

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

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**In re** : **Chapter 11 Case No.**  
**REPUBLIC AIRWAYS HOLDINGS INC., et al.,** : **16-\_\_\_\_\_ (\_\_\_)**  
**Debtors.<sup>1</sup>** : **(Joint Administration Pending)**

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**DEBTORS' APPLICATION PURSUANT TO 11 U.S.C. § 327(a),  
FED. R. BANKR. P. 2014(a) & 2016 AND LOCAL BANKRUPTCY RULES 2014-1 &  
2016-1 FOR AUTHORITY TO RETAIN AND EMPLOY HUGHES HUBBARD & REED  
LLP AS ATTORNEYS FOR THE DEBTORS *NUNC PRO TUNC* TO THE  
COMMENCEMENT DATE**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Republic Airways Holdings Inc. ("RAH"), and certain of its wholly-owned direct and indirect subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively with RAH, "Republic" or the "Debtors"), respectfully represent:

**Background**

1. On the date hereof (the "Commencement Date") each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of title 11, United States Code (the "Bankruptcy Code"). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of unsecured creditors has been appointed in these cases.

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1. The Debtors in these chapter 11 cases are the following entities: Republic Airways Services, Inc.; Shuttle America Corporation; Republic Airline Inc.; Republic Airways Holdings Inc.; Midwest Air Group, Inc.; Midwest Airlines, Inc.; and Skyway Airlines, Inc. The Debtors' employer tax identification numbers and addresses are set forth in their respective chapter 11 petitions.

2. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of their chapter 11 cases for procedural purposes only pursuant to rule 1015(b) of the Federal Rules of Bankruptcy Procedure.

### **Republic's Business**

3. RAH is a holding company whose common stock is traded on the NASDAQ under the symbol "RJET." RAH provides scheduled regional passenger services through its wholly-owned operating air carrier subsidiaries, Shuttle America Corporation ("Shuttle America") and Republic Airline Inc. ("Republic Airline"). Republic offers approximately 1,000 flights daily to 105 cities in 38 states, Canada, the Caribbean, and the Bahamas through Republic's fixed-fee code-share agreements with United Continental Holdings, Inc. ("United"), Delta Air Lines, Inc. ("Delta"), and American Airlines Group, Inc. ("American," and collectively with United and Delta, the "Codeshare Partners"), operating under the designations of United Express, Delta Connection, and American Eagle, including service out of the Codeshare Partners' respective hubs and focus cities. Republic's operational fleet consists of approximately 230 aircraft.

4. As of January 31, 2016, on a consolidated basis, Republic had assets and liabilities of \$3,561,000,000 and \$2,971,000,000 (unaudited). For the year ended December 31, 2015, on a consolidated basis, Republic had operating revenue of \$1,343,900,000, operating expenses of \$1,259,200,000, and a net loss of \$27,117,000 (unaudited). In 2015, Republic carried 21,900,000 passengers an average of 479 miles per passenger, with a passenger load factor of 79.2%.

5. Detailed information regarding Republic's business, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the

Declaration of Bryan K. Bedford Pursuant to Local Bankruptcy Rule 1007-2, filed with the Court on the Commencement Date.

**Jurisdiction**

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

**Relief Requested**

7. By this application, pursuant to section 327(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, and Local Bankruptcy Rules 2014-1 and 2016-1, the Debtors request authority to retain and employ Hughes Hubbard & Reed LLP (“HHR” or the “Firm”), under a general retainer, as attorneys for the Debtors, *nunc pro tunc* to the Commencement Date. In support of this application, the Debtors submit the annexed declaration of Christopher K. Kiplok, a member of the Firm, which is attached hereto as Exhibit A (the “Kiplok Declaration”), and the Declaration of Ethan J. Blank, Vice President and General Counsel for Republic, which is annexed hereto as Exhibit B. A proposed order approving the retention and employment of HHR is annexed hereto.

**HHR’s Qualifications**

8. Republic has selected HHR to be co-327(a) counsel with Zirinsky Law Partners PLLC (“ZLP”) in these chapter 11 cases because of the Firm’s specific knowledge of Republic’s business and financial affairs, its extensive general experience and knowledge, and, in particular, HHR’s recognized expertise in the field of debtors’ protections, creditors’ rights, and the administration of large bankruptcy proceedings.

9. HHR has served as Republic’s principal outside aviation and corporate counsel since 2001, and is intimately familiar with its capital structure, operations, personnel,

corporate documents, and counter-parties. HHR's bankruptcy expertise is well known, and indeed it has represented the trustee who has administered two of the largest proceedings pending before this Court this year: *In re Lehman Brothers Inc.*, Case No. 08-1420 (SCC); and *In re MF Global Inc.*, Case No. 11-2790 (MG).

10. Because each professional has been given a well-defined role by Republic's management, the professionals will not duplicate the services they provide to Republic, and will function cohesively to ensure that services provided to Republic by each firm are not duplicative. Moreover, at all stages of these chapter 11 cases, Republic's in-house legal department will supervise the various professionals retained by Republic to further ensure that no firm duplicates the services provided by another.

11. In particular, Republic requested that HHR serve as co-327(a) counsel with ZLP to leverage the scope of HHR's restructuring services and expertise with ZLP's extensive experience as Republic's primary outside bankruptcy counsel and in particular because of ZLP's experience in Republic's prior restructuring. HHR will provide ZLP with the restructuring associate and paraprofessionals it requires. The specific restructuring tasks for which Republic is utilizing HHR creates no overlap with the legal services Republic is receiving from ZLP, or any other special counsel. Moreover, HHR will provide aviation, general corporate, finance, litigation and tax services which are not provided by ZLP.

12. Republic believes that retaining HHR and ZLP as co-327(a) counsel is optimal because it allows Republic to receive the benefit of Mr. Zirinsky's and ZLP's experience with the Company's prior restructurings and experience in other large airline chapter 11 cases, along with the staffing resources and institutional knowledge of HHR in order to resolve these cases promptly, and efficiently.

**Scope of Services**

13. The employment of HHR, in coordination with ZLP, is appropriate and necessary to enable Republic to execute faithfully their duties as debtors and debtors in possession and to prosecute their chapter 11 cases. Subject to further order of this Court, it is proposed that HHR be employed to render the following professional services:

- a. Prepare on behalf of Republic, as debtors in possession, all necessary motions, applications, answers, orders, reports, and other papers in connection with the administration of Republic's estates;
- b. Take all necessary action to protect and preserve Republic's estates, including the prosecution of actions on Republic's behalf, the defense of any actions commenced against Republic, the negotiation of disputes in which Republic is involved, and the preparation of objections to claims filed against Republic's estates;
- c. Take all necessary actions in connection with any chapter 11 plan and related disclosure statement, and all related documents, and such further actions as may be required in connection with the administration of Republic's estates;
- d. Represent Republic in connection with any potential financing transactions;
- e. Advise Republic in connection with any potential sale of assets;
- f. Advise Republic regarding tax matters; and
- g. Perform all other necessary legal services in connection with the prosecution of these chapter 11 cases, including: (i) analyze Republic's aircraft leases and contracts and the assumption and assignment or rejection thereof; (ii) analyze the validity of liens against Republic; and (iii) advise Republic on corporate and litigation matters.

