

1 FENNEMORE CRAIG, P.C.
Cathy L. Reece (005932)
2 Keith L. Hendricks (012750)
3003 N. Central Ave., Suite 2600
3 Phoenix, Arizona 85012
Telephone: (602) 916-5343
4 Facsimile: (602) 916-5543
Email: creece@fclaw.com

5 Attorneys for ML Manager LLC

6
7 IN THE UNITED STATES BANKRUPTCY COURT
8 FOR THE DISTRICT OF ARIZONA

9 In re
10 MORTGAGES LTD.,
11 Debtor.

Chapter 11

Case No. 2:08-bk-07465-RJH

**NOTICE OF LODGING ORDER GRANTING
IN PART AND DENYING IN PART THE
FINAL FEE APPLICATION OF MCA
FINANCIAL GROUP, LTD.,**

And

**MEMORANDUM OF POINTS AND
AUTHORITIES SUPPORTING THE ENTRY
OF ML MANAGER'S FORM OF ORDER**

16 NOTICE IS HEREBY GIVEN THAT ML Manager LLC ("ML Manager") has
17 lodged a form of Order Granting in Part and Denying in Part the Final Fee Application of
18 MCA Financial Group, Ltd (the "Order"). The Order which has been lodged is attached
19 hereto as **Exhibit A**.

20 In its minute entry issued on January 20, 2010, which granted in part and denied in
21 part MCA's Final Fee Application (the "January 20 Order"), the Court denied the fees
22 with regard to all "amount[s] sought for work on DIP financing from and after July 1,
23 2008." A dispute has arisen between the parties with regard to the scope of this
24 determination. ML Manager believes that the January 20 Order denied all amounts
25 incurred after July 1, 2008 that were included in "Category 3" from the detail in the Fee
26 Application that were incurred after July 1, 2008. ML Manager believes that this amount

1 is easily determined because MCA submitted a monthly invoice identifying all amounts
2 for that month in Category 3. The total amount is \$24,960. MCA apparently now takes
3 the position that the amount of fees denied were only \$2,730. To resolve this issue, ML
4 Manager hereby lodges a form of Final Order. ML Manager's position on the form of
5 Final Order is based on the evidence from the hearing, all matters in the record, and the
6 arguments set forth in the attachment Memorandum of Points and Authorities.

7 **MEMORANDUM OF POINTS AND AUTHORITIES**

8 On July 1, 2008, the Court ordered the phased withdrawal of MCA Financial
9 Group, Ltd. ("MCA") as financial advisor to the Debtor, as memorialized by entry of that
10 certain order dated July 3, 2008 (Dkt. 106) (the "Phased Withdrawal Order"). Subsequent
11 to the Phased Withdrawal Order, MCA, as evidenced by the time sheets attached to its
12 final fee application (Dkt. 517), continued to expend a considerable amount of time in
13 relation to debtor-in-possession financing ("DIP Financing"). MCA's DIP Financing
14 work included a DIP Financing proposal with Southwest Value Partners ("SVP") which
15 included a \$5 million portion to fund general operations and a \$124.1 million construction
16 portion for the construction of various projects. As reflected in its time sheets, MCA
17 incurred \$24,960 in fees relating to DIP Financing. Attached as **Exhibit B** is a copy of
18 the detail for all time incurred by MCA after July 1, 2008. As the Court will see, on the
19 last page of this bill, MCA has broken the work that it did down into various task codes
20 (as required by the USDOJ Guideline for Professional Fee Applications). Category 3 is
21 described as "Debtor in Possession Financing." The amount of time reflected in this
22 category is 76.4 hours, and the amount of fees requested for this category is \$24,900.
23 MCA has prepared a spreadsheet that include only the items from Category B. A copy of
24 MCA's spreadsheets with just the time for Category 3 is attached hereto as **Exhibit C**.

25 Significantly, MCA described all of the work in Category 3 as pertaining to DIP
26 financing. Moreover, the testimony at the trial, and the finding in the January 20 Order

1 was that by July 1, all of MCA's work with regard to DIP financing was primarily on the
2 SVP proposal. MCA is now apparently retreating from this position, testimony and Court
3 finding. It now argues that only \$2,730 relates to the SVP DIP proposal. This position is
4 not credible.

5 As the Court found in the January 20 Order, SVP withdrew its DIP Financing
6 proposal, and the Court, in its January 20 Order, found "that MCA's work on the
7 Southwest Value DIP financing after July 1 was [not] reasonably anticipated to provide
8 value to the Debtor and its estate." January 20 Order, p. 3. As such, the Court denied
9 MCA's fee application with regard to "amount[s] sought for work on DIP financing from
10 and after July 1, 2008." *Id.* The plain language of the January 20 Order makes clear that
11 all of MCA's fees incurred in relation to DIP Financing, i.e. \$24,960, were disallowed.
12 Pursuant to the Court's findings of fact and conclusions of law in the January 20 Order,
13 ML Manager has filed a proposed form of order which grants MCA's fee application in
14 the amount of \$95,868.61 and denies MCA's fee application in the amount of \$24,960
15 (which is the amount reflected on MCA's time sheets for work performed after July 1,
16 2008, on "Debtor in Possession Financing") (the "Disallowed Amount").

17 MCA now apparently contends, however, that the January 20 Order only denied
18 the payment of fees related to the DIP Financing proposal with SVP. In this regard, MCA
19 contends that only \$2,730 of the Disallowed Amount is related to the SVP DIP Financing.
20 In support of its position, MCA relies on certain time entries which improperly "lump"
21 tasks and/or provide ambiguous descriptions of the work performed. However, the U.S.
22 Trustee Fee Guidelines (the "Fee Guidelines"), a copy of which is attached hereto as
23 **Exhibit D**, prohibits "lumping" and further provides that "fee application[s] should ...
24 contain sufficient information about the case and the applicant so that the Court, the
25 creditors, and the United States Trustee can review it without searching for relevant
26 information in order documents." The Fee Guidelines require that work be separated out

1 into the appropriate task codes. To the extent that MCA now argues that it did not, at the
2 time the entries were generated, property categorize, describe, or separate the time, it
3 cannot use that as an excuse. MCA bore and continues to bear the burden to establish that
4 its fees are properly recoverable. If the Fee Application, on its face does not provide
5 sufficient information to determine the amount of fees that were incurred on DIP
6 Financing after July 1, 2008, that fact by itself is sufficient grounds to deny the fee
7 application for all time in Category 3.

8 Furthermore, MCA's current position is contrary to the evidence and testimony
9 adduced at the Court's January 12, 2010, hearing, which revealed that MCA's entire DIP
10 Financing efforts revolved around the proposal from SVP. In fact, this Court's January 20
11 Order memorializes this testimony: "By late June, however, the Debtor decided to proceed
12 with the Southwest Value financing proposal, so thereafter MCA's work was largely
13 limited to that particular financing proposal." January 20 Order, p. 2. MCA carries the
14 burden to prove entitlement to its fees, a burden MCA fails to meet based on the clear
15 language of the January 20 Order, the testimony adduced at the January 12 hearing, and
16 the Fee Guidelines.

