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Return Date: December 19, 2005
Time: 1:30 p.m. EST

Guy W. Chambers (*Pro Hac Vice*)
TOWNSEND AND TOWNSEND AND CREW LLP
Two Embarcadero Center
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Peter N. Wang (PW 9216)
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90 Park Avenue
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Proposed Counsel For Section 1114 Committee

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

DELTA AIR LINES, INC., et al.

Debtors.

Chapter 11 Case No.

05-17923 (PCB)

(Jointly Administered)

**SUPPLEMENTAL APPLICATION OF THE SECTION 1114 RETIREMENT
COMMITTEE FOR AN ORDER AUTHORIZING NUNC PRO TUNC
EMPLOYMENT AND RETENTION OF FARELLA BRAUN & MARTEL LLP,
TOWNSEND AND TOWNSEND AND CREW LLP, AND FOLEY & LARDNER
LLP AS ATTORNEYS PURSUANT TO 11 U.S.C. § 1114(d) AS OF
OCTOBER 27, 2005**

TO THE HONORABLE PRUDENCE CARTER BEATTY, UNITED STATES
BANKRUPTCY JUDGE:

The Delta Air Lines Section 1114 Committee representing non-pilot retirees (“Committee”), hereby submits this supplemental application for the employment and retention of counsel (the “Supplemental Application”). The original Application for the employment and retention of counsel filed December 5, 2005, together with this Supplemental Application, will be heard on December 19, 2005 before the above-captioned Court.

In this Supplemental Application, and after conferring with Counsel for the Debtor and for the Creditors' Committee who both raised certain issues, the 1114 Committee seeks to: (1) clarify the working relationship between the law firm of Farella Braun & Martel (“Farella”) as lead counsel, and Townsend and Townsend and Crew (“Townsend”) as special litigation counsel; and (2) to correct a typo in paragraph 20 of the 1114 Committee's December 5 Application which incorrectly referred to the *nunc pro tunc* effective date as September 14, 2005 instead of October 27, 2005.

The Committee submits herewith amended proposed orders to replace the proposed orders it submitted with its original Application, adding the statement that counsel are subject to this Court's Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) to Establish Procedures For Interim Monthly Compensation and Reimbursement of Expenses of Professionals entered on October 6, 2005, as adjusted to take into account the timing of the Court's granting of the 1114 Committee's counsel.

In further support of this Application, the Committee states as follows:

Jurisdiction

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. The statutory predicates for the relief sought herein are sections §§ 328(a) and 1114(d) of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (the “Bankruptcy Code”), Rules 2014, 2016, and 5002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and the local rules for the United States District Court for the Southern District of New York and the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”).

Relief Requested

3. The Committee seeks authority from this Court to employ Farella as lead counsel, bankruptcy counsel and benefits counsel, Townsend as special litigation counsel, and Foley as local counsel under 11 U.S.C. § 1114(d) of the Bankruptcy Code (“Section 1114”) to represent the Committee in connection with any proposed modification by Delta of the retirees’ benefits as defined in Section 1114(a). The primary attorneys from the law firms of Farella, Townsend, and Foley anticipated to work on this engagement are set forth in the previously-filed Gloster Declaration, Chambers Declaration and Wang Declaration, respectively.

4. Farella will act as lead counsel to the Committee. Except as provided below, Farella will be responsible for handling negotiations with the Debtors concerning any proposed modification of the Retirees' benefits, advising the Committee with respect to any proposed modification of the benefits provided to the Retirees, representing the Committee at hearings which involve matters pertaining to the benefits provided to the Retirees, and advising the Committee with respect to bankruptcy, corporate, labor, ERISA and related matters concerning any proposed modification of the Retirees' benefits. Townsend will handle (a) all matters relating to executive life insurance benefits, and (b) all tasks where the terms of a contract or estoppel is asserted in response to proposed changes to the benefits provided to any Retirees who accepted any early retirement package. Townsend will also handle specific tasks in connection with any litigation against former directors and/or officers for breaches of fiduciary duty and with

any litigation commenced on behalf of the Delta Family-Care Disability and Survivorship Plan and the related Trust. Farella will not handle any of these specific tasks allocated to Townsend, or other tasks allocated to Townsend, except to incorporate them into final work product.

