



Kelley Drye Assists Pension Benefit Guaranty Corporation In Resolving Its Claims In the Delta Bankruptcy

January 9, 2007

Kelley Drye assisted Pension Benefit Guaranty Corporation ("PBGC") in negotiating a favorable settlement of PBGC's claims arising from the termination of the Delta Pilots Retirement Plan which paved the way for Delta to complete and file a Plan of Reorganization. The negotiations took place over several months, but were dramatically accelerated just before Thanksgiving when U.S. Airways announced an unsolicited offer to acquire Delta, which led Delta to expedite resolving the issues with the goal of emerging from bankruptcy during the first half of 2007. Pursuant to the settlement, PBGC will receive \$225,000,000 in Senior Notes and a \$2.2 Billion allowed claim in the bankruptcy proceedings. Based on estimates, PBGC expects to be entitled to receive approximately 15% of the outstanding common stock of Reorganized Delta when the Plan of Reorganization takes effect, making it Delta's largest post-bankruptcy shareholder. Delta filed the Plan of Reorganization on December 19, 2006. The settlement was approved by the Bankruptcy Court on December 20th.

Kelley Drye has been representing PBGC, a U.S. government owned entity formed under the Employee Retirement Income Security Act of 1974 which insures defined benefit pension plans, for many years, and is also currently working with PBGC in the Chapter 11 proceedings of Delphi Corporation.