17 Moreover, MCA's assertion that only the time negotiating with SVP should be
18 disallowed is inconsistent with the evidence. It is clear that MCA did more than just
19 negotiate with SVP. MCA testified about the pleadings that it prepared and filed with the
20 Court in July in support of the SVP DIP financing. This work is not reflected in the time
21 limited to negotiations with SVP. Moreover, the time that MCA spent explaining the SVP
22 financing proposal to borrowers, such as Tempe Centerpointe, to investors, and others was
23 also likewise unlikely to provide benefit to the estate if, as the Court found, the underlying
24 financing proposal was unlikely to be approved. Time spent at court hearings discussing
25 DIP financing where MCA attended because it was negotiating a DIP facility with SVP is
26 also not compensable since there was no benefit to the estate.

1 The bottom line is that the Court has already disallowed all of MCA's time
2 associated with DIP Financing after July 1, 2008. MCA's own fee application has a
3 category for that time and lists it at \$24,900. Given the Court's finding and the January
4 20 Order, MCA should not be allowed to come back in and argue that its Fee Application
5 is vague, not properly categorized, and lumps multiple entries together, which justifies an
6 award of more money.

7 Therefore, ML Manager's proposed Order provides for the denial of the entire
8 \$24,960 in fees related to MCA's work on DIP Financing and reflected in Category 3 of
9 MCA's time sheets.

10
11 DATED: February 10, 2010

12 FENNEMORE CRAIG, P.C.

13 By /s/ Cathy L. Reece
14 Cathy L. Reece
15 Attorneys for ML Manager LLC

16
17 COPY of the foregoing emailed
18 to the following parties:

19 Howard Meyers
20 Andrew Abraham
21 Burch & Cracchiolo, P.A.
22 702 East Osborn Road
23 Phoenix, AZ 85014
24 hmeyers@bcattorneys.com
25 aabraham@bcattorneys.com
26 Attorneys for MCA Financial Group, Ltd.

Jonathan E. Hess
Office of the United States Trustee
230 N. 1st Avenue, Ste. 204
Phoenix, AZ 85003
Jon.e.hess@usdoj.gov
Attorney for U.S. Trustee

1 Michael O'Mara
2 Stradley Ronon Stevens & Young, LLP
3 2600 One Commerce Square
4 Philadelphia, PA 19103
5 mo'mara@stradley.com

6

7 /s/ Nikki Nolund

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re
MORTGAGES LTD.,
Debtor.

Chapter 11
Case No. 2:08-bk-07465-RJH

**ORDER GRANTING IN PART AND
DENYING IN PART THE FINAL FEE
APPLICATION OF MCA FINANCIAL
GROUP, LTD.**

The Court having considered the Final Fee Application of MCA Financial Group, Ltd. as Financial Advisor to Debtor (Dkt. 517), the reply in support thereof (Dkt. 930) (collectively, the “Application”), and the Final Fee Application of MCA Financial Group, Ltd. (Dkt. 1953) (collectively referred to herein as the “Application”), the various objections to the Application, including those filed by Radical Bunny, L.L.C. (Dkt. 586), the Ad Hoc Committee of Investors in the Value-to-Loan Opportunity Fund I, L.L.C. (Dkt. 684), and the Liquidating Trust of Mortgages Ltd. (Dkt. 2083) (collectively, the “Objections”), and all of the submissions relating to the Application, and the evidence presented at the hearing held before this Court on January 12, 2010 (Dkt. 2594), and pursuant to this Court’s January 20, 2010, Order Granting in Part and Denying in Part Final Fee Application of MCA Financial Group, Ltd. (Dkt. 2604) (the “January 20 Order”); and good cause appearing,

1 IT IS HEREBY ORDERED that the Application is denied in part and the fees of
2 MCA Financial Group, Ltd. (“MCA”) in the amount of \$24,960, which relate to time
3 expended by MCA on matters relating to debtor-in-possession financing, is disallowed
4 (the “Disallowed Portion”).

5 IT IS FURTHER ORDERED that the Application is granted in part and the
6 remaining fees and expenses of MCA, minus the Disallowed Portion, are allowed in the
7 amount of \$97,171.25 (the “Total Award”).

8 IT IS FURTHER ORDERED that the Liquidating Trustee is authorized and
9 directed to pay to MCA the amount of \$1,302.64, which represents the difference between
10 the Total Award minus the \$95,868.61 retainer from which MCA has previously drawn
11 upon in full.

12 IT IS FURTHER ORDERED that no further amounts shall be payable to MCA (for
13 fees, expenses, or any other costs) arising out of MCA’s representation of the estate in this
14 matter except for the Total Award.

15 IT IS FURTHER ORDERED that this Order will have no preclusive effect under
16 theories of res judicata, collateral estoppel or any similar doctrine upon any claim that
17 may be brought against MCA arising out of its representation of the estate in this matter.

18 IT IS FURTHER ORDERED that any potential disgorgement of any portion of the
19 Total Award that is paid to MCA shall be under the same terms and conditions as
20 applicable to the potential disgorgement of fees and costs paid to other professionals
21 employed and paid in the case.

