

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 11
)	
UAL CORPORATION, et al.,)	Case No. 02-B-48191
)	(Jointly Administered)
Debtors.)	
)	Honorable Eugene R. Wedoff

**ORDER PURSUANT TO SECTIONS 105(a) AND 331 OF THE BANKRUPTCY
CODE ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR
PROFESSIONALS AND COMMITTEE MEMBERS**

Upon the Motion (the “Motion”)¹ of the debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned Chapter 11 Cases seeking entry of an Order pursuant to Sections 105(a) and 331 of the Bankruptcy Code establishing procedures for interim compensation and reimbursement of expenses for professionals and committee members; and it appearing that the relief requested is in the best interests of the Debtors’ estates, their creditors and other parties in interest; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (O); and it appearing that venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and after due deliberation and sufficient cause appearing therefor; it is hereby ORDERED THAT:

1. The Motion is granted.
2. Except as may otherwise be provided in Court orders authorizing the retention of specific professionals, all Estate Professionals and Committee Professionals (as defined in the Motion and, collectively, the “Professionals”) in this case may seek interim

¹ Capitalized terms used but not defined herein shall have the same meaning as in the Motion.

compensation in accordance with the compensation procedures (the “Compensation Procedures”) set forth in the Procedures for Interim Compensation and Reimbursement of Professionals, a copy of which is attached hereto as Exhibit A.

3. Notice of interim and final fee applications and any hearings thereon given in accordance with the Compensation Procedures shall be deemed sufficient and adequate and in full compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules.

4. Any and all other and further notice of the relief requested in this Motion shall be dispensed with and waived.

5. Notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

6. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

Dated: Chicago, Illinois
_____, 2002

ENTERED

DEC 11 2002

EUGENE R. WEDOFF
BANKRUPTCY JUDGE

United States Bankruptcy Judge

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 11
)	
UAL CORPORATION, et al.,¹)	Case No. 02-B-_____
)	(Jointly Administered)
Debtors.)	
)	Honorable _____

**PROCEDURES FOR INTERIM COMPENSATION AND REIMBURSEMENT OF
EXPENSES FOR PROFESSIONALS**

A. MONTHLY PROFESSIONAL FEE APPLICATIONS

1. No earlier than the 25th day of each month following the month for which compensation is sought (as applicable, the “Monthly Compensation Period”), each professional person retained pursuant to Sections 327, 1102 or 1103 of the Bankruptcy Code (each, a “Professional”) seeking interim compensation and expense reimbursement shall file with the Court, pursuant to and in compliance with Section 331 and other applicable sections of the Bankruptcy Code, the Bankruptcy Rules, and all applicable court rules, a monthly application (each, a “Monthly Fee Application”) for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during the applicable Monthly Compensation Period, and each Professional shall contemporaneously provide notice of such Monthly Fee Application to the following parties (collectively, the “Notice Parties”):

- (a) The Debtors;
- (b) Counsel for the Debtors;
- (c) Counsel for the Debtors’ debtor in possession lender(s);
- (d) Counsel for any official statutory committee in the Debtors’ Chapter 11 Cases (each, a “Committee”);

¹ The Debtors are the following entities: UAL Corporation, UAL Loyalty Services, Inc., Confetti, Inc., Mileage Plus Holdings, Inc., Mileage Plus Marketing, Inc., MyPoints.com, Inc., Cybergold, Inc., iTarget.com, inc., MyPoints Offline Services, Inc., UAL Company Services, Inc., UAL Benefits Management, Inc., United BizJet Holdings, Inc., BizJet Charter, Inc., BizJet Fractional, Inc., BizJet Services, Inc., United Air Lines, Inc., Kion Leasing, Inc., Premier Meeting and Travel Services, Inc., United Aviation Fuels Corporation, United Cogen, Inc., Mileage Plus, Inc., United GHS, Inc., United Worldwide Corporation, United Vacations, Inc., Four Star Leasing, Inc., Air Wis Services, Inc., Air Wisconsin, Inc., Domicile Management Services, Inc.

- (e) The office of the United States Trustee; and
- (f) Those parties who have filed a notice of appearance and requested service of papers pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

2. Each Monthly Fee Application and any notice thereof shall clearly and conspicuously display the deadline to timely file an objection to such Application, which shall be the date that is twenty (20) days after the filing of such Application (the "Monthly Objection Deadline").

3. If any party objects to the Monthly Fee Application of a Professional (the "Affected Professional"), the party objecting to the Application (the "Objecting Party") must timely and properly file with the Court on or before the Monthly Objection Deadline a written statement of its objection that sets forth the precise nature of the objection and the specific amount of objectionable fees or expenses at issue (an "Objection") and serve such Objection on the Affected Professional and the Notice Parties.

4. If an Objection is filed, the Affected Professional may file a reply to the Objection, and the Objecting Party and the Affected Professional shall make a good faith attempt to resolve the Objection on a consensual basis. If the parties are unable to resolve the Objection in good faith prior to the date that is fifteen (15) days after the filing of the Objection, the Affected Professional may request that the Court set a hearing to consider such Objection.

