

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION
www.flsb.uscourts.gov**

In re:	§	Chapter 11 Cases
	§	
ARROW AIR, INC. AND	§	Case No.: 10-28831-BKC-AJC
ARROW AIR HOLDINGS CORP.	§	Case No.: 10-28834-BKC-LMI
	§	
	§	
Debtors.	§	(Joint Administration Requested)

**DEBTORS’ APPLICATION FOR APPROVAL, ON AN INTERIM AND FINAL BASIS,
OF EMPLOYMENT OF BERGER SINGERMAN, P.A. AS CO-COUNSEL FOR
DEBTORS IN POSSESSION NUNC PRO TUNC TO THE PETITION DATE**

Arrow Air Holdings Corp. (“Holdings”) and Arrow Air, Inc. (“Arrow”) (collectively, the “Debtors”), pursuant to 11 U.S.C. § 327(a), Fed. R. Bankr. P. 2014(a) and 2016, and Local Rules 2014-1(A) and 2016-1(A), hereby file this *Debtors’ Application for Approval, on an Interim and Final Basis, of Employment of Berger Singerman, P.A. as Co-Counsel for Debtors in Possession Nunc Pro Tunc to the Petition Date* (the “Application”) seeking approval on an interim and final basis of the employment of the law firm of Berger Singerman, P.A. (“Berger Singerman”), to represent the Debtors in Possession as co-counsel in these cases (the “Chapter 11 Cases”). In support of the Application, the Debtors rely upon the *Affidavit of Doug Yakola in Support of First Day Pleadings* (the “First Day Affidavit”) and the *Declaration of Jordi Guso, on Behalf of Berger Singerman, P.A. as Proposed Co-Counsel for Debtors-In-Possession, Nunc Pro Tunc to the Petition Date* (the “Guso Declaration”), and respectfully represent the following:

I. Jurisdiction and Venue

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief sought herein are Sections 105(a) and 327(a) of the Bankruptcy Code.

II. Background

4. On the date hereof (the "Petition Date"), the Debtors filed voluntary petitions for relief under Chapter 11, title 11, United States Code, 11 U.S.C. § 101-1531 (the "Bankruptcy Code").

5. The Debtors are operating their businesses and managing their affairs as debtors in possession. 11 U.S.C. §§ 1107(a) and 1108.

6. For a detailed description of the Debtors and their operations, the Debtors respectfully refer the Court and parties in interest to the First Day Affidavit.

III. Relief Requested and Basis Therefor

7. The Debtors believe that it is in the best interests of their estates to retain Berger Singerman as co-counsel in these Chapter 11 cases. The Debtors believe that the attorneys of Berger Singerman are qualified to practice in this Court and are qualified to advise the Debtors on their relations with, and responsibilities to, the creditors and other interested parties. The professional services that Berger Singerman will render include, but are not limited to, the following:

(a) To give advice to the Debtors with respect to their powers and duties as debtors-in-possession and the continued management of their business operations;

(b) To advise the Debtors with respect to their responsibilities in complying with the United States Trustee's Operating Guidelines and Reporting Requirements and with the rules of the Court;

(c) To prepare motions, pleadings, orders, applications, adversary proceedings, and other legal documents necessary in the administration of these cases;

(d) To protect the interests of the Debtors in all matters pending before the Court; and

(e) To represent the Debtors in negotiations with their creditors and in the preparation of a plan.

IV. Authority for Relief

8. The Bankruptcy Code allows a debtor, with the Court's approval, to employ one or more attorneys "that do not hold or represent an interest adverse to estate, and that are disinterested persons." 11 U.S.C. § 327(a).

9. To the best of the Debtors' knowledge, except as disclosed in the Guso Declaration attached hereto as **Exhibit "A,"** neither Jordi Guso ("Guso") nor Berger Singerman has any connection with the creditors or other parties in interest or their respective attorneys. As set forth in the Guso Declaration, to the best knowledge of Guso, neither Guso nor Berger Singerman represents any interest adverse to the Debtors.

10. The Guso Declaration, containing a verified statement as required under Rule 2014 of the Federal Rules of Bankruptcy Procedure, is attached and demonstrates that under these circumstances, Guso and Berger Singerman are disinterested as required by Section 327(a) of the Bankruptcy Code.

11. Berger Singerman will apply for compensation and reimbursement of costs, pursuant to Sections 330 and 331 of the Bankruptcy Code, at its ordinary rates, as they may be adjusted from time to time, for services rendered and costs incurred on behalf of the Debtors.