14. It is necessary to employ attorneys under a general retainer to render the foregoing professional services. HHR has stated its desire and willingness to act in these cases and render the necessary professional services as attorneys for Republic.

15. Republic has been informed that the members of, counsel to, and associates of HHR, who will be employed in these chapter 11 cases, are members in good

standing of, among others, the Bar of the State of New York and the United States District Court for the Southern District of New York. Accordingly, Republic believes that HHR is both well qualified and uniquely able to represent Republic in its chapter 11 cases in an efficient and timely manner.

#### **HHR's Disinterestedness**

16. To the best of Republic's knowledge, the members of, counsel to, and associates of HHR do not have any connection with or any interest adverse to Republic, its creditors, or any other party in interest, or their respective attorneys and accountants, except as may be set forth in the Kiplok Declaration. As further described in the Kiplok Declaration, HHR will not be adverse to United Continental Holdings Inc. and United Express in these chapter 11 proceedings. To the extent necessary, ZLP will be adverse to these entities.

17. Based upon the Kiplok Declaration, Republic submits that HHR is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code. Republic has been informed that HHR will conduct an ongoing review of its files during the pendency of these chapter 11 cases to ensure that no conflicts or disqualifying circumstances arise. If any new relevant facts or relationships are discovered, HHR will use reasonable efforts to identify such developments and will promptly file a supplemental declaration, as required by Bankruptcy Rule 2014(a).

#### **Professional Compensation**

18. As set forth in the Kiplok Declaration, within 90 days of the Commencement Date, HHR received payments in the amount of \$2,035,131.66 or services performed and expenses incurred for Republic, including in preparation for the commencement of these chapter 11 cases. Of this amount, as of the Commencement Date, HHR held approximately \$750,000.00 as an advance payment retainer. Republic understands that HHR

intends to apply this advance to any outstanding fees or expenses relating to the period prior to the Commencement Date that had not been processed by HHR as of the Commencement Date and to retain the balance on account of services rendered and expenses incurred on and after the Commencement Date.

19. Republic understands and has agreed that HHR hereafter will apply to the Court for allowances of compensation and reimbursement of expenses in accordance with General Order M-412 (Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals, dated December 21, 2010 (Gonzalez, C.J.)), Administrative Order M-447 (Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, dated January 29, 2013 (Morris, C.J.)), and the U.S. Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases, effective November 1, 2013 (collectively, the “Fee Guidelines”), sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and any further orders of the Court (the “Orders”) for all professional services performed and expenses incurred after the Commencement Date.

20. Subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Fee Guidelines, and the Orders, Republic proposes to compensate HHR for services rendered at its customary hourly rates as to Republic that are in effect from time to time, as set forth in the Kiplok Declaration, and to reimburse HHR according to its customary reimbursement policies. These hourly rates are subject to periodic adjustment to

reflect economic and other conditions.<sup>2</sup> Republic respectfully submits that HHR's rates and policies stated in the Kiplok Declaration are reasonable.

**Notice**

21. Notice of this application is being provided to (i) the Office of the United States Trustee for the Southern District of New York, (ii) the holders of the ten largest secured claims against Republic (on a consolidated basis), (iii) the holders of the forty largest unsecured claims against Republic (on a consolidated basis), (iv) the attorneys for the agents under Republic's prepetition revolving credit facilities, (v) the attorneys for Republic's Codeshare Partners, (vi) the International Brotherhood of Teamsters, (vii) the Securities and Exchange Commission, (viii) the Internal Revenue Service, (ix) the Office of the United States Attorney for the Southern District of New York, and (x) all parties having filed requests for notices in these cases pursuant to Fed. R. Bankr. P. 2002. Republic submits that, in view of the facts and circumstances, such notice is sufficient and no other or further notice need be given.

22. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

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2. As set forth in the proposed order, HHR will provide ten business days' notice to Republic, the U.S. Trustee and any statutory committee appointed in these chapter 11 cases before implementing any periodic increases, and shall file such notice with the Court.

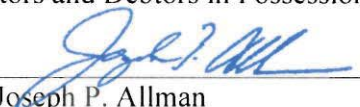


WHEREFORE Republic respectfully requests entry of an order granting the relief requested herein and such other and further relief as is just.

Dated: New York, New York

February 25, 2016

REPUBLIC AIRWAYS HOLDINGS INC.  
(for itself and on behalf of its wholly-  
owned direct and indirect subsidiaries, as  
Debtors and Debtors in Possession)

  
Name: Joseph P. Allman  
Title: Senior Vice President and Chief  
Financial Officer

**Exhibit A**  
**Kiplok Declaration**

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

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**In re** : **Chapter 11 Case No.**  
**REPUBLIC AIRWAYS HOLDINGS INC., et al.,** : **16-\_\_\_\_\_ (\_\_\_)**  
**Debtors.<sup>1</sup>** : **(Joint Administration Pending)**

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**DECLARATION AND DISCLOSURE STATEMENT OF  
CHRISTOPHER K. KIPLOK ON BEHALF OF  
HUGHES HUBBARD & REED LLP PURSUANT TO 11 U.S.C. §§ 327,  
329 & 504 AND FED. R. BANKR. P. 2014(a) & 2016(b)**

Christopher K. Kiplok makes this declaration under 28 U.S.C. § 1746:

1. I am a member of the firm of Hughes Hubbard & Reed LLP (“HHR” or the “Firm”), an international law firm with principal offices at One Battery Park Plaza, New York, New York 10004; regional offices in Washington, D.C., Los Angeles, California, Miami, Florida, Jersey City, New Jersey, and Kansas City, Missouri; and foreign offices in Paris, France and Tokyo, Japan.

2. I submit this Declaration in connection with the Application submitted on the date hereof (the “Application”)<sup>2</sup>, of Republic Airways Holdings Inc. (“RAH”), and certain of its wholly-owned direct and indirect subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively with RAH, “Republic” or the “Debtors”), for authority to employ and retain HHR as their attorneys in the above-captioned chapter 11 cases,

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1. The Debtors in these chapter 11 cases are the following entities: Republic Airways Services, Inc.; Shuttle America Corporation; Republic Airline Inc.; Republic Airways Holdings Inc.; Midwest Air Group, Inc.; Midwest Airlines, Inc.; and Skyway Airlines, Inc. The Debtors’ employer tax identification numbers and addresses are set forth in their respective chapter 11 petitions.
  2. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

*nunc pro tunc*, to February 25, 2016 (the “Commencement Date”), at its normal hourly rate in effect from time to time and in accordance with its normal reimbursement policies, in compliance with sections 329 and 504 of title 11 of the United States Code (the “Bankruptcy Code”), and to provide the disclosure required under Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein. To the extent any information disclosed herein requires amendment or modification upon HHR’s completion of further review, or as additional party in interest information becomes available to it, a supplemental declaration will be submitted to the Court reflecting such amended or modified information.

