

FILED
U.S. BANKRUPTCY COURT
DISTRICT OF HAWAII

03 MAR 21 PM 1:10

Nicholas C. Dreher, Esq.
Theodore D.C. Young, Esq.
CADES SCHUTTE LLC
1000 Bishop Street
Honolulu, Hawaii 96813
Telephone: (808) 521-9200
Facsimile: (808) 521-9210
ndreher@cades.com
tyoung@cades.com

Lisa G. Beckerman, Esq.
AKIN GUMP STRAUSS HAUER & FELD LLP
590 Madison Avenue
New York, New York 10022
Telephone: (212) 872-1000
Facsimile: (212) 872-1002
lbeckerman@akingump.com

David P. Simonds, Esq.
California State Bar No. 214499
AKIN GUMP STRAUSS HAUER & FELD LLP
2029 Century Park East, Suite 2400
Los Angeles, California 90067
Telephone: (310) 229-1000
Facsimile: (310) 229-1001
dsimonds@akingump.com

Proposed Counsel for Debtor
and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF HAWAII**

In re
HAWAIIAN AIRLINES, NC.,
a Hawaiian corporation,
Debtor.

} **Case No. 03 - 00817**
{ (Chapter 11)
{ **DECLARATION OF JOHN W. VITALE IN**
{ **SUPPORT OF APPLICATION FOR ORDER**
{ **AUTHORIZING EMPLOYMENT AND**
{ **RETENTION OF AVITAS, INC. AS LEASE**

} **RESTRUCTURING CONSULTANTS**
}
}
} Date: March 21, 2003
} Time: 2:30 p.m.
} Judge: Hon. Robert J. Faris

I, John W. Vitale, declare as follows:

1. I am President and CEO of Avitas, Inc. (“Avitas”), which firm maintains an office at 14520 Avion Parkway, Suite 220, Chantilly, VA 20151, and I am authorized to execute this declaration on behalf of Avitas.

2. On March 21, 2003 (the “Petition Date”), Hawaiian Airlines, Inc. (the “Debtor”) filed a voluntary petition for relief under chapter 11, title 11 of the United States Code (the “Bankruptcy Code”).

3. This Declaration is prepared in connection with the Application of Debtor for Order Authorizing the Retention and Employment of Avitas, Inc. as Lease Restructuring Consultants (the “Retention Application”), and sets forth the statements required under Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure.

4. Except as specifically set forth on the attached Exhibit A, neither I nor Avitas as a firm, to the best of my knowledge, have any connection with any

creditor or other parties in interest, or their respective attorneys or accountants, or the United States Trustee or any of its employees.

5. In the few weeks prior to the Petition Date, Avitas represented the Debtor as consultants, which included providing consulting services relating to the leased aircraft in their fleet. As a result of this prior representation, Avitas is intimately familiar with the complex issues that have arisen and are likely to arise in connection with the Debtor's lease restructuring issues. Such prior experience will enable efficient and economic representation of the Debtor and will facilitate the completion of the Debtor's reorganization.

6. For prepetition services rendered, Avitas is owed approximately \$0.

7. As part of its diverse practice, Avitas and certain of its principals and employees have in the past represented, currently represent and may in the future represent entities that are claimants, equity interest holders, or other parties in interest in these cases in matters totally unrelated to the pending chapter 11 cases. In addition, Avitas may have in the past or may currently be representing other professionals involved in this case in matters unrelated to this case. Based on our current knowledge of the professionals involved, and to the best of my knowledge, Avitas does not represent or have a relationship with any attorneys, accountants, financial consultants or investment bankers which would be adverse to the Debtor or its estate.

8. Certain directors, and employees of Avitas have in the past represented, presently represent, and likely in the future will represent corporate entities and individuals that are either creditors or affiliates of the Debtor in matters unrelated to this case. However, Avitas will not provide any services to any of these entities in connection with any matter that arises in this Chapter 11 case. Avitas believes that its representation of such creditors or equity security holders in such unrelated matters will not affect its representation of the Debtor in this proceeding as actuaries.

9. To check and clear potential conflicts of interest in this case, Avitas researched its client database to determine whether it had any connection with the following entities listed on Exhibit B attached hereto.

10. After performing such conflict checks, Avitas has determined that it has not represented any creditors or affiliates in matters related or unrelated to this chapter 11 case, except as set forth on Exhibit A attached hereto.