Delay in obtaining approval until a final hearing is scheduled will cause immediate and irreparable harm to the Debtors.

12. The Debtors seek entry of an order, on an interim basis, approving the employment of Berger Singerman, and scheduling a final hearing to consider the Application.

WHEREFORE, the Debtors respectfully request entry of an order in the form attached hereto as **Exhibit "B"** (i) approving, on an interim basis, the Debtors' employment of Berger Singerman, P.A. as co-counsel to the Debtors in these Chapter 11 Cases, *nunc pro tunc* to the Petition Date; (ii) scheduling a final hearing on the Application; and (iii) for such other and further relief as the Court deems just and proper.

DATED: June 30, 2010

ARROW AIR, INC.
ARROW AIR HOLDINGS CORP.


By: 
Doug Yakola, Chief Restructuring Officer

EXHIBIT "A"

(Guso Declaration)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION
www.flsb.uscourts.gov

In re: § Chapter 11 Cases
§
ARROW AIR, INC. AND § Case number 10-_____
ARROW AIR HOLDINGS CORP. § Case number 10-_____
§
§
§
Debtors. § (Joint Administration Requested)

**DECLARATION OF JORDI GUSO, ON BEHALF OF BERGER
SINGERMAN, P.A., AS PROPOSED CO-COUNSEL FOR DEBTORS-IN-
POSSESSION, NUNC PRO TUNC TO THE PETITION DATE**

1. I am Jordi Guso. I am an attorney and shareholder of the law firm of Berger Singerman, P.A. (“Berger Singerman”). Our firm maintains offices for the practice of law at 350 E. Las Olas Boulevard, Suite 1000, Fort Lauderdale, Florida 33301; 200 South Biscayne Boulevard, Suite 1000, Miami, Florida 33131; 2650 North Military Trail, Suite 240, Boca Raton, FL 33431-7291; and 125 South Gadsden Street, Suite 300, Tallahassee, Florida 32301. I am familiar with the matters set forth herein and make this Declaration in support of the *Debtors’ Application for Approval, on an Interim and Final Basis, of Employment of Berger Singerman, P.A., as Co-Counsel for Debtors in Possession, Nunc Pro Tunc to the Petition Date* (the “Application”).

2. In support of the Application, I disclose the following:

a. Unless otherwise stated, this Declaration is based upon facts of which I have personal knowledge.

b. In preparing this Declaration, I reviewed lists of all of the creditors, equity holders and other interested parties of the Debtors as provided to us by the Debtors. I compared the information obtained thereby with the information contained in our law firm’s client and adverse

party conflict check index system. The facts stated in this Declaration as to the relationship between other lawyers in our law firm and the Debtors, the Debtors' creditors, the United States Trustee, other persons employed by the Office of the United States Trustee, and those persons and entities who are defined as disinterested persons in Section 101(14) of the Bankruptcy Code are based on the results of my review of our firm's conflict check index system. Specifically, I have caused to be conducted (i) a computer search of our firm's records in respect of all of the names referred to in the first sentence of this paragraph 2(b), and (ii) disseminated a written request for information to all of the attorneys in our firm regarding connections to the Debtors and the creditors of the Debtors. Based upon such search, our firm does not represent any entity in a matter which would constitute a conflict of interest or impair the disinterestedness of Berger Singerman. Because Berger Singerman (formerly Berger Davis & Singerman, P.A. and previously Berger & Davis, P.A.) has been in existence since 1985 and does not maintain computerized records of all cases during those years, it is impossible to state with certainty whether the firm has ever represented any existing creditor of any of the Debtors.

3. Berger Singerman's client and adverse party conflicts check system is comprised of records regularly maintained in the course of business of the firm and it is the regular practice of the firm to make and maintain these records. It reflects entries that are noted in the system at the time the information becomes known by persons whose regular duties include recording and maintaining this information. I regularly use and rely upon the information contained in the system in the performance of my duties with the law firm and in my practice of law.

4. A search of our firm's conflicts check system revealed the following matters, none of which impairs my or our firm's disinterestedness or constitutes any conflict of interest:

a) *Hawk Aviation LA, LLC* is listed as a creditor of one or more of the Debtors.

Berger Singerman represents *Hawk Aviation LA, LLC* and certain affiliates in several business and real estate transactional matters that are wholly unrelated to the instant bankruptcy cases;

b) *Miami Leasing, Inc.* is listed as a creditor of one or more of the Debtors.

