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Special Counsel to the Debtor

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:
	:
AIRFASTTICKETS, INC.,	:
	:
Debtor.	:
----- X	

Chapter 11
Case No. 15-11951 (SHL)

**FIRST INTERIM APPLICATION OF RICHARDS, LAYTON & FINGER,
P.A., AS SPECIAL COUNSEL TO THE DEBTOR, FOR INTERIM
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF
EXPENSES FOR SERVICES RENDERED DURING THE PERIOD
FROM OCTOBER 27, 2015 THROUGH FEBRUARY 29, 2016**

Name of Applicant:	Richards, Layton & Finger, P.A.
Authorized to Provide Professional Services to:	The Debtor, AirFastTickets, Inc.
Date of Retention:	December 2, 2015, <i>nunc pro tunc</i> to October 27 2015
Compensation Period:	October 27, 2015 - February 29, 2016
Amount of Compensation sought as actual, reasonable, and necessary:	<u>\$76,491.00</u>
Amount of Expense Reimbursement sought as actual, reasonable, and necessary:	<u>\$1,930.20</u>

This is a(n): _____ monthly X interim _____ final application

PRIOR FEE APPLICATIONS FILED

Date Filed	Period Covered	Requested		Approved		Amount of Holdback
		Fees	Expenses	Fees	Expenses	
12/15/15	10/27/2015-11/30/2015	\$57,260.50	\$1,228.16	\$45,808.40	\$1,228.16	\$11,452.10
02/05/16	12/1/2015-12/31/2015	\$8,766.50	\$512.11	\$7,013.20	\$512.11	\$1,753.30
02/12/16	01/01/2016-01/31/2016	\$5,968.50	\$149.54	\$4,774.80	\$149.54	\$1,193.70
03/17/16	02/01/2016-02/29/2016	\$4,495.50	\$3,596.40	Pending	Pending	Pending
TOTAL		\$76,491.00	\$5,486.21			

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In re:	:	Chapter 11
AIRFASTTICKETS, INC.,	:	Case No. 15-11951 (SHL)
Debtor.	:	
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**FIRST INTERIM APPLICATION OF RICHARDS, LAYTON & FINGER,
P.A., AS SPECIAL COUNSEL TO THE DEBTOR, FOR INTERIM
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF
EXPENSES FOR SERVICES RENDERED DURING THE PERIOD
FROM OCTOBER 27, 2015 THROUGH FEBRUARY 29, 2016**

Richards, Layton & Finger, P.A. ("RL&F"), special counsel for AirfastTickets, Inc., Debtor and Debtor-in-Possession (the "Debtor"), hereby submits its first interim fee application (the "Application") pursuant to (i) sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), (ii) Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), (iii) the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 72] (the "Compensation Order"), for interim allowance of compensation for services rendered in the aggregate amount of \$76,491.00 and for reimbursement of actual and necessary expenses incurred by RL&F in connection therewith in the amount of \$1,930.20 for the period from

October 27, 2015 through February 29, 2016 (the “Compensation Period”). In support of this Application, RL&F respectfully represents as follows:

JURISDICTION

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

2. On July 27, 2015, certain of the Debtor’s creditors (the “Petitioning Creditors”) filed an involuntary petition against the Debtor seeking an order for relief under chapter 7 of the Bankruptcy Code.

3. On September 21, 2015, the Debtor filed an answer, consenting to the entry of an order for relief under the Bankruptcy Code. The Debtor also filed its *Motion to Convert Chapter 7 Case to Chapter 11 Pursuant to 11 U.S.C. § 706(a)* (the “Motion to Convert”), seeking to convert the Debtor’s case to one under chapter 11 of the Bankruptcy Code.

4. On October 28, 2015 the Court entered an order converting the Debtor’s case to one under chapter 11 of the Bankruptcy Code.

5. A creditors committee formation meeting was convened by the United States Trustee on November 13, 2015, but no committee was formed.