5. WHEREFORE, the Committee respectfully requests the entry of an amended order in the form of Exhibits A, B and C hereto: (i) authorizing and approving the retention and employment by the Committee of Farella Braun & Martel LLP as lead counsel, bankruptcy counsel, and benefits counsel, Townsend and Townsend and Crew LLP as special litigation counsel, and Foley & Lardner LLP as local counsel for the express purposes set forth herein, effective *nunc pro tunc* to October 27, 2005, with compensation and reimbursement of expenses to be paid as an administrative expense in such amounts as may be allowed by this Court pursuant to §§ 330, 331, 503(b), and 507(a)(1) of the Bankruptcy Code and this Court's October 6, 2005 order establishing procedures for interim compensation and reimbursement of expenses for professionals and Committee members of the Court; (ii) directing that copies of all notices, pleadings and other documents filed in these cases and any and all adversary proceedings be served electronically upon the following:

Farella Braun & Martel LLP
Dean M. Gloster
235 Montgomery Street
Suite 1800
San Francisco, California 94104;

Townsend and Townsend and Crew LLP
Guy Chambers
Two Embarcadero Center
Eighth Floor
San Francisco, California 94111-3834; and

Foley & Lardner LLP
Peter N. Wang
Jeremy L. Wallison

**EXHIBIT A
TO**

**SUPPLEMENTAL APPLICATION OF THE SECTION 1114 RETIREMENT
COMMITTEE FOR AN ORDER AUTHORIZING NUNC PRO TUNC
EMPLOYMENT AND RETENTION OF FARELLA BRAUN & MARTEL LLP,
TOWNSEND AND TOWNSEND AND CREW LLP, AND FOLEY & LARDNER
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Proposed Counsel For Section 1114 Committee

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

DELTA AIR LINES, INC., et al.

Debtors.

Chapter 11 Case No.

05-17923 (PCB)

(Jointly Administered)

**[PROPOSED] AMENDED ORDER AUTHORIZING THE EMPLOYMENT AND
RETENTION NUNC PRO TUNC OF FARELLA BRAUN & MARTEL LLP AS
ATTORNEYS**

This matter came on to be heard on the application (the "Application") and supplemental application (the "Supplemental Application") of the Section 1114 Committee ("the Committee") for an Order Authorizing the Employment and Retention of Farella Braun & Martel LLP, Townsend and Townsend and Crew LLP as attorneys for the committee appointed by this Court to represent the non-pilot retirees of Delta Air Lines, Inc. pursuant to 11 U.S.C. § 1114(d) of the Bankruptcy Code, 11 U.S.C. §§ 101-1330 (the "Bankruptcy Code"), and Foley & Lardner LLP as local counsel.

The Court has reviewed the Application and Supplemental Application, the declarations of Dean M. Gloster, Esq., Guy W. Chambers, Esq., and Peter N. Wang, Esq. filed in connection with the Application. The Court has also heard the statements of counsel in support of the relief requested therein at the hearing thereon.

The Court hereby finds as follows: (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and (c) Farella Braun & Martel LLP does not hold or represent any interest adverse to the Committee representing the non-pilot retirees of Delta Air Lines, Inc. (alternatively "Delta" or the "Debtor") in this case. The Court further finds that notice of the Application and the hearing given was sufficient under the circumstances.

The Court therefore finds that just cause is established for the relief herein granted.

IT IS HEREBY ORDERED THAT:

1. The Application is granted in all respects. The Committee is hereby authorized, pursuant to section 1114(d) of the Bankruptcy Code, to retain, effective *nunc pro tunc* as of October 27, 2005 and upon the terms and for the purposes set forth in the

Application, Farella Braun & Martel LLP as lead counsel for the Committee appointed to represent Delta's non-pilot retirees in the above-captioned chapter 11 case for all purposes.

