





States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Local Rules”) and respectfully represents as follows:

**Jurisdiction and Venue**

1. The Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of this Application is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

**Background**

2. On November 19, 2002 (the “Commencement Date”), Encompass Services Corporation and its direct and indirect subsidiaries filed voluntary petitions for relief under the Bankruptcy Code.

3. On May 28, 2003, after notice and a hearing held on May 21, 2003, this Court entered an order approving and confirming the Second Amended Joint Plan of Reorganization of Encompass Services Corporation and its Affiliated Debtors Under Chapter 11 of the Bankruptcy Code, dated April 11, 2003, as modified by the Immaterially Modified Second Amended Joint Plan of Reorganization of Encompass Services Corporation and its Affiliated Debtors Under Chapter 11 of the Bankruptcy Code dated May 21, 2003, and as supplemented by the Debtors’ Plan Supplement dated May 8, 2003, the Debtors’ First Amended Plan Supplement dated May 14, 2003, and the Debtors’ Second Amended Plan Supplement dated May 19, 2003 (all of the foregoing collectively, the “Plan”).

4. On June 9, 2003, the Plan became effective, and Encompass Services Corporation and Encompass Services Holding Corp., as reorganized debtors (collectively, the “Debtors”), emerged from chapter 11 of the Bankruptcy Code.

5. As of the Commencement Date, Building One Service Solutions, Inc. (a subsidiary of Encompass) employed Spriggs & Hollingsworth (“S&H”) in connection with a

pending lawsuit in the Eastern District of Virginia seeking damages for breach of an insurance contract that, Building One contended, provided up to \$5 million in insurance for loss resulting directly from employee dishonesty. Building One employed S&H, a firm that specializes in part in seeking insurance recoveries, at S&H's standard hourly rates and pursuant to S&H's normal policies for reimbursement of disbursements. On December 19, 2002, S&H filed its application to act as special counsel, which included Affidavit of Marc S. Mayerson and Disclosure Statement on Behalf of Spriggs & Hollingsworth Pursuant to 11 U.S.C. Section 327(e) and Federal Rules Of Bankruptcy Procedure 2014(a) and 2016(b) in Support of Application of Debtors for Order Authorizing Employment and Retention of Spriggs & Hollingsworth as Special Counsel for the Building One Service Solutions Debtors (Exhibit A). On January 8, 2003, the Court entered its Order Pursuant to Sections 327(e) and 330 of the Bankruptcy Code for Authorization to Employ Spriggs & Hollingsworth as Special Counsel for the Debtors in Accordance with its Normal Hourly Rates and Disbursement Policies, Docket #625, which approved S&H's retention effective as of the Commencement Date. (Exhibit B).

#### **Compensation Requested**

6. This is S&H's final application for compensation in this case. Section 330 of the Bankruptcy Code allows a court to award a professional (a) "reasonable compensation for actual, necessary services" rendered by a professional and by any paraprofessional employed by any such person, based on "the nature, the extent, and the value of such services" and taking into account factors such as the "time spent on such services" and whether the services were necessary and beneficial to the estate, and (b) "reimbursement for actual, necessary expenses." 11 U.S.C. § 330.

7. By this Application and in accordance with section 330 of the Bankruptcy Code, S&H requests final allowance of \$220,658.49 for the Compensation Period, representing

\$166,563.50 as compensation for professional services rendered during the Compensation Period and \$54,094.99 as reimbursement for actual and necessary expenses S&H incurred during the Compensation Period.

8. Since the Commencement Date, in accordance with the Court's December 18, 2002 order (Docket #389), S&H has submitted monthly statements to the Debtors requesting 80% of its fees and 90% of expense disbursements for the month. As of the date hereof, S&H has received payment of \$213,127.90 toward fees and expenses incurred from the Commencement Date through May 31, 2003. Other than these payments, S&H has received no payment and no promises of payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application.

9. There is no agreement or understanding between S&H and any other person for the sharing of compensation to be received for services rendered in this case.

10. S&H's charges for professional services rendered in this case are billed in accordance with S&H's existing billing procedures. The rates S&H charged for the services rendered by its professionals in this chapter 11 case are the same rates S&H charges for professional services rendered in comparable nonbankruptcy-related matters and are reasonable based on the customary compensation charged by comparably skilled professionals in comparable nonbankruptcy cases in a competitive national legal market.

11. S&H submits that this Application complies with section 330 of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and the guidelines adopted by the Executive Office for the United States Trustee.

12. On April 14, 2003, S&H submitted the Interim Application of Spriggs & Hollingsworth as Special Counsel for Debtors for Allowance of Compensation for Professional

Services Rendered and for Reimbursement of Actual and Necessary Expenses Incurred from November 19, 2002 to February 28, 2003 (“Interim Application”) [Docket #2110]. The Interim Application requested payment of compensation in the amount of \$154,303.50 and reimbursement of expenses in the amount of \$41,386.84. On May 7, 2003, this Court approved the Interim Application and authorized the payment of the full amount requested therein (\$195,690.34 consisting of \$154,303.50 in compensation and \$41,386.84 in expenses). [Docket #2327].

### **Time Records**

13. A summary of time billed by S&H since November 19, 2002 is attached hereto as Exhibit C, and the detailed time records for the period since November 19, 2002 are attached hereto as Exhibit D and are incorporated herein by reference. These records contain daily time logs (sorted by month) describing the professional services rendered and the time expended by each professional for this period. S&H submits that the time entries comply with the following guidelines: (a) each activity description includes the type of activity, and (b) each activity description includes the subject matter.

### **Summary of Services**

14. Pursuant to Rule 2016(d)(3) of the Bankruptcy Local Rules, fee applications must include a detailed description of each major task performed by the applicant. Accordingly, a summary of certain of the significant professional services rendered by S&H during the Compensation Period follows. Exhibit D provides a more detailed description of the services provided, as well as a summary for the hours and fees and expenses billed for each matter.

15. During the Compensation Period, S&H has primarily focused its efforts on providing legal services to Building One. S&H rendered professional services in furtherance of these activities including:

(a) representing Building One in litigation captioned *Building One Service Solutions, Inc. v. National Union Fire Insurance Company of Pittsburgh, Pa.*, No. 02-311-A (E.D. Va.) (the “National Union Case”) concerning the availability of insurance coverage for loss caused by the dishonest acts of Building One’s former employee, Milton L. Marder, under certain Blanket Crime Policies issued by National Union – including preparing for the anticipated two-week trial of that case which was scheduled to commence on December 10, 2002;

(b) negotiating and drafting the agreement by which that litigation was settled for approximately \$3.5 million (in addition to the nearly \$600,000 collected after the suit was filed);

(c) obtaining the approval of this Court for the settlement with National Union;

(d) serving as the principal point of contact for law enforcement, who became involved in this matter because of the nature of Marder’s dishonest acts and continuing coordination with law enforcement on behalf of Building One; and

(e) preparation of fee applications to be submitted to this Court.

16. S&H submits that the foregoing services were necessary to the administration of this chapter 11 case, were necessary and beneficial to the estates at the time at which such services were rendered, and were performed without unnecessary duplication of effort or expense. As a result of S&H’s efforts, the estate received approximately \$3.5 million

(in addition to the approximately \$600,000 received pre-petition) from National Union. S&H's request for compensation for the foregoing services is reflective of a reasonable and appropriate amount of time expended in performing such services commensurate with the complexity, importance and nature of the problem, issue or task involved.

#### **First Colonial Factors**

17. Pursuant to Bankruptcy Local Rule 2016(a), fee applications must include a discussion of the factors considered in *American Benefit Life Ins. Co. v. Baddock (In re First Colonial Corp. of America)*, 544 F.2d 1291, 1298-99 (5th Cir.), *cert. denied*, 431 U.S. 904 (1977). Consideration of the factors listed in *First Colonial Corp.* indicates that the compensation requested by S&H for the services rendered during the final Compensation Period is reasonable:

(a) **Time and Labor Required:** As set forth in detail on Exhibit C, S&H spent 678.5 hours during the Compensation Period performing professional and paraprofessional services on behalf of Building One. S&H utilized the talents of its paraprofessionals whenever possible for tasks that did not involve the rendering of legal advice, but rather required routine preliminary drafting, subject to attorney review, the sorting and analysis of information, and preparation of trial exhibits, in order to reduce the overall fees in this matter without any sacrifice to the quality of the services being rendered.<sup>1</sup> The following is a list of attorneys and paraprofessionals with S&H who performed services for Building One during this Compensation Period and their billing rates:

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<sup>1</sup> Time devoted by the paraprofessionals may be compensated through the Debtors' estates, as set forth in *In re Busy Beaver Bldg. Ctrs., Inc.*, 19 F.3d 833 (3rd Cir. 1994).



| <b>Attorney</b>      | <b>First Admitted to a Bar</b> | <b>Total Hours</b> | <b>Hourly Rate</b>                      | <b>Total Fees</b> |
|----------------------|--------------------------------|--------------------|---|-------------------|
| Marc S. Mayerson     | 1988                           | 82.4               | 80.4 hrs. @ \$350<br>2.0 hrs. @ \$390   | \$28,920.00       |
| Stephen R. Spivack   | 1972                           | 77.2               | 71.8 hrs. @ \$360<br>5.4 hrs. @ \$400   | 28,008.00         |
| Stephen A. Klein     | 1991                           | 1.7                | \$320                                   | 544.00            |
| Robert E. Johnston   | 1994                           | 160.1              | 103.4 hrs. @ \$290<br>56.7 hrs. @ \$310 | 47,563.00         |
| Conrad C. Ledoux     | 1989                           | 103.2              | 103.0 hrs. @ \$260<br>0.2 hrs. @ \$275  | 26,835.00         |
| Christopher L. LaFon | 2000                           | 73.8               | 72.5 hrs. @ \$185<br>1.3 hrs. @ \$195   | 13,666.00         |

| <b>Paraprofessional</b> | <b>Total Hours</b> | <b>Hourly Rate</b>                    | <b>Total Fees</b> |
|-------------------------|--------------------|---------------------------------------|-------------------|
| Erika Mompont           | 86.6               | 73.2 hrs. @ \$110<br>12.8 hrs. @ 115  | \$9,524.00        |
| James Gleason           | 77.0               | 72.5 hrs. @ \$120<br>4.5 hrs. @ \$125 | 9,262.50          |
| Jeff Slater             | 2.6                | 1.7 hrs. @ \$230<br>0.9 hrs. @ \$250  | 616.00            |
| Alex Rosen              | 11.5               | \$110                                 | 1,265.00          |
| Dan Sweet               | 1.0                | \$125                                 | 125.00            |
| Jennifer Powell         | 2.0                | \$110                                 | \$220.00          |

(b) Novelty and Difficulty of the Questions: The insurance coverage action S&H pursued on behalf of Building One involved several novel questions of Virginia law regarding the scope of coverage, the interpretation of the insurance contract, and the choice of

law regarding fidelity policies. Moreover, the facts of the claim were extraordinarily complex, requiring the analysis of the entire operations of a subunit of Building One over a more than two-year period, including expenses and disbursements associated with approximately 250 construction jobs, which were contained on hundreds of invoices submitted to Building One by its New Hampshire office, as well as numerous interviews of Building One personnel and insiders to Marder's schemes. Accordingly, substantial discovery efforts were also required to facilitate the presentation of appropriate facts in conjunction with legal arguments.