6. On November 24, 2015, the Court approved the sale of substantially all of the Debtor’s operating assets under section 363 of the Bankruptcy Code. Thereafter, on December 2, 2015, the Court approved the retention of Arent Fox LLP as general bankruptcy and restructuring counsel to the Debtor and RL&F as special counsel to the Debtor in its chapter 11 case.

7. On December 2, 2015, the Court entered the Compensation Order, establishing the procedures for the compensation of Debtor professionals in this proceeding.

RELIEF REQUESTED

8. By this Application, RL&F seeks (i) interim allowance and award of compensation for the professional services rendered by RL&F attorneys during the Compensation Period in the amount of \$74,785.50, representing 144.2 hours of professional services, and for paraprofessional services rendered by RL&F paraprofessionals during the Compensation Period in the amount of \$1,705.50, representing 7.2 hours of paraprofessional services; and (ii) reimbursement of actual and necessary expenses incurred by RL&F during the Compensation Period in connection with the rendition of such professional and paraprofessional services in the amount of \$1,930.20.

9. RL&F has received payments totaling \$47,036.56 under the Compensation Order on account of fees and expenses incurred by RL&F during the Compensation Period. RL&F has submitted Monthly Fee Statements (as defined in the Compensation Order) for each of November and December 2015 and January and February 2016, seeking payment of (a) 80% of the fees incurred by the Debtor for reasonable and necessary professional services rendered by RL&F, and (b) 100% of the actual and necessary costs and expenses incurred by RL&F in connection with the services provided to the Debtor for each month.

10. Accordingly, by this Application, and to the extent such amounts have not been paid by the time of the hearing on this Application, RL&F seeks payment of the remaining \$15,298.20¹, which represents the 20% holdback period on fees incurred during the Compensation Period.

¹ To the extent the monthly fee application for February 2016 is approved prior to the hearing on this Application, RL&F seeks payment of an additional \$897.90 which represents the 20% holdback for fees incurred from February 1, 2016 through February 29, 2016.

11. As stated in the Declaration of Russell C. Silberglied, Esq. (the "Silberglied Declaration"), annexed hereto as Exhibit A, all services for which compensation is requested by RL&F were performed for or on behalf of the Debtor.

12. RL&F has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application for the Compensation Period. There is no agreement or understanding between RL&F and any persons other than the directors of RL&F for the sharing of compensation to be received for services rendered in these cases.

SUMMARY OF SERVICES RENDERED

13. This Application provides a brief summary of the services rendered by RL&F on behalf of the Debtor during the Compensation Period by category. While it is not possible or practical to describe each and every activity undertaken by RL&F, RL&F has maintained contemporaneous time records, which include a detailed chronology of the daily services rendered describing the precise nature of the work, the specific tasks performed, and the time expended by each attorney and paraprofessional. A copy of the time records for the Compensation Period is annexed hereto as Exhibit B.² A breakdown of the hours and fees by attorney and paraprofessional is annexed hereto as Exhibit C.

14. To the best of RL&F's knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Guidelines, and the Compensation Order.

² RL&F is permitted by prior order to redact from its invoices certain descriptions of services that are confidential or privileged. To the extent RL&F includes a redacted invoice in this Application, it will provide an un-redacted version to the U.S. Trustee and for *in camera* inspection by the Court. At this time, no redactions are necessary.

A. Case Administration/Miscellaneous Matters

Fees: \$1,471.00 Total Hours: 3.0

This category includes all matters related to filing documents with the Court, service thereof, maintenance of calendars, communications with the U.S. Trustee, review of work in process reports, review of notices of appearance and maintaining service lists.

B. Creditor Inquiries

Fees: \$729.50 Total Hours: 1.1

This category includes all matters related to responding to creditor inquiries.

C. Meetings

Fees: \$220.00 Total Hours: 0.3

This category includes all matters related to preparing for and attending meetings with the Debtor, individual creditors, the U.S. Trustee, co-counsel and the Debtor's other professionals.

D. Executory Contracts/Unexpired Leases

Fees: \$2,326.00 Total Hours: 6.8

This category includes all matters related to contract and lease analysis and matters related to assumption, assignment or rejection of executory contracts and unexpired leases.