Berger Singerman represents *Miami Leasing, Inc.* (“Miami Leasing”) in a dispute against the aircraft maintenance company, Miami Tech Line Maintenance Support, Inc. (“Miami Tech”). Miami Leasing has asserted claims for negligence, breach of contract and breach of warranty against Miami Tech, a related entity and its principal. The allegations of the complaint arise from the alleged ingestion of a foreign object by an engine, owned by Miami Leasing and leased to Arrow Air Cargo, Inc., as it was being serviced by Miami Tech. Miami Leasing has released Arrow Air Cargo, Inc. from any liability for the damage, including a release of its liability under the engine lease. Berger Singerman was not involved in the negotiation or drafting of the agreements between Miami Leasing and Arrow Air Cargo, Inc. The damage resulted in the complete destruction of the engine. The lawsuit against Miami Tech is currently pending in Miami-Dade County, and the parties are in the process of obtaining discovery;

c) *Atlas Air, Inc.* is listed as a creditor of one or more of the Debtors. Berger

Singerman served as co-counsel to the debtors in the *Atlas Air, Inc.* (“Atlas”), jointly administered Chapter 11 cases in the United States Bankruptcy Court for the Southern District of Florida before the Honorable Robert A. Mark. The final decree was entered on March 14, 2008. In addition, Berger Singerman has represented a number of clients who are adverse to *Atlas* in that they have incurred a debt to *Atlas* in matters wholly unrelated to the instant bankruptcy cases;

d) *MatlinPatterson Global Partners II, LLC* (“MP”), is listed as a creditor of

one or more of the Debtors. Berger Singerman represents *MP* in a contract dispute pending in the

United States District Court for the Southern District of Florida. A former consultant to *MP*, World Air Logistics, contends that it is due fees from *MP* for services rendered to *MP* prior to being terminated. In addition, Berger Singerman, P.A. is co-counsel with Bracewell & Giuliani, LLP to *MP*, as a creditor in the bankruptcy Case of Varig Logistica, S.A., Case No. 09-15717-RAM, pending in the United States Bankruptcy Court for the Southern District of Florida before the Honorable Robert A. Mark. Both representations are wholly unrelated to the instant bankruptcy cases;

e) *Akerman Senterfitt* is listed as a creditor of one or more of the Debtors. Berger Singerman represents Michael Goldberg, Esq. of the Akerman Senterfitt firm in his position as the Court appointed Receiver in the matter of *State of Florida, Office of Financial Regulation v. Berman Mortgage Corp., M.A.M.C., Inc.* Berger Singerman's representation of Michael Goldberg, Esq., is wholly unrelated to the instant bankruptcy cases;

f) There are numerous creditors or interested parties of one or more of the Debtors which have been creditors or interested parties of, or adverse to, other entities represented by Berger Singerman in cases and matters wholly unrelated to the instant bankruptcy cases. These creditors or interested parties include *ADP, Inc., Aeroservicios USA, Akerman Senterfit, Aircraft Transparencias Repair, Airmark Components, Ancra International, LLC, Arinc, Inc., Arnold & Porter, Canon Financial Services, Inc., Carlton Fields, Attorneys at Law, CGLIC-Chatanooga, DAC International, Inc., Danbee Aerospace, Inc., De Lage Landen Financial Services, Federal Express, Honeywell International, International Air Transport, Jeppesen Sanderson, L3 Communications Avionics Systems, The Lincoln National Life Insurance, Miami Dade Aviation Dept., National Lift Truck Service, Navtech Weather Systems, Inc., New Century Aviation, Inc., Otto Instruments Services, Palm Aerospace, LLC, Pratt & Whitney, Preferred Aviation, Inc., Ryder Transportation*

Services, Satair USA, Inc., T-Mobile, Thermal Dynamics, Inc., Unical Aviation, Inc., Varig Logistica, S.A., Verizon, Vista Healthplan, Vortex Aviation Capital, LLC, and Wells Fargo Bank Northwest;

g) *Luis A. Soto*, an individual, is listed as a creditor of one or more of the Debtors. Berger Singerman formerly represented Mr. Luis Soto in matters wholly unrelated to the instant bankruptcy cases. I am unaware, however, as to whether the foregoing individual that is a creditor of one or more of the Debtors is the same Mr. Luis Soto that was formerly represented by Berger Singerman;

h) Berger Singerman represents privately held as well as public companies in out of court and restructuring matters (the “Non-Debtors Clients”). Several creditors of the instant Debtors may be creditors of one or more of our firm’s Non-Debtors Clients. Berger Singerman’s representation of the Non-Debtors Clients does not impair Berger Singerman’s disinterestedness or its ability to represent the Debtors in these cases.