(c) Skill Requisite to Perform the Service Properly: In order to address the range of issues presented, S&H was required to draw upon its skill and experience litigating insurance, white-collar crime and contract law cases. At the time of settlement, trial was two weeks away, where it was anticipated that roughly 20 witnesses would be called in a trial expected to last nearly two weeks.

(d) Preclusion of Other Employment Due to the Acceptance of the Case: No matter was not handled by the firm due to the representation because of conflicts or the like.

(e) Customary Fee: S&H bills its clients an hourly fee for services. S&H's customary hourly rates, as of November 2002, were \$240 to \$390 for partners and counsel, \$185 to \$290 for associates, and \$110 to \$120 for paraprofessionals. As of January 1, 2003, S&H's customary hourly rates are \$275 to \$420 for partners and counsel, \$195 to \$300 for associates, and \$115 to \$125 for paraprofessionals. S&H represents that these hourly rates are reasonable, fair, and customary for the degree of skill and expertise required in this case and are

very competitive compared with its competitors in this field nationwide and for similar firms in the Washington, D.C. area, where the case was pending.<sup>2</sup>

(f) Whether the Fee is Fixed or Contingent: S&H's fee is neither a fixed nor a contingent fee. Instead, S&H's fee is based upon the total number of hours expended by S&H's professionals and paraprofessionals representing Building One plus the costs incurred by S&H on behalf of the client.

(g) Time Limitations: At the beginning of the Compensation Period, S&H was in the midst of preparing for an anticipated two-week trial, which was expected to include approximately 20 witnesses, that was then scheduled to commence on December 10, 2002 – approximately three weeks from the start of the Compensation Period. S&H, therefore, faced significant time constraints on its preparation of direct and cross-examination for the witnesses (including at least three plaintiff's experts and two defense experts), trial exhibits and demonstratives, jury instructions, *voir dire* questions, and opening and closing statements. S&H also faced deadlines associated with responding to various motions *in limine* filed by National Union. After the case settled (on November 27, 2002), S&H endeavored to prepare and finalize the settlement agreement promptly and to submit it expeditiously to this Court for approval to facilitate the Debtor's desire to receive the settlement proceeds as early in 2003 as possible.

(h) Amount Involved and Results Obtained: S&H, on behalf of Building One, has worked with the Debtors on a number of issues during the Compensation Period, including, but not limited to, finalizing settlement of the National Union Case, which brought approximately \$3.5 million into the debtor's estate (in addition to the \$600,000 the

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<sup>2</sup> The United States District Court for the Eastern District of Virginia is located in Alexandria, Virginia, just across the Potomac River from Washington, D.C. S&H regularly handles cases in the Eastern District of Virginia.

Debtors received pre-petition from National Union). Prior to the initiation of suit, National Union had paid Building One nothing; after S&H brought this litigation, the client received \$4.1 million, representing more than 80 percent of the applicable policy limits. S&H's activities have contributed to the administration of the Debtors' estates and paved the way for the quick approval of the disclosure statement and confirmation of the Plan on May 28, 2003, less than seven months from the Commencement Date.

(i) Experience, Reputation and Ability of Professionals: Building One selected S&H as its counsel in the National Union Case because S&H has a specialized practice representing corporate policyholders in their disputes with insurance companies as well as a white-collar criminal defense practice, which made and makes it well suited to handle lawsuits seeking coverage because of employee dishonesty and to liaise with law enforcement on behalf of insureds like Building One regarding the dishonest employee.

Lead insurance counsel for Building One, Mr. Mayerson, has specialized in representing policyholders in such disputes for more than 15 years. He has acted as counsel in cases in Texas, California, Arizona, Washington (state), Oregon, Illinois, Delaware, New York, Maryland and Virginia. He has published widely on insurance coverage topics including case management for such matters, given numerous presentations and co-chaired conferences on insurance matters, and testified before Congress as well.

Because of the nature of the underlying loss at issue, which resulted from criminal acts, another partner that practices in the white-collar criminal defense practice of the firm, Stephen R. Spivack, was heavily involved. Mr. Spivack served in the Office of the United States Attorney for the District of Columbia for thirteen years, where he handled, among other things, significant fraud and white-collar crime cases, including two ABSCAM prosecutions, while serving in the

Office's Fraud Division. He was subsequently appointed Chief of Special Prosecutions, where he directed the work of 21 trial attorneys handling such matters as the Jonathan Pollard espionage case. Since entering private practice in 1988, he has handled a variety of complex criminal matters including cases involving alleged government contract fraud, economic espionage, Foreign Corrupt Practices Act violations, embezzlement of union funds, money laundering, RICO violations, environmental criminal violations, commercial and governmental bribery, antitrust violations, criminal tax violations and customs violations.

In addition, the principal legal time was rounded out by a (then) senior associate (now partner) in the insurance coverage group and another senior associate with experience in construction, insurance and criminal matters.

(j) Undesirability of the Case: Nothing about the National Union Case makes it particularly undesirable and handling that litigation did not stigmatize S&H, although there is always, of course, the inherent risk in representing a chapter 11 debtor that the firm's fees and expenses will not be paid, which results in some firms avoiding such representation.

(k) Nature and Length of the Professional Relationship with the Client: S&H has provided services to Building One since April 2000. S&H has not represented the Debtors in any matters not referenced herein.

(l) Awards in Similar Cases: S&H's requested fees and expenses are similar to fees and expenses paid in other insurance-coverage cases of this nature, length of time, and complexity. There are insurance cases and matters where S&H has been paid significantly more than the amounts it charged Building One for comparable services.

18. The Application does not include fees or expenses for the preparation of this Application but does include the fees and costs incurred in connection with the Interim Application. S&H reserves the right to seek additional compensation for preparing this Application.

#### **Actual and Necessary Expenses**

19. Attached hereto as Exhibit E and incorporated herein by reference, is a detailed description of the actual and necessary expenses incurred by S&H in connection with its employment with the Debtors during the Compensation Period. As set forth on Exhibit E, S&H seeks reimbursement of actual and necessary expenses incurred by S&H during the Compensation Period in the aggregate amount of \$54,094.99.

20. S&H states as follows regarding these expenses: S&H charges for long distance calling and for shipping and handling of documents at the provider's cost without markup. The basis for these rates is S&H calculation of the actual cost of these expenses. S&H's customary charge is \$.25 per page for photocopying services and \$.50 per page for facsimile transmissions. S&H believes that these charges are appropriate and consistent with the market rates charged for such services.

#### **Conclusion**

WHEREFORE S&H respectfully requests (a) final allowance of \$220,658.49 for the Compensation Period, representing \$166,563.50 as compensation for professional services rendered during the Compensation Period and \$54,094.99 as reimbursement for actual and necessary expenses S&H incurred during the Compensation Period; (b) authorization for the Debtors to pay S&H such sums to the extent such sums have not previously been paid; (c) authority to seek compensation for preparing this Application, (d) that the allowance of compensation for professional services rendered and reimbursement of actual and necessary

expenses be without prejudice to S&H right to seek such further compensation for the full value of services provided; and (e) for such other and further relief as is just.

Dated: August 7, 2003  
Washington, D.C.

Respectfully submitted,

SPRIGGS & HOLLINGSWORTH

By: 

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**SPECIAL COUNSEL FOR THE DEBTORS AND  
THE DEBTORS IN POSSESSION**

**EXHIBIT A**



**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

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|  |   |                      |
|--|---|----------------------|
| In re:   | : | CHAPTER 11           |
|  | : |                      |
| ENCOMPASS SERVICES CORPORATION,<br><u>et al.</u> | : | Case No. 02-43582    |
|  | : |                      |
| Debtors.   | : | JOINTLY ADMINISTERED |

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**DECLARATION OF MARC S. MAYERSON AND DISCLOSURE STATEMENT ON  
BEHALF OF SPRIGGS & HOLLINGSWORTH PURSUANT TO 11 U.S.C. SECTION  
327(e) AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 2014(a) AND 2016(b)  
IN SUPPORT OF APPLICATION OF DEBTORS FOR ORDER AUTHORIZING  
EMPLOYMENT AND RETENTION OF SPRIGGS & HOLLINGSWORTH AS  
SPECIAL COUNSEL FOR THE BUILDING ONE  
SERVICE SOLUTIONS DEBTORS**

THE DISTRICT OF COLUMBIA ) ss:

Marc S. Mayerson, hereby declares pursuant to section 1746 of title 28 of the United States Code:

1. I am a partner of the firm of Spriggs & Hollingsworth (“Spriggs & Hollingsworth” or the “Firm”), a law firm with its office in Washington, D.C.

2. I submit this declaration in support of the application of the Debtors, which have filed chapter 11 petitions and are debtors-in-possession, for authorization to employ Spriggs & Hollingsworth as special counsel to Building One Service Solutions, Inc. (“Building One”) in the above-captioned chapter 11 cases and in compliance with sections 327(e) and 330 of chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), as well as to provide the disclosures required under Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

3. Unless otherwise stated in this declaration, I have personal knowledge of the facts set forth herein. To the extent that any information disclosed herein requires amendment or modification upon Spriggs & Hollingsworth’s completion of further analysis or as additional information becomes available to it, a supplemental declaration will be submitted to the Court reflecting such amended or modified information.

4. Spriggs & Hollingsworth has been counsel for Building One on various matters for two and one-half years, up to and after the date the Debtors filed their chapter 11 petitions, November 19, 2002 (the “Commencement Date”). For the year prior to the Commencement Date, Spriggs & Hollingsworth has received payment from Building One in the

approximate amount of \$2,183,855 for professional services rendered and expenses incurred by Spriggs & Hollingsworth.

5. Building One owes Spriggs & Hollingsworth \$198,616.11 for prepetition legal services and charges from vendors that appear on Spriggs & Hollingsworth's statements in the ordinary course. With the consent of the debtors, Spriggs & Hollingsworth will be representing itself with respect to these unpaid prepetition fees and expenses.