22 DATED AND SIGNED ABOVE.

Mortgages Ltd. - Deleted Time Entries

Date	Person	Hours	Code	Description	Total	MCA	RB	TB	JVP	KK	DH	GW	JS	LB
7/1/2008	Person	1.4	1	Various meetings with Smith and Estate Lawyers.	\$ 680.00	\$ 480.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2008	MCA	0.8	3	Work on DIP with Schatzberg's change to BOD	\$ 280.00	\$ 280.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2008	MCA	1.0	3	Meetings with M.L. Schatzberg re changes to BOD	\$ 350.00	\$ 350.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2008	MCA	4.1	3	Attend court hearing on Trustee motion and DIP motion	\$ 1,493.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2008	KB	0.4	3	Review and respond to Thomas Smith re: DIP financing	\$ 140.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2008	KB	0.7	2	Email discussion with V. Sims regarding changes to lender payment audit for SOCA	\$ 157.50	\$ -	\$ -	\$ -	\$ -	\$ 157.50	\$ -	\$ -	\$ -	\$ -
7/1/2008	GW	7.8	4	Patrick Spensheth/Debralee Communication.	\$ 1,755.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,755.00	\$ -	\$ -
7/1/2008	MCA	0.6	4	Call with Jerome on DIP and other issues.	\$ 105.00	\$ 105.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2008	MCA	0.6	5	Meeting with Inneser conference at M.L. office.	\$ 280.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2008	MCA	1.5	3	Meeting with Inneser conference at Pauline's office.	\$ 525.00	\$ 525.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2008	MCA	1.8	3	Work on DIP with Schatzberg's audit.	\$ 630.00	\$ 630.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2008	MCA	0.8	4	Meetings with new bankruptcy counsel.	\$ 270.00	\$ 270.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2008	MCA	2.1	4	Work on loan portfolio evaluation.	\$ 735.00	\$ 735.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2008	KB	0.7	2	Review and respond to emails re: Schedules, payroll, cash needs.	\$ 245.00	\$ -	\$ -	\$ -	\$ -	\$ 245.00	\$ -	\$ -	\$ -	\$ -
7/1/2008	KB	3.0	2	Review schedules. Discuss with K. Kahn.	\$ 1,050.00	\$ -	\$ -	\$ -	\$ -	\$ 1,050.00	\$ -	\$ -	\$ -	\$ -
7/1/2008	KK	2.1	2	Updated statements and schedules with changes from client. Converted to PDF format and sent update schedules to various parties for review.	\$ 472.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 472.50	\$ -	\$ -	\$ -
7/1/2008	JS	0.4	4	Discussed Centipoint and Hotel Monaco site visit and summary with C. Walker.	\$ 80.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80.00	\$ -
7/1/2008	GW	8.1	4	Portfolio Spreadsheet/Agreement Communication.	\$ 1,822.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,822.50	\$ -	\$ -
7/1/2008	JVP	2.0	2	Review statements & schedules.	\$ 590.00	\$ -	\$ -	\$ -	\$ 590.00	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2008	MCA	0.5	1	Planning meeting with management and Inoual. Discussed BK counsel selection.	\$ 175.00	\$ -	\$ -	\$ -	\$ -	\$ 175.00	\$ -	\$ -	\$ -	\$ -
7/1/2008	MCA	3.1	3	Meeting with Leah and Shuler on Centipoint to discuss financing and loans.	\$ 1,085.00	\$ -	\$ -	\$ -	\$ -	\$ 1,085.00	\$ -	\$ -	\$ -	\$ -
7/1/2008	MCA	2.6	4	Work with Inoual and Marlin on loan workout issues. Work on other loan workout matters and correspond with Fleisher and Reese.	\$ 990.00	\$ 990.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2008	MCA	0.6	3	Respond to information requests from Inoual committee. Forwarded statements for Centipoint and Hotel Monaco to C. Walker.	\$ 280.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280.00	\$ -
7/1/2008	GW	7.2	4	Portfolio Spreadsheet/Agreement Communication.	\$ 2,250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,250.00	\$ -	\$ -
7/1/2008	JVP	4.0	4	Call transfer / preference papers analysis.	\$ 1,620.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,620.00	\$ -	\$ -
7/1/2008	MCA	0.8	3	Call with Corey and Inoual on DIP.	\$ 1,160.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,160.00	\$ -	\$ -
7/1/2008	MCA	1.5	3	Meeting with E. Peckel on DIP and other issues.	\$ 525.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525.00	\$ -
7/1/2008	MCA	2.1	3	Work on DIP financing term sheets and calls with lenders.	\$ 735.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 735.00	\$ -
7/1/2008	GW	7.2	4	Centipoint DIP Payback Analysis.	\$ 2,520.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,520.00	\$ -	\$ -
7/1/2008	MCA	0.8	3	Work on DIP with Mountain Funding.	\$ 280.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280.00	\$ -	\$ -
7/1/2008	MCA	3.5	5	Work on analysis of various forms for Committee including assignments, transfers and valuation.	\$ 1,225.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,225.00	\$ -	\$ -
7/1/2008	MCA	0.6	1	Call with Marlin on BK counsel and management issues.	\$ 210.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210.00	\$ -	\$ -
7/1/2008	MCA	0.7	2	Review agreements on the AZ Bank & Trust loan and evaluate property.	\$ 245.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245.00	\$ -	\$ -
7/1/2008	MCA	1.2	4	Work on River Run matter.	\$ 420.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 420.00	\$ -	\$ -
7/1/2008	MCA	1.2	3	Call with S. Cough and provide information to C. Reese on DIP and related matters.	\$ 700.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700.00	\$ -	\$ -
7/1/2008	MCA	2.0	3	MCA/Inoual DIP financing review and analysis.	\$ 700.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700.00	\$ -	\$ -
7/1/2008	MCA	1.0	3	Meeting with E. Peckel re: A/E/B/C loan and DIP financing.	\$ 350.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350.00	\$ -	\$ -
7/1/2008	MCA	2.7	3	Meeting with Inoual representatives, S. Cough and D. Veer re: DIP financing.	\$ 945.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 945.00	\$ -	\$ -
7/1/2008	MCA	1.0	5	Internal. Review term sheet.	\$ 350.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350.00	\$ -	\$ -
7/1/2008	MCA	1.2	1	Meeting with E. Peckel to bring ED up to speed on M.L.	\$ 420.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 420.00	\$ -	\$ -
7/1/2008	MCA	2.3	3	Work with C. Johnson to M.L. financing.	\$ 695.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 695.00	\$ -	\$ -
7/1/2008	MCA	1.8	4	Meeting with Inoual and Freeman to review DIP financing, status of M.L. and other related matters.	\$ 630.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630.00	\$ -	\$ -
7/1/2008	KB	2.1	1	Work with L. Merrill and others on borrower issues and operations.	\$ 735.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 735.00	\$ -	\$ -
7/1/2008	KB	2.1	1	Review and respond to various emails from M. Anton re: status, loan analysis, cash flow, hearing preparation, etc.	\$ 735.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 735.00	\$ -	\$ -
7/1/2008	KB	0.5	1	Prepare cash flow budget. Email to Cameron.	\$ 175.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175.00	\$ -	\$ -