5. Berger Singerman has worked as co-counsel on several cases with Haynes & Boone, the Debtors’ prospective co-general counsel, including, but not limited to: (i) the chapter 11 cases of Atlas Air Worldwide Aviation Logistics, Inc., *et al.*, and (ii) the chapter 11 cases of Prime Succession, Inc., *et al.*, both filed in the United States Bankruptcy Court for the Southern District of Florida.

6. Berger Singerman submits that none of the foregoing representations or connections constitutes any conflict of interest or in any way impairs its disinterestedness in these cases.

7. Other than as set forth in this declaration, Berger Singerman neither holds nor represents any interest adverse to the Debtors and is a “disinterested person” within the scope and meaning of Section 101(14) of the Bankruptcy Code.

8. Neither I nor our firm has or will represent any other entity in connection with these

cases, and neither I nor our firm will accept any fee from any other party or parties in these cases, except the Debtors-in-Possession, unless otherwise authorized by the Court.

9. On March 29, 2010, the Debtors retained Berger Singerman to act as their legal co-counsel in connection with one litigation matter, and to advise in connection with insolvency and restructuring matters. Since that date, Berger Singerman has provided pre-petition services to the Debtors.

10. On March 31, 2010, Berger Singerman received an initial retainer from the Debtors in the amount of \$ 100,000 (the "Retainer"), which was deposited into the trust account of Berger Singerman. Through the date hereof, the Debtors have paid Berger Singerman the following in fees and costs:

- a. \$39,136.63 on June 3, 2010; and
- b. \$ 31,183.45 on June 30, 2010.

11. Berger Singerman holds and will continue to hold the Retainer as security for the fees and costs that may be awarded to it by the Court in these cases.

12. Berger Singerman is not a creditor of, and asserts no prepetition claim against the Debtors.

13. The professional fees and costs incurred by Berger Singerman in the course of its representation of the Debtors in these cases shall be subject in all respects to the application and notice requirements of 11 U.S.C. §§ 327, 330 and 331 and Fed. R. Bankr. P. 2014 and 2016.

14. The current hourly rates for the attorneys at Berger Singerman range from \$260.00 to \$560.00. The current hourly rate of Jordi Guso, the attorney who will be principally responsible for Berger Singerman's representation of the Debtors, is \$525.00. The current hourly rates for the associate attorneys who will work on these cases range from \$260.00 to \$425.00. The current hourly

rates for the legal assistants and paralegals at Berger Singerman range from \$75.00 to \$195.00. Berger Singerman typically adjusts its hourly rates annually on January 1st.

15. There is no agreement of any nature, other than the shareholder agreement of our firm, as to the sharing of any compensation to be paid to the firm. No promises have been received by Berger Singerman nor any member, or associate thereof as to compensation in connection with this case other than in accordance with the provisions of the Bankruptcy Code.

16. No attorney in our firm holds a direct or indirect equity interest in the Debtors, including stock or stock warrants, or has a right to acquire such an interest.

17. No attorney in our firm is or has served as an officer, director or employee of the Debtors within two years before the Petition Date.

18. No attorney in our firm is in control of the Debtors or is a relative of a general partner, director, officer or person in control of the Debtors.

19. No attorney in our firm is a general or limited partner of a partnership in which the Debtors are also a general or limited partner.

20. No attorney in our firm is or has served as an officer, director or employee of a financial advisor that has been engaged by the Debtors in connection with the offer, sale or issuance of a security of the Debtors, within two years before the Petition Date.

21. No attorney in our firm has represented a financial advisor of the Debtors in connection with the offer, sale or issuance of a security of the Debtors within three years before the filing of the petition.

22. No attorney in the firm has any other interest, direct or indirect, that may be affected by the proposed representation.