6. Except for representing itself with respect to unpaid fees and expenses, as set forth above, Spriggs & Hollingsworth does not represent any party-in-interest (or its attorneys or accountants) other than the Debtors or affiliated debtor or non-debtor entities in connection with the Debtors' chapter 11 cases. Accordingly, Spriggs & Hollingsworth's retention pursuant to 11 U.S.C. §327(e) is appropriate.

7. Neither Building One, Encompass Services Corporation, nor any of its direct or indirect subsidiaries seek to retain Spriggs & Hollingsworth pursuant to section 327(a) of the Bankruptcy Code. Spriggs & Hollingsworth therefore has not sought to establish that it is a "disinterested person" within the meaning of that provision, and has not sought to determine comprehensively, through internal inquiry, whether it could meet this standard. (It is conceivable that certain Spriggs & Hollingsworth partners and/or employees may hold the Debtors' stock.) Spriggs & Hollingsworth believes it meets the standard set forth in section 327(e) of the Bankruptcy Code in that it does not represent or hold any interest adverse to the Debtors or their direct or indirect subsidiaries with respect to the matters on which Spriggs & Hollingsworth is to be employed. In connection with matters unrelated to the Debtors, and as further described below, Spriggs & Hollingsworth has relationships with certain creditors of the Debtors, their direct or indirect subsidiaries, other parties-in-interest, and other professionals employed by Debtors, but has not represented any such party in connection with matters relating to the Debtors.

8. I understand that certain interrelationships exist among the Debtors. The Debtors have advised Spriggs & Hollingsworth that the Debtors' relationships to each other and to these other direct and indirect subsidiaries do not pose any conflict of interest because of the general unity of interest among the Debtors. Insofar as I have been able to ascertain, I know of no conflict of interest that would preclude Spriggs & Hollingsworth's joint representation of the Debtors in these cases.

9. Spriggs & Hollingsworth represents and has represented over the past several years Building One for certain non-bankruptcy related matters all stemming from issues relating to a former subsidiary of the debtors, Interstate Building Services. Spriggs & Hollingsworth anticipates continuing that representation.

10. Spriggs & Hollingsworth has in the past represented, currently represents, and may in the future represent entities that may be claimants or interest holders of Debtors in matters unrelated to the Debtors' pending chapter 11 cases. Spriggs & Hollingsworth, which employs nearly 63 attorneys, has a complex trial and appellate practice that encompasses the representation of many institutions and commercial corporations, some of which are or may consider themselves to be creditors or parties-in-interest in the Debtors' chapter 11 cases or to

otherwise have interests in these cases. Spriggs & Hollingsworth anticipates continuing this practice where there is no adverse interest to any of the Debtors.

11. In preparing this declaration, Spriggs & Hollingsworth used a set of procedures designed to determine whether the firm faces a conflict with respect to current or prospective clients. A comparison of Spriggs & Hollingsworth's client database to the "Potential-Parties-In-Interest List," which was provided by the Debtors and attached hereto as Exhibit A, discloses that Spriggs & Hollingsworth previously has represented, currently represents, and may represent in the future the entities described below, their affiliates or other parties potentially adverse to the Debtors, in matters unrelated to the Debtors. The following lists are based on the relationship of the indicated entities with Encompass Services Corporation, arranged under the following categories: (a) the Debtors and their non-Debtor affiliates, (b) members of ad hoc committee of bondholders and/or top twenty (20) bondholders, (c) top fifty (50) unsecured creditors, (d) secured creditors, (e) underwriters, (f) indenture trustees, (g) all federal, state and local regulatory agencies and governmental units that govern the Debtors' affairs and/or to whom the Debtors pay fees, taxes or other charges, (h) all unions in which any Debtors' employees are members, (i) Debtors' officers and directors, (j) affiliations of the Debtors' officers and directors, (k) sureties, (l) significant shareholders, (m) accountants, (n) Debtors' professionals, and (o) the United States Trustee.

- A. The Debtors and their Non-Debtor Affiliates. Spriggs & Hollingsworth has not represented any of the Debtors or their non-Debtor affiliates in any capacity that was adverse or potentially adverse to the Debtors.
- B. Members of Ad Hoc Committee of Bondholders and/or Top Twenty (20) Bondholders. Spriggs & Hollingsworth does not represent and has not represented any of the Debtors' significant noteholders in connection with these chapter 11 cases. However, each of Bear Stearns Asset Management; Harbert Management Corporation; Seneca Capital Management; and/or their affiliates may be considered to be (1) former clients of Spriggs & Hollingsworth in matters unrelated to these cases, (2) current clients of Spriggs & Hollingsworth in matters unrelated to these cases, (3) separate affiliates of clients who are or were represented by Spriggs & Hollingsworth in matters unrelated to these cases, (4) parties-in-interest in litigation brought by or against former or current clients of Spriggs & Hollingsworth in matters unrelated to these cases, (5) separate affiliates of former or current clients of Spriggs & Hollingsworth in matters unrelated to these cases, or (6) members of committees or groups in which Spriggs & Hollingsworth has represented the committee or group as a whole or in part. Moreover, Spriggs & Hollingsworth may currently represent and in the past may have represented clients adverse to the parties listed in this paragraph and/or their affiliates.
- C. Top Fifty (50) Unsecured Creditors. Spriggs & Hollingsworth does not represent and has not represented any of the Debtors' top fifty (50) unsecured creditors in connection with these chapter 11 cases. However,

Spriggs & Hollingsworth may currently represent and in the past may have represented Dynaelectric Company; Johnson Controls, Inc.; Siemens Building Technologies, Inc.; General Electric Supply, Inc. and/or their affiliates with respect to unrelated matters.

- D. Secured Creditors. Spriggs & Hollingsworth does not represent and has not represented any of the Debtors' secured creditors in connection with these chapter 11 cases. However, Bank of American, N.A.; Deutsche Bank AG; GE Capital Commercial Finance, Inc.; General Electric Capital Corporation; Sumitomo Trust and Banking Company and/or their affiliates may be considered to be (1) a former client of Spriggs & Hollingsworth in matters unrelated to these cases, (2) a current client of Spriggs & Hollingsworth in matters unrelated to these cases, (3) a separate affiliate of clients who are or were represented by Spriggs & Hollingsworth in matters unrelated to these cases, (4) a party in interest in litigation brought by or against former or current clients of Spriggs & Hollingsworth in matters unrelated to these cases, (5) a separate affiliate of former or current clients of Spriggs & Hollingsworth in matters unrelated to these cases, or (6) a member of committees or groups in which Spriggs & Hollingsworth has represented the committee or group as a whole or in part. Spriggs & Hollingsworth may currently represent and in the past may have represented clients in matters adverse to the parties listed in this paragraph and/or their affiliates.
- E. Underwriters. Spriggs & Hollingsworth does not represent and has not represented any of the Debtors' underwriters in connection with these chapter 11 cases or otherwise.
- F. Indenture Trustee. Spriggs & Hollingsworth does not represent and has not represented The Bank of New York, IBJ Whitehall Bank & Trust Company or State Street Bank and Trust in their capacity as indenture trustees for certain debt securities of the Debtors in connection with these chapter 11 cases, or in any other capacity.
- G. All Federal, State and Local Regulatory Agencies and Governmental Units Which Govern the Debtors' Affairs and/or To Whom the Debtors Pay Fees, Taxes or Other Charges. Spriggs & Hollingsworth does not represent and has not represented any of the agencies and governmental units that govern the Debtors' affairs in connection with these chapter 11 cases, or otherwise.
- H. All Unions in Which Any Debtors' Employees are Members. Spriggs & Hollingsworth does not represent and has not represented any of the unions in which any Debtors' employees are members in connection with these chapter 11 cases, or otherwise.

- I. Debtors' Officers and Directors. Spriggs & Hollingsworth has not and does not currently represent any of the Debtors' officers and directors in connection with these chapter 11 cases, or otherwise.
- J. Affiliations of the Debtors' Officers and Directors. Spriggs & Hollingsworth does not represent and has not represented any of the entities that are affiliated with the Debtors' officers and directors in connection with these chapter 11 cases, or otherwise.
- K. Sureties. Spriggs & Hollingsworth does not represent and has not represented any of the Debtors' sureties in connection with these chapter 11 cases, or otherwise.
- L. Significant Shareholders. Spriggs & Hollingsworth does not represent and has not represented the Apollo Group in connection with these chapter 11 cases, or otherwise.
- M. Accountants (last three (3) years). Spriggs & Hollingsworth does not represent and has not represented any of the Debtors' accountants in connection with these chapter 11 cases, or otherwise.
- N. Debtors' Professionals. As a routine part of its practice, Spriggs & Hollingsworth appears in cases, proceedings, and transactions involving many different attorneys, accountants, financial consultants, real estate consultants, and investment bankers, including other professionals representing the Debtors and other parties-in-interest. In certain instances, such professionals may be direct clients of Spriggs & Hollingsworth. None of the professionals listed on Exhibit A are a current or former client of Spriggs & Hollingsworth, in any capacity. Spriggs & Hollingsworth has been both aligned with and adverse to these parties in a number of matters unrelated to these cases.
- O. United States Trustee. Spriggs & Hollingsworth has no connections to the United States Trustee for the Southern District of Texas or persons employed in the United States Trustee's Office.

12. Due to the size of Spriggs & Hollingsworth and the size of the Debtors and the extent of their business operations, it is possible that other connections may exist among Spriggs & Hollingsworth and the Debtors and/or their creditors. In the event other material connections are found to exist that would require disclosure under the applicable statutes and rules, Spriggs & Hollingsworth reserves the right to and will promptly supplement the disclosure in this declaration.

#### **Spriggs & Hollingsworth's Rates and Billing Practices**

13. Spriggs & Hollingsworth has not received a retainer in connection with its representation of Building One.

14. Spriggs & Hollingsworth's current customary hourly rates, subject to change from time to time, are \$240 to \$390 for partners, \$185 to \$290 for associates and \$110 to \$120 for paraprofessionals.

15. The hourly rates set forth above are Spriggs & Hollingsworth's ordinary and standard hourly rates for services expected to be rendered in these cases by the persons engaged herein. These rates are set at a level designed to compensate Spriggs & Hollingsworth fairly for the work of its attorneys and legal assistants. Such hourly rates do not include charges for non-legal personnel who also record time spent working on matters for particular clients, including word processing, clerical, library, proofreading and secretarial staff. It is Spriggs & Hollingsworth's policy to charge its clients for all other services provided and for disbursements and expenses incurred in the rendition of services. These disbursements and expenses include, among other things, costs for telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, expenses for "working meals," computerized research, transcription costs, charges and fees of outside vendors, consultants and service providers providing goods and services specifically and exclusively related to a particular matter, and witness fees and other fees related to trials and hearings, as well as non-ordinary overhead expenses such as secretarial overtime.