Date	Person	Hour	Code	Description	Total	MCA	KB	TB	JVP	KK	DH	GV	JS	LS
7/17/2006	KB	0.3	1	Director's cases with M. Aaron.	\$ 105.00		\$ 105.00							
7/17/2006	KB	3.1	4	Director's valuation analysis for loan portfolio.	\$ 1,095.00		\$ 1,095.00							
7/17/2006	KB	3.1	4	Valuation Adjustments.	\$ 1,095.00									
7/17/2006	KB	3.8	4	Update Cash Flow projections to 3Q 06 outlook per K. Berman.	\$ 1,108.25									
7/17/2006	MCA	1.5	3	Work on DIP financing including meeting with MSD Capital, SVP and other firms interested in proposing.	\$ 525.00									
7/17/2006	MCA	1.4	3	Meeting with L. Martin and counsel on various matters.	\$ 395.00									
7/17/2006	KB	0.3	1	Call with V. Sas re budget.	\$ 105.00									
7/17/2006	KB	0.5	3	Discuss status of DIP financing with M. Aaron. Review email regarding same.	\$ 175.00									
7/18/2006	KB	1.2	5	Prepare for and meet with investor committee.	\$ 420.00									
7/18/2006	KB	0.3	3	Call with Glenroy re: DIP.	\$ 105.00									
7/18/2006	KB	2.3	4	Review loan analysis.	\$ 695.00									
7/18/2006	KB	0.3	5	Review and respond to various emails.	\$ 105.00									
7/18/2006	KB	0.3	5	Review information re: transfer balances.	\$ 105.00									
7/18/2006	KB	0.3	5	Call with processess re: NY, DE.	\$ 210.00									
7/18/2006	KB	3.2	4	Update Valuation Spreadsheet.	\$ 1,170.00									
7/18/2006	JVP	4.0	6	Loan transfers / preference payments analysis (transfers between Pele and Company).	\$ 1,180.00									
7/18/2006	KB	2.5	4	Make copies of documents related to loan files.	\$ 125.00									
7/18/2006	MCA	1.8	4	Work on borrower issues.	\$ 560.00									
7/18/2006	MCA	2.3	3	Meeting with SVP re work on loan sheet and complete loan sheet.	\$ 605.00									
7/18/2006	MCA	0.8	3	Call with Lesh and Dewart on Centropoint. Work on Centropoint loan sheet.	\$ 700.00									
7/18/2006	KB	0.4	1	Discuss status of cases with M. Aaron.	\$ 280.00									
7/18/2006	KB	1.0	2	Meeting with V. Sas to discuss changes to statements and schedules.	\$ 140.00									
7/18/2006	KB	1.0	2	Update Valuation Spreadsheet.	\$ 225.00									
7/18/2006	KB	3.8	4	Loan transfers / preference payments analysis (transfers between Pele and Company).	\$ 855.00									
7/18/2006	JVP	8.0	6	Update Valuation Spreadsheet.	\$ 2,980.00									
7/18/2006	MCA	1.0	4	Meeting with Zacher on City Seals and Temco workouts.	\$ 350.00									
7/18/2006	KB	0.3	1	Discuss status of cases with M. Aaron.	\$ 105.00									
7/18/2006	KB	1.6	5	Meeting with investor committee re: DIP financing.	\$ 560.00									
7/18/2006	KB	2.5	5	Prepare information for investor committee to review.	\$ 875.00									
7/18/2006	KB	2.8	2	Make changes and additions to new statements and schedule, printed to PDF files and distributed to new attorneys for review.	\$ 690.00									
7/18/2006	KB	4.2	4	Update Valuation Spreadsheet.	\$ 845.00									
7/18/2006	MCA	0.8	3	Work on DIP financing including calls with MSD Capital, SVP and other firms interested in proposing. Calls with investor committee and R3 representatives.	\$ 2,000.00									
7/18/2006	MCA	2.2	4	Work on statements and schedules.	\$ 290.00									
7/18/2006	MCA	0.8	2	Work with L. Martin and others on borrower issues and operations.	\$ 770.00									
7/18/2006	KB	0.4	1	Review email from V. Sas. Review schedules.	\$ 140.00									
7/18/2006	KB	0.5	1	Discuss various matters with M. Aaron.	\$ 175.00									
7/18/2006	KB	0.7	3	Review DIP proposal.	\$ 245.00									
7/18/2006	KB	0.4	3	Email information to E. McDonough.	\$ 140.00									
7/18/2006	KB	0.4	3	Review Centropoint proposal.	\$ 210.00									
7/18/2006	KB	0.6	3	Meet with M. Aaron to discuss and adjust the work plan related to the DIP loan analysis.	\$ 300.00									
7/18/2006	KB	1.1	3	Prepare the DIP loan analysis.	\$ 275.00									
7/18/2006	KB	0.8	4	Discuss Zacher City seals proposal with Todd Brown and Morrie Aaron.	\$ 335.00									
7/18/2006	MCA	3.8	3	Work on DIP financing financial models, terms and issues. Discuss with M. Aaron.	\$ 1,900.00									
7/18/2006	KB	0.2	3	Call with Neilson, Sherril.	\$ 175.00									
7/18/2006	KB	0.2	3	Review bonds issues.	\$ 70.00									
7/18/2006	KB	0.3	3	Review email from M. Aaron.	\$ 105.00									