3. Neither I, HHR, nor any member of, counsel to, or associate of the Firm represents any entity other than Republic in connection with these chapter 11 cases. In addition, except as set forth herein, to the best of my knowledge, after due inquiry, neither I, HHR, nor any member of, counsel to, or associate of the Firm represents any party in interest in these Chapter 11 cases in matters related to these chapter 11 cases.

4. Republic has selected HHR to be co-327(a) counsel with Zirinsky Law Partners PLLC (“ZLP”) in these chapter 11 cases because of the Firm’s specific knowledge of Republic’s business and financial affairs, its extensive general experience and knowledge, and, in particular, HHR’s recognized expertise in the field of debtors’ protections, creditors’ rights, and the administration of large bankruptcy proceedings.

5. HHR has served as Republic’s principal outside aviation and corporate counsel since 2001, and is intimately familiar with its capital structure, operations, personnel, corporate documents, and counter-parties. HHR’s bankruptcy expertise is well known, and

indeed it has represented the trustee who has administered two of the largest proceedings pending before this Court this year: *In re Lehman Brothers Inc.*, Case No. 08-1420 (SCC); and *In re MF Global Inc.*, Case No. 11-2790 (MG).

### **HHR Disclosure Procedures**

6. HHR, which employs approximately 350 attorneys, has a large and diversified legal practice that encompasses the representation of certain financial institutions and commercial corporations. HHR has, in the past, represented, currently represents, and may in the future represent, entities that are claimants or interest holders of Republic in matters unrelated to these chapter 11 cases. Some of those entities are, or may consider themselves to be, creditors or parties in interest in these chapter 11 cases or otherwise have interests in these cases.

7. In preparing this Declaration, I used a set of procedures developed by HHR to ensure compliance with the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules for the Southern District of New York (the “Local Bankruptcy Rules”) regarding the retention of professionals by a debtor under the Bankruptcy Code (the “Firm Disclosure Procedures”). Pursuant to the Firm Disclosure Procedures, I performed, or caused to be performed, the following actions to identify the parties relevant to this Declaration and to ascertain HHR’s connection to such parties:

- a. A comprehensive list of the types of entities who may have contacts with Republic was developed through discussions with the HHR attorneys who have provided services to Republic and in consultation with senior management of Republic (the “Retention Checklist”). A copy of the Retention Checklist is attached hereto as Annex A.
- b. HHR obtained information responsive to the Retention Checklist through several inquiries of Republic’s senior management and review of documents provided by Republic to HHR. HHR then used that information, together with other information identified by HHR, to compile a list of the names of entities that may be parties in interest in these chapter 11 cases (the “Potential Parties in Interest”).

- c. HHR maintains a master client database as part of its conflict clearance and billing records. The master client database includes the names of the entities for which any attorney time charges have been billed since the database was first created (the "Client Database"). The Client Database includes the name of each current or former client, the name of the parties who are or were related or adverse to such current or former client, and the names of the HHR personnel who are or were responsible for current or former matters for such client. It is the policy of HHR that no new matter may be accepted or opened within the Firm without completing and submitting to those charged with maintaining the conflict clearance system the information necessary to check each such matter for conflicts, including the identity of the prospective client, the name of the matter, adverse parties, and, in some cases, parties related to the client or to an adverse party. Accordingly, the database is updated for every new matter undertaken by HHR. The accuracy of the system is a function of the completeness and accuracy of the information submitted by the attorney opening a new matter.
- d. HHR compared the names of each of the Potential Parties in Interest to client matters in the Client Database for which professional time was recorded during the two years prior to the comparison.<sup>3</sup> Any matches to names in the Client Database generated by the comparison were compiled, together with the names of the respective HHR personnel responsible for the identified client matters (the "Client Match List").
- e. An HHR attorney then reviewed the Client Match List and deleted obvious name coincidences and individuals or entities that were adverse to HHR's clients in both this matter and the matter referenced on the Client Match List.
- f. Using information in the Client Database concerning entities on the Client Match List and making general and, if applicable, specific inquiries of HHR personnel, HHR verified that it does not represent and has not represented any entity on the Client Match List in connection with Republic or these chapter 11 cases.
- g. In addition, a general inquiry to all HHR personnel (attorneys and staff) was sent by electronic mail to determine whether any such individual or any member of his or her household (i) owns any debt or equity securities of Republic or any of its affiliates or subsidiaries; (ii) holds a claim against or interest adverse to Republic or any of its affiliates or subsidiaries; (iii) is or was an officer, director, or employee of Republic or any of its

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3. For purposes of the Firm Disclosure Procedures, HHR considers an entity a "former client" if all matters for such client have been closed, but professional time was recorded within the past two years. Because the Firm Disclosure Procedures only reflect client activity during the past two years, matches to client matters outside that timeframe are not reflected in this Declaration.

affiliates or subsidiaries; (iv) is related to or has any connections to Bankruptcy Judges in the Southern District of New York; or (v) is related to or has any connections to anyone working in the Office of the United States Trustee for the Southern District of New York (the “U.S. Trustee”).

**HHR’s Connections with Republic**

8. HHR compiled responses to the foregoing inquiries for the purpose of preparing this Declaration. Responses to the inquiry described in paragraph 5(g) above reflect that, as of the Commencement Date, no HHR personnel or member of the household of any HHR personnel holds any claims against, stock of, or other interests in Republic and that no such individuals held any significant employment with Republic.<sup>4</sup> Jacob Gartman, a former HHR associate from 2012 through 2015, is currently serving as law clerk to the Honorable Stuart M. Bernstein, Bankruptcy Judge of the Southern District of New York.

9. HHR, in coordination with ZLP, has provided the necessary services to enable Republic to commence the instant cases under Chapter 11. HHR, together with ZLP, were primarily responsible for the preparation of the chapter 11 petitions and initial motions and applications relating to these chapters 11 case and their commencements.