E. Automatic Stay/Adequate Protection

Fees: \$6,548.50 Total Hours: 12.2

This category includes all matters related to and including all motions to modify the automatic stay, issues related to the effect of the automatic stay or pending matters, and all other types of actions where adequate protection is the central issue.

F. Plan of Reorganization/Disclosure Statement

Fees: \$145.00 Total Hours: 0.2

This category includes all matters related to review, formulation, negotiation, preparation and promulgation of plans of reorganization, disclosure statements, and related corporate documentation and research relating thereto.

G. Use, Sale, Lease of Assets

Fees: \$30,892.50 Total Hours: 60.1

This category includes all matters relating to acquisitions, dispositions and other postpetition uses of property of the estate.

H. Cash Collateral/DIP Financing

Fees: \$72.50 Total Hours: 0.1

This category includes all matters relating to negotiation and documentation of Debtor in possession financing and post-confirmation financing, all cash collateral issues and related pleadings.

I. Claims Administration

Fees: \$1,190.50 Total Hours: 1.8

This category includes all matters related to and including claims administration matters and bar date matters, including claims objections and related contested matters.

J. Court Hearings

Fees: \$6,920.00 Total Hours: 9.5

This category includes all matters related to preparation for and attendance at court hearings.

K. General Corporate/Real Estate

Fees: \$2,524.00 Total Hours: 8.1

This category includes all matters relating to transactional, corporate governance and related matters involving the Debtor's business operations that are not part of a plan of reorganization or disclosure statement.

L. Schedules/SOFA/U.S. Trustee Reports

Fees: \$1,530.00 Total Hours: 2.1

This category includes preparation of schedules and amendments, statements of financial affairs and amendments, operating reports and other reports required by the U.S. Trustee or the Bankruptcy Court.

M. Employee Issues

Fees: \$0.00 Total Hours: 0.0

This category includes all matters related to employee wages, benefits, collective bargaining issues, other employee relations matters, ERISA, and retirement benefits.

N. Environmental

Fees: \$0.00 Total Hours: 0.0

This category includes all environmental matters, other than environmental aspects of the plan of reorganization.

O. Tax Issues

Fees: \$0.00 Total Hours: 0.0

This category includes all federal and state income, property, employment, excise and other tax matters, other than the tax aspects of the plan of reorganization.

P. Litigation/Adversary Proceedings

Fees: \$512.50 Total Hours: 0.7

This category includes all matters related to litigation and adversary proceedings.

Q-1. RL&F Applications

Fees: \$9,475.50 Total Hours: 20.5

This category includes all matters related to preparing applications to retain RL&F and supplements thereto.

Q-2. Retention of Others

Fees: \$1,160.00 Total Hours: 1.6

This category includes time spent reviewing applications for retention of other professionals, objecting to the retention of other professionals and assisting other professionals with preparing and filing retention applications.

R-1. RL&F Fee Applications

Fees: \$7,727.00 Total Hours: 16.6

This category includes all time spent preparing, reviewing, filing and circulating monthly invoices and fee applications for RL&F. It also includes all time spent drafting, preparing, reviewing, and circulating the application for final approval of RL&F's and the other professionals' pre-petition fees for services rendered to the Debtor in the Delaware Chancery Court as required by an order of the Delaware Court Chancery Court and authorized to be filed by previous order of this Court.

R-2. Fee Applications of Others

Fees: \$2,389.50 Total Hours: 4.9

This category includes time spent reviewing invoices or applications of other professionals, objecting to fees of other professionals and assisting other professionals with filing and circulating monthly invoices and applications.

S. Vendor/Suppliers

Fees: \$0.00 Total Hours: 0.0

This category includes all matters related to vendors and suppliers, including reclamation issues.

T. Non-Working Travel

Fees: \$657.00 Total Hours: 1.8

This category includes all travel time not otherwise chargeable.

U. Utilities

Fees: \$0.00 Total Hours: 0.0

This category includes all matters related to utility issues.

V. Insurance

Fees: \$0.00 Total Hours: 0.0

This category includes all matters related to insurance policies or coverage.