Date	Event	Hours	Code	Description	Total	MCA	KB	TB	JYP	KK	DH	CW	JS	LB
7/15/2008	DH	0.4	3	Had a telephone call with M. Aaron to discuss the DIP Loan Analysis.	\$ 100.00						\$ 100.00			
7/15/2008	DH	3.1	3	Prepared the DIP Loan Analysis.	\$ 775.00						\$ 775.00			
7/15/2008	DH	1.7	3	Performed a quality control review of the DIP Loan Analysis and made applicable changes thereto.	\$ 425.00						\$ 425.00			
7/15/2008	MCA	1.5	3	Work on DIP financing. E-mail information to prospective lender and calls with Merrill.	\$ 525.00	\$ 525.00								
7/15/2008	MCA	0.8	6	Provide information to Investor Committee on T-emp project for DIP (2008).	\$ 200.00	\$ 200.00								
7/15/2008	OH	0.7	3	Performed a quality control review of the DIP Loan Analysis and made applicable changes thereto.	\$ 175.00						\$ 175.00			
7/14/2008	MCA	4.1	4	Preps for end meetings with Rightpath, principles and counsel re settlement discussions.	\$ 1,495.00	\$ 1,495.00								
7/14/2008	MCA	1.1	5	Call with Cathy Reese, Ed McDonough, E. Potek and CJ re DIP term sheet.	\$ 395.00	\$ 395.00								
7/14/2008	MCA	1.0	3	Meeting with Spivey and Schlessberg to finalize DIP Term sheet.	\$ 360.00	\$ 360.00								
7/14/2008	MCA	0.4	3	Email to V. Sas re cash.	\$ 140.00	\$ 140.00								
7/14/2008	KB	0.3	1	Send budget.	\$ 105.00		\$ 105.00							
7/14/2008	KB	2.5	1	Send budget.	\$ 875.00		\$ 875.00							
7/14/2008	KB	0.4	5	Call with E. McDonough re DIP financing.	\$ 140.00		\$ 140.00							
7/14/2008	KB	0.4	1	Review status of case with M. Aaron.	\$ 140.00		\$ 140.00							
7/14/2008	DH	0.4	3	Had a telephone call with M. Aaron to discuss the DIP Loan Analysis.	\$ 100.00						\$ 100.00			
7/14/2008	CW	4.5	4	Buyer Communications for REO Assets.	\$ 1,012.50				\$ 2,300.00			\$ 1,012.50		
7/14/2008	JYP	6.0	3	Assisting Rebecca with negotiation of Tax Exempt Accounts.	\$ 2,300.00				\$ 2,300.00					
7/15/2008	MCA	2.1	3	Call with Loren and Doug from MSO re DIP financing.	\$ 455.00	\$ 455.00								
7/15/2008	MCA	1.7	3	Meeting at company to discuss DIP financing and planning for hearing. CJ, Mitchell and Mark.	\$ 795.00	\$ 795.00								
7/15/2008	MCA	1.7	3	Work with Counsel on pleadings and DIP status. Calls with Investor group.	\$ 595.00	\$ 595.00								
7/15/2008	MCA	1.0	3	Meeting with investors re possible dip financing for specific projects.	\$ 350.00	\$ 350.00								
7/15/2008	KB	0.4	1	Review of Zedler Transaction.	\$ 140.00		\$ 140.00				\$ 140.00			
7/15/2008	TB	1.2	4	Discussed Zedler City sales proposal with Todd Brown. Phone conversation with Rod Lunt and Rich Zedler to discuss status of current information for new proposal on Z City Sites.	\$ 420.00			\$ 420.00						
7/15/2008	JS	1.0	4	Buyer Spreadsheet for REO Assets.	\$ 225.00							\$ 225.00		
7/15/2008	CW	4.8	4	All hands meeting with M.L. employees re update on process.	\$ 907.50							\$ 907.50		
7/15/2008	MCA	1.2	1	Calls with C. Reese, E. McDonough, B. Schlessberg and other parties re: DIP financing and discussed open items. Meetings with Everett, CJ, Olsen and Manfred for status.	\$ 420.00	\$ 420.00								
7/15/2008	MCA	2.4	3	Call with L. Cash re status of process.	\$ 640.00	\$ 640.00								
7/15/2008	MCA	0.4	3	Call with L. Cash re status of process.	\$ 140.00	\$ 140.00								
7/15/2008	MCA	2.1	2	Work on other borrower issues with Dean and Manfred.	\$ 455.00	\$ 455.00								
7/15/2008	KB	0.7	3	Review and respond to sales emails re DIP financing.	\$ 245.00	\$ 245.00								
7/15/2008	KB	0.5	3	Call with C. Johnson re DIP financing.	\$ 105.00		\$ 105.00							
7/15/2008	KB	0.4	3	Meeting with representatives from JSS re DIP financing and cash needs.	\$ 140.00		\$ 140.00							
7/15/2008	KB	0.4	1	Call with V. Sas re operational matters.	\$ 140.00		\$ 140.00							
7/15/2008	KB	0.5	1	Review emails from V. Sas, response.	\$ 175.00		\$ 175.00							
7/15/2008	TB	1.5	4	Review of DIP transactions for Investor group.	\$ 385.00			\$ 385.00						
7/15/2008	KB	0.1	2	Sent follow up email to C. Johnson to check on status of their review of the attachments and schedules.	\$ 22.50						\$ 22.50			
7/15/2008	JS	0.3	4	Correspondence with Michelle at Zedler Homes. Received via fax and printed two mailed study reports for city sales.	\$ 67.50							\$ 67.50		
7/15/2008	CW	3.3	4	Montague Limited meetings.	\$ 742.50							\$ 742.50		
7/15/2008	JYP	4.0	4	Assisting Marlene with reconciliation of Tax Exempt Accounts.	\$ 1,180.00				\$ 1,180.00					
7/15/2008	KB	0.4	3	Review and respond to emails re DIP financing.	\$ 140.00		\$ 140.00							
7/15/2008	KB	0.2	1	Email to C. Johnson.	\$ 70.00		\$ 70.00							
7/15/2008	KB	0.3	3	Review and respond to emails re DIP financing.	\$ 105.00		\$ 105.00							
7/15/2008	KB	0.5	4	Review email from L. Merrill. Discuss case with M. Aaron.	\$ 175.00		\$ 175.00							

Date	Person	Hours	Code	Description	Total	Pass	NCA	KB	TB	JMP	RK	CH	GV	JS	LB
7/17/2008	KB	0.4	3	Call with prospective lender.	\$ 140.00			\$ 140.00							
7/17/2008	JS	2.0	4	Reviewed latest market study and pricing strategy for Zach's Homes Z-City series. Plugged numbers into spreadsheet to run rough pro forma application.	\$ 450.00									\$ 450.00	
7/17/2008	JS	0.8	4	Conversations with Todd Brown and Chris Walker regarding meeting with Bill Hawkins on several MTG LTD properties. Prior message for Bill Hawkins to attempt to set up meeting. Reviewed with Chris the specifics of each property to be discussed with Bill Hawkins. Scheduled Chris Walsh to attend meeting as well.	\$ 180.00									\$ 180.00	
7/17/2008	GV	4.1	4	Bill Strategy Spreadsheet and George regarding loan transfers analysis prep and reports.	\$ 922.50								\$ 922.50		
7/17/2008	NJP	2.0	6	Meeting with Heidi and George regarding loan transfers analysis prep and reports.	\$ 590.00					\$ 590.00					
7/16/2008	JS	0.2	4	Spaced Bill Hawkins several times, attempting to set up meeting.	\$ 45.00									\$ 45.00	
7/16/2008	JS	0.2	4	Sent information to Zach on financing.	\$ 45.00									\$ 45.00	
7/16/2008	GV	4.1	4	Bill Strategy Spreadsheet and Commitments.	\$ 922.50								\$ 922.50		
		263.3			\$ 77,253.75		\$ 31,465.00	\$ 11,165.00	\$ 805.00	\$ 10,540.25	\$ 1,507.50	\$ 4,450.00	\$ 15,890.00	\$ 1,280.00	\$ 125.00
		263.3													
		21.4	1	Case Administration / Cash Management & Accounting	\$ 7,298.25		\$ 2,835.00	\$ 3,325.00		\$ 1,108.25	\$ 1,507.50				
		13.9	2	Statements and Schedules	\$ 917.50		\$ 575.00	\$ 1,285.00		\$ 590.00					
		76.4	3	Dicker in Possession Financing	\$ 24,400.00		\$ 18,975.00	\$ 2,155.00		\$ 3,540.00		\$ 4,450.00			\$ 125.00
		117.4	4	Loan Portfolio Analysis / Loan Collection Activities	\$ 90,750.00		\$ 6,405.00	\$ 2,085.00	\$ 805.00	\$ 3,540.00				\$ 15,890.00	\$ 1,280.00
		15.2	5	Investor Issues	\$ 670.00		\$ 325.00	\$ 2,345.00							
		18.0	8	Loan Transfer and Payment Analysis	\$ 9,010.00					\$ 5,910.00					
		263.3			\$ 77,253.75		\$ 31,465.00	\$ 11,165.00	\$ 805.00	\$ 10,540.25	\$ 1,507.50	\$ 4,450.00	\$ 15,890.00	\$ 1,280.00	\$ 125.00