**HHR’s Connections with Parties in Interest  
in Matters Unrelated to These Chapter 11 Cases**

10. Either I, or an attorney working under my supervision, reviewed the connections between HHR and the clients identified on the Client Match list, and the connections between those entities and Republic. After such review, either I, or an attorney working under my supervision, determined, in each case, that HHR does not hold or represent an interest that is adverse to Republic’s estates and that HHR is a “disinterested person” as such term is defined in

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4. Certain HHR personnel or members of the household of HHR personnel may unknowingly hold stock or other interests in Republic in blind or discretionary accounts.

section 101(14) of the Bankruptcy Code, as modified by section 1007(b) of the Bankruptcy Code, for the reasons discussed below.

11. HHR previously represented, currently represents, and may represent in the future the entities described below (or their affiliates), in matters unrelated to Republic. These disclosures, attached hereto as Annex B, are the product of implementing the Firm Disclosure Procedures. An entity is listed as a “Current Client” on Annex B if HHR has any open matters for such entity or a known affiliate of such entity and attorney time charges have been recorded on any such matters within the past two years. An entity is listed as a “Former Client” on Annex B if HHR represented such entity or a known affiliate of such entity within the past two years based on recorded attorney time charges on a matter and HHR’s finance department and/or new business committee either considers all matters for such entity or any known affiliate of such entity closed or records show no billing activity for such entities. HHR has not represented, does not represent, and will not represent any entities list on Annex B in matters directly related to Republic or these chapter 11 cases.

12. To the best of my knowledge and information, the annual fees for the last twelve months paid to HHR by any entity listed on Annex B, other than firms that are members of Deloitte Touche Tohmatsu Limited, did not each exceed 1% of the annual gross revenue of HHR. HHR represents the Deloitte & Touche LLP and other members of the Deloitte network on matters unrelated to Republic and these chapter 11 cases. In addition, HHR will not be adverse to United Continental Holdings, Inc. and United Express in these chapter 11 proceedings. Annual fees for these entities and their affiliates constitute less than 1% of the annual gross revenue of HHR for the last twelve months.



13. In addition to the entities identified on Annex B, the entities identified on Annex C attached hereto either (i) have a name similar to a client identified on the Client Match List or (ii) are or may be related to such a client (collectively, the “Potentially Related Clients”). After a diligent effort, HHR was unable to determine whether the similarity of names was, in fact, a name coincidence or whether, and to what extent, the Potentially Related Client is related to a client identified on the Client Match List. Out of an abundance of caution, however, HHR has confirmed that, similar to the clients identified above, HHR has not represented, does not represent, and will not represent any of the Potentially Related Clients in matters directly related to Republic or these chapter 11 cases.

14. In addition to the foregoing except as provided herein, through diligent inquiry, I have ascertained no connection, as such term is used in section 101(14)(C) of the Bankruptcy Code, as modified by section 1107(b), and Bankruptcy Rule 2014(a), between HHR and (i) the U.S. Trustee or any person employed by the U.S. Trustee, (ii) any attorneys, accountants, or financial consultants in these chapter 11 cases, or (iii) any investment bankers who represent or may represent the Debtors, claimants, or other parties in interest in these chapter 11 cases, except as set forth herein.<sup>5</sup> As part of its practice, HHR appears in cases, proceedings, and transactions involving many different attorneys, accountants, financial consultants, and investment bankers, some of whom now, or may in the future, represent claimants and other parties in interest in these cases. As described above, HHR has not represented, and will not represent, any of such parties in relation to Republic or its chapter 11

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5. Certain family members or members of the household of HHR personnel are affiliated with investment banking firms that may represent Republic in the future. HHR submits that should such investment banking firms become parties in interest in these chapter 11 cases, such a *de minimis* connection, if any, would not affect HHR’s disinterestedness.

cases. HHR does not have any relationship with any such attorneys, accountants, financial consultants, or investment bankers that would be adverse to Republic or its estates.

15. Additionally, HHR has represented, and may currently represent, entities that hold, or may in the future hold, certain of Republic's debt in beneficial accounts on behalf of unidentified parties. Because distressed debt is actively traded in commercial markets, HHR may be unaware of the actual holder of such debt at any given moment.

16. HHR will review its files periodically during the pendency of these chapter 11 cases to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new or relevant facts or relationships are discovered or arise, HHR will use reasonable efforts to identify such further developments and will promptly file a supplemental declaration, as required by Bankruptcy Rule 2014(a).

17. Generally, it is HHR's policy to disclose entities in the capacity that they first appear in a conflict search. For example, if an entity already has been disclosed in this Declaration in one capacity (e.g., customer) and the entity appears in a subsequent conflict search in a different capacity (e.g. vendor), HHR does not disclose the same entity again in supplemental declarations, unless the circumstances are such in the latter capacity that additional disclosure is required.

18. From time to time, HHR has referred work to other professionals to be retained in these chapter 11 cases. Likewise, certain such professionals have referred work to HHR.

19. Certain insurance companies pay the legal bills of certain HHR clients. Some of these insurance companies may be involved in these chapter 11 cases. None of these

insurance companies, however, are HHR clients as a result of the fact that they pay legal fees on behalf of HHR clients.

**HHR Is Disinterested**

20. Based on the foregoing, insofar as I have been able to ascertain after diligent inquiry, I believe HHR does not hold or represent an interest adverse to Republic's estates in the matters upon which HHR is to be employed, and HHR is "disinterested" as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code.

**HHR's Rates and Billing Practices**

21. HHR is not a creditor of Republic. During the ninety (90) day period prior to the Commencement Date, HHR received from Republic the aggregate amount of \$2,035,131.66 for services performed and to be performed, and expenses incurred and to be incurred as follows:

Transaction Type	Billed Date	Billed Amount	Payment Date	Payment Amount
Invoice	12/8/2015	\$370,422.23	12/11/2015	\$370,422.23
Invoice	1/12/2016	\$231,937.91	1/19/2016	\$231,937.91
Invoice	2/8/2016	\$122,386.82	2/12/2016	\$122,386.82
Invoice	2/12/2016	\$101,490.70	2/17/2016	\$101,490.70
Invoice <sup>6</sup>	2/24/2016	\$458,894.00	2/24/2016	\$458,894.00
Retainer	N/A	N/A	2/24/2016	\$750,000.00

Of this amount, as of the Commencement Date, HHR holds the full retainer received of \$750,000.00. HHR intends to apply such balance to any outstanding fees and expenses relating to the period prior to the Commencement Date that were not processed through HHR's billing

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6. Includes certain estimates for the period prior to the Commencement Date. HHR will add any excess to the retainer.

system as of the Commencement Date and to retain any remaining balance on account of fees and expenses incurred subsequent to the Commencement Date.

