

1 Alisa C. Lacey, AZ Bar #010571
2 **STINSON MORRISON HECKER LLP**
3 1850 N. Central Avenue, Suite 2100
4 Phoenix, Arizona 85004-4584
5 Tel: (602) 279-1600
6 Fax: (602) 240-6925

7 Co-Counsel for Debtors and Debtors-in-Possession

8 **IN THE UNITED STATES BANKRUPTCY COURT**
9 **FOR THE DISTRICT OF ARIZONA**

10 In re
11 CP ACQUISITION CO., *et al.*,
12 Debtors.

Chapter 11

Case No. 2-03-bk-11258-RJH

JOINTLY ADMINISTERED WITH

CASE No. 2-03-BK-11259-RJH
CASE No. 2-03-BK-11260-RJH
CASE No. 2-03-BK-11261-RJH
CASE No. 2-03-BK-11262-RJH
CASE No. 2-03-BK-11263-RJH

13 THIS PLEADINGS APPLIES TO:

- 14 ALL DEBTORS
15 SPECIFIED DEBTORS

16 **SECOND APPLICATION FOR APPROVAL**
17 **AND PAYMENT OF INTERIM**
18 **COMPENSATION TO STINSON MORRISON**
19 **HECKER LLP AS CO-COUNSEL FOR**
20 **DEBTORS, AND FOR REIMBURSEMENT OF**
21 **EXPENSES**

22 **Period Covered: July 1, 2004 – October 31, 2004**
23 **Compensation: \$14,517.00**
24 **Reimbursement: \$3,291.99**

25 Stinson Morrison Hecker LLP ("SMH"), co-counsel for CP Acquisition Co., Crown Pacific
26 Limited Partnership, Crown Pacific Partners, L.P., CP Air, Inc., CP Acquisition II Co., and CP
Acquisition III Co., Debtors and Debtors-in-Possession ("Debtors" or "CP"), pursuant to 11 U.S.C.
§§ 330 and 331, and Fed. R. Bankr. P. 2016, hereby submits its Second Application for Approval and
Payment of Interim Compensation to Stinson Morrison Hecker LLP as Co-Counsel for Debtors, and

1 for Reimbursement of Expenses ("Fee Application"). This Fee Application seeks payment of
2 compensation for the period of July 1, 2004, through October 31, 2004 ("Application Period").

3 **I. INTRODUCTION.**

4 In support of its Fee Application, SMH submits its billing statements reflecting detailed
5 descriptions of services rendered and itemized expenses incurred, attached collectively as *Exhibit "A"*
6 and incorporated herein by reference. In further support of its Fee Application, SMH represents as
7 follows:
8

9 1. On June 29, 2003, the Debtors filed their respective Voluntary Petitions for relief
10 under Chapter 11 of the Bankruptcy Code, commencing the above-captioned proceedings.

11 2. On June 29, 2003, this Court entered its Order for Joint Administration (Docket #20).

12 3. On June 30, 2003, this Court entered its Order authorizing the employment of Osborn
13 Maledon, P.A. as co-counsel for Debtors and Debtors-in-Possession (Docket 41).

14 4. On August 21, 2003, this Court entered its Order establishing certain procedures for
15 the compensation of professionals (the "Knudsen" Order) (Docket #130).

16 5. On May 1, 2004, the attorneys working on the Debtors' file changed law firms to SMH
17 and began investigating a potential conflict with SMH's representation of CIT. CIT has agreed to
18 waive the conflict as long as SMH does not appear adverse to CIT in any contested or adversary
19 matter. The Debtor is aware of this and has agreed. If such a conflict arises the Debtor will be
20 represented by lead counsel, Andrews & Kurth.
21

22 6. On August 2, 2004, this Court entered its Order approving the substitution of SMH for
23 Osborn Maledon as co-counsel for the Debtors at docket #495.

24 7. During the Application Period, SMH has expended 85.20 hours in representing the
25 Debtors for a value of \$14,517.00. In addition, SMH has incurred actual and necessary expenses in
26

1 the amount of \$3,291.99. SMH believes the fees and costs charged are reasonable and appropriate.
2 SMH requests that the Court award fees and costs in the total amount of \$17,808.99 for the
3 Application Period.

