

HAWAIIAN HOLDINGS INC  
Form SC 13D/A  
December 12, 2005

---

OMB APPROVAL

---

OMB Number: 3235-0145  
Expires: December 31, 2005  
Estimated average burden  
hours per response . . . . . 11

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934  
(Amendment No. 2)\***

**HAWAIIAN HOLDINGS, INC.**

---

(Name of Issuer)

**Common Stock**

---

(Title of Class of Securities)

**419879101**

---

(CUSIP Number)

Lawrence S. Hershfield  
c/o Ranch Capital LLC  
12730 High Bluff Drive, Suite 180  
San Diego, California 92130  
(858) 523-0171

with a copy to:

Kenneth D. Polin, Esq.  
Foley & Lardner LLP  
402 W. Broadway, Suite 2300  
San Diego, California 92101-3542  
(619) 234-6655

---

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

**November 17, 2005**

---

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

Edgar Filing: HAWAIIAN HOLDINGS INC - Form SC 13D/A

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Section 240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Potential Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

CUSIP No. 419879101

13D

Page 1 of 10 Pages

1 NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

RC Aviation, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS \*

OO (Bankruptcy Claims)

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER  
NUMBER OF  
SHARES 18,621,963 shares of Common Stock

8 SHARED VOTING POWER  
BENEFICIALLY OWNED None

9 SOLE DISPOSITIVE POWER  
BY EACH 17,375,505 shares of Common Stock

10 SHARED DISPOSITIVE POWER  
REPORTING PERSON WITH:

Edgar Filing: HAWAIIAN HOLDINGS INC - Form SC 13D/A

1,246,458 shares of Common Stock (1)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

18,621,963 shares of Common Stock

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES \* [x]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

36.4% of Common Stock (2)

14 TYPE OF REPORTING PERSON \*

CO (Limited Liability Company)

CUSIP No. 419879101

13D

Page 2 of 10 Pages

1 NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

RC Aviation Management, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*

(a) [x]  
(b) [ ]

3 SEC USE ONLY

4 SOURCE OF FUNDS \*

OO (Bankruptcy Claims of RC Aviation, LLC and RC Aviation Management, LLC)

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED	7	SOLE VOTING POWER  18,724,624 shares of Common Stock
	8	SHARED VOTING POWER  None

<b>BY EACH REPORTING PERSON WITH:</b>	<b>9</b> SOLE DISPOSITIVE POWER  <b>17,478,166 shares of Common Stock</b>	
	<b>10</b> SHARED DISPOSITIVE POWER  <b>1,246,458 shares of Common Stock (1)</b>	

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

**18,724,624 shares of Common Stock**

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES \* [x]

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

**36.6% of Common Stock (2)**

**14** TYPE OF REPORTING PERSON \*

**CO (Limited Liability Company)**

**CUSIP No. 419879101**

**13D**

**Page 3 of 10 Pages**

**1** NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

**Lawrence S. Hershfield**

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*

(a) [x]  
(b) [ ]

**3** SEC USE ONLY

**4** SOURCE OF FUNDS \*

**OO (Bankruptcy Claims of RC Aviation, LLC and RC Aviation Management, LLC)**

**5** CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) [ ]

**6** CITIZENSHIP OR PLACE OF ORGANIZATION

**United States of America**

**NUMBER OF** **7** **SOLE VOTING POWER**

<b>SHARES</b>	<b>18,764,624 shares of Common Stock</b>
<b>BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:</b>	
<b>8</b>	SHARED VOTING POWER
	<b>None</b>
<b>9</b>	SOLE DISPOSITIVE POWER
	<b>17,518,166 shares of Common Stock</b>
<b>10</b>	SHARED DISPOSITIVE POWER
	<b>1,246,458 shares of Common Stock (1)</b>
<b>11</b>	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
	<b>18,764,624 shares of Common Stock</b>
<b>12</b>	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES * <span style="float: right;">[x]</span>
<b>13</b>	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
	<b>36.7% of Common Stock (2)</b>
<b>14</b>	TYPE OF REPORTING PERSON *
	<b>IN</b>

(1) Pursuant to an agreement with AIP, LLC (see Item 5 below).

(2) For more information on how this percentage was determined, see Item 5 below.