Mortgages Ltd. - Detailed Time Entries

Date	Person	Hours	Code	Description	Total	MCA	KB	DH
					Fees			
7/1/2008	MCA	0.8	1	Work on DIP with Schlossberg's group.	\$ 280.00	\$ 280.00	\$ -	\$ -
7/2/2008	MCA	1.8	1	Work on DIP with Schlossberg's group.	\$ 630.00	\$ 630.00	\$ -	\$ -
7/9/2008	MCA	2.3	1	Meeting with SVP to work on term sheet and complete term sheet.	\$ 805.00	\$ 805.00	\$ -	\$ -
7/14/2008	MCA	1.0	1	Meeting with Sarver and Schlossberg to finalize DIP Term sheet.	\$ 350.00	\$ 350.00	\$ -	\$ -
7/1/2008	MCA	4.1	2	Attend court hearing on Trustee motion and DIP motion.	\$ 1,435.00	\$ 1,435.00	\$ -	\$ -
7/9/2008	MCA	2.0	2	Attend court hearing on DIP and other matters.	\$ 700.00	\$ 700.00	\$ -	\$ -
7/1/2008	KB	0.4	3	Review and respond to various emails re: DIP financing.	\$ 140.00	\$ -	\$ 140.00	\$ -
7/4/2008	MCA	0.8	3	Call with Couig and MSD on DIP.	\$ 280.00	\$ 280.00	\$ -	\$ -
7/4/2008	MCA	2.1	3	Work on DIP financing term sheets and calls with lenders.	\$ 735.00	\$ 735.00	\$ -	\$ -
7/5/2008	MCA	0.8	3	Work on DIP with Mountain Funding.	\$ 280.00	\$ 280.00	\$ -	\$ -
7/6/2008	MCA	2.0	3	Work on DIP document review and analysis.	\$ 700.00	\$ 700.00	\$ -	\$ -
7/7/2008	MCA	2.7	3	Meeting with MSD representatives, S. Couig and D. Vixar re: DIP financing. Review term sheet.	\$ 945.00	\$ 945.00	\$ -	\$ -
7/8/2008	MCA	1.5	3	Work on DIP financing including calls with MSD Capital, SVP and other firms interested in proposing.	\$ 525.00	\$ 525.00	\$ -	\$ -
7/8/2008	KB	0.5	3	Discuss status of DIP financing with M. Aaron. Review email regarding same.	\$ 175.00	\$ -	\$ 175.00	\$ -
7/8/2008	KB	0.3	3	Call with Clemency re: DIP.	\$ 105.00	\$ -	\$ 105.00	\$ -
7/8/2008	KB	0.6	3	Call with prospective lender W. Utz.	\$ 210.00	\$ -	\$ 210.00	\$ -
7/11/2008	KB	0.7	3	Review DIP proposal.	\$ 245.00	\$ -	\$ 245.00	\$ -
7/12/2008	KB	0.2	3	Review lender listing.	\$ 70.00	\$ -	\$ 70.00	\$ -
7/12/2008	KB	0.3	3	Review email from M. Aaron.	\$ 105.00	\$ -	\$ 105.00	\$ -
7/13/2008	MCA	1.5	3	Work on DIP financing. E mail information to prospective lender and calls with Martini.	\$ 525.00	\$ 525.00	\$ -	\$ -
7/16/2008	KB	0.7	3	Review and respond to various emails re: DIP financing.	\$ 245.00	\$ -	\$ 245.00	\$ -
7/16/2008	KB	0.3	3	Call with C. Johnson re: DIP financing.	\$ 105.00	\$ -	\$ 105.00	\$ -
7/16/2008	KB	0.4	3	Meeting with representative from JSS re: DIP financing and cash needs.	\$ 140.00	\$ -	\$ 140.00	\$ -
7/17/2008	KB	0.4	3	Review and respond to emails re: DIP financing.	\$ 140.00	\$ -	\$ 140.00	\$ -
7/17/2008	KB	0.3	3	Review and respond to emails re: DIP financing.	\$ 105.00	\$ -	\$ 105.00	\$ -
7/17/2008	KB	0.4	3	Call with prospective lender.	\$ 140.00	\$ -	\$ 140.00	\$ -
7/2/2008	MCA	0.3	4	Call with Jerome on DIP and other issues.	\$ 105.00	\$ 105.00	\$ -	\$ -
7/15/2008	MCA	2.1	4	Meetings at company to discuss DIP financing and planning for hearing. CJ, Monheit and Martini.	\$ 735.00	\$ 735.00	\$ -	\$ -
7/3/2008	MCA	3.1	5	Meeting with Losch and Snider on Centerpoint to discuss financing and terms.	\$ 1,085.00	\$ 1,085.00	\$ -	\$ -
7/9/2008	MCA	0.8	5	Call with Losch and Dewers on Centerpoint. Work on Centerpoint term sheet.	\$ 280.00	\$ 280.00	\$ -	\$ -
7/11/2008	KB	0.6	5	Review Centerpoint proposal.	\$ 210.00	\$ -	\$ 210.00	\$ -
7/15/2008	MCA	1.3	5	Call with Losch and Doug from MSD re: DIP financing.	\$ 455.00	\$ 455.00	\$ -	\$ -