4 8. Debtors are current on the filing of their monthly operating reports through October
5 2004.

6 **II. PROJECT NARRATIVES.**

7 The following is a narrative summary of the services rendered by category.

8 **1. Case Administration**

9 During the Application Period, SMH spent a total of **26.00 hours** on matters related to case
10 administration, working with co-counsel on preparation and filing of numerous pleadings,
11 conferences with counsel for creditors, for the Committee, and for the Debtors, maintenance of the
12 weekly case calendar, and provided services relating to local procedures on format and filing of
13 various pleadings, and participated in case strategy sessions for a total of **\$4,958.00**.

14

Timekeeper	Hours	Rate	Total
Alisa C. Lacey	7.50	\$325.00	\$2,437.50
Warren J. Stapleton	0.20	\$250.00	\$50.00
Geoffrey Manoil	2.00	\$135.00	\$270.00
Rebecca J. McGee	16.30	\$135.00	\$2,200.50
Total	26.00		\$4,958.00

15

16

17

18

19

20

21 **2. Asset Disposition**

22 During the Application Period, SMH spent a total of **15.70 hours** on matters related to asset
23 disposition, assisting with sales of lumber yards in Reno, Nevada and in Phoenix, Arizona, and in
24 working on bidding procedures, obtaining hearing dates, giving notice to creditors, and fielding
25 creditors' calls, for a total of **\$3,189.00**.

26

Timekeeper	Hours	Rate	Total
Warren J. Stapleton	9.30	\$250.00	\$2,325.00
Rebecca J. McGee	6.40	\$135.00	\$864.00
Total	15.70		\$3,189.00

3. **Relief from Stay**

During the Application Period, SMH spent a total of **2.60 hours** on matters related to relief from stay regarding GMAC and Volvo claims for a total of **\$581.00**.

Timekeeper	Hours	Rate	Total
Warren J. Stapleton	2.00	\$250.00	\$500.00
Rebecca J. McGee	0.60	\$135.00	\$81.00
Total	2.60		\$581.00

4. **Fee/Employment Application**

During the Application Period, SMH spent a total of **24.70 hours** on matters related to fee and employment issues, working on clearing conflict issues relating to employment of SMH, preparation of monthly fee statements, and preparation of May through June 2004, fee application for a total of **\$3,602.00**.

Timekeeper	Hours	Rate	Total
Warren J. Stapleton	3.50	\$250.00	\$875.00
Rebecca J. McGee	19.40	\$135.00	\$2,619.00
Kara Stewart	1.80	\$60.00	\$108.00
Total	24.70		\$3,602.00

5. **Claims Administration and Objections**

During the Application Period, SMH spent a total of **16.20 hours** on matters related to claims administration and objections, working with co-counsel on reviewing claims filed against the six

1 jointly administered estates in preparation for drafting the Plan of Reorganization for a total of
2 **\$2,187.00.**

Timekeeper	Hours	Rate	Total
Rebecca J. McGee	16.20	\$135.00	\$2,187.00
Total	16.20		\$2,187.00

6
7 **III. ARGUMENT.**

8 The services for which compensation is requested were rendered on behalf of the Debtors and
9 compensation is sought pursuant to 11 U.S.C. §§ 330(a), 331, and 503(a) and (b), and Fed. R. Bankr.
10 P. 2016(a). The Fee Application complies with the Order approving employment of SMH and the
11 Guidelines of the Office of the United States Trustee for the District of Arizona.

12 The names of all of SMH's professionals and paraprofessionals requesting fees, the hourly
13 rates charged by each, and the hours worked by each are provided in the Summary attached hereto as
14 *Exhibit "B."* The rates charged by the professionals in this case are ordinary and comparable to rates
15 charged to non-bankruptcy clients.

16 SMH has not made any arrangements to share any compensation awarded, except among
17 members and associates of the firm.