11. Subject to Court approval, and in accordance with sections 330(a) and 331 of the Bankruptcy Code, Avitas will seek payment for compensation on an hourly basis, plus reimbursement of actual and necessary expenses. Avitas's customary hourly rates charged to both bankruptcy and non-bankruptcy clients, subject to periodic adjustments to reflect economic and other conditions, are:

<u>Level/Task</u>	<u>Rate</u>
Managing Director (and above)	\$450
Directors	\$400
Analytic work	\$300
Clerical work	\$110

These hourly rates are customarily adjusted at the beginning of the year.

12. In connection with the reimbursement of actual and necessary expenses, it is Avitas's policy to charge its clients in all areas of practice for expenses incurred in connection with the client's representation. These expenses and charges include, among other things, photocopying, travel expenses, certain secretarial and other overtime expenses, long distance telephone calls, postage, express mail and messenger charges, expenses for "working meals" and telecopier charges. Avitas will charge the Debtor for these expenses in a manner and at rates consistent with charges generally made to its other clients.

13. No promises have been received by Avitas nor any partner, counsel or associate thereof as to compensation or payment in connection with these cases other than in accordance with the provisions of the Bankruptcy Code. Avitas has no agreement with any other entity to share with such entity any compensation received by in connection with this chapter 11 case.

14. Based upon the information available to me, neither I, Avitas, nor any director, principal or employee thereof, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtor or its estate in the matters for which Avitas seeks to be engaged. Accordingly, I believe that Avitas is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code.

15. Avitas represents that the foregoing constitutes a complete and full disclosure of all prior and current representation of clients which have any connection to this case, and that it has made an effort to discover any conflicts. However, Avitas reserves the right to supplement and amend this Declaration should it discover further pertinent relationships that require disclosure in this case.

16. The retention of Avitas to perform the services described in the Retention Application is in the best interests of the Debtor and the Debtor’s estate.

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

Executed on the 19th day of March, 2003.



John W. Vitale
President

EXHIBIT A

AVITAS Possible Conflicts with Hawaiian Airlines 2002/2003 Clients

<u>Name</u>	<u>Project</u>	<u>Revenue</u>
1 American Airlines	Appraisals	Less than 1% of annual revenue
2 BCI Aircraft Leasing	Appraisals & Inspections	Less than 1% of annual revenue
3 Delta Air Lines	Appraisals, BlueBook	Less than 1% of annual revenue
4 GECAS	Appraisals, BlueBook	Less than 1% of annual revenue
5 ILFC	Appraisals	Less than 1% of annual revenue
6 Rolls-Royce North America	Appraisals, BlueBook	Less than 1% of annual revenue
7 Transamerica	Appraisals & Inspections, BlueBook	Less than 1% of annual revenue
8 Boeing	BlueBook	Less than 1% of annual revenue
9 Bank of America	BlueBook	Less than 1% of annual revenue
10 Pratt & Whitney	BlueBook	Less than 1% of annual revenue

EXHIBIT A (continued)

AVITAS Personnel Possible Conflicts with Hawaiian Airlines

<u>Name</u>	<u>Employee Status</u>	<u>Relationship</u>	<u>Comment</u>
1 Jarvis, Steve	Full Time	British Airways' Executive Club Starwood Preferred Guest	Frequent flyer/guest accounts Frequent flyer/guest accounts
2 Kelly, Doug	Full Time	Bank of America VISA	Checking, Savings, Home Mortgage Credit cards
3 Silverman, Dan	Full Time	American Airlines British Airways Delta Air Lines Jet Blue Airlines Lufthansa Starwood Hotels	Frequent flyer/guest accounts Frequent flyer/guest accounts Frequent flyer/guest accounts Frequent flyer/guest accounts Frequent flyer/guest accounts Frequent flyer/guest accounts
4 Barnes, Sean	Full Time	VISA Marine Corps	Credit cards Ex-Marine
5 Yacur, Gary	Full Time	FlightSafety	Wife cousin's husband employed at FlightSafety
6 Hale, Jerry	Associate	Todd Cole, Cole & Wilds Assoc.	Worked with Todd Cole during Eastern liquidation between Jan. 1991 and Mar. 1995
7 Higgins, Kim	Full Time	VISA	Credit cards
8 Archambault, Kevin	Full Time	Delta Air Lines	Brother works as a mechanic
9 Skilman, Steve	Associate	Atlantic Coast Airlines	Currently employed
10 Blackman, Susanna	Part Time	Bank of America	Checking account
11 Pilarski, Adam	Full Time	VISA	Credit card
12 Stern, Michael	Associate	Bank of America GE Capital Heller	Mortgage Former employee Former employee
13 Vitale, John	Full Time	VISA	Credit cards