16. No promises have been received by Spriggs & Hollingsworth or any member, counsel or associate thereof as to payment or compensation in connection with this case other than in accordance with the provisions of the Bankruptcy Code. Except for paying vendors whose charges appear on Spriggs & Hollingsworth's statements in connection with their work under the firm's supervision, Spriggs & Hollingsworth has no agreement with any other entity to share with such entity any compensation received by Spriggs & Hollingsworth or by such entity, and no such agreement will be made except as permitted under 11 U.S.C. §504(b)(1).

17. The Debtors' Application requests, pursuant to Bankruptcy Code section 327(e), approval of their retention of Spriggs & Hollingsworth on the terms and conditions Spriggs & Hollingsworth charges non-debtors, namely, prompt payment of its hourly rates as adjusted from time to time and reimbursement of out-of-pocket disbursements at cost or based on formulas that approximate the actual cost where the actual cost is not easily ascertainable. Subject to these terms and conditions, Spriggs & Hollingsworth intends to apply for compensation for professional services rendered in these chapter 11 cases and for reimbursement of actual and necessary expenses incurred in connection therewith, in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and the orders of this Court.

18. The foregoing constitutes the statement of Spriggs & Hollingsworth pursuant to section 327(e) of the Bankruptcy Code and Rules 2014(a) and 2016(b) of the Bankruptcy Rules.

.s. Marc S. Mayerson

Marc S. Mayerson  
Partner

**EXHIBIT B**



**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

---

|                                 |   |                         |
|---------------------------------|---|-------------------------|
| In re:                          | : | CHAPTER 11              |
|                                 | : |                         |
| ENCOMPASS SERVICES CORPORATION, | : | Case No. 02-43582-H4-11 |
| <u>et al.</u>                   | : |                         |
|                                 | : |                         |
| Debtors.                        | : | JOINTLY ADMINISTERED    |

---

**ORDER PURSUANT TO SECTIONS 327(e) AND 330 OF THE BANKRUPTCY  
CODE FOR AUTHORIZATION TO EMPLOY  
SPRIGGS & HOLLINGSWORTH AS SPECIAL COUNSEL FOR THE DEBTORS  
IN ACCORDANCE WITH ITS NORMAL HOURLY RATES AND  
DISBURSEMENT POLICIES**

(DOCUMENT # 397)

Upon consideration of the application ("Application") filed by Encompass Services Corporation ("Encompass") and Building One Service Solutions, Inc. ("Building One" and collectively, the "Debtors"), seeking authorization to employ Spriggs & Hollingsworth ("Spriggs & Hollingsworth") as special counsel pursuant to sections 327(e) and 330 of the Bankruptcy Code under a general retainer in accordance with its normal hourly rates and disbursement policies, as is more fully set forth in the Application; and upon the declaration of Marc S. Mayerson, a partner of the firm of Spriggs & Hollingsworth (the "Mayerson Declaration"), which is annexed to the Application; and the Court being satisfied and finding, based on the representations made in the Application and the Mayerson Declaration, that Spriggs & Hollingsworth represents or holds no interest adverse to the Debtors or to their estates as to the matters upon which it is to be engaged; and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and

1334; and it appearing that due notice of the Application having been given; and the Court having determined that the relief sought in the Application is in the best interests of the Debtors, their creditors, and all parties-in-interest; and upon the Application and all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefore, it is

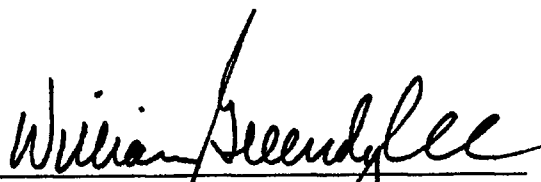
ORDERED that the Application is granted; and it is further

ORDERED that pursuant to section 327(e) of the Bankruptcy Code, the Debtors are authorized to employ and retain Spriggs & Hollingsworth as their attorneys under a general retainer effective as of the commencement of these cases in accordance with its normal hourly rates in effect from time to time and its disbursement policies; and it is further

ORDERED that Spriggs & Hollingsworth will be compensated in accordance with the substantive standards set forth in Bankruptcy Code sections 330 and 331; and it is further

ORDERED that Spriggs & Hollingsworth will file applications in compliance with the Bankruptcy Code, applicable Federal Rules of Bankruptcy Procedure, local rules of the Court, and such other procedures as may be fixed by order of this Court.

Dated: 1/8, 2007/3  
Houston, Texas

  
HONORABLE WILLIAM R. GREEN DYKE,  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT C**

**Professional Services Rendered by Spriggs & Hollingsworth on behalf of  
Encompass Services Corporation from November 19, 2002 through June 9, 2003**

| <b>NAME OF PROFESSIONAL PARTNERS:</b> | <b>DEPARTMENT AND YEAR ADMITTED</b> | <b>HOURLY RATE</b> | <b>TOTAL HOURS BILLED</b> | <b>TOTAL COMPENSATION</b> |
|---------------------------------------|-------------------------------------|--------------------|---------------------------|---------------------------|
| Marc S. Mayerson                      | Insurance<br>1988                   | \$350<br>\$390     | 80.4<br>2.0               | \$28,920.00               |
| Steven R. Spivack                     | White Collar<br>1972                | \$360<br>\$400     | 71.8<br>5.4               | 28,008.00                 |
| Stephen A. Klein                      | Insurance<br>1991                   | \$320              | 1.7                       | 544.00                    |
| Robert E. Johnston                    | Insurance<br>1994                   | \$310              | 56.7                      | 17,577.00                 |
| <b>Total Partners</b>                 |                                     |                    | <b>218</b>                | <b>\$75,049.00</b>        |

| <b>NAME OF PROFESSIONAL ASSOCIATES:</b> | <b>DEPARTMENT AND YEAR ADMITTED</b> | <b>HOURLY RATE</b> | <b>TOTAL HOURS BILLED</b> | <b>TOTAL COMPENSATION</b> |
|---|-------------------------------------|--------------------|---------------------------|---------------------------|
| Robert E. Johnston                      | Insurance<br>1994                   | \$290              | 103.4                     | \$29,986.00               |
| Conrad C. Ledoux                        | Insurance/<br>Construction<br>1989  | \$260<br>\$275     | 103.0<br>0.2              | 26,835.00                 |
| Christopher L. LaFon                    | Insurance<br>2000                   | \$185<br>\$195     | 72.5<br>1.3               | 13,666.00                 |
| <b>Total Associates</b>                 |                                     |                    | <b>280.4</b>              | <b>\$70,487.00</b>        |

| <b>NAME OF PROFESSIONAL</b>    | <b>DEPARTMENT</b>                                  | <b>HOURLY RATE</b> | <b>TOTAL HOURS BILLED</b> | <b>TOTAL COMPENSATION</b> |
|--------------------------------|--|--------------------|---------------------------|---------------------------|
| <b>PARAPROFESSIONALS:</b>      |  |                    |                           |                           |
| Erika Mompoint                 | Insurance<br>(Litigation Legal Assistant)          | \$110<br>\$115     | 86.6                      | \$9,524.00                |
| James Gleason                  | Insurance<br>(Senior Legal Assistant)              | \$120<br>\$125     | 77.0                      | 9,262.50                  |
| Jeff Slater                    | Litigation Support<br>(Litigation Support Manager) | \$230<br>\$250     | 2.6                       | 616.00                    |
| Alex Rosen                     | Litigation Legal Assistant                         | \$110              | 11.5                      | 1,265.00                  |
| Dan Sweet                      | Litigation Support                                 | \$125              | 1.0                       | 125.00                    |
| Jennifer Powell                | Litigation Legal Assistant                         | \$110              | 2.0                       | 220.00                    |
| <b>Total Paraprofessionals</b> |  |                    | <b>180.7</b>              | <b>\$21,012.50</b>        |

| <b>PROFESSIONALS<br/>TOTALS:</b> | <b>BLENDED RATE</b> | <b>TOTAL HOURS<br/>BILLED</b> | <b>TOTAL<br/>COMPENSATION</b> |
|----------------------------------|---------------------|-------------------------------|-------------------------------|
| Partners                         | 344.26              | 218                           | \$75,049.00                   |
| Associates                       | 251.38              | 280.4                         | \$70,487.00                   |
| Paraprofessionals                | 116.28              | 180.7                         | \$21,012.50                   |
| <b>Grand Total</b>               | <b>262.44</b>       | <b>634.60</b>                 | <b>\$166,548.50</b>           |

**EXHIBIT D**

**Spriggs & Hollingsworth  
1350 I Street, N.W.  
Washington, D.C. 20005  
FED ID #52-1279928**

Tony L. Visage, Esq.  
Vice President and Associate General Counsel  
Encompass Services Corporation  
3 Greenway Plaza, Suite 2000  
Houston, TX 77046