**CUSIP No. 419879101**

**13D**

**Page 4 of 10 Pages**

**SCHEDULE 13D**

This Amendment No. 2 to Schedule 13D is being filed to amend the information in the Reporting Persons (as that term is defined below) original Statement of Beneficial Ownership on Schedule 13D, as amended by the Reporting Persons' Amendment No. 1 thereto, filed with the Securities and Exchange Commission (SEC) on June 21, 2004 and June 21, 2005, respectively.

**Item 1. Security and Issuer.**

This statement relates to the shares of Common Stock (Common Stock) of Hawaiian Holdings, Inc. (the Company) and warrants to purchase shares of Common Stock (the Common Stock Warrants) and, together with the Common Stock, the Securities of the Company. The Company's principal offices are located at 3375 Koapaka Street, Suite G-350, Honolulu, Hawaii 96819.

**Item 2. Identity and Background.**

(a-c) This Amendment No. 2 to Schedule 13D is being filed by (i) RC Aviation, LLC, a Delaware limited liability company ( RC Aviation ), (ii) RC Aviation Management, LLC, a Delaware limited liability company ( RC Management ) and the managing member of RC Aviation, and (iii) Lawrence S. Hershfield, the controlling member of RC Management ( Mr. Hershfield and, together with RC Aviation and RC Management, the Reporting Persons ). The principal business address of the Reporting Persons is located at 12730 High Bluff Drive, Suite 180, San Diego, California 92130. The principal business of RC Aviation is to acquire, manage, invest in, transfer, exchange and/or otherwise dispose of securities of the Company. The principal business of RC Management is to serve as the managing member of RC Aviation. The principal business of Mr. Hershfield is to manage various businesses, including, without limitation, RC Aviation and RC Management.

(d-e) None of the Reporting Persons has, during the last five years, (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), nor (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction, as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) The citizenship of RC Aviation and RC Management are as set forth above. The citizenship of Mr. Hershfield is the United States of America.

**Item 3. Source and Amount of Funds or Other Consideration.**

The Common Stock and Common Stock Warrants were obtained by the Reporting Persons in consideration for (a) the exchange of certain bankruptcy-related claims for defaulted aircraft lease contracts held by the Reporting Persons against the Company's subsidiary, Hawaiian Airlines, Inc. ( Subsidiary ), and (b) the purchase of certain subordinated convertible notes (the Notes ) by RC Aviation from the Company. The claims and Notes were purchased by RC Aviation from its working capital.

**Item 4. Purpose of Transaction.**

The Company is a holding company that conducts its operations through its Subsidiary. The Subsidiary filed for bankruptcy in the United States Bankruptcy Court for the District of Hawaii (the Bankruptcy Court ) on March 21, 2003 (the Bankruptcy Proceeding ).

RC Aviation was formed for the purpose of acquiring a substantial equity interest in the Company in order to obtain the opportunity to profit from an investment in the Company and the Subsidiary, and to have a significant influence on the Subsidiary's plan of reorganization in the Bankruptcy Proceeding, and on the direction and management of the Company and the Subsidiary after confirmation of the Subsidiary's plan of reorganization in the Bankruptcy Proceeding.

The Company and RC Aviation, among others, filed an amended joint plan of reorganization (the Joint Plan ) to govern the Subsidiary's emergence from bankruptcy. Among other things, the Joint Plan provides for payment in full of all allowed claims and for the merger of the Subsidiary into HHIC, Inc., a wholly-owned subsidiary of the Company, with HHIC, Inc. to be the surviving entity (with HHIC, Inc. to change its name to Hawaiian Airlines, Inc.). In June 2005, the Bankruptcy Court confirmed the Joint Plan, subject to obtaining sufficient financing to implement its provisions. The foregoing description of the Joint Plan is qualified in its entirety by reference to such document, a copy of which was filed as Exhibit 6 to the Schedule 13D (Amendment No. 1) filed by the Reporting Persons with the SEC on June 21, 2005.

