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Return Date: January 5, 2006
Time: 2:30 p.m. EST

Opposition Date: December 29, 2005
Time: 5:00 p.m. EST

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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

**DECLARATION OF MITCHELL I. SEROTA
IN SUPPORT OF APPLICATION PURSUANT TO BANKRUPTCY RULE 2014(A) FOR
AN ORDER UNDER SECTIONS 328(A) AND 1103(A) OF THE BANKRUPTCY CODE
AUTHORIZING THE EMPLOYMENT AND RETENTION OF MITCHELL I. SEROTA
AS ACTUARY FOR THE SECTION 1114 COMMITTEE**

MITCHELL I. SEROTA (“Serota”), under penalty of perjury, declares and says:

1. I submit this declaration pursuant to Sections 328(a) and 1103(a) of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (as amended, the “Bankruptcy Code”) and Rules 2014(a) and 5002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) in support of the Application (the “Application”)¹ of the Section 1114 Committee appointed in the above-referenced Chapter 11 cases (the “Committee”) to employ and retain me as an actuary pursuant to the terms and conditions of the engagement letter dated October 19, 2005 (the “Engagement Letter”). Except as otherwise indicated, I have personal knowledge of the matters set forth herein and, if called as a witness, would testify competently thereto.

Qualifications Of Serota

2. I am a Fellow of the Society of Actuaries, a Fellow the Conference of Consulting Actuaries and a Member of the American Academy of Actuaries. I serve as a consulting actuary and have over 25 years experience working with ERISA Retirement and Health and Welfare Plans. Since 1988, I have served as president of Mitchell I. Serota & Associates, Inc., a corporation dedicated to employee benefit consulting. From April 1987 until April 1988, I was employed by Alexander & Alexander Consulting Group, Inc. of Chicago, Illinois, as Vice President, from October 1978 to April 1987, I was employed by Johnson & Higgins of Illinois, Inc. of Chicago, Illinois, serving as Assistant Vice President from 1982 to 1986 and serving as Vice President from 1986 to 1987 with responsibilities for supervising actuarial calculations and managing the actuarial unit of the Employee Benefit Plan department. From July 1976 until October

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Application.

1978, I was employed by CNA Insurance as an Actuarial Assistant with responsibilities for organizing, writing, and revising the Major Group Claims Cost Manual; researching the utilization and cost of non-standard group health benefits; and determining the fluctuation of utilization and prices of group health and dental care across the country.

3. After having attained the designation of Fellow of the Society of Actuaries, I have been an active member in the Society of Actuaries and the Conference of Consulting Actuaries. I was in charge of establishing the syllabus used by actuarial students in preparing for the plan design portion of the actuarial examinations and I wrote and graded questions for that examination. I have spoken to various groups on insurance-related topics.

4. I have over thirty years of experience consulting for corporations who sponsor employee benefit plans, both pension and health and welfare. In addition to performing actuarial calculations, I have been responsible for submitting filings to the Department of Labor and the Department of the Treasury for purposes of disclosing assets and liabilities of pension plans and health and welfare plans.

5. My curriculum vitae includes a listing, to my knowledge, of my expert witness testimony during the last four years and publication experience during the last twenty-six years (see Exhibit A).

Services To Be Rendered

6. If the Application is approved, I will provide actuarial and other related services as contemplated under the Engagement Letter, and as may be requested by the Committee, that will include the following:

- a) Analyzing the Delta Air Lines Family-Care Disability and Survivorship Plan Trust (the "Trust") and documentation related thereto;
- b) Analyzing the impact on the retiree benefits of (i) the sale of the Debtors, either in whole or in part and (ii) the Debtors' chapter 11 plan(s) or any other chapter 11 plan(s);
- c) Providing such specific advice, valuation or other analyses as the Committee may require in connection with the cases;
- d) Representing the Committee in negotiations with the Debtors, the Unsecured Creditors Committee and third parties with respect to any of the foregoing; and
- e) Providing testimony in court on behalf of the Committee with respect to any of the foregoing, if necessary.

7. If the Application is approved, I will be entitled to fees and expense reimbursements as more fully set forth in the Engagement Letter. In summary, if the Application is approved, I will be entitled to receive the following fees, pursuant to Section 328(a) of the Bankruptcy Code (and subject to final approval by the Bankruptcy Court):

- a) An hourly consulting fee of \$385.00;
- b) An hourly clerical support fee of \$60.00; and
- c) Reimbursement of all reasonable out-of-pocket expenses

8. To the best of my knowledge, the compensation arrangement described above is comparable to other similar engagements entered into by me and other actuaries both in, and outside of Chapter 11.