22. HHR intends to charge Republic for services rendered in these chapter 11 cases at HHR's normal hourly rates in effect at the time the services are rendered subject to the discounts described below. HHR's current customary hourly rates, subject to change from time to time, are \$700 to \$1,150 for partners and counsel, \$425 to \$770 for associates, and \$280 to \$290 for paraprofessionals. HHR has provided Republic with the following negotiated fee discounts applicable for fees accrued in the 2016 calendar year: 5% discount on all attorney and paraprofessional fees until fees reach \$750,000, 10% discount for such fees in excess of \$750,000 until fees reach \$1,750,000, and 15% discount for such fees in excess of \$1,750,000. HHR intends to apply these discounts to fees incurred in these chapter 11 cases.

23. The hourly rates and corresponding rate structure HHR will apply in these chapter 11 cases, before accounting for the negotiated discounts, are comparable to the hourly rate and corresponding rate structure that HHR uses for complex corporate, securities and litigation matters whether in court or otherwise, regardless of whether a fee application is required. These rates and the rate structure reflect that such restructuring and other complex matters typically are national in scope and involve great complexity, high stakes and severe time pressures.

24. HHR's hourly rates are set at a level designed to compensate HHR fairly for the work of its attorneys and paralegals and to cover fixed and routine expenses. Hourly rates vary with experience and seniority of the individuals assigned. HHR anticipates that most tasks

will be performed by associates under the direction of ZLP. These hourly rates are subject to periodic adjustment to reflect economic and other conditions.<sup>7</sup>

25. HHR also intends to seek reimbursement for expenses incurred in connection with its representation of Republic in accordance with HHR's normal reimbursement policies, subject to any modifications to such policies that HHR may be required to make to comply with the General Order M-412 (Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals, dated December 21, 2010 (Gonzalez, C.J.)), Administrative Order M-447 (Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, dated January 29, 2013 (Morris, C.J.)), and the U.S. Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases, effective November 1, 2013 (collectively, the "Fee Guidelines"), sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and any further order of the Court. HHR's disbursement policies pass through all out-of-pocket expenses at actual cost or an estimated actual cost when the actual cost is difficult to determine. Similarly, as it relates to computerized research, HHR believes that it does not make a profit on that service as a whole, although the cost of any particular search is difficult to ascertain. Other reimbursable expenses (whether the service is performed by HHR in-house or through a third-party vendor) include, but are not limited to, overtime meals, deliveries, court costs, cost of food at meetings, transcript fees, travel, and clerk fees.

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7. As set forth in the proposed order, HHR will provide ten business days' notice to the Debtors, the U.S. Trustee and any statutory committee appointed in these chapter 11 cases before implementing any periodic increases, and shall file such notice with the Court.

26. No promises have been received by HHR, or any member, counsel, or associate of HHR, as to payment or compensation in connection with these chapter 11 cases other than in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and the Fee Guidelines. Furthermore, HHR has no agreement with any other entity to share compensation received by HHR or by such entity.

27. The Application requests approval of HHR's retention on rates, terms, and conditions consistent with what HHR charges non-chapter 11 debtors, namely, prompt payment of HHR's hourly rates as adjusted from time to time and reimbursement of out-of-pocket disbursements at cost or based on formulas that approximate the actual cost where the actual cost is not easily ascertainable. Subject to these terms and conditions, HHR intends to apply for allowance of compensation for professional services rendered in these chapter 11 cases and for reimbursement of actual and necessary expenses relating thereto in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and the Fee Guidelines.

**Coordination with Other Professionals for Republic**

28. In addition to HHR, Republic has submitted, or intends to submit, separate applications to retain, *inter alia*, ZLP as Republic's co-327(a) counsel. Because each professional has been given a well-defined role by Republic's management, the professionals will not duplicate the services they provide to Republic, and will function cohesively to ensure that services provided to Republic by each firm are not duplicative. Moreover, at all stages of these chapter 11 cases, I, as the lead HHR partner on the engagement, will coordinate with ZLP and Republic's in-house counsel, to insure that no duplication between HHR and ZLP or any other professional occurs.

**ATTORNEY STATEMENT PURSUANT TO FEE GUIDELINES**

29. The following is provided in response to the request for additional information set forth in Paragraph D.1 of the Fee Guidelines.

**Question:** Did you agree to any variations from, or alternatives to, your standard or customary billing arrangements for this engagement?

**Response:** Yes, certain discounts have been negotiated with Republic as provided in Paragraph 20.

**Question:** Do any of the professionals included in this engagement vary their rate based on the geographic location of the bankruptcy case?

**Response:** No.

**Question:** If you represented the client in the 12 months prepetition, disclose your billing rates and material financial terms for the prepetition engagement, including any adjustments during the 12 months prepetition. If your billing rates and material financial terms have changed postpetition, explain the difference and the reasons for the difference.

**Response:** HHR represented Republic for the 12 months leading to the Commencement Date. Paragraph 20 herein discloses the billing rates used by HHR for the prepetition engagement. HHR's billing rates and material financial terms with respect to this matter have not changed postpetition.


**Question:** Has your client approved your prospective budget and staffing plan, and, if so, for what budget period?

**Response:** Republic has approved HHR's prospective budget and staffing plan for the first interim period.

30. The foregoing constitutes the statement of Christopher K. Kiplok pursuant to sections 327(a), 329, and 504 of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016(b).

I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Executed this 25th day of February, 2016

  
\_\_\_\_\_  
/s/ Christopher K. Kiplok  
Partner, Hughes Hubbard & Reed LLP



**Annex A**  
**Retention Checklist**

### **Retention Checklist**

- Affiliations of Current Officers and Directors
- Affiliations of Former Officers and Directors (past 6 years)
- Aircraft Financing Counterparties
- Aircraft Lessors and Lessees
- Banks
- Claims Agent
- Code Share Partners
- Current Officers and Directors
- Debtors, Affiliates & Subsidiaries
- Former Affiliates of Debtors
- Former Officers and Directors (past 6 years)
- Governmental units
- Holders of 10 Largest Secured Claims (Consolidated)
- Holders of 40 Largest Unsecured Claims (Consolidated)
- Independent Contractors
- Insurance Companies
- Landlords / Payees on real estate lease
- Major Competitors
- Mediators
- Office of the United States Trustee for the S.D.N.Y.
- Parties to Material Contracts with the Debtors
- Parties to Pending Litigation
- Previous Debtor Names
- Professionals
- Significant Vendors
- 5% Shareholders
- Taxing Authorities / Regulatory Agencies
- Top 100 Accounts Payable
- Unions
- Unions' Attorneys
- United States Bankruptcy Court for the S.D.N.Y. Clerk's Office
- United States Bankruptcy Judges for the S.D.N.Y.
- Utility Companies