STATUTORY BASIS FOR COMPENSATION

15. The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code, as supplemented by Bankruptcy Rule 2016. RL&F seeks compensation for actual, necessary professional services rendered and reimbursement of reasonable expenses incurred on behalf of the Debtor during the Compensation Period.

16. Section 331 of the Bankruptcy Code permits professionals employed by the Bankruptcy Court to apply for interim compensation under the standards set forth in section 330. Section 330(a)(1) of the Bankruptcy Code allows for the following: “(A) reasonable compensation for actual, necessary services rendered by. . . [an] attorney and by any paraprofessional person employed by such [attorney]; and (B) reimbursement for actual, necessary expenses.”

17. Section 330(a)(3)(A) of the Bankruptcy Code provides that,

[i]n determining the amount of reasonable compensation to be awarded . . . the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including (A) the time spent on such services; (B) the rates charged for such services; (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under [Title 11]; (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue or task addressed . . . and (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title [11].

11 U.S.C. § 330(a)(3).

18. Congress intended that bankruptcy attorneys be compensated at the market rate for comparable services in non-bankruptcy cases. *See In re Ames Dep’t Stores, Inc.*, 76 F.3d 66, 71 (2d Cir. 1996) (citing *In re UNR Indus., Inc.*, 986 F.2d 207, 208–09 (7th Cir. 1993)); see also *In re Drexel Burnham Lambert Group, Inc.*, 133 B.R. 13, 21–22 (Bankr. S.D.N.Y. 1991) (Conrad, J.). The policy of section 330 is to ensure that qualified attorneys will “not be deterred from taking bankruptcy cases due to a failure to pay adequate compensation.” *Ames Dep’t Stores*, 76 F.3d at 72 (citing *UNR Indus.*, 986 F.2d at 210).

19. As demonstrated in RL&F’s time records for the Compensation Period, the services were performed efficiently and effectively and were done at the request of the Debtor in

furtherance of the fiduciary obligations or statutory duty of the Debtor and were necessary and beneficial to the bankruptcy estate.

ACTUAL AND NECESSARY EXPENSES

20. A summary of actual and necessary expenses and daily logs of expenses incurred by RL&F during the Compensation Period is attached hereto as **Exhibit D**. RL&F charges all of its bankruptcy clients \$0.10 per page for photocopying expenses and \$0.10 per page for printing jobs. Actual long-distance carrier charges for outgoing facsimile transmissions are reflected in the long-distance telephone charges.

21. Regarding providers of on-line legal research (e.g., LEXIS and WESTLAW), RL&F charges all of its clients the standard usage rates these providers charge, which, due to contractual flat fees, may not always equal RL&F's actual cost. RL&F currently is under contract to pay these providers a flat fee every month. Charging its clients the on-line providers' standard usage rates allows RL&F to cover adequately the monthly flat fees it must pay to these types of providers.

22. RL&F believes the foregoing rates are the market rates that the majority of law firms charges clients for such services. In addition, RL&F believes that such charges are in accordance with the American Bar Association's ("ABA") guidelines, as set forth in the ABA's Statement of Principles, dated January 12, 1995, regarding billing for disbursements and other

WHEREFORE, RL&F respectfully requests that the Court:

a. approve, on an interim basis, the allowance of \$76,491.00 for compensation for professional services rendered to the Debtor during the period from October 27, 2015 through and including February 29, 2016;

b. approve the reimbursement of RL&F's out-of-pocket expenses incurred in connection with the rendering of such services during the period from October 27, 2015 through and including February 29, 2016, in the amount of \$1,930.20; and

c. authorize and direct the Debtor to immediately pay to RL&F the amount of \$78,421.20, which is equal to the sum of 100% of RL&F's fees and 100% of RL&F's expenses that have not yet been paid in satisfaction of the allowed fees for services rendered and expenses incurred during the Compensation Period.

Dated: March 24, 2016
Wilmington, Delaware

RICHARDS, LAYTON & FINGER, P.A.

By: /s/ Russell C. Silberglied
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