Invoice # 15525  
Dec 18, 2002

**Fidelity Insurance**

|            |  | <u>Hours</u> |
|------------|--|--------------|
| 11/19/2002 | SAK Confer with Messrs. Mayerson, Spivack, and Johnston re bankruptcy issues; review standard of transfer.   | 0.90         |
| 11/19/2002 | SRS Prepare for trial; review depositions and documents; multiple conferences with trial team members re trial issues and strategy.  | 5.90         |
| 11/19/2002 | CCL Telephone conference with John Robinson; draft script of trial testimony of John Robinson; review deposition testimony and expert report of John Robinson.   | 10.50        |
| 11/19/2002 | CLL Review jury instructions and revise same; research law re cases to be used in reply to summary judgment motion argument; organize and draft memorandum re same; review for oral argument re De Jesus and Marder sworn statements.  | 8.80         |
| 11/19/2002 | EM Prepare documents for review by Mr. Spivack; prepare documents to send to client; prepare documents for review by Mr. Mayerson in preparation for oral argument; meet with Messrs. Johnston and Ledoux re Williams prep; discuss trial prep issues with Mr. Gleason; prepare graphics binders for copying; review and highlight defendant's objections to Walter Cross testimony and identify issues; organization and maintenance of case files. | 7.30         |
| 11/19/2002 | JG Prepare exhibits for scanning for trial; meeting with Mr. Johnston on Kane proposal; review graphics for Mr. Clayton's prep; create direct examination binder for Mr. Clayton's testimony; conference call with graphics team for trial exhibits.   | 8.50         |

|            |     |  |       |
|------------|-----|--|-------|
| 11/19/2002 | REJ | Telephone call with Mr. Liang re trial preparation; telephone calls to Mr. Williams re trial preparation; review news items re bankruptcy; discuss bankruptcy issues with Mr. Spivack, Mr. Mayerson and Mr. Klein; discuss work allocation issues with Mr. Spivack; review NU's designation of Cross testimony; draft objections to NU's designations of Cross testimony; draft Williams testimony outline.  | 8.60  |
| 11/19/2002 | MSM | Meet with Tim Clayton re trial testimony; review and revise Clayton outline; work on Stewart preparation including review NU depositions; confer re opening with Spivack; review materials re in limines to be argued on 11/22; work on arguments re in limines; review Watson v. ELAC and related cases re choice of law (non)issues; confer re chapter 11 filing.  | 9.80  |
| 11/20/2002 | EM  | Draft and revise objections to defendant's designations of additional testimony; prepare graphics to be sent to Mr. Zayas; prepare deposition to be sent to Walter Cross and draft letter re same; review and highlight designated and counter-designated testimony; continue slicing and dicing Marder testimony; confer with Mr. Gleason re same; email to Ms. Fetch re trial graphics; prepare most current demonstratives for review by Mr. Johnston.        | 8.20  |
| 11/20/2002 | CCL | Meet with Mr. Mayerson; telephone conference with judge's chambers; send additional cases relevant to pending motions to court; draft trial script for John Robinson; prepare trial notebook.  | 12.20 |
| 11/20/2002 | SRS | Prepare for trial and prep of witnesses; multiple meetings with trial in preparation for trial.  | 6.80  |
| 11/20/2002 | CLL | Review and revise jury instructions and voir dire; prepare for oral argument re motions in limine.   | 10.40 |
| 11/20/2002 | JG  | Research into "cost shifting" books, articles and/or treatises for Mr. Zayas; prepare Sullivan materials for Mr. Spivack's preparation for deposition; meeting with Mr. Spivack and Mr. Johnston on Marder "voice overs"; conference call with graphics team on timing of scanning; prepare summary judgment papers for shipping to Mr. Stewart.   | 7.50  |
| 11/20/2002 | REJ | Review and revise jury instructions; review and revise jury voir dire; discuss presentation of Marder testimony with Mr. Spivack and Mr. Mayerson; discuss witness preparation and trial preparation issues with Mr. Gleason; telephone call with Ms. Fetch re graphics issues; discuss witness presentation issues with Mr. Mayerson and Mr. Ledoux; work on graphics issues; prepare to argue motions in limine; draft e-mail to Ms. Fetch on graphics issues. | 9.50  |



|            |     |   |       |
|------------|-----|---|-------|
| 11/20/2002 | MSM | Meet with Dick Stewart re trial preparation; review proposed outline; confer re exhibits, documents with Stewart; confer re slice & dice in limine and revised Stewart approach; review NU's cases cited on summary judgment; research re choice of law issues vs legislative power; prepare letter to Court re Watson case; confer re Ch. 11 impact.   | 11.50 |
| 11/21/2002 | SAK | Confer with Mr. Johnston re bankruptcy issues.  | 0.30  |
| 11/21/2002 | REJ | Review and revise trial graphics; telephone call with Ms. Fetch re revisions to trial graphics; discuss preparation of Marder's deposition testimony for trial with Mr. Spivack and Mr. Gleason; work on oral argument on drafting history motion; work on oral argument for Lifschitz motion; work on oral argument for Cossetti motion; research on bankruptcy stay issues; work with Mr. LaFon on oral arguments for Marder transcript and De Jesus affidavit motions; discuss Mr. Zayas' preparations with Mr. Spivack; telephone call to Mr. Liang re service of subpoena; telephone call with Mr. Williams re trial prep. | 12.20 |
| 11/21/2002 | MSM | Prepare for summary judgment and in limine arguments; outline arguments; review declarations; prepare argument outlines; confer Lafon re in limine argument; confer Johnston re in limine argument.   | 12.50 |
| 11/21/2002 | JG  | Re-copy and re-ship package to Mr. Stewart; prepare National Union's evidentiary submission, Perry deposition, Schiavi deposition, Stewart transcript for messengering to Mr. Mayerson; meeting with InfoSys and Lit Support for trial needs; conference call with graphics team on creation of Schiavi and Perry DVD; prepare and ship Mr. Clayton's deposition.   | 7.50  |
| 11/21/2002 | SRS | Prepare for trial; conference with Mr. Johnston re trial issues; conference with Mr. Johnston and Mr. Gleason re exhibits for trial; prepare for preparation of Mr. Zayas; telephone conferences with Court Reporting Service; telephone conference with Mr. Ogorchock.   | 9.10  |
| 11/21/2002 | EM  | Draft and coordinate service of subpoena to Mr. Liang; continue slicing and dicing Marder deposition testimony; review and update binder of trial graphics; prepare documents for review by Mr. Johnston.   | 7.40  |
| 11/21/2002 | CCL | Draft proposed order for the Court; telephone message to John Robinson; telephone conference with Herb Duane; revise script of John Robinson's trial testimony; telephone conference with Mr. Johnston; outline cross-examination topics for National Union's expert witness James Cossetti.  | 11.50 |
| 11/21/2002 | CLL | Review motions; prepare for oral argument of motions in limine; review cases re same; draft argument; revise same.  | 6.20  |
| 11/22/2002 | AR  | Redact and label documents for imaging.   | 2.50  |

|            |     |   |       |
|------------|-----|---|-------|
| 11/22/2002 | MSM | Prepare for and participate in oral argument on summary judgment and motions in limine; confer Visage re same; confer re settlement.  | 4.00  |
| 11/22/2002 | CLL | Revise and review oral argument on motions in limine; finalize argument; attend oral arguments.   | 8.70  |
| 11/22/2002 | CCL | Attend court hearing on various motions; meet with Messrs. Johnston and LaFon concerning court hearing and pending issues; draft trial testimony script for Herb Duane; review Duane deposition testimony.  | 9.00  |
| 11/22/2002 | EM  | Prepare documents for oral argument; telephone call to process server re status of service; attend team meeting re organization and review of designated deposition testimony; confer with Mr. Sweet re same; review designated trial exhibits; prepare documents for review by Mr. Ledoux.   | 4.80  |
| 11/22/2002 | REJ | Prepare for oral argument on motions in limine; attend hearing on summary judgment motion and motions in limine; discuss hearing and modifications to trial plan with Mr. Spivack; discuss hearing with Mr. Ledoux and Mr. LaFon; work on trial testimony outline for Mr. Williams; discuss trial preparation issues with Mr. Mayerson. | 10.50 |
| 11/22/2002 | JG  | Assist with preparations for oral argument; gather documents for Mr. Spivack's preparation for Mr. Sullivan's deposition.   | 4.00  |
| 11/22/2002 | SRS | Prepare for trial; attend hearing before Judge Cacheris.  | 6.70  |
| 11/23/2002 | SRS | Prepare for trial; review documents; send e-mails re strategy; review depositions; review graphics.   | 3.50  |
| 11/23/2002 | JG  | Review Marder transcripts in preparation for recording audio file for trial.  | 5.00  |
| 11/24/2002 | CLL | Edit draft jury instructions; conduct research re same; incorporate same into jury instructions; edit draft proposed jury verdict form.   | 4.00  |
| 11/24/2002 | MSM | Work on revised Stewart direct; rework back end of case re Visage testimony, calling Schiavi adverse; outline Stewart direct; review supporting trial graphics.   | 6.50  |
| 11/24/2002 | SRS | Prepare for trial; review documents, affidavit and depositions to splice and dice Marder and DeJesus testimony at trial; send and review e-mails re trial strategy and preparation for witness prep.  | 4.40  |
| 11/24/2002 | CCL | Prepare Duane notebook; review trial graphics for final changes; revise trial scripts for John Robinson and Herb Duane to streamline presentation; identify trial exhibits for final exhibit list.  | 8.70  |
| 11/25/2002 | JG  | Assist with Stewart preparation; meeting with Ms. Davis re war room space; assist Mr. Rosen and Ms. Haworth with deposition designations; additional research on Zayas "cost shifting" issue; team meeting.   | 10.00 |

|            |     |   |       |
|------------|-----|---|-------|
| 11/25/2002 | MSM | Meet with Stewart and work on direct testimony and supporting exhibits; meeting re final trial graphics; meeting re witness order, reserving witnesses to rebuttal, streamlining trial presentation.  | 8.50  |
| 11/25/2002 | CLL | Finalize first draft of jury instructions; research for same; incorporate same into instructions.   | 8.90  |
| 11/25/2002 | EM  | Trial preparation; record and read-in DeJesus trial testimony; prepare documents for Mr. Spivack in preparation for deposition of Sullivan; prepare documents for preparation of Santaromita and Zayas; review and update graphics binders; download annotated deposition transcript for attorney review; revise index of Marder testimony; organize binder of Marder testimony for preparation with witnesses; prepare for and attend team meeting; gather and assemble materials for review by Mr. Duane. | 9.80  |
| 11/25/2002 | CCL | Continue drafting trial scripts for John Robinson and Herb Duane; telephone conference with Herb Duane; telephone conferences with opposing counsel; meeting with other attorneys on trial graphics.  | 13.50 |
| 11/25/2002 | REJ | Work on Mr. Williams' trial testimony; meet with Mr. Stewart to discuss various issues; discuss trial preparation with Mr. Gleason; discuss case status with trial team; work on revisions to graphics.   | 8.70  |
| 11/25/2002 | AR  | Edit and review documents for pre-trial depositions.  | 4.50  |
| 11/25/2002 | JS  | Technical trial support - setup image server for war room (copy existing images; build subset of produced images).  | 0.80  |
| 11/25/2002 | DS  | Prepare issue reports in livenote for attorney review.  | 1.00  |
| 11/25/2002 | JP  | Mark sections of deposition transcripts for copying.  | 2.00  |
| 11/25/2002 | SRS | Prepare for recording Marder and DeJesus transcripts; telephone conferences with counsel re judge; telephone conference with Mr. Sullivan; telephone conference with Mr. Zayas; meeting with trial team; prepare for witness prep with Mr. Zayas.   | 10.90 |
| 11/26/2002 | MSM | Review proposed voir dire questions; edit and revise jury instructions and supporting authority arguments; review court's opinion denying NU's summary judgment and adopting Building One's insurance policy constructions; confer team re same; confer re Williams preparation; confer Visage re summary judgment ruling and possible settlement approaches.   | 11.40 |
| 11/26/2002 | SRS | Prepare for and meeting with expert witness; meeting with trial team to discuss strategy in light of Court ruling on Summary Judgment Motion.   | 9.40  |

|            |     |  |      |
|------------|-----|--|------|
| 11/27/2002 | JG  | Meeting with Advanced Courtroom Technologies on graphics call outs; begin attorney fee calculation; pack for war room set up.  | 7.00 |
| 11/27/2002 | CLL | Conduct research re corrections to jury instructions; participate in review session re same; review motion in limine re Stewart in conjunction with reply to same; edit jury instructions to incorporate comments and corrections. | 5.20 |
| 11/27/2002 | EM  | Trial preparation; prepare documents for review by Mr. Johnston; organization and maintenance of case files.   | 4.20 |
| 11/27/2002 | SRS | Review e-mails and judge's opinion; prepare for trial.   | 6.50 |

