursuing reclamation or 503(b)(9) claims.
- Research, analysis, coordination and negotiation with respect to the Court's granting of a stipulation and consent order between the Debtors and a real property landlord.
- Responding to and research regarding numerous telephone calls and letters from creditors and other parties in interest regarding the filing of claims against the Debtors, the status of claims and the rights of creditors under the Bankruptcy Code.

(e) Corporate Governance / Communications / Disclosure

(Project Category 5)

The total number of hours billed for this project was 15.9. The total fees related to this project were \$12,860.50.

As part of its representation of the Debtors, Davis Polk analyzed many of the Debtors' corporate governance and disclosure issues. Davis Polk also, when necessary and requested, served as a liaison between the Debtors and members of the press. To that end, Davis Polk worked on matters including:

- Advising the Frontier Holdings board of directors regarding fiduciary duty issues, business and reorganization issues, the bankruptcy process and its options regarding all of the above.
- Assisting the Debtors with all of their public disclosure filings with the Securities and Exchange Commission and other questions of disclosure obligations under the securities laws.
- Response to various press inquiries regarding the Debtors' bankruptcy cases.
- Work with and advice to the Debtors with respect to press inquiries, press releases and other corporate communications issues.

(f) Employee Issues (Project Category 6)

The total number of hours billed for this project was 1029.0. The total fees related to this project were \$632,694.50.

The Employee Issues project category represents services relating to the Debtors' active employees. Entrance into chapter 11 mandates analysis of an entirely new set of issues applicable to employees. During the Compensation Period, Davis Polk attorneys devoted substantial resources to issues related to the Debtors' workforce, and worked on matters including:

- Defending against, and obtaining an order denying, the IBT's motion to stay the Bankruptcy Court's order granting Frontier section 1113 relief, which involved extensive research, drafting and communications in support thereof and appearance at court hearings related thereto.
- Defending against the IBT's appeal of the Bankruptcy Court's section 1113 order and conducting research, drafting and communications related thereto.
- Research, analysis, coordination and drafting related to the Debtors' filing of a complaint seeking a declaratory judgment that would enforce the Bankruptcy Court's Order Approving the Restructuring Agreement with FAPA and conducting research, drafting, and communications related thereto and assisting the Debtors to address and negotiate numerous employee-related matters.
- Selective docket review and analysis regarding employee issues in other airline bankruptcies and major bankruptcy cases in the Southern District of New York.
- Reviewing discrete employee and collective bargaining issues, conducting related legal research, advising the Debtors regarding the same.
- Communication with the Debtors regarding general employee issues of various types and research and analysis regarding the same.

(g) Executory Contracts (Project Category 7)

The total number of hours billed for this project was 542.6. The total fees related to this project were \$292,423.00.

During the Compensation Period, Davis Polk provided substantial services with respect to the Debtors' executory contracts. The Debtors are party to many executory contracts, and thus Davis Polk spent significant time evaluating and providing advice regarding these contracts. In particular, the Debtors are party to numerous airport leases and airport use agreements, and addressing the concerns and issues raised by airport lessors has required a substantial amount of work by Davis Polk attorneys and paraprofessionals. Under this project category, Davis Polk worked on matters including:

- Analysis and research related to numerous executory contracts and advising the Debtors regarding assumption, rejection or extending time to assume or reject the

same and drafting and coordinating numerous agreements and court papers related thereto.

- Analysis, communications, negotiation and drafting related to numerous potential new and restructured operational contracts and coordination with the Creditors' Committee and submissions to the Bankruptcy Court regarding the same.
- Drafting related to obtaining court authorization for the rejection of numerous executory contracts that are not essential to the Debtors' estates, including contracts between Frontier and Coca-Cola, Kroenke Arena Company, Qwest, Sprint and Lion Uniform.
- Analysis, research and negotiation regarding one of the Debtors' credit card processing agreements.
- Analyzing numerous post-petition obligations and financing arrangements related to airport leases and developing strategies regarding the same.
- Research, analysis, negotiation and drafting related to the Debtors' second and third omnibus motions for authorization to assume, reject or extend the time within which to assume or reject unexpired leases of nonresidential real property and obtaining bankruptcy court authorization regarding the same.
- Research, negotiations and drafting to address unresolved issues relating to unexpired leases of nonresidential real property as to which objections or motions for reconsideration were filed, including in connection with the settlement agreement with Zurich American Insurance Company.