Mortgages Ltd. - Detailed Time Entries

Date	Person	Hours	Code	Description	Total			
					Fees	MCA	KB	DH
7/16/2008	MCA	0.4	5	Calls with Losch re: status of process.	\$ 140.00	\$ 140.00	\$ -	\$ -
7/14/2008	MCA	1.5	6	Meeting with E. Pollack on DIP and other issues.	\$ 525.00	\$ 525.00	\$ -	\$ -
7/16/2008	MCA	1.2	6	Call with S. Coug and provide information to C. Reece on DIP and related matters.	\$ 420.00	\$ 420.00	\$ -	\$ -
7/15/2008	MCA	1.7	6	Work with Counsel on pleadings and DIP issues. Calls with Investor group.	\$ 595.00	\$ 595.00	\$ -	\$ -
7/15/2008	MCA	1.0	6	Meeting with investors re: possible dip financing for specific projects.	\$ 350.00	\$ 350.00	\$ -	\$ -
7/16/2008	MCA	2.4	6	Calls with C. Reece, E. McDonough, B. Schlossberg and other parties re: DIP financing and discussed open items. Meetings with Everett, C.J, Olsen and Martini re: same.	\$ 840.00	\$ 840.00	\$ -	\$ -
7/7/2008	MCA	1.0	7	Meeting with B. Portigal re: Artemis loan and DIP financing.	\$ 350.00	\$ 350.00	\$ -	\$ -
7/7/2008	MCA	2.3	8	Meeting with Hirsch and Freeman to review DIP financing, status of ML and other related matters.	\$ 805.00	\$ 805.00	\$ -	\$ -
7/14/2008	MCA	0.4	8	Emails to Freeman and work on DIP.	\$ 140.00	\$ 140.00	\$ -	\$ -
7/11/2008	MCA	5.8	9	Work on DIP financing including calls with MSD Capital, SVP and other firms interested in proposing. Calls with Investor Committee and RB representatives.	\$ 2,030.00	\$ 2,030.00	\$ -	\$ -
7/11/2008	DH	0.4	10	Met with M. Aaron to discuss and setout the work plan related to the DIP Loan Analysis.	\$ 100.00	\$ -	\$ -	\$ 100.00
7/12/2008	MCA	3.8	10	Work on DIP financing financial models, terms and issues. Discuss with Hulke.	\$ 1,330.00	\$ 1,330.00	\$ -	\$ -
7/12/2008	DH	0.4	10	Held a telephone call with M. Aaron to discuss the DIP Loan Analysis.	\$ 100.00	\$ -	\$ -	\$ 100.00
7/12/2008	DH	3.1	10	Prepared the DIP Loan Analysis.	\$ 775.00	\$ -	\$ -	\$ 775.00
7/12/2008	DH	1.7	10	Performed a quality control review of the DIP Loan Analysis and made applicable changes thereto.	\$ 425.00	\$ -	\$ -	\$ 425.00
7/13/2008	DH	0.7	10	Performed a quality control review of the DIP Loan Analysis and made applicable changes thereto.	\$ 175.00	\$ -	\$ -	\$ 175.00
7/14/2008	DH	0.4	10	Held a telephone call with M. Aaron to discuss the DIP Loan Analysis.	\$ 100.00	\$ -	\$ -	\$ 100.00
7/11/2008	DH	11.1	10	Prepared the DIP Loan Analysis.	\$ 2,775.00	\$ -	\$ -	\$ 2,775.00
		76.4			\$ 24,960.00	\$ 18,375.00	\$ 2,135.00	\$ 4,450.00
		5.9	1	SWWP Meeting	\$ 2,065.00	\$ 2,065.00	\$ -	\$ -
		6.1	2	Court Hearings	2,135.00	2,135.00	-	-
		16.9	3	Work on DIP Financing -- correspondance	5,915.00	3,990.00	1,925.00	-

Mortgages Ltd. - Detailed Time Entries

<u>Date</u>	<u>Person</u>	<u>Hours</u>	<u>Code</u>	<u>Description</u>	<u>Total Fees</u>	<u>MCA</u>	<u>KB</u>	<u>DH</u>
		2.4	4	Correspondance with J. Smith, J. Elwell, ML Board	840.00	840.00	-	-
		6.2	5	Meeting with Centerpoint principals on settlement & financing	2,170.00	1,960.00	210.00	-
		7.8	6	Investor Committee Meetings / Correspondence	2,730.00	2,730.00	-	-
		1.0	7	Meeting with existng secured lenders	350.00	350.00	-	-
		2.7	8	Meeting with Radical Bunny representatives.	945.00	945.00	-	-
		5.8	9	Investor committee & Radical Bunny meetings.	2,030.00	2,030.00	-	-
		21.6	10	Work on financial model for DIP Loan for Investor Committee	5,780.00	1,330.00	-	4,450.00
		76.4			\$ 24,960.00	\$ 18,375.00	\$ 2,135.00	\$ 4,450.00

Personnel

MCA
KB
TB
SW
RJI
KK
PBR
DH
CW
JD
MK
JS
LC
MG
LB
JVP

Rate

\$ 350.00
\$ 350.00
\$ 350.00
\$ 295.00
\$ 350.00
\$ 225.00
\$ 225.00
\$ 250.00
\$ 225.00
\$ 250.00
\$ 225.00
\$ 225.00
\$ 75.00
\$ 50.00
\$ 50.00
\$ 295.00

Morris C. Aaron
Keith Bierman
Todd Brown
Stacie Witten
Robb Itkin
Karrilyn Krahe
Paul Roberts
Don Hulke
Chris Walker
James Donley
Mark Kaplan
John Swedler
Linda Christianson
Michael Greenwald
Lauren Bierman
John Prince



Home >> Rules, Guidelines & Notices in the Federal Register >> Guidelines for Reviewing Applications for Compensation >> Fee Guidelines

Fee Guidelines

Guidelines for Reviewing Applications for Compensation & Reimbursement of Expenses filed under 11 U.S.C. § 330

(Reprinted at 28 C.F.R. Part 58, Appendix)

(a) General Information.

(1) The Bankruptcy Reform Act of 1994 amended the responsibilities of the United States Trustees under 28 U.S.C. 586(a)(3)(A) to provide that, whenever they deem appropriate, United States Trustees will review applications for compensation and reimbursement of expenses under section 330 of the Bankruptcy Code, 11 U.S.C. 101, et seq. ("Code"), in accordance with procedural guidelines ("Guidelines") adopted by the Executive Office for United States Trustees ("Executive Office"). The following Guidelines have been adopted by the Executive Office and are to be uniformly applied by the United States Trustees except when circumstances warrant different treatment.

(2) The United States Trustees shall use these Guidelines in all cases commenced on or after October 22, 1994.

(3) The Guidelines are not intended to supersede local rules of court, but should be read as complementing the procedures set forth in local rules.

(4) Nothing in the Guidelines should be construed:

(i) To limit the United States Trustee's discretion to request additional information necessary for the review of a particular application or type of application or to refer any information provided to the United States Trustee to any investigatory or prosecutorial authority of the United States or a state;

(ii) To limit the United States Trustee's discretion to determine whether to file comments or objections to applications; or

(iii) To create any private right of action on the part of any person enforceable in litigation with the United States Trustee or the United States.

(5) Recognizing that the final authority to award compensation and reimbursement under section 330 of the Code is vested in the Court, the Guidelines focus on the disclosure of information relevant to a proper award under the law. In evaluating fees for professional services, it is relevant to consider various factors including the following: the time spent; the rates charged; whether the services were necessary to the administration of, or beneficial towards the completion of, the case at the time they were rendered; whether services were performed within a reasonable time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and whether compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in non-bankruptcy cases. The Guidelines thus reflect standards and procedures articulated in section 330 of the Code and Rule 2016 of the Federal Rules of Bankruptcy Procedure for awarding compensation to trustees and to professionals employed under section 327 or 1103. Applications that contain the information requested in these Guidelines will facilitate review by the Court, the parties, and the United States Trustee.

(6) Fee applications submitted by trustees are subject to the same standard of review as are applications of other professionals and will be evaluated according to the principles articulated in these Guidelines. Each United States Trustee should establish whether and to what extent trustees can deviate from the format specified in these Guidelines without substantially affecting the ability of the United States Trustee to review and comment on their fee applications in a manner consistent with the requirements of the law.

(b) Contents of Applications for Compensation and Reimbursement of Expenses.

All applications should include sufficient detail to demonstrate compliance with the standards set forth in 11 U.S.C. § 330. The fee application should also contain sufficient information about the case and the applicant so that the Court, the creditors, and the United States Trustee can review it without searching for relevant information in other documents. The following will facilitate review of the application.