**Amount**

|   |               |                     |
|---|---------------|---------------------|
| <b>For Professional Services Rendered</b> | <u>455.00</u> | <u>\$110,731.00</u> |
|---|---------------|---------------------|

**Reimbursable Expenses:**

|  |         |
|--|---------|
| Courier  | 38.69   |
| Database Printing  | 23.40   |
| Fax Charge   | 57.00   |
| Federal Express  | 164.65  |
| Local Courier Service  | 36.00   |
| Photocopying   | 1431.60 |
| Postage  | .37     |
| Professional Services Rendered on 11/23 & 25/02 - Nihill & Riedley, P.C.   | 3849.50 |
| Professional Services Rendered on 11/23 - 27/02 - Duane Corporation  | 1853.00 |
| Professional Services Rendered on 11/26/02 by Richard M. Williams - Forensic Document Services International, Inc. | 600.00  |
| Professional Services Rendered through November 2002 - Legal Arts Communications                                   | 5823.62 |
| Service of Subpoena - Lloyd Thompson, Process Server   | 75.00   |
| Telephone  | 20.80   |
| Witness Fee on 11/21/02 - Michael Liang  | 61.32   |

|                       |  |                    |
|-----------------------|--|--------------------|
| <b>Total Expenses</b> |  | <u>\$14,034.95</u> |
|-----------------------|--|--------------------|

|  |  |                     |
|--|--|---------------------|
| <b>Total Amount for Fidelity Insurance</b> |  | <u>\$124,765.95</u> |
|--|--|---------------------|

|                               |                            |
|-------------------------------|----------------------------|
|                               | <b>Amount</b>              |
| <b>Total Fees</b>             | <b>\$110,731.00</b>        |
| <b>Total Costs</b>            | <b>\$14,034.95</b>         |
| <b>Total Due This Invoice</b> | <b><u>\$124,765.95</u></b> |

**Summary of Professional Services**

|                    |           |   |              |
|--------------------|-----------|---|--------------|
| Alex Rosen         | 11.50 HRS | @ | \$110.00 /HR |
| Christopher Lafon  | 60.20 HRS | @ | \$185.00 /HR |
| Christopher Ledoux | 74.90 HRS | @ | \$260.00 /HR |
| Dan Sweet          | 1.00 HRS  | @ | \$125.00 /HR |
| Ericka Mompont     | 48.70 HRS | @ | \$110.00 /HR |
| James Gleason      | 58.00 HRS | @ | \$120.00 /HR |
| Jeff Slater        | 1.70 HRS  | @ | \$230.00 /HR |
| Jennifer Powell    | 2.00 HRS  | @ | \$110.00 /HR |
| Marc Mayerson      | 70.20 HRS | @ | \$350.00 /HR |
| Robert Johnston    | 62.40 HRS | @ | \$290.00 /HR |
| Stephen Klein      | 1.20 HRS  | @ | \$320.00 /HR |
| Stephen Spivack    | 63.20 HRS | @ | \$360.00 /HR |

December 19, 2002

**SPRIGGS & HOLLINGSWORTH**

**Summary Statement for**

**Encompass Services Corporation: Fidelity Insurance**

For the period, November 19, 2002 to November 30, 2002, as set forth in the accompanying statement, our work and associated expenses in connection with pursuing insurance recovery for various loss associated with IBS/SMUSA included various research and drafting for communications re AIG; prepare argument re National Union's motion for summary judgment motion; work on exhibit designations, trial graphics, factual stipulation, and related pleadings for trial; work with experts and witnesses re trial testimony; various trial preparation including drafting jury instruction and supporting authorities, preparing opening statement, and drafting proposed witness examinations; argument re eight motions in limine; and various communications with the Company to keep its representatives informed of the status and progress of this matter.

|   |                     |
|---|---------------------|
| Fees .....  | \$110,731.00        |
| Expenses (including vendors, experts, and witness fees) ..... | <u>14,034.95</u>    |
| TOTAL .....   | <u>\$124,765.95</u> |

**Spriggs & Hollingsworth  
1350 I Street, N.W.  
Washington, D.C. 20005  
FED ID #52-1279928**

Tony L. Visage, Esq.  
Vice President and Associate General Counsel  
Encompass Services Corporation  
3 Greenway Plaza, Suite 2000  
Houston, TX 77046

Invoice No. 15643  
January 10, 2003

**Fidelity Insurance**

|           |     |   | <b><u>Hours</u></b> |
|-----------|-----|---|---------------------|
| 12/2/2002 | CCL | Telephone conference with opposing counsel concerning settlement; telephone conference with court notifying court of settlement; meet with Mr. Johnston; meet with attorneys and legal assistants concerning settlement and tasks at hand; telephone conferences with witnesses and experts advising them of status; correspond with opposing counsel concerning filing; organize files following settlement. | 8.20                |
| 12/2/2002 | CLL | Organize and review research re Building One legal memoranda and assignments; participate in strategy session re settlement issues.   | 6.00                |
| 12/2/2002 | EM  | Organize case files; attend team meeting.   | 3.20                |
| 12/2/2002 | MSM | Confer re dismissal; review draft; confer re; settlement issues; confer re document preservation vis a vis government inquiries.  | 2.10                |
| 12/2/2002 | REJ | Telephone call with Mr. Ledoux re settlement; telephone call with Mr. Liang re settlement; telephone call with Mr. Spivack re settlement issues; discuss settlement issues with trial team; draft e-mail to Mr. Visage re settlement issues; discuss settlement issues with Mr. Mayerson.   | 3.20                |
| 12/2/2002 | SRS | Telephone conference with trial team; telephone conference with Mr. Zayas; leave messages for Mr. Santamorita and Mr. Kinsella; review documents for filing and destruction.  | 1.60                |
| 12/3/2002 | CCL | Organize and store working files following settlement; correspond with opposing counsel concerning filing notice with Court; revise notice of settlement; meet with legal assistant concerning files; draft correspondence to Herb Duane and John Robinson returning personal files to witnesses.   | 8.00                |
| 12/3/2002 | CLL | Organize and review files for purpose of indexing same for storage.   | 2.00                |

|           |     |  |      |
|-----------|-----|--|------|
| 12/3/2002 | EM  | Organize working files.  | 2.50 |
| 12/3/2002 | MSM | Approve praecipe; confer re Lentz/Terrell issue; confer re prosecutors interest; confer re pursuit of Marder and documenting business judgment re same; review edit document and confer Johnston.  | 2.80 |
| 12/3/2002 | REJ | Telephone call with Mr. Liang re reimbursement for his lost time; discuss settlement issues with Mr. Mayerson; review draft praecipe re settlement; discuss praecipe with Mr. Ledoux; draft e-mail to Mr. Visage re timing of call to discuss settlement agreement.  | 2.60 |
| 12/3/2002 | SRS | File clean-up; telephone conference with Mr. Kinsella; telephone conference with Mr. Ogorchock; conference with Mr. Johnston.  | 1.70 |
| 12/4/2002 | CCL | Review signed praecipe and file with Court; review correspondence; meet with Mr. Johnston; meet with legal assistant concerning storage of construction plans; organize file and documents post-settlement.  | 5.30 |
| 12/4/2002 | CLL | Review and organize information for purpose of storage and later document access re bankruptcy.  | 1.50 |
| 12/4/2002 | EM  | Discuss case room organization and clean-up with Mr. Spivack; prepare documents for review by Mr. Ledoux.  | 0.20 |
| 12/4/2002 | MSM | Call with Visage re settlement; confer re settlement agreement issues, including NU's cooperation re NH proceeding; confer re materials to preserve re law enforcement; confer re approval issues and affidavit/testimony in support.  | 2.40 |
| 12/4/2002 | REJ | Discuss settlement agreement issues with Mr. Mayerson; telephone call with Mr. Mayerson and Mr. Visage to discuss settlement issues; discuss document control issues with Mr. Gleason and Mr. Spivack; discuss conflicts check for bankruptcy appointment with Mr. Spriggs; discuss settlement issues with Mr. Ledoux; draft e-mail to bankruptcy counsel re affidavit; discuss requirements for special counsel with Mr. Klein; work on affidavit in support of appointment as special counsel. | 5.10 |
| 12/4/2002 | SRS | Document disposition and related matters.  | 0.30 |
| 12/6/2002 | CCL | Telephone conference with Judge's chambers confirming matter off docket; review correspondence; review draft settlement agreement forwarded by National Union's attorney; review and revise draft order of dismissal; meet with Mr. Johnston; organize documents and files for archives.   | 5.50 |
| 12/6/2002 | EM  | Organize case files.   | 1.90 |
| 12/6/2002 | REJ | Review draft settlement agreement from National Union; work on affidavit and motion for appointment as special counsel.  | 3.00 |