(h) Financing (Project Category 8)

The total number of hours billed for this project was 326.3. The total fees related to this project were \$220,340.50.

During the Compensation Period, Davis Polk attorneys devoted resources to ensuring that the Debtors' liquidity needs were satisfied so that the Debtors' business operations could continue running smoothly and customer expectations could continue to be met. To that end, Davis Polk worked on matters, including:

- Extensive discussions with, and assistance to, the Debtors with respect to the structuring, negotiation and documentation of the Amended DIP Facility and the settlement of certain unsecured claims in connection therewith.
- Coordination with advisors to the Creditors' Committee and Republic, as well as with the Debtors' other advisors, regarding the terms, structure and documentation of the Amended DIP Facility and the related agreements.



- Preparation of a motion seeking Bankruptcy Court approval of the Amended DIP Facility and the related transactions.
- Preparation for and participation in a hearing before the Bankruptcy Court on the Amended DIP facility and obtaining court approval of the same.
- Extensive work to close the Debtors' DIP financing facility, including undertaking numerous filings and other collateral-related tasks required in connection therewith.
- Advice to the Debtors on issues pertaining to financing, cash management, investment policy and cash collateral generally.
- Analysis, coordination, drafting and negotiation related to other proposed liquidity initiatives.

(i) General Case Administration (Project Category 9)

The total number of hours billed for this project was 225.6. The total fees related to this project were \$116,880.00.

General Case Administration encompasses a multitude of general and miscellaneous tasks required in the Debtors' cases, including:

- Participation in numerous meetings and telephone conferences with the Debtors' management and employees regarding topics such as the chapter 11 cases generally, interpretation of court orders, determination of the status of claims, operational issues and general business issues.
- Preparation for and attendance at meetings with the Creditors' Committee and/or its retained professionals.
- Coordination with the Creditors' Committee and its retained professionals regarding various pleadings and administration of the Debtors' estate generally and responding to comments and concerns of the Creditor's Committee and its professionals.
- Coordination and communication with Judge Drain's chambers, the Debtors and other parties regarding various procedural, scheduling and substantive issues.
- Regular communication with various groups at the Debtors regarding the status of these cases and receiving direction regarding the same.
- Preparing and filing agenda letters for each hearing before the Court.
- Preparation for and attendance at court hearings in these chapter 11 cases.

- Participation in internal team meetings and discussions related to case management and substantive issues in these chapter 11 cases.
- Selectively monitoring and reviewing legal developments, industry news and news coverage of the Debtors' bankruptcy cases.
- Electronic filing and the service of court papers.
- Maintenance of document archives and preparation and dissemination of substantive project lists, formal and informal case updates, case calendars and various emails summarizing and discussing documents filed with the Court.

(j) Plan / Disclosure Statement (Project Category 10)

The total number of hours billed for this project was 192.6. The total fees related to this project were \$118,177.50.

The Debtors have not yet filed a disclosure statement or a plan of reorganization. However, Davis Polk has provided a number of services relating to the ultimate restructuring of the Debtors, including:

- Research, analysis and drafting related to the Debtors' second motion to extend the Debtors' exclusive periods within which to file a plan of reorganization and solicit acceptances thereon.
- Review of documents concerning the Debtors' business and chapter 11 cases in connection with initial discussions with the Debtors and other parties related to the plan of reorganization process.
- Research, analysis and drafting related to a preliminary draft of a plan of reorganization and disclosure statement.

(k) Regulatory / Tax (Project Category 11)

The total number of hours billed for this project was 12.8. The total fees related to this project were \$9,033.00. Davis Polk worked on matters including:

- Research, analysis and/or discussions regarding discrete federal and state tax issues and advising the Debtors regarding the same.

(l) Retention / Fee Issues (Project Category 12)

The total number of hours billed for this project was 312.8. The total fees related to this project were \$131,593.50.