**Annex B  
List of Current and Former Clients**

<b>Matched Entity</b>	<b>Relationship to Debtors</b>	<b>Relationship to HHR</b>
<b>AERMACCHI SPA</b>	Top 100 Accounts Payable	Affiliate of Former Client
<b>AFS INVESTMENTS 67-B</b>	Aircraft Lease	Affiliate of Current Client
<b>AFS INVESTMENTS 67-F</b>	Aircraft Lease	Affiliate of Current Client
<b>AFS INVESTMENTS 69, INC.</b>	Aircraft Lease	Affiliate of Current Client
<b>AFS INVESTMENTS 73 LLC</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>AFS INVESTMENTS I, INC. (GECC)</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>AFS INVESTMENTS XI, INC.</b>	Aircraft Lease	Affiliate of Current Client
<b>AFS INVESTMENTS XIII, INC.</b>	Aircraft Lease	Affiliate of Current Client
<b>AIRCELLE</b>	Top 100 Accounts Payable	Affiliate of Former Client
<b>AIRCELLE EUROPE SERVICES</b>	Top 100 Accounts Payable	Affiliate of Former Client
<b>AIRCRAFT FINANCIAL SERVICES LLC</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>ALLIANCE &amp; LEICESTER PLC</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>ALLIANZ GLOBAL RISKS US INSURANCE COMPANY</b>	Insurance Company	Affiliate of Current Client
<b>ALLIANZ, MEXICO S.A.</b>	Insurance Company	Affiliate of Current Client
<b>AVFUEL CORPORATION</b>	Top 100 Accounts Payable	Current Client

<b>Matched Entity</b>	<b>Relationship to Debtors</b>	<b>Relationship to HHR</b>
<b>BANK OF AMERICA</b>	Banks	Current Client
<b>BANK OF AMERICA (CANADA)</b>	Banks	Affiliate of Current Client
<b>BNP PARIBAS</b>	Aircraft Financing Counterparty	Current Client
<b>CALYON</b>	Aircraft Financing Counterparty	Current Client
<b>CANADA REVENUE AGENCY</b>	Taxing Authority / Regulatory Agency	Affiliate of Current Client
<b>CASTLE HARBOUR-1 LIMITED LIABILITY COMPANY</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>CIT GROUP/CORPORATE AVIATION, INC./</b>	Aircraft Financing Counterparty	Current Client
<b>CITIBANK, N.A.</b>	Aircraft Financing Counterparty & Banks	Current Client
<b>CONTINENTAL AIRLINES, INC.</b>	Aircraft Lease	Current Client
<b>CONTINENTAL CASUALTY COMPANY</b>	Insurance Company	Affiliate of Current Client
<b>CREDIT AGRICOLE CIB</b>	Aircraft Financing Counterparty	Current Client
<b>DELOITTE &amp; TOUCHE LLP</b>	Professionals to be Retained	Current Client
<b>DELTA AIRLINES, INC.</b>	Code Share Partners	Former Client
<b>ENDEAVOR AIR</b>	Major Competitors	Affiliate of Former Client
<b>EXPORT DEVELOPMENT CANADA</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>GE AVIATION SYSTEMS</b>	Top 100 Accounts Payable	Affiliate of Current Client

<b>Matched Entity</b>	<b>Relationship to Debtors</b>	<b>Relationship to HHR</b>
<b>GE CAPITAL CORP</b>	Top 100 Accounts Payable	Affiliate of Current Client
<b>GE CAPITAL SUKUK LTD.</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>GE COMMERCIAL AVIATION SERVICES LIMITED</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>GE COMMERCIAL AVIATION SERVICES LLC</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>GE ENGINE SERVICE – STROTHER</b>	Top 100 Accounts Payable	Affiliate of Current Client
<b>GENERAL ELECTRIC CAPITAL CORPORATION</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>GENERAL ELECTRIC COMPANY, AIRCRAFT ENGINES COMPONENT</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>GENERAL ELECTRIC CREDIT CORPORATION OF TENNESSEE</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>HALIFAX PLC</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>HELLER FINANCIAL, INC.</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>KPMG, LLP</b>	Professionals to be Retained	Current Client
<b>LLOYD'S SYNDICATE 1919 (STARR UNDERWRITING AGENTS, LTD.)</b>	Insurance Company	Current Client
<b>LLOYD'S SYNDICATE 4472 (LIBERTY)</b>	Insurance Company	Current Client
<b>METLIFE CAPITAL</b>	Aircraft Lease	Affiliate of Current Client
<b>METROPOLITAN LIFE INSURANCE COMPANY</b>	Aircraft Lease	Current Client
<b>MORGAN STANLEY BANK, N.A.</b>	Aircraft Financing Counterparty	Current Client

<b>Matched Entity</b>	<b>Relationship to Debtors</b>	<b>Relationship to HHR</b>
<b>NATIXIS TRANSPORT FINANCE</b>	Aircraft Financing Counterparty	Current Client
<b>NEW YORK DEPARTMENT OF STATE - DIVISION OF CORPORATIONS</b>	Taxing Authority / Regulatory Agency	Affiliate of Current Client
<b>NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE</b>	Taxing Authority / Regulatory Agency	Affiliate of Current Client
<b>NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE - PETROLEUM BUSINESS TAX</b>	Taxing Authority / Regulatory Agency	Affiliate of Current Client
<b>NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE - SALES TAX PROCESSING</b>	Taxing Authority / Regulatory Agency	Affiliate of Current Client
<b>NYC DEPARTMENT OF FINANCE, NEW YORK</b>	Taxing Authority / Regulatory Agency	Affiliate of Current Client
<b>PK AIRFINANCE US, INC.</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>POLARIS HOLDING COMPANY</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>PRIME AVIATION CAPITAL, LLC (MITSUI)</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>REGIONAL EQUIPMENT TRUST</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>ROYAL BANK OF SCOTLAND PLC</b>	Aircraft Financing Counterparty	Current Client
<b>SAL INVESTMENTS 2 LLC</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>SILVERMINE RIVER FINANCE TWO, INC.</b>	Aircraft Financing Counterparty	Affiliate of Current Client
<b>UNITED AIRLINES, INC.</b>	Landlord / Payee on real estate lease	Current Client
<b>UNITED CONTINENTAL HOLDINGS, INC.</b>	Code Share Partners	Current Client

Matched Entity	Relationship to Debtors	Relationship to HHR
<b>US AIRWAYS GROUP, INC.</b>	Aircraft Financing Counterparty	Current Client
<b>WELLS FARGO BANK</b>	Top 100 Accounts Payable	Current Client
<b>WELLS FARGO BANK NORTHWEST, N.A.</b>	Aircraft Financing Counterparty	Current Client
<b>WELLS FARGO DELAWARE TRUST COMPANY</b>	Aircraft Lease	Affiliate of Current Client
<b>WESTLB AG</b>	Aircraft Financing Counterparty	Current Client
<b>WILMINGTON TRUST COMPANY</b>	Aircraft Financing Counterparty	Affiliate of Current Client

