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Proposed Counsel for Debtor
and Debtor in Possession

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF HAWAII

In re

HAWAIIAN AIRLINES, INC.,
a Hawaii corporation

Debtor.

CASE NO. 03-_____ (RJF)
(Chapter 11)

[No Hearing Required]

**DECLARATION OF NICHOLAS C. DREHER IN SUPPORT OF
APPLICATION OF DEBTOR AND DEBTOR IN POSSESSION FOR
AUTHORITY TO EMPLOY CADES SCHUTTE AS LOCAL COUNSEL**

NICHOLAS C. DREHER declares as follows:

1. I am a partner in the law firm of Cades Schutte A Limited Liability Law Company (“Cades Schutte”) and I make this Declaration in support of the Application of Hawaiian Airlines, Inc. as debtor and debtor in possession in the above-captioned case (the “Debtor”) for authority to employ Cades Schutte as its local counsel.

2. I am an attorney duly admitted to practice in the State of Hawaii and in this Court.

3. Cades Schutte is a full-service law firm comprised of 59 attorneys, 3 of counsel and 10 paralegals, with offices in Honolulu and Kailua-Kona, Hawaii.

4. On March 21, 2003, the Debtor filed its voluntary petition commencing the above-captioned case under Chapter 11 of Title 11, United States Code (the “Bankruptcy Code”).

5. Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, the Debtor has continued in possession of its property and in the operation of its business and is debtor and debtor in possession.

6. The Debtor wishes to employ Nicholas C. Dreher and other members of Cades Schutte as its local counsel in this case. All of the attorneys in the Cades Schutte firm are duly admitted to practice in this Court.

7. The Debtor has selected Cades Schutte because its attorneys have considerable experience in bankruptcy, corporate law, commercial law, real estate law, tax law and other areas of law, and are well qualified to represent the Debtor in this proceeding.

8. The professional services that Cades Schutte is to render in this case include:

(a) To give the Debtor legal advice with respect to its powers and duties as a debtor and debtor in possession in the continued operation of its business and management of its property;

(b) To represent the Debtor in proceedings or hearings in the Bankruptcy Court involving matters of bankruptcy law;

(c) To assist the Debtor in the preparation of applications, accounts, answers, orders and reports;

(d) To assist the Debtor in the negotiation, preparation, confirmation and implementation of a Plan of Reorganization; and

(e) To perform such other legal services for Debtor as debtor in possession which may be necessary in this case.

9. The terms of the employment of Cades Schutte agreed to by the Debtor, subject to the approval of the Court, are that the attorneys and paralegals in

Cades Schutte will undertake the representation of the Debtor and will charge for the time spent on the basis of their customary prevailing hourly rates. The individuals currently designated to represent the Debtor in this matter and their current hourly rates are:

NICHOLAS C. DREHER	\$275
THEODORE D.C. YOUNG	\$210

10. The foregoing hourly rates are subject to periodic adjustment to reflect economic and other conditions and to take account of increased experience and expertise. Cades Schutte will make periodic application to the Court for allowance of compensation and reimbursement of expenses. No compensation will be paid by the Debtor to Cades Schutte except after approval by the Court after notice and a hearing.

11. During the one-year period prior to the filing of the petition commencing this case, Cades Schutte received \$51,828.02 from the Debtor, which was applied to pay for services rendered and costs incurred in connection with the prospective filing of the bankruptcy case, and Cades Schutte holds an additional \$150,000 in its client's trust fund account to be applied to pay compensation and reimburse expenses in connection with this case as may be approved by the Court.

12. I have reviewed a list of 18,467 of the Debtor's vendors and creditors (the "List of Creditors"), which I am informed by the Debtor and believe

to be a complete list of all vendors and creditors of the Debtor with the exception of the members of the Debtor's "HawaiianMiles" frequent-flier program (the "Miles Program").

13. My review of the List of Creditors and our firm's client data base reveals that Cades Schutte does not represent any party on the List of Creditors in any matter adverse to the Debtor or otherwise related to the Debtor or this bankruptcy case. Cades Schutte represents 59 of the 18,467 vendors and creditors identified on the List of Creditors in connection with matters wholly unrelated to the Debtor or to this bankruptcy case. A list of these vendors and creditors is attached as Exhibit "A."

14. One of the vendors and creditors listed on Exhibit "A", Starr Seigle McCombs, is on the list of the twenty largest unsecured creditors of the Debtor. Cades Schutte is doing extremely limited and specialized work for this client, having billed less than \$10,000 during the past twelve months. If necessary, Akin Gump Strauss Hauer & Feld LLP, the Debtor's proposed lead counsel, or other counsel to be employed by the Debtor in this case, can act as sole counsel with respect to matters adverse to this entity.

15. A number of the attorneys and staff of Cades Schutte are members of the Miles Program.

16. To the best of my knowledge, Cades Schutte does not currently represent any creditor or other party in interest in any matter adverse to the Debtor, nor does Cades Schutte have any other connection with the Debtor, creditors, any other party in interest in this case, their respective attorneys or accountants, the United States trustee, or any person employed in the office of the United States trustee except as stated above.