18 Pursuant to 11 U.S.C. § 330, the amounts charged were calculated using the normal hourly
19 rates for the attorneys and other timekeepers involved. *See In re Yermakov*, 718 F.2d 1465, 1471 (9th
20 Cir. 1983) ("The primary method used to determine a reasonable attorneys' fee in a bankruptcy case is
21 to multiply the number of hours expended by an hourly rate."). This is known as the "lodestar" or
22 basic fee which, if warranted, can be adjusted upward or downward. In that regard, the Ninth Circuit
23 makes specific references in *Yermakov* to *Johnson v. Georgia Hwy. Express, Inc.*, 488 F.2d 714, 717-
24 719 (5th Cir. 1974), in which the Fifth Circuit listed twelve factors which should be considered in
25 awarding attorneys' fees. These "*Johnson* Factors" have been referred to and utilized in many courts
26

1 in considering and awarding attorneys' fees in bankruptcy cases. *See In re Nucorp Energy, Inc.*, 764
2 F.2d 655 (9th Cir. 1985).

3 In a decision of the Bankruptcy Appellate Panel for the Ninth Circuit, the Panel concluded
4 that the "lodestar" approach, coupled with consideration of the "*Johnson Factors*" is the appropriate
5 standard to be applied in awarding fees in a bankruptcy case. *See In re Powerine Oil Co.*, 71 B.R.
6 767 (9th Cir. B.A.P. 1986).

7 In addition, the provisions of 11 U.S.C. § 330(a) place a premium on the efficient
8 administration of the case. Compensable services must be ". . . performed within a reasonable
9 amount of time commensurate with the complexity, importance and nature of the problem, issue or
10 task addressed." 11 U.S.C. § 330(a)(3)(A).

11 The results obtained by SMH within the time frame of this Fee Application illustrate that
12 SMH has:

- 13 1. Used the skill required to perform the legal services properly;
- 14 2. Provided services necessary to the administration of the case; and
- 15 3. Performed the services within a reasonable amount of time commensurate with the
16 complexity, importance and nature of each task.

17 All costs (including those from outside providers such as Federal Express, CT Systems, U.S.
18 Mail, long distance telephone charges, and copying and certification charges from the Court) are
19 charged at SMH's actual cost. In house photocopies are charged at 7¢ per copy.

20 Based upon the results obtained by SMH during the Application Period and the rates charged
21 for the services performed, the compensation requested is reasonable based on the customary
22 compensation charged by comparably skilled practitioners in non-bankruptcy cases.
23
24
25
26

1 SMH provided copies of this Fee Application to the Debtors for review and inspection. The
2 parties have raised neither concerns nor objections to the Fee Application.

3 Pursuant to the Knudsen Order, SMH has filed monthly statements of its fees and costs. As of
4 the date of this application, such fees and compensation are as follows:

5 Period	Fees	Costs	Payment	Balance
6 July 2004	\$6,754.00	\$1,727.19	\$8,481.19	\$0.00
7 August 2004	\$3,218.50	\$749.55	\$3,968.05	\$0.00
8 September 2004	\$2,442.00	\$582.08	\$3,024.08	\$0.00
9 October 2004	\$1,745.00	\$648.81	\$2,393.81	\$0.00
10 Totals	\$14,159.50	\$3,707.63	\$17,867.13	\$0.00

11
12
13 Based upon the foregoing, SMH respectfully requests entry of an Order approving the Fee
14 Application and authorizing the Debtors to pay compensation to SMH for services rendered in the
15 amount of \$14,159.50, plus actual and necessary expenses in the amount of \$3,707.63, for a total
16 amount of \$17,867.13 for the time period from July 1, 2004, through October 31, 2004, and directing
17 that the Debtors be authorized to pay the fees and reimburse the expenses due SMH, including the
18 total hold-back amount of \$ 0.00 to SMH for its allowed fees awarded hereunder.

19 DATED this 3rd day of December 2004.

20
21 **STINSON MORRISON HECKER LLP**

22 By: /s/ A Lacey (#010571)

23 C. Taylor Ashworth

24 Alisa C. Lacey

25 Warren J. Stapleton

1850 N. Central Avenue, Suite 2100

Phoenix, Arizona 85004-4584

26 Co-Counsel for Debtors and Debtors-in-Possession

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

COPY of the foregoing sent this third day of December, 2004 to:

Office of the U.S. Trustee
PO Box 36170
Phoenix, AZ 85067-6170
Fax: 602-640-2217

The official service list, Exhibit "C" hereto.



/s/ Rebecca J. McGee