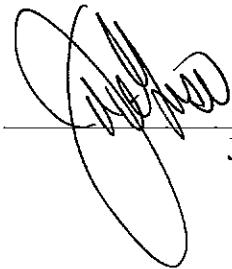
23. Except as forth herein, no attorney in our firm has had or presently has any material

connection with the captioned Debtors, the Debtors' creditors, any other party in interest or their respective attorneys and accountants, the United States trustee, or any person employed in the Office of the United States trustee, on any matters in which the firm is to be engaged, except that I, our law firm, and our attorneys (i) may have appeared in the past, and may appear in the future, in other cases in which one or more of said parties may be involved; and (ii) may represent or may have represented certain of the Debtors' creditors in matters unrelated to these cases.

24. This concludes my Declaration.

28 U.S.C § 1746 Declaration

I declare under penalty of perjury that the foregoing is true and correct. Executed on June 30, 2010.

A handwritten signature in black ink, appearing to read 'Jordi Guso', is written over a horizontal line. The signature is stylized and somewhat cursive.

JORDI GUSO

2857558-2

EXHIBIT "B"

(Proposed Order)

2857563-1

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION
www.flsb.uscourts.gov

In re: § (Chapter 11)
§
ARROW AIR, INC. AND § Case number 10-_____
ARROW AIR HOLDINGS CORP. § Case number 10-_____
§
§
Debtors. § (Joint Administration Requested)

**INTERIM ORDER GRANTING DEBTORS' APPLICATION FOR APPROVAL, ON AN
INTERIM AND FINAL BASIS, OF EMPLOYMENT OF BERGER SINGERMAN, P.A.
AS CO-CO-COUNSEL FOR THE DEBTORS IN POSSESSION
NUNC PRO TUNC TO THE PETITION DATE**

THIS MATTER came before the Court on _____, 2010 at _____ a.m./p.m. in Miami, Florida, upon the *Debtors' Application for Approval, on an Interim and Final Basis, of Employment of Berger Singerman, P.A. as Counsel for Debtors in Possession Nunc Pro Tunc to the Petition Date* [C.P. ____] (the "Application"), filed by the above-captioned Debtors (the "Debtors") seeking approval of the employment of the firm of Berger Singerman, P.A. ("Berger Singerman") as co-counsel for the Debtors.

The Court, having reviewed the Application and the *Declaration of Jordi Guso in Support of Debtors' Application for Approval, on an Interim and Final Basis, of Employment of Berger Singerman, P.A. as Co-Counsel for Debtors in Possession Nunc Pro Tunc to the Petition Date* (the "Guso Declaration"), finds that: (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (c) Guso is duly qualified to practice in this Court pursuant to Local Rule 2090-1(a); (d) Guso and Berger Singerman: (i) hold no interest adverse to the Debtors, its creditors, the United States Trustee for this district or any person employed in the United States Trustee's office, or any other party in interest with respect to the matters upon which said firm is to be engaged; (ii) are disinterested persons as that term is defined pursuant to 11 U.S.C. § 101(14) and as required by 11 U.S.C. §§ 327 and 328; (iii) have disclosed any connections with parties and the source of the retainer paid to Berger Singerman as required by Bankruptcy Rule 2014; and (e) Berger Singerman's employment is necessary and would be in the best interests of the Debtors, the bankruptcy estate, and all parties-in-interest. Accordingly, it is

ORDERED as follows:

1. The Application is GRANTED.
2. None of the representations or engagements set out in the Singerman Declaration constitutes a conflict-of-interest or impairs the disinterestedness of Singerman or Berger Singerman or otherwise precludes the Debtors' retention of Berger Singerman in these cases.
3. The Debtors are authorized, pursuant to 11 U.S.C. §§ 327 and 330, to employ, under a general retainer, upon the terms and for the purposes set forth in the Application, Berger Singerman as counsel for the Debtors *nunc pro tunc* to the petition date.
4. Compensation of Berger Singerman for legal services rendered and

reimbursement of expenses incurred in connection with these chapter 11 cases shall be awarded upon application and a hearing consistent with the requirements of 11 U.S.C. §§ 330 and 331.

5. By granting this Application, the Court is not approving any compensation in advance. This Court retains jurisdiction to consider Berger Singerman's fees and expenses.

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Submitted by:

Jordi Guso, Esq.
BERGER SINGERMAN, P.A.
200 S. Biscayne Blvd., Suite 1000
Miami, FL 33131
Tel. (305) 755-9500
Fax (305) 714-4340
E-mail: singerman@bergersingerman.com

Copies to:

Jordi Guso, Esq.
(Attorney Guso shall serve a copy of this Order upon all interested parties upon receipt and file a certificate of service.)