Davis Polk assisted the Debtors with issues surrounding the Debtors' retention of professionals retained specifically for these cases and other professionals retained in the ordinary course of the Debtors' businesses. Davis Polk also worked to ensure compliance of such professionals with applicable guidelines, court rules and orders. In these regard, Davis Polk performed services including:

- Assisting with the Debtors' retention of professionals in the ordinary course of business.
- Response to inquiries from the Debtors regarding the terms of other professionals' retentions, fee applications and related issues.
- Response to inquiries from other retained professionals regarding their retention, including inquiries regarding fee applications.
- Coordination with other retained professionals regarding submission of interim fee applications.
- Communication with the Debtors, their retained professionals and the Creditors' Committee to establish the schedule for the third interim fee application process.
- Review and revision of time entries and disbursement/expense reports to ensure compliance with applicable guidelines and rules and to preserve the confidentiality of certain aspects of the work performed for the Debtors.
- Preparation and service of monthly fee statements on all appropriate parties pursuant to the terms of the Interim Compensation Order.
- Analysis and drafting related to the second interim fee application for the period commencing August 1, 2008 through and including November 30, 2008.

(m) Travel (Project Category 13)

The total number of hours billed for this project was 37.9. The total fees related to this project were \$10,369.75.<sup>3</sup>

The Travel project category isolates Davis Polk's non-working travel time. It includes traveling to and from various destinations as part of its representation of the Debtors, including, but not limited to, this Court and the Debtors' headquarters in Denver, Colorado.

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<sup>3</sup> This figure reflects a 50% reduction for non-working travel time per SDNY guidelines.

28. The foregoing professional services performed by Davis Polk were necessary and appropriate to the administration of the Debtors' chapter 11 cases. These services were in the best interests of the Debtors and other parties in interest.

Compensation for the foregoing services as requested is commensurate with the complexity, importance and nature of the problems, issues and tasks involved. The services were performed in an efficient manner.

29. The professional services performed by Davis Polk on behalf of the Debtors during the Compensation Period required an aggregate expenditure of 3418.1 recorded hours by Davis Polk's partners, counsel, associates and paraprofessionals. Of the aggregate time expended, 298.7 recorded hours were expended by partners and counsel, 2875.5 recorded hours were expended by associates and 243.9 recorded hours were expended by paraprofessionals.

30. During the Compensation Period, Davis Polk billed the Debtors for time expended by attorneys based on hourly rates ranging from \$305 to \$985 per hour. Allowance of compensation in the amount requested would result in a blended hourly attorney billing rate of approximately \$586.27 (based on 3174.2 recorded hours for attorneys).<sup>4</sup>

#### **ACTUAL AND NECESSARY EXPENSES**

31. As set forth in Exhibit B hereto, Davis Polk has incurred or disbursed \$44,221.86<sup>5</sup> in expenses in providing professional services to the Debtors

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<sup>4</sup> This figure reflects voluntary reductions of fees and expenses totaling \$59,993.65.

<sup>5</sup> This amount does not include certain additional amounts that Davis Polk voluntarily wrote off during the Compensation Period.

during the Compensation Period. These expense amounts are intended to cover Davis Polk's direct operating costs, which costs are not incorporated into Davis Polk's hourly billing rates. Only clients who actually use services of the types set forth in Exhibit B are separately charged for such services. The effect of including such expenses as part of the hourly billing rates would unfairly impose additional costs upon clients who do not require extensive photocopying, delivery or other services.

32. With respect to standard photocopying expenses, Davis Polk generally charges its clients \$0.15 per page. The amount of this standard photocopying charge is intended to allow Davis Polk to cover the related expenses of photocopying. However, pursuant to requests by the U.S. Trustee, Davis Polk has adjusted its photocopying charges to the Debtors to \$0.10 per page in its monthly fee statements during the Compensation Period.

33. On several occasions, overnight delivery of documents and other materials was required as a result of circumstances necessitating the use of such express services. These expenses are not included in Davis Polk's overhead for the purpose of setting billing rates. Per the Guidelines, Davis Polk is not seeking reimbursement of the expenses it has incurred delivering documents to Davis Polk attorneys at their homes by radio car or taxi. Davis Polk has made every effort to minimize its expenses in these cases. The actual expenses incurred in providing professional services to the Debtors were absolutely necessary, reasonable and justified under the circumstances to serve the needs of the Debtors, their estates and their creditors.

**THE REQUESTED COMPENSATION AND EXPENSE REIMBURSEMENT  
SHOULD BE ALLOWED**

34. Section 331 of the Bankruptcy Code provides for compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. 11 U.S.C. § 331. Section 330 provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses." Id. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court should consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and
- (E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

Id. § 330(a)(3).