---

**CUSIP No. 419879101**

---

---

**13D**

---

---

**Page 5 of 10 Pages**

---

In accordance therewith, the Company and RC Aviation agreed to the terms of a \$60 million bridge financing in the form of the Notes, which Notes were purchased by RC Aviation pursuant to that certain Note Purchase Agreement dated as of June 1, 2005 (the Note Purchase Agreement ). RC Aviation's purchase of the Notes arises from its earlier agreement, as set forth in that certain Restructuring Support Agreement, dated as of August 26, 2004 (the Restructuring Support Agreement ), requiring it to raise the funds necessary to meet the distribution and payment obligations under the Joint Plan and to ensure that the Subsidiary has at least the minimum amount of cash required by the Joint Plan. The foregoing description of the Note Purchase Agreement is qualified in its entirety by reference to such document, the form of which was filed as Exhibit 1 to the Schedule 13D (Amendment No. 1) filed by the Reporting Persons with the SEC on June 21, 2005.

The Note Purchase Agreement provides that the Notes be divided into two series: (a) the Series A Subordinated Convertible Note (the Series A Note ); and (b) the Series B Subordinated Convertible Note (the Series B Note ), both of which are due June 1, 2010, and will pay

## Edgar Filing: HAWAIIAN HOLDINGS INC - Form SC 13D/A

interest at 5% per year (payable at the Company's option in cash or in kind). The Notes are convertible, beginning on June 1, 2006, into Common Stock of the Company at the conversion rate of \$4.35 per share (subject to adjustment), except that the Series B Note is only convertible after the latest to occur of: (y) June 1, 2006; and (z) the effective date of the Amendment (as defined below). The Company has the right to prepay the Notes at any time prior to June 1, 2006 in whole or in part at 105% of par. The Note Purchase Agreement also provides that the Notes are mandatorily redeemable for cash on June 1, 2010, subject to the obligation of the Company to mandatorily redeem the Series B Note after June 1, 2008 if: (a) the Amendment has not become effective; and (b) the closing price of the Common Stock of the Company has exceeded \$4.35 per share (subject to adjustment) for at least 20 out of 30 consecutive market trading days after June 1, 2006. The foregoing descriptions of the Series A Note and Series B Note are qualified in their entirety by reference to such documents, the forms of which were filed as Exhibits 2 and 3 to the Schedule 13D (Amendment No. 1) filed by the Reporting Persons with the SEC on June 21, 2005.

Pursuant to the terms of the Note Purchase Agreement, a new class of preferred stock was designated by the Company as the Series E Preferred Stock and, as part of the purchase of the Notes, the Company issued to RC Aviation a warrant to purchase 200 shares of the Company's Series E Preferred Stock (the "Series E Warrant"). Upon the receipt of stockholder approval of an increase in the number of authorized shares of Common Stock of the Company (the "Amendment"), the Series E Warrant was to be automatically exchanged for the Common Stock Warrant, which entitled the holder thereof to purchase 6,856,000 shares of Common Stock of the Company at an exercise price of \$7.20 per share, subject to adjustment for certain anti-dilutive events and as described below. On July 7, 2005, at the Company's annual stockholder meeting, the Company's stockholders approved the Amendment and the Series E Warrant was subsequently terminated and exchanged for the Common Stock Warrant. The foregoing descriptions of the Series E Warrant and Common Stock Warrant are qualified in their entirety by reference to such documents, the forms of which were filed as Exhibits 4 and 5 to the Schedule 13D (Amendment No. 1) filed by the Reporting Persons with the SEC on June 21, 2005.

On October 19, 2005, October 21, 2005, and November 17, 2005, the Company repurchased an aggregate of approximately \$3.9 million, \$1.1 million and \$2.7 million, respectively, in principal amount of the Notes at their face amount, plus accrued interest, and a corresponding portion of the Common Stock Warrant from the members of RC Aviation, which repurchases were consented to by RC Aviation. After giving effect to the repurchase of a portion of the Common Stock Warrant, the Common Stock Warrant now entitles the holder thereof to purchase 5,973,384 shares of Common Stock (a decrease from the 6,856,000 shares of Common Stock that were originally exercisable prior to the repurchases described herein).

---

**CUSIP No. 419879101**

---

**13D**

---

**Page 6 of 10 Pages**

---

In addition to the acquisition of the securities described above, RC Aviation, RC Management and Mr. Hershfield also acquired beneficial ownership of 1,402,121, 1,504,782 and 1,504,782 additional shares, respectively, of the Company's Common Stock pursuant to the terms of the Joint Plan. Under the Joint Plan, the Reporting Persons, as holders of certain claims relating to the defaulted aircraft leases, received distributions in exchange for their allowed claims in an amount of cash equal to 50% of the allowed claim and an amount of the Company's Common Stock equal to 50% of the allowed claim based on a stock value of \$6.16 per share of Common Stock. This resulted in the distribution of the Company's Common stock to the Reporting Persons under the Joint Plan as set forth above.