2. The requirements of Local Bankruptcy Rule 9013-1(b) are waived with respect to the Application.

3. Compensation to Farella Braun & Martel LLP for legal services rendered and reimbursement of expenses incurred in connection with this chapter 11 case shall be pursuant to applications to be submitted to and approved by this Court from time to time during the pendency of this chapter 11 case, or as permitted by Court order or its local rules. Farella Braun & Martel LLP is subject to the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals entered on October 6, 2005, as adjusted to take into account the timing of the Court's granting of the 1114 Committee's counsel's application for appointment.

4. Farella, Braun & Martel LLP may seek to receive compensation for administrative expenses incurred from September 14, 2005 through October 26, 2005 pursuant to Section 503 of the Bankruptcy Code. The Applicant acknowledges that the Debtors and the Creditors Committee reserve their rights to object to any such application.

5. Compensation to Farella Braun & Martel LLP for services and expenses incurred on or after October 27, 2005, the date this Court ordered the creation of a Section 1114 Committee is hereby authorized, pursuant to Sections 1114 and 1103 of the Bankruptcy Code.

6. Copies of all notices, pleadings and other documents filed in this case and any and all adversary proceedings shall be served upon the Committee by serving Dean M. Gloster, Esq., Farella Braun & Martel LLP, 235 Montgomery Street, Suite 1800, San Francisco, CA 94104, phone: 415-954-4400, fax: 415-954-4480.

7. The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

Dated: _____, 2005

ENTERED: HONORABLE PRUDENCE CARTER BEATTY

**EXHIBIT B
TO**

**SUPPLEMENTAL APPLICATION OF THE SECTION 1114 RETIREMENT
COMMITTEE FOR AN ORDER AUTHORIZING NUNC PRO TUNC
EMPLOYMENT AND RETENTION OF FARELLA BRAUN & MARTEL LLP,
TOWNSEND AND TOWNSEND AND CREW LLP, AND FOLEY & LARDNER
LLP AS ATTORNEYS PURSUANT TO 11 U.S.C. § 1114(d) AS OF
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Proposed Counsel For Section 1114 Committee

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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Debtors.

Chapter 11 Case No.

05-17923 (PCB)

(Jointly Administered)

**[PROPOSED] AMENDED ORDER AUTHORIZING THE EMPLOYMENT AND
RETENTION NUNC PRO TUNC OF TOWNSEND & TOWNSEND &
CREW LLP AS ATTORNEYS**

This matter came on to be heard on the application (the "Application") and supplemental application (the "Supplemental Application") of the Section 1114 Committee ("the Committee") for an Order Authorizing the Employment and Retention of Farella Braun + Martel LLP, Townsend and Townsend and Crew LLP as attorneys for the committee appointed by this Court to represent the non-pilot retirees of Delta Air Lines, Inc. pursuant to 11 U.S.C. § 1114(d) of the Bankruptcy Code, 11 U.S.C. §§ 101-1330 (the "Bankruptcy Code"), and Foley & Lardner LLP as local counsel.

The Court has reviewed the Application and Supplemental Application, the declarations of Dean M. Gloster, Esq., Guy W. Chambers, Esq. and Peter N. Wang, Esq. filed in connection with the Application. The Court has also heard the statements of counsel in support of the relief requested therein at the hearing thereon.

The Court hereby finds as follows: (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and (c) Townsend and Townsend and Crew LLP does not hold or represent any interest adverse to the Committee representing the non-pilot retirees of Delta Air Lines, Inc. (alternatively "Delta" or the "Debtor") in this case. The Court further finds that notice of the Application and the hearing given was sufficient under the circumstances.

The Court therefore finds that just cause is established for the relief herein granted.

IT IS HEREBY ORDERED THAT:

1. The Application is granted in all respects. The Committee is hereby authorized, pursuant to section 1114(d) of the Bankruptcy Code, to retain, effective *nunc pro tunc* as of October 27, 2005 and upon the terms and for the purposes set forth in the

Application, Townsend and Townsend and Crew LLP as special counsel to the Committee appointed to represent Delta's non-pilot retirees in the above-captioned chapter 11 case.

