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

22 **Period Covered: November 1, 2004 – December 31, 2004**

23 **Compensation: \$6,752.50**

24 **Reimbursement: \$2,228.59**

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 Application for Approval and
Payment of Third and Final Compensation to Stinson Morrison Hecker LLP as Co-Counsel for
Debtors, and for Reimbursement of Expenses ("Fee Application"). This Fee Application seeks

1 payment of compensation for the period of November 1, 2004, through December 31, 2004
2 ("Application Period"), and for an Order finally approving its fees and costs in these cases.

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 35.30 hours in representing the
25 Debtors for a value of \$6,752.50. In addition, SMH has incurred actual and necessary expenses in the
26

1 amount of \$2,228.59 SMH believes the fees and costs charged are reasonable and appropriate. SMH
2 requests that the Court award fees and costs in the total amount of \$8,981.09 for the Application
3 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
9 **1. Case Administration**

10 During the Application Period, SMH spent a total of **12.10 hours** on matters related to case
11 administration, working with co-counsel on preparation and filing of pleadings, conferences with
12 counsel for creditors, for the Committee, and for the Debtors, maintenance of the weekly case
13 calendar, and provided services relating to local procedures on format and filing of various pleadings,
14 and participated in case strategy sessions for a total of **\$2,274.50**.

Timekeeper	Hours	Rate	Total
Alisa C. Lacey	2.60	\$345.00	\$897.00
Rebecca J. McGee	9.50	\$145.00	1,377.50
Total	12.10		\$2,274.50

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19 **2. Fee/Employment Application**

20 During the Application Period, SMH spent a total of **12.40 hours** on matters related to fee and
21 employment issues, preparation of monthly fee statements, and preparation of July through October
22 2004, fee application for a total of **\$1,798.00**.

Timekeeper	Hours	Rate	Total
Rebecca J. McGee	12.40	\$145.00	\$1,798.00
Total	12.40		\$1,798.00

1 3. **Claims and Plan**

2 During the Application Period, SMH spent a total of **7.30 hours** on matters related to the
3 Disclosure Statement for a total of **\$1,898.00**.

4

Timekeeper	Hours	Rate	Total
Warren J. Stapleton	7.30	\$260.00	\$1,898.00
Total	7.30		\$1,898.00

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7 4. **Claims Administration and Objection**

8 During the Application Period, SMH spent a total of **1.00 hours** on matters related to claims
9 administration for a total of **\$179.50**.

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Timekeeper	Hours	Rate	Total
Warren J. Stapleton	0.30	\$260.00	\$78.00
Rebecca J. McGee	0.70	\$145.00	\$101.50
Total	1.00		\$179.50

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14 5. **Plan and Disclosure Statement**

15 During the Application Period, SMH spent a total of **2.50 hours** on matters related to Plan
16 confirmation for a total of **\$602.00**.

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Timekeeper	Hours	Rate	Total
Alisa C. Lacey	1.20	\$345.00	\$414.00
Rebecca J. McGee	1.30	\$145.00	\$188.50
Total	2.50		\$602.50

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21 **III. ARGUMENT.**

22 The services for which compensation is requested were rendered on behalf o f the Debtors and
23 compensation is sought pursuant to 11 U.S.C. §§ 330(a), 331, and 503(a) and (b), and Fed. R. Bankr.
24 P. 2016(a). The Fee Application complies with the Order approving employment of SMH and the
25 Guidelines of the Office of the United States Trustee for the District of Arizona.
26

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

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

7 Pursuant to 11 U.S.C. § 330, the amounts charged were calculated using the normal hourly
8 rates for the attorneys and other timekeepers involved. *See In re Yermakov*, 718 F.2d 1465, 1471 (9th
9 Cir. 1983) ("The primary method used to determine a reasonable attorneys' fee in a bankruptcy case is
10 to multiply the number of hours expended by an hourly rate."). This is known as the "lodestar" or
11 basic fee which, if warranted, can be adjusted upward or downward. In that regard, the Ninth Circuit
12 makes specific references in *Yermakov* to *Johnson v. Georgia Hwy. Express, Inc.*, 488 F.2d 714, 717-
13 719 (5th Cir. 1974), in which the Fifth Circuit listed twelve factors which should be considered in
14 awarding attorneys' fees. These "*Johnson Factors*" have been referred to and utilized in many courts
15 in considering and awarding attorneys' fees in bankruptcy cases. *See In re Nucorp Energy, Inc.*, 764
16 F.2d 655 (9th Cir. 1985).

17 In a decision of the Bankruptcy Appellate Panel for the Ninth Circuit, the Panel concluded
18 that the "lodestar" approach, coupled with consideration of the "*Johnson Factors*" is the appropriate
19 standard to be applied in awarding fees in a bankruptcy case. *See In re Powerine Oil Co.*, 71 B.R.
20 767 (9th Cir. B.A.P. 1986).

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

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

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

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

12 Based upon the results obtained by SMH during the Application Period and the rates charged
13 for the services performed, the compensation requested is reasonable based on the customary
14 compensation charged by comparably skilled practitioners in non-bankruptcy cases.

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

17 Pursuant to the Knudsen Order, SMH has filed monthly statements of its fees and costs. As of
18 the Effective Date of the Plan, such fees and compensation are as follows:

19 Period	20 Fees	21 Costs	22 Payment	23 Balance
24 November 2004	\$4,479.00	\$1,230.31	\$3,024.08	\$2,685.23
25 December 2004	\$2,273.50	\$998.28	\$2,044.81	\$1,226.97
26 Totals	\$6,752.50	\$2,228.59	\$5,068.89	\$3,912.20

1 Based upon the foregoing, SMH respectfully requests entry of an Order approving the Fee
2 Application and authorizing the Debtors to pay compensation to SMH for services rendered in the
3 amount of \$6,752.50, plus actual and necessary expenses in the amount of \$2,228.59, for a total
4 amount of \$8,981.09 for the time period from November 1, 2004, through December 31, 2004, and
5 directing that the Debtors be authorized to pay the fees and reimburse the expenses due SMH,
6 including the total hold-back amount of \$ 0.00 to SMH for its allowed fees awarded hereunder.

7 DATED this 3rd day of Feb. 2005.

9 **STINSON MORRISON HECKER LLP**

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

11 C. Taylor Ashworth
12 Alisa C. Lacey
13 Warren J. Stapleton
14 1850 N. Central Avenue, Suite 2100
15 Phoenix, Arizona 85004-4584
16 Co-Counsel for Debtors and Debtors-in-Possession

17 COPY of the foregoing sent this 3rd
18 day of February, 2005 to:

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

23 The official service list, Exhibit "C"
24 hereto.

25 /s/ Rebecca J. McGee
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