Other than as set forth in this Amendment No. 2 to Schedule 13D, none of the Reporting Persons has any existing plan or proposal which relates to or would result in any of the matters enumerated in clauses (a) through (j), inclusive of Item 4 of Schedule 13D. However, the Reporting Persons may in the future engage in and may plan for their engagement in: (a) the acquisition by any person of additional securities of the Company or the disposition of securities of the Company; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Company or any of its subsidiaries; (d) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board; (e) any material change in the present capitalization or dividend policy of the Company; (f) any other material change in the Company's business or corporate structure; (g) changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition or control of the Company by any person; (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act; or (j) any action similar to any of those enumerated above.

Any future decision of the Reporting Persons to take any such actions with respect to the Company or the Subsidiary or their respective securities will take into account various factors, including the prospects of the Company and Subsidiary, general market and economic conditions and other factors deemed relevant.

### **Item 5. Interest in Securities of the Issuer.**

## Edgar Filing: HAWAIIAN HOLDINGS INC - Form SC 13D/A

(a) As of the date hereof, RC Aviation could be deemed the beneficial owner of 18,621,963 shares of Common Stock of the Company, constituting 36.4% of the Company's Common Stock (see *Calculating the Percentage Ownership* below), including the 18,621,963 shares of Common Stock to which this Amendment No. 2 to Schedule 13D relates. Of the 18,621,963 shares of Common Stock beneficially owned by RC Aviation, AIP, LLC (AIP) holds the dividend rights to 1,246,458 of these shares of Common Stock (see subsection (d) below for further information). As part of the number of shares indicated above as being beneficially owned by RC Aviation, the total includes 5,973,384 shares of Common Stock that are currently exercisable pursuant to the Common Stock Warrant.

As of the date hereof, RC Management could be deemed the beneficial owner of 18,724,624 shares of Common Stock of the Company, constituting 36.6% of the Company's Common Stock (see *Calculating the Percentage Ownership* below), including the 18,724,624 shares of Common Stock to which this Amendment No. 2 to Schedule 13D relates. Of the 18,724,624 shares of Common Stock beneficially owned by RC Management, AIP holds the dividend rights to 1,246,458 of these shares of Common Stock (see subsection (d) below for further information). As part of the number of shares indicated above as being beneficially owned by RC Management, the total includes 5,973,384 shares of Common Stock that are currently exercisable pursuant to the Common Stock Warrant.

---

**CUSIP No. 419879101**

---

**13D**

**Page 7 of 10 Pages**

---

As of the date hereof, Mr. Hershfield could be deemed the beneficial holder of 18,764,624 shares of Common Stock of the Company, constituting 36.7% of the Company's Common Stock (see *Calculating the Percentage Ownership* below), including the 18,764,624 shares of Common Stock to which this Amendment No. 2 to Schedule 13D relates. Of the 18,764,624 shares of Common Stock beneficially owned by Mr. Hershfield, AIP holds the dividend rights to 1,246,458 of these shares of Common Stock (see subsection (d) below for further information). As part of the number of shares indicated above as being beneficially owned by Mr. Hershfield, the total includes 5,973,384 shares of Common Stock that are currently exercisable from the Common Stock Warrant. In addition to the above, on August 10, 2005, the Company granted Mr. Hershfield an option to purchase 15,000 shares of the Company's Common Stock, which option shall vest at the rate of 33-1/3% per year beginning with the first year following the date of grant. Because the option is not exercisable within sixty days of the date hereof, the total is not included in the beneficial ownership calculation.

*Calculating the Percentage Ownership:* The percentages calculated above are based upon 51,098,484 shares of Common Stock of the Company. This number represents (a) 45,125,100 shares of Common Stock of the Company issued and outstanding as of October 21, 2005, as set forth in the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2005, plus (ii) 5,973,384 shares of Common Stock currently issuable upon exercise of the Common Stock Warrant.

