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Weil, Debevoise, Others Could Get \$372M In AMR Bankruptcy

By **Jeff Sistrunk**

Law360, Los Angeles (June 26, 2014, 7:25 PM ET) -- Lawyers, advisers and others who worked on the AMR Corp. bankruptcy case could receive nearly \$372 million in fees, with Weil Gotshal & Manges LLP leading the way with \$74.5 million and then Debevoise & Plimpton LLP with \$53.7 million, according to documents filed in New York bankruptcy court.

Fee examiner Robert Keach submitted his recommendations for professional fees to be allowed and expenses to be reimbursed to U.S. Bankruptcy Judge Sean H. Lane on Tuesday. Keach recommended a payment of \$371.7 million in fees and \$16.3 million in expenses to 47 firms that worked on AMR's Chapter 11 case from its inception in November 2011 through the confirmation of the company's reorganization plan in October.

Keach said the AMR case is perhaps "the most efficient airline reorganization case on record in terms of restructuring costs," which he largely attributed to the principal parties' "negotiation-first ethos" on major issues.

"These Chapter 11 cases are among the most successful of all time, and the professionals in these cases have collectively achieved a remarkable outcome, resulting in full payment of all claims and a substantial return to the holders of equity interests," Keach wrote in his report.

Judge Lane will consider Keach's recommendations during a hearing slated for July 1, court records show.

Weil, AMR's lead bankruptcy counsel, is set to receive the biggest haul from its work on the case, followed by Debevoise, which served as special aircraft counsel for the debtors.

Other firms that are poised to collect double-digit fees include Deloitte Financial Advisory Services with \$32.6 million; AMR financial adviser Rothschild Inc. with \$29.5 million; the unsecured creditors' committee's lead counsel Skadden Arps Slate Meagher & Flom with \$27.8 million and Paul Hastings LLP, which served as special counsel to AMR on certain labor, employment and litigation matters, with \$26.2 million.

AMR emerged from Chapter 11 in early December through a plan that included a **merger** with US Airways Group Inc. creating a combined entity called American Airlines Group Inc. The merger overcame legal challenges from customers and the U.S. Department of Justice.

The DOJ agreed to drop its lawsuit and allow the deal to proceed as long as the combined airline handed over departure gates and 138 takeoff and landing slots at seven key airports to what the department described as low-cost carriers, such as Southwest Airlines

Co. and JetBlue Airways Corp.

Through the merger, AMR shareholders received 72 percent of the new entity's equity, and US Airways received 28 percent. The merger, as well as the DOJ settlement, garnered the support of AMR's creditors, senior secured lenders and labor unions.

AMR is represented by Weil Gotshal & Manges LLP, Jones Day, Paul Hastings LLP, Debevoise & Plimpton LLP and K&L Gates LLP.

The official committee of unsecured creditors is represented by Skadden Arps Slate Meagher & Flom LLP and Togut Segal & Segal LLP.

The case is In re AMR Corp. et al., case number 1:11-bk-15463, in the U.S. Bankruptcy Court for the Southern District of New York.

--Additional reporting by Maria Chutchian.

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