|            |     |   |      |
|------------|-----|---|------|
| 12/9/2002  | EM  | Organization of case files.   | 2.00 |
| 12/9/2002  | REJ | Revise settlement agreement.  | 2.30 |
| 12/9/2002  | SRS | Review e-mail from prosecutor and forward copies.   | 0.10 |
| 12/10/2002 | JG  | Pack and ship off-site working files boxes.   | 4.50 |
| 12/10/2002 | MSM | Revise agreement and confer Johnston.   | 1.20 |
| 12/10/2002 | REJ | Revise settlement agreement; draft e-mail to client re settlement agreement; telephone call with Mr. Mayerson re settlement issues; telephone call with opposing counsel re settlement issues.  | 3.90 |
| 12/10/2002 | SRS | Conference with Mr. Johnston re Kinsella e-mail; send e-mail to Mr. Mayerson re same; telephone conference with Mr. Visage re prosecutor's e-mail request; review Mr. Johnston e-mail and attachments.  | 0.50 |
| 12/11/2002 | EM  | Organization and clean-up of case files and working files.  | 0.60 |
| 12/11/2002 | JG  | Pack and ship off-site trial preparation boxes and collate working files with central files in preparation for off-site storage.  | 5.00 |
| 12/12/2002 | EM  | Organize/clean-up materials; review, revise and edit IPRO document index; meet with Mr. Spivack, Mr. Johnston, and Mr. Gleason re documents available for review by prosecutor.   | 5.90 |
| 12/12/2002 | MSM | Call with Visage; confer Johnston re finalizing agreement.  | 0.60 |
| 12/12/2002 | REJ | Revise settlement agreement; discuss settlement agreement issues with Mr. Mayerson and Mr. Visage; draft e-mail to opposing counsel re revisions to settlement agreement and forward revised draft; discuss document management issues with Ms. Mompoin and Mr. Gleason; discuss providing documents to federal prosecutor with Mr. Spivack, Mr. Gleason and Ms. Mompoin. | 6.00 |
| 12/12/2002 | SRS | Telephone conference with prosecutor re document request; conference with Mr. Johnston and re same Ms. Mompoin.   | 0.80 |
| 12/16/2002 | MSM | Confer Johnston re bankruptcy, settlement, adversary proceeding.  | 0.20 |
| 12/16/2002 | REJ | Telephone call with Mr. Lentz re De Jesus deposition issues; draft e-mail to team and Mr. Visage re status of adversary proceeding and comments to settlement agreement; telephone call with Mr. Lentz re comments to settlement agreement and dismissal of adversary proceeding.   | 2.00 |

|            |     |  |      |
|------------|-----|--|------|
| 12/16/2002 | SRS | Leave voice mail message for Mr. Kinsella re DeJesus deposition; send e-mail to Mr. Kinsella re DeJesus deposition; review deposition Notice; review and send e-mails re DeJesus deposition; telephone conference with Mr. Brown re same.  | 0.80 |
| 12/17/2002 | JG  | Inventory Central files deposition files to insure completeness for packing; pack discovery into boxes; assist Mr. Johnston with inventory of working files for inclusion into off-site storage.   | 5.00 |
| 12/17/2002 | REJ | Review materials for storage; review status of adversary proceeding with Mr. Spivack; discuss Building One's interest in continued discovery in adversary proceeding with Mr. Spivack and Mr. Mayerson.  | 4.70 |
| 12/17/2002 | SRS | Review and respond to prosecutor's e-mail; telephone conference with Mr. Brown re telephone conference with Ms. DeJesus; leave message for prosecutor re same; leave message for Mr. Schlossberg re same; telephone conference with Mr. Schlossberg re same; conference with Mr. Mayerson and Mr. Johnston re same; telephone conferences with Mr. Brown re same; leave messages for Mr. Keefe, prosecutor and Mr. Harwood; telephone conference with Mr. Visage re representing Ms. DeJesus pro bono.         | 2.10 |
| 12/18/2002 | CCL | Confer with Mr. Johnston concerning adversary proceeding and deposition of DeJesus.  | 0.10 |
| 12/18/2002 | EM  | Review and download bankruptcy docket; obtain orders for review by Mr. LaFon.  | 1.00 |
| 12/18/2002 | REJ | Review and revise settlement agreement; discuss settlement agreement issues with Mr. Mayerson; revise affidavit in support of special counsel application; revise motion for special counsel application.  | 3.20 |
| 12/18/2002 | SRS | Telephone conference with Mr. Kinsella re document request for grand jury investigation of Milton Marder.  | 0.40 |
| 12/19/2002 | CCL | Review correspondence concerning final settlement agreement; meet with Mr. Johnston to revise language to order of dismissal and discuss letter from opposing counsel; signed order of dismissal.  | 0.50 |
| 12/19/2002 | MSM | Review final order of dismissal and related materials; confer Johnston.  | 0.90 |
| 12/19/2002 | REJ | Review voice mail from opposing counsel; review draft letter re dismissal of adversary proceeding from Mr. Lentz; revise proposed Final Order of Dismissal; revise settlement agreement; telephone call with Mr. Lentz re settlement agreement; draft e-mail to Mr. Lentz attaching final settlement agreement and order of dismissal; draft e-mail to client attaching final settlement agreement and order of dismissal; discuss transmitting executed settlement agreement to bankruptcy counsel; review e- | 5.00 |

mail from Mr. Visage re settlement details; draft e-mail to Mr. Visage re settlement details; revise application for appointment of special counsel; revise affidavit in support of appointment of special counsel; draft e-mail to Ms. Regoli re motion and affidavit for appointment of special counsel and settlement agreement; telephone calls with Ms. Regoli re timing of filing application; telephone call with Mr. Mayerson re need to file application promptly.

|            |     |   |      |
|------------|-----|---|------|
| 12/19/2002 | SRS | Telephone conference with Mr. Lentz re filing dismissal motion in Bankruptcy Proceeding; conference with Mr. Johnston re same.  | 0.30 |
| 12/20/2002 | CLL | Prepare documents for submission of Settlement Agreement; review same; draft letter re same; communicate with Mr. Lentz re National Union's executed copy of the settlement agreement; review same; review orders re bankruptcy re format for submission re same. | 2.00 |
| 12/20/2002 | EM  | Organize boxes; review orders of the Bankruptcy Court.  | 0.50 |
| 12/23/2002 | CLL | Review and organize settlement agreement for purpose of submission to court; review affidavit and motion re same.   | 0.80 |
| 12/23/2002 | EM  | Prepare bankruptcy orders binder; organize case files.  | 0.30 |
| 12/26/2002 | EM  | Copy and distribute bankruptcy pleading.  | 0.30 |
| 12/30/2002 | CCL | Return telephone call to clerk at EDVA to advise as to status of settlement; review sample motion to approve settlement agreement from bankruptcy counsel; meet with Mr. LaFon.   | 0.50 |
| 12/30/2002 | EM  | Prepare and organize case room materials in preparation for off-site storage; draft index of documents for off-site storage.  | 6.10 |

**Amount****For Professional Services Rendered****139.20****\$32,572.50****Reimbursable Expenses:**

|   |         |
|---|---------|
| Copy of Transcript on 11/25/02 of Deposition Dictation - Alderson Reporting Co., Inc.           | 1711.00 |
| Dinner on 11/21/02 for Christopher Lafon - ALA Carte Express                                    | 26.47   |
| Dinner on 11/21/02 for Ericka Mompoin - ALA Carte Express                                       | 22.86   |
| Fax Charge  | 1.00    |
| Lexis Research  | 376.39  |
| Lunch on 11/26/02 for Meeting with S. Spivack, R. Zayas, R. Johnston and C. Ledoux - C.F. Folks | 83.12   |
| Meal Expense - 11/20/02 M. Mayerson Lunch with Richard Stewart                                  | 10.89   |
| Photocopying  | 184.50  |

|                               | Amount             |
|-------------------------------|--------------------|
| <b>Total Fees</b>             | <b>\$32,572.50</b> |
| <b>Total Costs</b>            | <b>\$11,423.56</b> |
|                               | <hr/>              |
| <b>Total Due This Invoice</b> | <b>\$43,996.06</b> |
|                               | <hr/> <hr/>        |

**Summary of Professional Services**

|                    |           |   |              |
|--------------------|-----------|---|--------------|
| Christopher Lafon  | 12.30 HRS | @ | \$185.00 /HR |
| Christopher Ledoux | 28.10 HRS | @ | \$260.00 /HR |
| Erica Mompont      | 24.50 HRS | @ | \$110.00 /HR |
| James Gleason      | 14.50 HRS | @ | \$120.00 /HR |
| Marc Mayerson      | 10.20 HRS | @ | \$350.00 /HR |
| Robert Johnston    | 41.00 HRS | @ | \$290.00 /HR |
| Stephen Spivack    | 8.60 HRS  | @ | \$360.00 /HR |

Spriggs & Hollingsworth  
1350 I Street, N.W.  
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FED ID #52-1279928

Tony L. Visage, Esq.  
Vice President and Associate General Counsel  
Encompass Services Corporation  
3 Greenway Plaza, Suite 2000  
Houston, TX 77046

Invoice No. 16088  
February 19, 2003

Fidelity Insurance

|          |     |   | <u>Hours</u> |
|----------|-----|---|--------------|
| 1/2/2003 | REJ | Work on Motion to Bankruptcy Court to approve settlement.   | 2.00         |
| 1/3/2003 | REJ | Review and revise draft motion to approve settlement.   | 2.50         |
| 1/3/2003 | SRS | Telephone conference with prosecutor; leave message for Mr. Visage.   | 0.20         |
| 1/6/2003 | MSM | Review and edit motion for approval of settlement; confer Johnston re same.   | 1.10         |
| 1/6/2003 | REJ | Telephone call with Ms. Regoli re motion to approve settlement and fee request issues; review and revise motion to approve settlement based on discussion with Ms. Regoli.  | 3.00         |
| 1/8/2003 | SRS | Review message from Mr. Visage; leave messages for Mr. Visage.  | 0.10         |
| 1/7/2003 | EM  | Review and obtain bankruptcy docket; confer with Mr. LaFon re same.   | 0.30         |
| 1/7/2003 | MSM | Finalize edits re motion to approve settlement with National Union; call with Tim Clayton re status.  | 0.90         |
| 1/7/2003 | REJ | Revise motion to approve settlement to incorporate Mr. Mayerson's comments; draft e-mail to Ms. Regoli attaching draft motion to approve settlement; review e-mail from Ms. Regoli re fee applications; begin preparing submission of fee statements. | 1.50         |
| 1/8/2003 | SRS | Telephone conference with Mr. Visage re government request for documents in Marder investigation.   | 0.10         |
| 1/9/2003 | EM  | Review correspondence files re letters to and from Mr. Kinsella.  | 0.80         |