**Annex C**  
**List of Potentially Related Clients**

<b>Matched Entity</b>	<b>Relationship to Debtors</b>	<b>Relationship to HHR</b>
<b>ARGUS PROS</b>	Professionals to be Retained	Maybe Current Client
<b>CONTINENTAL BROADBAND LLC DBA EXPEDIENT</b>	Top 100 Accounts Payable	Maybe Current Client
<b>CURTIS LEE, III</b>	Independent Contractor	Maybe Current Client
<b>DBD MESA LLC</b>	Top 100 Accounts Payable	Maybe Current Client
<b>HAMILTON SUNDSTRAND</b>	Top 100 Accounts Payable	Maybe Current Client
<b>HUMAN ELEMENTS</b>	Professionals to be Retained	Maybe Current Client
<b>IPL</b>	Utility Company	Maybe Current Client
<b>JEPPESEN - ACCT# 00047670</b>	Top 100 Accounts Payable	Maybe Current Client
<b>MARK SMITH</b>	Independent Contractor	Maybe Current Client



**Exhibit B**  
**Declaration of Ethan J. Blank**

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

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**In re** : **Chapter 11 Case No.**  
**REPUBLIC AIRWAYS HOLDINGS INC., et al.,** : **16-\_\_\_\_\_ (\_\_\_)**  
**Debtors.<sup>1</sup>** : **(Joint Administration Pending)**

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**DECLARATION OF ETHAN J. BLANK IN SUPPORT OF APPLICATION OF  
DEBTORS PURSUANT TO 11 U.S.C. § 327(a), FED. R. BANKR. P. 2014(a) & 2016, AND  
LOCAL BANKRUPTCY RULES 2014-1 & 2016-1 FOR AUTHORITY TO EMPLOY  
AND RETAIN HUGHES HUBBARD & REED LLP AS ATTORNEYS FOR THE  
DEBTORS NUNC PRO TUNC TO THE COMMENCEMENT DATE**

Ethan J. Blank makes this declaration under 28 U.S.C. § 1746:

1. I am the Vice President and General Counsel of Republic Airways Holdings Inc. (“RAH”). In my current role at RAH, I am responsible for supervising outside counsel and monitoring and managing legal fees and expenses.

2. On the date hereof (the “Commencement Date”), RAH and certain of its wholly-owned direct and indirect subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively with RAH, “Republic” or the “Debtors”), commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). I submit this Declaration in support of Republic’s application (the “Application”), pursuant to section 327(a) of the Bankruptcy Code, Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rules 2014-1 and 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Bankruptcy”

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1. The Debtors in these chapter 11 cases are the following entities: Republic Airways Services, Inc.; Shuttle America Corporation; Republic Airline Inc.; Republic Airways Holdings Inc.; Midwest Air Group, Inc.; Midwest Airlines, Inc.; and Skyway Airlines, Inc. The Debtors’ employer tax identification numbers and addresses are set forth in their respective chapter 11 petitions.

Rules”), for authority to employ and retain Hughes Hubbard & Reed LLP (“HHR” or the “Firm”), as attorneys for the Debtors in the above-captioned chapter 11 cases *nunc pro tunc* to the Commencement Date, filed contemporaneously herewith.<sup>2</sup>

3. This Declaration is provided pursuant to Paragraph D.2 of the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013 (the “Fee Guidelines”). Except as otherwise indicated herein, the facts set forth in this Declaration are based upon my personal knowledge, information provided to me by Republic’s employees or advisors, or my opinion based upon knowledge and experience as General Counsel of RAH. I am authorized to submit this Declaration on behalf of Republic.

4. Republic recognizes that a comprehensive review process is necessary when selecting and managing chapter 11 counsel to ensure their bankruptcy professionals are subject to the same client-driven market forces, security, and accountability as professionals in non-bankruptcy engagements. Republic first engaged HHR, along with ZLP, in July 2015 to assist Republic in analyzing strategic alternatives with respect to Republic’s capital structure and restructuring alternatives. Republic chose HHR based upon HHR’s long-standing representation of Republic in aircraft financing and other corporate matters, its reputation and experience in the restructuring field, upon Republic’s particular circumstances, and upon discussions with HHR’s attorneys who were proposed to work on this matter. Since July 2015, HHR has assisted Republic in evaluating a number of potential restructuring alternatives and, in the process, has become intimately familiar with Republic’s capital structure and operations, as well as with the key creditors and other stakeholders in these chapter 11 cases.

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2. Capitalized terms not otherwise herein defined shall have the meanings ascribed to such terms in the Application.

5. HHR has confirmed to me that the Firm does not vary its billing rates or the material terms of an engagement depending on whether such engagement is a bankruptcy or a non-bankruptcy engagement. HHR has advised me that its current customary U.S. hourly rates are \$700 to \$1,150 for members and counsel, \$425 to \$770 for associates, and \$280 to \$290 for paraprofessionals. HHR has provided Republic with the following negotiated fee discounts applicable for fees accrued in the 2016 calendar year: 5% discount on all attorney and paraprofessional fees until fees reach \$750,000, 10% discount for such fees in excess of \$750,000 until fees reach \$1,750,000, and 15% discount for such fees in excess of \$1,750,000. HHR intends to apply these discounts to fees incurred in these chapter 11 cases. HHR has advised me that it will inform Republic of any adjustment to its existing rate structure.

6. I am informed by HHR that its attorneys' billing rates are aligned each year to ensure that its rates are comparable to the billing rates of its peer firms. However, to the extent there is any disparity in such rates, I nevertheless believe that HHR's retention by Republic is warranted in these cases for the reasons set forth in Republic's Application.

7. I understand that HHR's fees and expenses will be subject to periodic review on a monthly, interim, and final basis during the pendency of these chapter 11 cases by, among other parties, the Office of the United States Trustee, Republic, and any official committee appointed in these chapter 11 cases in accordance with the terms of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and any orders of the Court governing the procedures for approval of interim compensation of professionals retained in chapter 11 cases.

8. As General Counsel of Republic, in the normal course of business, I supervise and manage legal fees and expenses incurred by Republic's outside counsel. I

personally review Republic's outside counsel invoices and authorize all legal fees and expenses prior to the payment of such fees to outside counsel. In doing so, I assure that all requested fees and expenses are not unreasonable and correspond with necessary or beneficial services rendered on behalf of Republic and its estates. The aforementioned review and approval process does not differ when Republic employs outside counsel for non-bankruptcy cases. Moreover, HHR has informed me that Republic will be provided with the opportunity to review all invoices and request adjustments to such invoices to the extent that Republic determines that such adjustments are necessary and appropriate, which requests will be carefully considered by HHR.

9. Additionally, on behalf of Republic, I have approved a prospective budget and staffing plan. I will continue to review the staffing and budget plan with HHR, along with HHR's invoices, and together with HHR, will make such adjustments as may be necessary or appropriate.