(b) Each of the Reporting Persons has the sole power to vote or direct the vote of 11,402,121 shares of Common Stock of the Company and 5,973,384 shares of Common Stock issuable pursuant to the Common Stock Warrant, except that (i) RC Management and Mr. Hershfield have the power to vote an additional 102,661 shares of Common Stock held by RC Management and (ii) Mr. Hershfield also has the sole power to vote an additional 40,000 shares of Common Stock held directly in his capacity as an individual.

Each of the Reporting Persons has the sole power to dispose or direct the disposition of 17,375,505 shares of Common Stock of the Company and, pursuant to the agreement with AIP described below, shared power to dispose or direct the disposition of 1,246,458 shares of Common Stock of the Company, except that (i) RC Management and Mr. Hershfield have the power to dispose or direct the disposition of an additional 102,661 shares of Common Stock held by RC Management and (ii) Mr. Hershfield also has the sole power to dispose or direct the disposition of an additional 40,000 shares of Common Stock that are held directly in his capacity as an individual.

On June 11, 2004, AIP and RC Aviation entered into a Stockholders Agreement (the AIP Stockholders Agreement) with respect to 2,159,403 shares of the Company's Common Stock held by AIP. Among other things, the AIP Stockholders Agreement provides that if AIP intends to sell or otherwise transfer any equity security of the Company then held by it, it shall give RC Aviation the right of first offer with respect to such equity securities. In addition, if AIP receives an offer from any third party to purchase any equity securities then held by AIP, the AIP Stockholders Agreement provides that RC Aviation shall have a right of first refusal with respect to such shares of equity securities. In addition, in the event RC Aviation agrees to sell all, or substantially all of the Common Stock then held by it to an unaffiliated third party, it may require AIP to sell all, but not less than all, of the Common Stock then held by AIP in such transaction. Further, the AIP Stockholders Agreement provides that if RC Aviation agrees to sell the Common Stock then held by it to an unaffiliated third party and does not exercise its rights described in the preceding sentence, then AIP shall have the right to participate in such sale up to AIP's pro rata portion of the Common Stock to be sold in such transaction. Since the filing of the Amendment No. 1 to Schedule 13D, the Reporting Persons have been notified by AIP that AIP sold an aggregate of 912,945 shares of Common Stock, which resulted in a decrease in the Reporting Persons' interests in the shares of Common Stock held by AIP from 2,159,403 to 1,246,458. The foregoing description of the AIP Stockholders Agreement is qualified in its entirety by reference to such document, the form of which was filed as Exhibit 3 to the Schedule 13D filed by the Reporting Persons with the SEC on June 21, 2004.



(c) There were no transactions in the Common Stock by the Reporting Persons during the prior sixty days, other than the transactions described herein.

(d) As of the date hereof, AIP retains the right to receive any dividends declared on 1,246,458 shares of Common Stock of the Company, or the proceeds from the sale of any of such shares.

---

CUSIP No. 419879101

---

13D

---

Page 8 of 10 Pages

---

(e) Not applicable.

The filing of this Amendment No. 2 to Schedule 13D shall not be construed as an admission that any of the Reporting Persons is, for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, the beneficial owner of any of the Common Stock referred to herein other than shares directly held in the name of such Reporting Person. As such, RC Management and Mr. Hershfield each specifically disclaim beneficial ownership in the Common Stock reported herein, except to the extent that each may have a direct pecuniary interest in such Common Stock.

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.**

The Second Amended and Restated Limited Liability Company Operating Agreement ( Operating Agreement ) of RC Aviation, LLC was entered into by and among the following investors (the Investors ) in connection with RC Aviation's purchase of the Company's Securities: QVT Hawaiian LLC; DB Hawaiian LLC; Whitebox-RC Aviation (Convertible Arbitrage), LLC; Whitebox-RC Aviation (Hedged High Yield), LLC; Whitebox-RC Aviation (Pandora Select), LLC; Whitebox-RC Aviation (Intermarket), LLC; Guggenheim Portfolio Co. XXXI, LLC; River Run RC Aviation Holdings, LLC; Litespeed Master Fund, Ltd.; Watershed Capital Partners, L.P.; Watershed Capital Institutional Partners, LP; Watershed Capital Partners (Offshore), LLC; GPI Holdings, L.L.C.; Shadow Aviation, LLC; Triage Capital Management LP; TOF Holdings, LLC; Harbert Distressed Investment Fund, L.P.; Canyon Capital Advisors, LLC; Kermit I, LLC and Kermit II, LLC; Gryphon Hawaiian Holdings, LLC; Triage Capital Management B, L.P.; RCG Carpathia Master Fund, Ltd.; Portside Growth and Opportunity Fund; and Hotel Alpha Holding Company, LLC.