2. The requirements of Local Bankruptcy Rule 9013-1(b) are waived with respect to the Application.

3. Compensation to Townsend and Townsend and Crew LLP for legal services rendered and reimbursement of expenses incurred in connection with this chapter 11 case shall be pursuant to applications to be submitted to and approved by this Court from time to time during the pendency of this chapter 11 case, or as permitted by Court order or its local rules. Townsend and Townsend and Crew LLP is subject to the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals entered on October 6, 2005, as adjusted to take into account the timing of the Court's granting of the 1114 Committee's counsel's application for appointment.

4. Townsend and Townsend and Crew LLP may seek to receive compensation for administrative expenses incurred from September 14, 2005 through October 26, 2005 pursuant to Section 503 of the Bankruptcy Code. The Applicant acknowledges that the Debtors and the Creditors Committee reserve their rights to object to any such application.

5. Compensation to Townsend and Townsend and Crew LLP for services and expenses incurred on or after October 27, 2005, the date this Court ordered the creation of a Section 1114 Committee is hereby authorized, pursuant to Section 1114 and 1103 of the Bankruptcy Code.

6. Copies of all notices, pleadings and other documents filed in this case and any and all adversary proceedings shall be served upon the Committee by serving Guy

W. Chambers, Esq., Townsend and Townsend and Crew LLP, Two Embarcadero Center,
Eighth Floor, San Francisco, CA, 94111-3834, phone: 415-576-0200, fax: 415-576-0300.

7. The Court shall retain jurisdiction over any matter or dispute arising from
or relating to the implementation of this Order.

Dated: _____, 2005

ENTERED:

HONORABLE PRUDENCE CARTER BEATTY

EXHIBIT C
TO

**SUPPLEMENTAL APPLICATION OF THE SECTION 1114 RETIREMENT
COMMITTEE FOR AN ORDER AUTHORIZING NUNC PRO TUNC
EMPLOYMENT AND RETENTION OF FARELLA BRAUN & MARTEL LLP,
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UNITED STATES BANKRUPTCY COURT
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Debtors.

Chapter 11 Case No.

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(Jointly Administered)

**[PROPOSED] AMENDED ORDER AUTHORIZING THE EMPLOYMENT AND
RETENTION NUNC PRO TUNC OF FOLEY & LARDNER LLP AS
ATTORNEYS**

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The Court has reviewed the Application and Supplemental Application, the declarations of Dean M. Gloster, Esq., Guy W. Chambers, Esq. and Peter N. Wang, Esq. filed in connection with the Application. The Court has also heard the statements of counsel in support of the relief requested therein at the hearing thereon.

The Court hereby finds as follows: (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and (c) Foley & Lardner LLP does not hold or represent any interest adverse to the Committee representing the non-pilot retirees of Delta Air Lines, Inc. (alternatively "Delta" or the "Debtor") in this case. The Court further finds that notice of the Application and the hearing given was sufficient under the circumstances.

The Court therefore finds that just cause is established for the relief herein granted.

IT IS HEREBY ORDERED THAT:

1. The Application is granted in all respects. The Committee is hereby authorized, pursuant to section 1114 of the Bankruptcy Code, to retain, effective *nunc pro tunc* as of October 27, 2005 and upon the terms and for the purposes set forth in the Application, Foley & Lardner LLP as local counsel to the Committee appointed to

represent Delta's non-pilot retirees in the above-captioned chapter 11 case for all purposes.

2. The requirements of Local Bankruptcy Rule 9013-1(b) are waived with respect to the Application.

3. Compensation to Foley & Lardner LLP for legal services rendered and reimbursement of expenses incurred in connection with this chapter 11 case shall be pursuant to applications to be submitted to and approved by this Court from time to time during the pendency of this chapter 11 case, or as permitted by Court order or its local rules. Foley & Lardner LLP is subject to the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals entered on October 6, 2005, as adjusted to take into account the timing of the Court's granting of the 1114 Committee's counsel's application for appointment.

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7. The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

Dated: _____, 2005

ENTERED:

HONORABLE PRUDENCE CARTER BEATTY