35. In the instant case, Davis Polk respectfully submits that the services for which it seeks compensation and the expenditures for which it seeks reimbursement in this Application were necessary for and beneficial to the orderly administration of the Debtors' estates and their rehabilitation and reorganization effort.

Davis Polk worked assiduously to anticipate and to respond to the Debtors' needs and assist in the Debtors' chapter 11 process. Such services and expenditures were necessary to and in the best interests of the Debtors' estates and creditors. Davis Polk further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors, their estates and all parties in interest.

36. Whenever possible, Davis Polk sought to minimize the costs of its services to the Debtors by utilizing talented junior attorneys and paraprofessionals to handle more routine aspects of case administration. A small group of Davis Polk attorneys was utilized for the vast majority of the work in these cases to minimize the costs of intra-Davis Polk communication and education about the Debtors' circumstances. For example, a core group of approximately 5 Davis Polk attorneys accounted for approximately 50% of the attorney hours worked, and a core group of 3 partners/counsel accounted for approximately 75% of the partner/counsel hours worked during the Compensation Period.

37. In sum, approval of the compensation for professional services and reimbursement of expenses sought herein is warranted.

## CONCLUSION

WHEREFORE Davis Polk respectfully requests (i) allowance of compensation for professional services rendered during the Compensation Period in the amount of \$1,926,312.75 and reimbursement of actual and necessary expenses Davis Polk incurred during the Compensation Period in the amount of \$44,221.86; (ii) authorization for the Debtors to pay to Davis Polk that portion of the compensation amount not yet paid; (iii) that the allowance of such compensation for professional services rendered and reimbursement of actual and necessary expenses incurred be without prejudice to Davis Polk's right to seek additional compensation for services performed and expenses incurred during the Compensation Period that were not processed prior to the last monthly fee statement during the Compensation Period and (iv) such other and further relief as is just.

New York, New York  
Dated: May 1, 2009

By: /s/ Marshall S. Huebner  
DAVIS POLK & WARDWELL  
450 Lexington Avenue  
New York, New York 10017  
Telephone: (212) 450-4000  
Facsimile: (212) 450-6501

Marshall S. Huebner  
Timothy E. Graulich  
Damian S. Schaible

*Counsel to the Debtors  
and Debtors in Possession*



## INDEX OF EXHIBITS

Exhibit A	Marshall S. Huebner's Certification
Exhibit B	Schedule of Expenses
Exhibit C	Summary of Hours and Amounts Billed by Project Category

**EXHIBIT A**

DAVIS POLK & WARDWELL  
450 Lexington Avenue  
New York, New York 10017  
Telephone: (212) 450-4000  
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Marshall S. Huebner  
Timothy E. Graulich  
Damian S. Schaible

*Counsel to the Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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	:
<b>In re:</b>	:
	:
	:
	: <b>Chapter 11 Case No.</b>
<b>FRONTIER AIRLINES</b>	:
<b>HOLDINGS, INC., et al.,</b>	: <b>08-11298 (RDD)</b>
	:
	: <b>(Jointly Administered)</b>
<b>Debtors.</b>	:
	:
-----	X

**CERTIFICATION UNDER UNITED STATES TRUSTEE GUIDELINES IN  
RESPECT OF THIRD INTERIM APPLICATION OF DAVIS POLK &  
WARDWELL FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

I, Marshall S. Huebner, hereby certify that:

- I.** I am a partner with the applicant firm, Davis Polk & Wardwell (“**Davis Polk**”), with responsibility for the chapter 11 cases of Frontier Airlines Holdings, Inc. and its two subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”)<sup>1</sup> with respect to compliance with the Amended

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<sup>1</sup> The Debtors are the following entities: Frontier Airlines Holdings, Inc.; Frontier Airlines, Inc.; and Lynx Aviation, Inc.

Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the “**Local Guidelines**”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “**UST Guidelines**”) and the Order to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals entered by the Court on May 2, 2008 (the “**Interim Compensation Order**,” and collectively with the Local Guidelines and UST Guidelines, the “**Guidelines**”).

**II.** This certification is made with respect to Davis Polk’s application, dated May 1, 2009 (the “**Application**”), for compensation and reimbursement of expenses for the period commencing December 1, 2008 through and including March 31, 2009 (the “**Compensation Period**”) in accordance with the Local Guidelines.