9. I have no agreement with any other entity to share with such entity any compensation received by it in connection with this case, except as permitted by Section 504 of the Bankruptcy Code, and I have no agreements with any party regarding this engagement other than or set forth in this Declaration.

10. In order to perform these services in a cost-effective manner, I will endeavor when possible to work with the retained professionals in these cases so as to avoid duplicating work or creating unnecessary work. The Committee is also seeking to retain Barbara Niehus (“Niehus”) to provide actuarial services complementary to those provided by me. Niehus and I have already discussed an appropriate and efficient division of responsibilities. Based on these discussions, it is currently contemplated that Niehus will be principally responsible for a majority of the services. I will supplement my services, as Niehus may determine, with additional services as needed. While both Niehus and I recognize that it is difficult to predict how these complex cases will proceed, we will undertake to coordinate all of our services to the Committee in order to minimize, whenever possible, any unnecessary duplication of services and any potential burden on the Debtors and their professional advisors.

11. While my compensation will be determined pursuant to Section 328 of the Bankruptcy Code, I will nevertheless file and serve requests for interim and final compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules of the Court and any administrative orders establishing procedures for the interim compensation and reimbursement of expenses of professionals to be issued in these cases. I will maintain detailed, contemporaneous records of time spent and of any necessary expenses incurred in connection with the rendering of actuarial services as required by all applicable rules and procedures.

Disinterestedness

12. I am a “disinterested person” as that term is defined in Bankruptcy Code § 101(14) in that I:

- a) am not a creditor, equity security holder or insider of the Debtors;
- b) am not and was not an investment banker for any outstanding security of the Debtors;
- c) have not been, within three (3) years before the date of the filing of the Debtors' Chapter 11 petition, (i) an investment banker for a security of the Debtors, or (ii) an attorney for such an actuary in connection with the offer, sale, or issuance of a security of the Debtors; and
- d) am not and, was not, within two (2) years before the date of the filing of the Debtors' Chapter 11 petition, a director, officer, or employee of the Debtors' or of any investment banker as specified in subparagraph (b) or (c) of this paragraph.

13. To the best of my knowledge, information and belief after reasonable inquiry, other than in connection with this case and as set forth below and in paragraphs 13, neither I, nor any of my employees participating in or connected with my engagement with the Committee: (i) is related to the Debtors or any other party in interest herein, the United States Trustee or anyone employed in the United States Trustee's Office; or (ii) has any connection with or holds or represents any interest adverse to the Debtors, its estate, its creditors or any other party in interest herein or their respective attorneys in the matters on which I am proposed to be retained.

14. To determine my relationship with parties-in-interest in this case, I researched my client databases to determine whether I have any relationships with the entities (collectively, the "Interested Parties") that were identified to me by counsel to the Committee on the list attached hereto as Schedule 1. I have been informed that this list includes:

- a) the Debtors and their non debtor affiliates, and certain joint ventures involving the Debtors, non-debtor affiliates and third-parties;
- b) the members of the Unsecured Creditors Committee; and

c) the 20 largest unsecured creditors.

To the extent identified to date, Schedule 2 discloses my relationships with Interested Parties that have any connection to the Debtors. I will supplement Schedule 2 from time to time, as appropriate, in the event affiliated entities are added to the Interested Party list by counsel to the Debtors or Committee and/or further investigation of the Interested Parties yields additional information material to this engagement.

15. If any new relevant facts or relationships are discovered or arise during the pendency of these Chapter 11 cases, I will use reasonable efforts to identify such further developments and will, if appropriate, promptly file a Supplemental Declaration as required by Bankruptcy Rule 2014(a).

16. In conclusion, to the best of my knowledge, information and belief, I am disinterested and hold no materially adverse interest as to the matters upon which I am to be retained. If this Court approves the proposed employment of me by the Committee, I will not accept any engagement or perform any service for any entity or other person than the Committee in connection with these Chapter 11 cases.