5. If no Objection to a Monthly Fee Application has been filed prior to the relevant Objection Deadline, the Affected Professional shall file with the Court and serve on the Debtors and their counsel a certification that there have been no such Objection to the Monthly Fee Application, and after such filing the Debtors shall be authorized to pay each Professional an amount equal to ninety percent (90%) of the fees and one hundred percent (100%) of the expenses requested in the Monthly Fee Application. To the extent that there is an Objection to a portion of the Monthly Fee Application, the Affected Professional shall file with the Court and serve on the Debtors and their counsel a certification indicating that there has been an Objection only to a portion of such Application and stating the total fees and expenses in such Application not subject to an Objection, and after such filing the Debtors shall be authorized to pay such Affected Professional an amount equal to ninety percent (90%) of the fees and one hundred percent (100%) of the expenses not subject to an Objection.

6. A pending objection to a Monthly Fee Application shall not disqualify a Professional from the future payment of compensation or reimbursement of expenses that are requested in accordance with the Compensation Procedures.

B. QUARTERLY PROFESSIONAL FEE APPLICATIONS

7. Beginning with the Petition Date through March 31, 2002, and at three-month intervals thereafter (each, a "Quarterly Fee Period"), each Professional shall file with the Court, within 45 days of the end of such Quarterly Fee Period, pursuant to and in compliance with Section 331 and other applicable sections of the Bankruptcy Code, the Bankruptcy Rules, and all applicable court rules, a quarterly fee application (a "Quarterly Fee Application") for interim

court approval and allowance of one hundred percent (100%) of the compensation and expense reimbursement sought in the Monthly Fee Applications filed during such Quarterly Fee Period, and each Professional shall contemporaneously provide notice of such Quarterly Fee Application to the Notice Parties.

8. The Quarterly Fee Application shall include a summary of the Monthly Fee Applications that are the subject of the Request and any other information requested by the court or required by applicable local rules. Any Professional that fails to file a Quarterly Fee Application when due will be ineligible to receive payments of any fees or expenses under these Compensation Procedures until such time as the Professional files the required Quarterly Fee Application.

9. The Quarterly Fee Application and any notice thereof shall clearly and conspicuously display the deadline to timely file an objection to such Application, which shall be the date that is thirty (30) days after the filing of such Application (the "Quarterly Objection Deadline"). If no Objection to the Quarterly Fee Application has been timely and properly filed by the applicable Quarterly Objection Deadline, the Professional shall file with the Court and serve on the Debtors and their counsel a certification that there have been no such Objections to such Quarterly Fee Application. In any event, the Quarterly Fee Application shall then be considered by the Court at a hearing on such Application (each, a "Quarterly Fee Hearing").

10. If an Objection to all or part of the Quarterly Fee Application is timely and properly filed prior to the Quarterly Objection Deadline, such Objection shall be considered at the Quarterly Fee Hearing. However, no party shall be entitled to object to the payment of fees and/or reimbursement of expenses requested in a Quarterly Fee Application (at the relevant Quarterly Fee Hearing or otherwise), unless such party has timely and properly filed an Objection to such Application prior to the applicable Quarterly Application Deadline. After a Quarterly Fee Hearing, the Debtors shall be authorized to pay the Professional such fees and expenses as set forth in the order disposing of such Quarterly Fee Application.

11. Each Professional shall provide notice of the filing of each interim or final fee application only to the Notice Parties. Each notice shall, among other things described herein, state the date and time of any hearing to consider each interim and final fee application and provide instructions on how to obtain a copy of the relevant application from the Bankruptcy Court clerk or the Official Copy Service for these Chapter 11 Cases. Each Professional shall be required to serve a copy of each interim or final fee application only on the following parties: the Debtor, the Debtors' counsel, counsel to the Debtors' debtor-in-possession lender(s), counsel to the Committee(s), and the Office of the United States Trustee.

12. The Debtors shall request that the Court schedule a Quarterly Fee Hearing on pending Quarterly Fee Applications, and such Quarterly Fee Hearings shall be held once every three (3) months. The Debtors shall provide notice of all Quarterly Fee Hearings to the Notice Parties.

13. A pending objection to a Quarterly Fee Application shall not disqualify a Professional from the future payment of compensation or reimbursement of expenses that are requested in accordance with the Compensation Procedures.

C. Reimbursement of Committee Members' Expenses

14. Each member (excluding ex officio members) of any Committee shall submit statements of expenses (excluding that individual Committee member's counsel's expenses) and supporting vouchers to counsel to the Committee. Counsel to each Committee shall separately identify their Committee members' request for reimbursement in the Committee's Monthly Fee Applications and Quarterly Fee Applications to be filed in accordance with the Compensation Procedures set forth herein. The expenses of the Committee members shall be approved in accordance with the Compensation Procedures.

D. Monthly Operating Reports

15. The Debtors shall list and itemize all payments to Professionals and members of any Committee in their monthly operating reports.