**III.** In respect of section B.1 of the Local Guidelines, I certify that:

- a. I have read the Application;
- b. to the best of my knowledge, information and belief formed after reasonable inquiry, the fees and expense reimbursements sought fall within the Guidelines;
- c. the fees and expense reimbursements sought are billed at rates not exceeding those customarily charged by Davis Polk and generally accepted by Davis Polk’s clients; and

d. in providing a reimbursable service, Davis Polk does not make a profit on that service, whether the service is performed by Davis Polk in-house or through a third party.

- IV.** In respect of section B.2 of the Local Guidelines and as required by the Interim Compensation Order, I certify that Davis Polk has complied with those provisions requiring it to provide the Debtors, counsel for the statutory committee of unsecured creditors appointed in these cases and the United States Trustee for the Southern District of New York, on a monthly basis, a statement of Davis Polk's fees and expenses accrued during the previous month.
- V.** Although the Debtors have not reviewed this Application, they have reviewed Davis Polk's monthly statements of fees and expenses, to which there have been no objections, and approved the amounts requested.

**VI.** In respect of section B.3 of the Local Guidelines, I certify that the Debtors, counsel for the statutory committee of unsecured creditors and the United States Trustee for the Southern District of New York are each being provided with a copy of the Application.

New York, New York  
Dated: May 1, 2009

By: /s/ Marshall S. Huebner  
Marshall S. Huebner

DAVIS POLK & WARDWELL  
450 Lexington Avenue  
New York, New York 10017  
Telephone: (212) 450-4000  
Facsimile: (212) 450-6501

*Counsel to the Debtors  
and Debtors in Possession*

## **EXHIBIT B**

### **ACTUAL AND NECESSARY EXPENSES INCURRED BY DAVIS POLK & WARDWELL ON BEHALF OF THE DEBTORS DURING THE COMPENSATION PERIOD**

CATEGORY OF EXPENSES	AMOUNTS
Word processing and administrative <sup>1</sup>	\$ 6,619.50
Computer research	\$21,939.52
Duplication <sup>2</sup>	\$ 3,438.45
Litigation support	\$ 60.00
Postage, courier and freight	\$ 256.01
Professional and other services	\$ 2,640.49
Court and related fees	\$ 465.55
Securities registration fees	\$ 250.00
Travel	\$ 4,668.93
Miscellaneous	\$ 198.23
Meals	\$ 3,685.18
<b>TOTAL</b>	<b>\$44,221.86<sup>3</sup></b>

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<sup>1</sup> These charges include administrative assistant and word processing time billed directly to these chapter 11 cases. Such charges are regularly billed, when incurred, to clients of Davis Polk & Wardwell and are not included in the firm's overhead for the purpose of setting billing rates.

<sup>2</sup> Standard duplication work is being billed at \$0.10 a page in accordance with an agreement reached with the Office of the United States Trustee with regards to the Frontier Airlines Holdings, Inc. bankruptcy case.

<sup>3</sup> These expense amounts reflect voluntary reductions in expenses reflected in Davis Polk's monthly fee statements, which voluntary reductions are in addition to reductions on account of Southern District of New York and U.S. Trustee guidelines.

**EXHIBIT C**

**SUMMARY OF HOURS AND AMOUNTS BILLED DURING  
THE COMPENSATION PERIOD BY DAVIS POLK & WARDWELL,  
ORGANIZED BY INTERNAL PROJECT CATEGORY**

PROJECT CATEGORY	DESCRIPTION	HOURS	AMOUNT
1.	Aircraft / Engines	368.1	\$205,136.50
2.	Automatic Stay/Litigation	11.0	\$ 7,419.50
3.	Claims	343.5	\$169,384.50
4.	Corporate Governance/Communications/Disclosure	15.9	\$ 12,860.50
5.	Employee Issues	1029.0	\$632,694.50
6.	Executory Contracts	542.6	\$292,423.00
7.	Financing	326.3	\$220,340.50
8.	General Case Administration	225.6	\$116,880.00
9.	Plan/Disclosure Statement	192.6	\$118,177.50
10.	Regulatory and Tax	12.8	\$ 9,033.00
11.	Retention and Fee Issues	312.8	\$131,593.50
12.	Travel	37.9	\$ 10,369.75 <sup>1</sup>
<b>TOTAL HOURS AND COMPENSATION REQUESTED:</b>		<b>3,418.10</b>	<b>\$1,926,312.75</b>

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<sup>1</sup> This figure reflects a 50% discount for non-working travel time per SDNY guidelines.