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

Dated: Skokie, Illinois
December 21, 2005

/s/ Mitchell I. Serota

Mitchell I. Serota

Exhibit A

MITCHELL I. SEROTA
President,
Mitchell I. Serota & Assocs., Inc.
5215 Old Orchard Road, Suite 750
Skokie, IL 60077

Professional Credentials

Fellow, Society of Actuaries, 1983
Fellow, Conference of Consulting Actuaries, 1988
Member, American Academy of Actuaries, 1980
Enrolled Actuary, 1983

Professional Service

Vice-chair, Smaller Consulting Firms Council of Society of Actuaries, 2002-05
Conference of Consulting Actuaries, Program Committee and Moderator on
Comprehensive Medical Reform, 1992-94
Society of Actuaries Examination Committee Member, 1984-87
Society of Actuaries Education Coordinator, 1986-87
Society of Actuaries Lead Workshop Co-Chairperson, 1989
Society of Actuaries Speaker, 1983, 2000, 2004, 2005
Chicago Actuarial Association, Vice President, 1980-1985

Professional Experience

Mitchell I. Serota & Associates, Inc. (April, 1988 to present)
President
Serota & Associates is a corporation dedicated to Employee Benefit Consulting.

Alexander & Alexander Consulting Group, Inc. (April, 1987 to April, 1988)
Vice President
Consulting Actuary responsibilities included meeting with clients, understanding their Human Resource needs and their financial goals, and tailoring employee benefits programs to fit their specific circumstances.

Johnson & Higgins of Illinois, Inc. (October, 1978 to April, 1987)
Vice President, 1986
Assistant Vice President, 1982
Consulting Actuary responsibilities included performing pension valuations for United States corporations with domestic or foreign pension plans; analyzing and immunizing investment portfolios, researching markets for asset management; analyzing self-funded group medical and long-term disability programs; valuing liabilities for post-retirement medical plans; training employees.

Professional Experience (cont.)

CNA Insurance (July, 1976 to October, 1978)

Actuarial Assistant responsibilities included organizing, writing, and revising the Major Group Claims Cost Manual; researching the utilization and cost of non-standard group health benefits; determining the fluctuation of utilization and prices of group health and dental care across the country.

Academics

Adjunct Professor, Columbia College Chicago, Dept. of Liberal Education, 2003

University of Chicago, Ph.D., History, March, 1976

University of Paris-I (1973-74)

University of Chicago, M.A., History, June, 1972

Massachusetts Institute of Technology, S.B., Mathematics, June, 1971

Massachusetts Institute of Technology, S.B., History, June, 1971

Publications

“QDROs with Fewer Hassles,” *Pension Section News*, June, 2001, #46, pp. 6-7.

“Lump sum distributions for QDROs,” speech at Society of Actuaries, October 16, 2000.

"Actuarial Considerations," *Employee Benefits Law Handbook*, Chapter 20, Illinois Institute for Continuing Legal Education, May, 1998.

"Effect of the Social Security Act of 1983 on the Funding of Pension Plans," *Record of the Society of Actuaries*, IX, 521ff.

"Government Health and Welfare Programs in the United States and West Germany," *Benefits International*, December, 1979, pp. 15-18.

Deposition within previous four years

November, 2001, in Chicago, IL

Garratt v. Knowles Electronics, Inc.

Disagreement over terms and payout of Supplemental Executive Retirement Plan

Preparation and review of numerous QDROs

Schedule 1

DEBTOR AND AFFILIATES

1. ASA Holdings, Inc.
2. Comair Holdings, LLC
3. Comair, Inc.
4. Comair Services, Inc.
5. Crown Rooms, Inc.
6. DAL Aircraft Trading, Inc.
7. DAL Global Services, LLC
8. DAL Moscow, Inc.
9. Delta AirElite Business Jets, Inc.
10. Delta Air Lines, Inc.
11. Delta Benefits Management, Inc,
12. Delta Connection Academy, Inc.
13. Delta Corporate Identity, Inc.
14. Delta Loyalty Management Services, LLC
15. Delta Technology, LLC
16. Delta Ventures III, LLC
17. Epsilon Trading, Inc.
18. Kappa Capital Management, Inc.
19. Song, LLC

LARGEST UNSECURED CLAIMS

20. Boeing Commercial Airplane Group
21. The Bank of New York

22. Suntrust Bank

UNSECURED CREDITORS' COMMITTEE

23. U.S. Bank National Association and U.S. Bank Trust National Association

24. Boeing Capital Corp.

25. Pension Benefit Guaranty Corporation

26. The Coca-Cola Company

27. Pratt & Whitney, a division of United Technologies Corporation

28. Air Line Pilots Association, International

29. MacKay Shield, L.L.C.

30. Fidelity Advisor Series II: Fidelity Advisor High Income Advantage Fund

31. Bank of New York, Corporate Trust Default Group

Schedule 2

I have been called upon, from time to time, by other clients to contact representatives of the Pension Benefit Guaranty Corporation.