17. Biographies of Nicholas C. Dreher and Theodore D.C. Young are attached to this Declaration as Exhibit "B."

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

Dated: Honolulu, Hawaii, March 21, 2003.

Nicholas Dreher

NICHOLAS C. DREHER

EXHIBIT "A"

LIST OF VENDORS AND CREDITORS

Aikane Button Ribbon
Aloha Petroleum, Ltd.
American Savings Bank
Aston Hotels
Stephen Anderson
Bank of America
Bank of Hawaii
Bishop Museum
Brewer Environmental Industries
Cheap Tickets
CIT Group Business Credit
Citizens Utilities Company
City Mill
Kevin Ching
Colony Advisors
Commercial Data Systems
Consolidated Amusement
Consolidated Resorts
David Crowell
Get2Hawaii
GBC
GTE Hawaiian Telephone and affiliates
Ted Gugelyk
Halau Na Mano Pu'Uanahulu
Hawaii Hotel Association
Hawaiian Eye Center
Hawaiian Humane Society
Hawaiian Natural Water Company
Hawaiian USA Federal Credit Union
Honolulu Advertiser
Honsador Lumber Corporation
Island Insurance
Kamehameha Schools and affiliates
KITV
Louis Vuitton
David McNeill
Matson Navigation
McNeill Wilson Communications
Meadowgold Dairies
Merrill Lynch
Nextel Partners
Norwegian Cruise Line
Outrigger Hotels
Pacific Business News
Pacific Machinery
Pacifica Group Holdings
Pictures Plus
Pizza Hut
Queens Medical Center
Sidney Austin Brown & Wood

Dawn Sinclair
Star Market
Starr Seigle McCombs
State of California
USA Today
US Cellular
VoiceStream Wireless
Wagner Watson & Pettit
Waikiki Improvement Association

EXHIBIT “B”
BIOGRAPHY OF NICHOLAS C. DREHER

I am a partner in the law firm of Cades Schutte where I serve as a member of the firm’s Management Committee, Chairman of the firm’s Finance and Real Estate Department and Leader of the Creditors’ Rights and Bankruptcy Practice Group. I joined the firm in June, 1973. My law practice concentrates in the areas of bankruptcy and creditors’ rights and banking.

I received my A.B., magna cum laude, from Harvard University in 1970, and my law degree from Stanford University Law School in 1973.

I was admitted to practice in the State of Hawaii in 1973 and I have practiced law full time since then. I am a member of the Hawai`i State Bar Association and a member of the Real Property and Financial Services Section and Bankruptcy Law Section of which I was president in 1992, 1995, and Director from 1991 to 1996. I served as a member of the Committee on Foreclosure and Related Remedies, Section on Real Property, Probate and Trust Law with the American Bar Association from 1991 to 1995. I have been a member of the American Bankruptcy Institute from 1989 to the present. From 1993 to 1996, I was a member of the United States District Court Judicial Conference for the District of Hawai`i.

I have given numerous local and national seminars on real estate, bankruptcy and creditors’ rights. I am the author of “Default and Lenders’ Remedies, The Hawai`i Commercial Real Estate Financing Manual (Hawai`i Institute of Continuing Legal Education, 1990); “Executory Contracts and Unexpired Leases in Bankruptcy”, The Court of Last Resort: Chapter 11 Business Reorganizations in Bankruptcy (Bankruptcy Law Section, Hawai`i State Bar Association, 1993); and “Default and Bankruptcy”, Hawai`i Real Estate Law Manual, (Hawai`i Institute of Continuing Legal Education, 1997). I have held the highest rating for legal ability and ethics (“AV”) from Martindale Hubbell for over fifteen years, and I have been listed in “The Best Lawyers in America” in two categories (banking and bankruptcy) every year since 1991.

I currently serve as a hearing examiner for the Office of Disciplinary Counsel of the Hawaii Bar, and as a volunteer arbitrator in the Hawaii Court-Annexed Arbitration Program. I regularly serve as a guest lecturer at the William S. Richardson School of Law of the University of Hawaii in Bankruptcy and Secured Transactions.

EXHIBIT “B”

BIOGRAPHY OF THEODORE D. C. YOUNG

I am a partner in the law firm of Cades Schutte, where I am a member of the firm’s Creditors’ Rights and Bankruptcy Practice Group and its Commercial Litigation Practice Group. I joined the firm in August 1995. My law practice concentrates in the areas of bankruptcy and creditors’ rights and commercial litigation.

I received my B.A., *cum laude*, and J.D. from the University of San Francisco. I was admitted to practice in the State of Hawaii in 1992 and I am admitted to practice before all state and federal courts of this State, as well as the Ninth Circuit Court of Appeals. I am a member of the Hawai`i State Bar Association and a member of its Bankruptcy Law Section, of which I was vice-president in 2002, and a Director from 2001 to 2002. I am also a member of the American Bankruptcy Institute.

I have been a member of the State Bar of California since 1985 and I am admitted to practice before all California State courts, as well as the United States District Courts for the Northern and Central Districts of California. While practicing law in California, I was an attorney with the Division of Enforcement of the United States Securities & Exchange Commission, in its San Francisco branch office.

I currently serve as a volunteer arbitrator in the Hawai`i Court-Annexed Arbitration Program.