Pursuant to the Operating Agreement, RC Management is vested with the exclusive right and authority to manage and control the business of RC Aviation, subject to member approval of certain major transactions (including the sale or exchange to a third party of any of the Company's securities held by RC Aviation). The Operating Agreement provides that RC Management may only be removed as the managing member of RC Aviation for fraud, willful neglect, or gross or reckless misconduct which, in each case, causes material harm to RC Aviation.

The Operating Agreement obligates RC Aviation to distribute ninety percent of the Securities (or cash equivalents) to certain of the Investors on a pro rata basis as soon as practicable following the date upon which the plan of reorganization of the Subsidiary shall have become effective and final (and all conditions subsequent thereto have been satisfied). Notwithstanding the foregoing, however, RC Aviation and certain of the Investors listed above entered into a letter agreement, dated November 2, 2005 ( Letter Agreement ), pursuant to which these certain Investors have agreed to defer their right to receive Securities (or cash equivalents) under the Operating Agreement until the earlier of (a) the date that such Securities are registered by the Company under a registration statement filed with the SEC and (b) January 31, 2006. Pursuant to the terms of the Operating Agreement, the Investors may also receive certain additional distributions of Securities, Notes and/or cash equivalents held by RC Aviation if, in the reasonable determination of RC Management, such amounts are available for distribution. As of the date of this filing, RC Management has not indicated to the Investors that it plans to make any such distributions. The foregoing descriptions of the Operating Agreement and Letter Agreement are qualified in their entirety by reference to such documents, copies of which are filed as Exhibits 1 and 2 to this Amendment No. 2 to Schedule 13D.

In addition to the above, RC Aviation and the Investors entered into the RC Aviation Stockholders Agreement, which provides that in the event RC Aviation agrees to sell all, but not less than all, of the Securities then held by it to an unaffiliated third party, it may require each Investor to sell all, but not less than all, of the Securities then held by such Investor in such transaction. Further, the Stockholders Agreement provides that if RC Aviation agrees to sell all, but not less than all, of the Securities then held by it to an unaffiliated third party, then each Investor who then holds Securities shall have the right to participate in such sale up to such Investor's pro rata portion of the Securities.

---

CUSIP No. 419879101

---

13D

---

Page 9 of 10 Pages

---

Edgar Filing: HAWAIIAN HOLDINGS INC - Form SC 13D/A

Upon the sale or transfer of the Securities by RC Aviation or any Investor to any unaffiliated third party, the rights and obligations with respect to such Securities as set forth in the Operating Agreement and the RC Aviation Stockholders Agreement shall no longer have any force or effect. The foregoing description of the RC Aviation Stockholders Agreement is qualified in its entirety by reference to such document, the form of which was filed as Exhibit 4 to the Schedule 13D filed by the Reporting Persons with the SEC on June 21, 2004.

**Item 7. Materials to Be Filed as Exhibits.**

Exhibit 1 Second Amended and Restated Limited Liability Company Operating Agreement, dated as of June 1, 2005, by and between RC Aviation, LLC and the parties thereto.

Exhibit 2 Letter Agreement, dated November 2, 2005, by and between RC Aviation, LLC and the parties thereto.

---

**CUSIP No. 419879101**

---

**13D**

---

**Page 10 of 10 Pages**

---

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: December 12, 2005

RC Aviation, LLC

By: /s/ Lawrence S. Hershfield

Name: Lawrence S. Hershfield

Title: Managing Member of RC Aviation, LLC

RC Aviation Management, LLC

By: /s/ Lawrence S. Hershfield

Name: Lawrence S. Hershfield

Title: Managing Member

/s/ Lawrence S. Hershfield

Lawrence S. Hershfield

---

**EXHIBIT INDEX**

Exhibit 1 Second Amended and Restated Limited Liability Company Operating Agreement, dated as of June 1, 2005, by and between RC Aviation, LLC and the parties thereto.

Exhibit 2 Letter Agreement, dated November 2, 2005, by and between RC Aviation, LLC and the parties thereto.