I declare under penalty of perjury that, to the best of my knowledge, information,  
and belief, and after reasonable inquiry, the foregoing is true and correct.

Dated: New York, New York  
February 25, 2016

  
\_\_\_\_\_  
Ethan J. Blank

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

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**In re** : **Chapter 11 Case No.**  
**REPUBLIC AIRWAYS HOLDINGS INC., et al.,** : **16-\_\_\_\_\_ (\_\_\_)**  
**Debtors.<sup>1</sup>** : **(Jointly Administered)**

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**ORDER PURSUANT TO 11 U.S.C. § 327(a), FED. R. BANKR. P.  
2014(a) & 2016, AND LOCAL BANKRUPTCY RULE 2014-1 & 2016-1  
AUTHORIZING THE RETENTION AND EMPLOYMENT OF  
HUGHES HUBBARD & REED LLP AS ATTORNEYS FOR THE  
DEBTORS NUNC PRO TUNC TO THE COMMENCEMENT DATE**

A hearing having been held on \_\_\_\_\_, 2016 (the "Hearing"), to consider the application, dated February 25, 2016 (the "Application"),<sup>2</sup> of Republic Airways Holdings Inc. ("RAH"), and certain of its wholly-owned direct and indirect subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively with RAH, "Republic" or the "Debtors"), pursuant to section 327(a) of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 2014-1 and 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the "Local Bankruptcy Rules") for entry of an order authorizing the employment of Hughes Hubbard & Reed LLP ("HHR") as attorneys for the Debtors, effective as of February 25, 2016 (the "Commencement Date") under a general retainer, as more fully described in the Application; and upon the declaration of Christopher K. Kiplok, a member

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1. The Debtors in these chapter 11 cases are the following entities: Republic Airways Services, Inc.; Shuttle America Corporation; Republic Airline Inc.; Republic Airways Holdings Inc.; Midwest Air Group, Inc.; Midwest Airlines, Inc.; and Skyway Airlines, Inc. The Debtors' employer tax identification numbers and addresses are set forth in their respective chapter 11 petitions.
  2. Capitalized terms not otherwise herein defined shall have the meanings ascribed to such terms in the Application.

of HHR, annexed to the Application as Exhibit A (the “Kiplok Declaration”) and the declaration of Ethan J. Blank, Vice President and General Counsel for the Debtors, annexed to the Application as Exhibit B (the “Blank Declaration”); and the Court being satisfied, based on the representations made in the Application and the Kiplok Declaration, that HHR is “disinterested” as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and as required under section 327(a) of the Bankruptcy Code, and that HHR represents no interest adverse to Republic’s estates with respect to the matters upon which it is to be engaged; and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28. U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference M431, dated January 31, 2012 (Preska, C.J.); and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Application having been provided to (i) the Office of the United States Trustee for the Southern District of New York, (ii) the holders of the ten largest secured claims against Republic (on a consolidated basis), (iii) the holders of the forty largest unsecured claims against Republic (on a consolidated basis), (iv) the attorneys for the agents under Republic’s prepetition revolving credit facilities, (v) the attorneys for Republic’s Codeshare Partners, (vi) the International Brotherhood of Teamsters, (vii) the Securities and Exchange Commission, (viii) the Internal Revenue Service, (ix) the Office of the United States Attorney for the Southern District of New York, and (x) all parties having filed requests for notices in these cases pursuant to Fed. R. Bankr. P. 2002; and it appearing that no other or further notice need be provided; upon the Application, the papers in support thereof and the responses thereto, if any, the Kiplok Declaration, the Blank Declaration, the record of the Hearing, and all of the



proceedings heretofore had before the Court; and the Court having found and determined that the relief sought in the Application is in the best interests of Republic, its estates, creditors, and all parties in interest and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Application is granted *nunc pro tunc* to the Commencement Date to the extent provided herein; and it is further

ORDERED that pursuant to section 327(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, and Local Bankruptcy Rules 2014-1 and 2016-1, Republic is authorized to employ and retain HHR as their attorneys in these chapter 11 cases under a general retainer, in accordance with HHR's normal hourly rates and disbursement policies, all as contemplated by the Application, *nunc pro tunc* to the Commencement Date; and it is further

ORDERED that HHR is authorized to render the following professional services:

- a. Prepare on behalf of Republic, as debtors and debtors in possession, all necessary motions, applications, answers, orders, reports, and other papers in connection with the administration of Republic's estates;
- b. Take all necessary action to protect and preserve Republic's estates, including the prosecution of actions on Republic's behalf, the defense of any actions commenced against Republic, the negotiation of disputes in which Republic is involved, and the preparation of objections to claims filed against Republic's estates;
- c. Take all necessary actions in connection with a chapter 11 plan and related disclosure statement(s), and all related documents, and such further actions as may be required in connection with the administration of Republic's estates;
- d. Represent Republic in connection with any potential financing transactions;

- e. Advise Republic in connection with any potential sale of assets;
- f. Advise Republic regarding tax matters; and
- g. Perform all other necessary legal services in connection with the prosecution of these chapter 11 cases, including: (i) analyze Republic's aircraft leases and contracts and the assumption and assignment or rejection thereof; (ii) analyze the validity of liens against Republic; and (iii) advise Republic on corporate and litigation matters.

and it is further

ORDERED that HHR shall be compensated in accordance with, and will file, interim and final fee applications for allowance of its compensation and expenses and shall be subject to sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and any further order of the Court; and it is further

ORDERED that HHR shall be reimbursed for reasonable and necessary expenses; and it is further

ORDERED that HHR shall use its reasonable best efforts to avoid any duplication of services provided by any of Republic's other retained professionals in these chapter 11 cases; and it is further

ORDERED that HHR may apply its advance payment retainer to prepetition fees and expenses that had been incurred but not yet been processed as of the Commencement Date, and thereafter, HHR may hold the remaining retainer amount as security for the payment of fees and expenses incurred in these chapter 11 cases; and it is further

ORDERED that HHR shall provide ten (10) business days' notice to Republic, the United States Trustee for the Southern District of New York, and any statutory committee appointed in these chapter 11 cases in connection with any increase of the hourly rates listed in the HHR Declaration. The United States Trustee and any statutory committee appointed in these

cases retain all rights to object to any rate increase on all grounds including, but not limited to, the reasonableness standard provided in section 330 of the Bankruptcy Code, and the Court retains the right to review any rate increase pursuant to section 330 of the Bankruptcy Code; and it is further

ORDERED that to the extent the Application is inconsistent with this Order, the terms of this Order shall govern; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation or enforcement of this Order.

Dated: New York, New York  
\_\_\_\_\_, 2016

\_\_\_\_\_  
United States Bankruptcy Judge