(1) Information about the Applicant and the Application. The following information should be provided in every fee application:

(i) Date the bankruptcy petition was filed, date of the order approving employment, identity of the party represented, date services commenced, and whether the applicant is seeking compensation under a provision of the Bankruptcy Code other than section 330.

(ii) Terms and conditions of employment and compensation, source of compensation, existence and terms controlling use of a retainer, and any budgetary or other limitations on fees.

(iii) Names and hourly rates of all applicant's professionals and paraprofessionals who billed time, explanation of any changes in hourly rates from those previously charged, and statement of whether the compensation is based on the customary compensation charged by comparably skilled practitioners in cases other than cases under title 11.

(iv) Whether the application is interim or final, and the dates of previous orders on interim compensation or

reimbursement of expenses along with the amounts requested and the amounts allowed or disallowed, amounts of all previous payments, and amount of any allowed fees and expenses remaining unpaid.

(v) Whether the person on whose behalf the applicant is employed has been given the opportunity to review the application and whether that person has approved the requested amount.

(vi) When an application is filed less than 120 days after the order for relief or after a prior application to the Court, the date and terms of the order allowing leave to file at shortened intervals.

(vii) Time period of the services or expenses covered by the application.

(2) **Case Status.** The following information should be provided to the extent that it is known to or can be reasonably ascertained by the applicant:

(i) In a chapter 7 case, a summary of the administration of the case including all moneys received and disbursed in the case, when the case is expected to close, and, if applicant is seeking an interim award, whether it is feasible to make an interim distribution to creditors without prejudicing the rights of any creditor holding a claim of equal or higher priority.

(ii) In a chapter 11 case, whether a plan and disclosure statement have been filed and, if not yet filed, when the plan and disclosure statement are expected to be filed; whether all quarterly fees have been paid to the United States Trustee; and whether all monthly operating reports have been filed.

(iii) In every case, the amount of cash on hand or on deposit, the amount and nature of accrued unpaid administrative expenses, and the amount of unencumbered funds in the estate.

(iv) Any material changes in the status of the case that occur after the filing of the fee application should be raised, orally or in writing, at the hearing on the application or, if a hearing is not required, prior to the expiration of the time period for objection.

(3) **Summary Sheet.** All applications should contain a summary or cover sheet that provides a synopsis of the following information:

(i) Total compensation and expenses requested and any amount(s) previously requested;

(ii) Total compensation and expenses previously awarded by the court;

(iii) Name and applicable billing rate for each person who billed time during the period, and date of bar admission for each attorney;

(iv) Total hours billed and total amount of billing for each person who billed time during billing period; and

(v) Computation of blended hourly rate for persons who billed time during period, excluding paralegal or other paraprofessional time.

(4) **Project Billing Format.**

(i) To facilitate effective review of the application, all time and service entries should be arranged by project categories. The project categories set forth in Exhibit A should be used to the extent applicable. A separate project category should be used for administrative matters and, if payment is requested, for fee application preparation.

(ii) The United States Trustee has discretion to determine that the project billing format is not necessary in a particular case or in a particular class of cases. Applicants should be encouraged to consult with the United States Trustee if there is a question as to the need for project billing in any particular case.

(iii) Each project category should contain a narrative summary of the following information:

(A) a description of the project, its necessity and benefit to the estate, and the status of the project including all pending litigation for which compensation and reimbursement are requested;

(B) identification of each person providing services on the project; and

(C) a statement of the number of hours spent and the amount of compensation requested for each professional and paraprofessional on the project.

(iv) Time and service entries are to be reported in chronological order under the appropriate project category.

(v) Time entries should be kept contemporaneously with the services rendered in time periods of tenths of an hour. Services should be noted in detail and not combined or "lumped" together, with each service showing a separate time entry; however, tasks performed in a project which total a *de minimis* amount of time can be combined or lumped together if they do not exceed .5 hours on a daily aggregate. Time entries for telephone calls, letters, and other communications should give sufficient detail to identify the parties to and the nature of the communication. Time entries for court hearings and conferences should identify the subject of the hearing or conference. If more than one professional from the applicant firm attends a hearing or conference, the applicant should explain the need for multiple attendees.

(5) **Reimbursement for Actual, Necessary Expenses.** Any expense for which reimbursement is sought must be actual and necessary and supported by documentation as appropriate. Factors relevant to a determination that the expense is proper include the following:

(i) Whether the expense is reasonable and economical. For example, first class and other luxurious travel mode or accommodations will normally be objectionable.

(ii) Whether the requested expenses are customarily charged to non-bankruptcy clients of the applicant.

(iii) Whether applicant has provided a detailed itemization of all expenses including the date incurred, description of expense (e.g., type of travel, type of fare, rate, destination), method of computation, and, where relevant, name of the person incurring the expense and purpose of the expense. Itemized expenses should be identified by their nature (e.g., long distance telephone, copy costs, messengers, computer research, airline travel, etc.) and by the month incurred. Unusual items require more detailed explanations and should be allocated, where practicable, to specific projects.

(iv) Whether applicant has prorated expenses where appropriate between the estate and other cases (e.g., travel expenses applicable to more than one case) and has adequately explained the basis for any such proration.

(v) Whether expenses incurred by the applicant to third parties are limited to the actual amounts billed to, or paid by, the applicant on behalf of the estate.

(vi) Whether applicant can demonstrate that the amount requested for expenses incurred in-house reflect the actual cost of such expenses to the applicant. The United States Trustee may establish an objection ceiling for any in-house expenses that are routinely incurred and for which the actual cost cannot easily be determined by most professionals (e.g., photocopies, facsimile charges, and mileage).

(vii) Whether the expenses appear to be in the nature nonreimbursable overhead. Overhead consists of all continuous administrative or general costs incident to the operation of the applicant's office and not particularly attributable to an individual client or case. Overhead includes, but is not limited to, word processing, proofreading, secretarial and other clerical services, rent, utilities, office equipment and furnishings, insurance, taxes, local telephones and monthly car phone charges, lighting, heating and cooling, and library and publication charges.

(viii) Whether applicant has adhered to allowable rates for expenses as fixed by local rule or order of the Court.

[61 Fed. Reg. 24890 (May 17, 1996); 28 CFR Part 58, Appendix]

Last Update: September 17, 2008 4:57 PM
U.S. Trustee Program/Department of Justice
usdoj/ust/smm

[USTP Home](#) | [USTP Regions](#) | [Bankruptcy Reform](#) | [What's New](#) | [Privacy Policy](#) | [Legal Policies & Disclaimers](#) | [DOJ Home](#) | [USA.gov](#) | [Search](#) | [Contact Us](#) | [FOIA](#)

[United States Bankruptcy Courts](#) | [Bankruptcy Code](#)