|           |     |  |      |
|-----------|-----|--|------|
| 1/9/2003  | REJ | Review e-mail from Ms. Regoli re status of motion to approve settlement; discuss billing issues with Mr. Mayerson and accounting; continue working on bill for post-petition work.   | 1.50 |
| 1/9/2003  | SRS | Send e-mail to prosecutor; telephone conference with prosecutor re subpoena; preparation of e-mail re subpoena to prosecutor.  | 0.20 |
| 1/10/2003 | REJ | Review e-mail correspondence from Ms. Regoli, Mr. Mayerson and Mr. Visage re the sale of the assets of Building One; draft e-mail to Ms. Regoli re the sale of the assets of Building One; draft e-mail to Ms. Regoli re revisions to the motion to approve the settlement.  | 3.00 |
| 1/13/2003 | REJ | Draft letter to creditors committee and client enclosing first post-petition invoices; review voice mail from opposing counsel re status of settlement; draft e-mail to opposing counsel re status of settlement approval; draft e-mail to bankruptcy counsel re status of motion to approve settlement; discuss status of bankruptcy matters with Mr. Klein.  | 2.00 |
| 1/14/2003 | REJ | Review e-mail from opposing counsel re time frame for approving settlement; review e-mail from bankruptcy counsel re time frame for approval of settlement; draft e-mail to Mr. Mayerson and Mr. Spivack re time frame for approval of settlement; draft e-mail to Mr. Visage re time frame for court's approval of settlement; draft e-mail to opposing counsel re time frame for approval of settlement; finalize post petition invoice submission.  | 3.00 |
| 1/15/2003 | CLL | Communicate with Ms. Regoli re settlement agreement motion.  | 0.30 |
| 1/15/2003 | REJ | Telephone call to Mr. LaFon requesting his assistance in obtaining final motion for review; review voice mails from Ms. Regoli and Mr. Visage; telephone call to Mr. Mayerson re voice mail from Mr. Visage on timing of approval and escrow issues; telephone call with Mr. Visage re timing of approval by court and escrow issues; draft e-mail to team re timing and escrow issues; review draft motion to approve settlement with Weil's changes; telephone call with Ms. Regoli re changes to motion and timing of approval; telephone call with Mr. Mayerson re approval of motion; telephone call with Ms. Regoli signing off on motion for settlement approval; telephone call with Mr. Visage re schedule of hearing on motion to approve settlement; discuss communications between Mr. Visage and Mr. Schiavi with Mr. Mayerson and Mr. Spivack. | 1.90 |
| 1/17/2003 | JG  | Index, box and ship working files off-site.  | 4.50 |
| 1/24/2003 | SRS | Telephone conference with Mr. Kinsella; preparation of letter to Mr. Kinsella; review types of documents to be sent to prosecutor.   | 0.80 |

|           |     |   |      |
|-----------|-----|---|------|
| 1/27/2003 | REJ | Review e-mail from Ms. Regoli re settlement; telephone call to Ms. Regoli re questions from Creditors Committee; draft e-mail replying to Ms. Regoli's questions from the creditors committee; telephone conference with Ms. Regoli re request from creditors committee.  | 1.00 |
| 1/28/2003 | REJ | Revise letter to prosecutor re document subpoena.   | 0.20 |
| 1/29/2003 | CCL | Review order from court; meet with Mr. Johnston.  | 0.20 |
| 1/30/2003 | REJ | Telephone call to Ms. Regoli re the status of the motion to approve the settlement; draft e-mail to Ms. Regoli re the status of the motion to approve the settlement.   | 0.70 |
| 1/31/2003 | REJ | Review e-mail from Mr. Visage and Ms. Regoli re Order approving settlement; left voice mail for Mr. Lentz re Order approving settlement; review e-mail from Ms. Regoli attaching executed order approving settlement; draft e-mail to Mr. Lentz attaching copy of Order approving settlement; review bill from Becoming Partners; revise letter to Mr. Kinsella re subpoena issues. | 1.50 |
| 1/31/2003 | SRS | Conference with Mr. Johnston re responding to prosecutor's request; review index of documents.  | 0.30 |

**Amount****For Professional Services Rendered****33.60****\$9,640.50****Reimbursable Expenses:**

|  |          |
|--|----------|
| Computer Research for Post-November 18, 2002 - LexisNexis CourtLink, Inc.                                | 31.72    |
| Fax Charge   | 2.50     |
| Federal Express  | 44.12    |
| Local Courier Service  | 46.87    |
| Outside Photocopying - Driven, Inc. (via Cannon)   | 596.43   |
| Photocopying   | 20.40    |
| Professional Services Rendered through November 19, 2002 - December 31, 2002-<br>Becoming Partners, Inc. | 15119.58 |
| Telephone  | 5.11     |
| Westlaw Research   | 41.66    |

**Total Expenses****\$15,908.39****Total Amount for Fidelity Insurance****\$25,548.89**

|                               | Amount             |
|-------------------------------|--------------------|
| <b>Total Fees</b>             | <b>\$9,640.50</b>  |
| <b>Total Costs</b>            | <b>\$15,908.39</b> |
|                               | <hr/>              |
| <b>Total Due This Invoice</b> | <b>\$25,548.89</b> |
|                               | <hr/> <hr/>        |

**Summary of Professional Services**

|                    |           |   |              |
|--------------------|-----------|---|--------------|
| Christopher Lafon  | 0.30 HRS  | @ | \$195.00 /HR |
| Christopher Ledoux | 0.20 HRS  | @ | \$275.00 /HR |
| Ericka Mompont     | 1.10 HRS  | @ | \$115.00 /HR |
| James Gleason      | 4.50 HRS  | @ | \$125.00 /HR |
| Marc Mayerson      | 2.00 HRS  | @ | \$390.00 /HR |
| Robert Johnston    | 23.80 HRS | @ | \$310.00 /HR |
| Stephen Spivack    | 1.70 HRS  | @ | \$400.00 /HR |



**Spriggs & Hollingsworth**  
**1350 I Street, N.W.**  
**Washington, D.C. 20005**  
**FED ID #52-1279928**

Tony L. Visage, Esq.  
Vice President and Associate General Counsel  
Encompass Services Corporation  
3 Greenway Plaza, Suite 2000  
Houston, TX 77046

Invoice No. 16474  
March 13, 2003

**Fidelity Insurance**

|   |     |   | <u>Hours</u> |                   |  |
|---|-----|---|--------------|-------------------|--|
| 2/4/2003                                  | SRS | Review and respond to e-mails from prosecutor re subpoena; telephone conference with prosecutor re same.  | 0.20         |                   |  |
| 2/5/2003                                  | EM  | Review files re production of Congress Construction documents.  | 0.20         |                   |  |
| 2/12/2003                                 | SRS | Review and respond to e-mails; telephone conference with Mr. Visage.  | 0.30         |                   |  |
| 2/13/2003                                 | SRS | Read and respond to e-mails from prosecutor; prepare for meeting with prosecutor.   | 0.60         |                   |  |
| 2/14/2003                                 | EM  | Prepare document indices for review by Mr. Spivack.   | 0.50         |                   |  |
| 2/19/2003                                 | SRS | Telephone conference with Mr. Kinsella.   | 0.10         |                   |  |
| 2/21/2003                                 | EM  | Organize documents responsive to prosecutor's subpoena; confer with Mr. Spivack and Mr. Johnston re compliance with subpoena; consult with litigation support team re production of imaged documents. | 1.30         |                   |  |
| 2/21/2003                                 | JS  | Prepare 15 CDs for copying by vendor - remove images for boxes 103-107 as required prior to copying volumes; coordinate with vendor.  | 0.90         |                   |  |
| 2/21/2003                                 | SRS | Conference with Ms. Mompoin re subpoena; telephone conference with prosecutor re same; conference with Mr. Johnston re subpoena.  | 0.40         |                   |  |
| 2/24/2003                                 | EM  | Review documents responsive to prosecutor's subpoena and organize production of same.   | 0.50         |                   |  |
| 2/26/2003                                 | EM  | Review indices and documents to be reviewed by Mr. Kinsella; compile materials to be reviewed by Mr. Kinsella; prepare correspondence for filing.   | 1.20         |                   |  |
| 2/27/2003                                 | EM  | Assemble and gather documents in preparation for Mr. Spivack's meeting with Mr. Kinsella.   | 0.60         |                   |  |
|   |     |   |              | <b>Amount</b>     |  |
| <b>For Professional Services Rendered</b> |     |   | <b>6.80</b>  | <b>\$1,359.50</b> |  |

**Reimbursable Expenses:**

|                     |       |
|---------------------|-------|
| Court Docket Search | 16.80 |
| Photocopying        | 1.65  |
| Postage             | .37   |
| Telephone           | 1.12  |

**Total Expenses**

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**\$19.94**

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**Total Amount for Fidelity Insurance**

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**\$1,379.44**

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|                               | <b>Amount</b>     |
|-------------------------------|-------------------|
| <b>Total Fees</b>             | <b>\$1,359.50</b> |
| <b>Total Costs</b>            | <b>\$19.94</b>    |
|                               | <hr/>             |
| <b>Total Due This Invoice</b> | <b>\$1,379.44</b> |
|                               | <hr/> <hr/>       |

**Summary of Professional Services**

|                        |                 |          |                     |
|------------------------|-----------------|----------|---------------------|
| <b>Ericka Mompoint</b> | <b>4.30 HRS</b> | <b>@</b> | <b>\$115.00 /HR</b> |
| <b>Jeff Slater</b>     | <b>0.90 HRS</b> | <b>@</b> | <b>\$250.00 /HR</b> |
| <b>Stephen Spivack</b> | <b>1.60 HRS</b> | <b>@</b> | <b>\$400.00 /HR</b> |

**Spriggs & Hollingsworth  
1350 I Street, N.W.  
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FED ID #52-1279928**

Tony L. Visage, Esq.  
Vice President and Associate General Counsel  
Encompass Services Corporation  
3 Greenway Plaza, Suite 2000  
Houston, TX 77046

Invoice No. **17050**  
April 23, 2003

**Fee Application**

|                                    |     |   | <u>Hours</u> |                             |
|------------------------------------|-----|---|--------------|-----------------------------|
| 03/06/2003                         | CLL | Research docket report and orders re covered expenditures and time in preparation of fee submittal. | 1.00         |                             |
| 03/10/2003                         | REJ | Finalize February bill.   | .50          |                             |
| 03/13/2003                         | REJ | Finalize February bill; draft correspondence accompanying February bill.                            | .60          |                             |
| <b>Total Professional Services</b> |     |   | <hr/> 2.10   | <hr/> <b>\$536.00</b>       |
| <b>Total This Invoice</b>          |     |   |              | <hr/> <hr/> <b>\$536.00</b> |

**Summary of Professional Services**

|                   |            |            |
|-------------------|------------|------------|
| Christopher Lafon | 1.00 HRS @ | 195.00 /HR |
| Robert Johnston   | 1.10 HRS @ | 310.00 /HR |

**Spriggs & Hollingsworth**  
**1350 I Street, N.W.**  
**Washington, D.C. 20005**  
**FED ID #52-1279928**

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 Encompass Services Corporation  
 3 Greenway Plaza, Suite 2000  
 Houston, TX 77046

Invoice No. **17051**  
 April 23, 2003

**Fidelity Insurance**

|                                    |     |  | <u>Hours</u> |                   |  |
|------------------------------------|-----|--|--------------|-------------------|--|
| 03/04/2003                         | REJ | Review correspondence from opposing counsel re dismissal of case; draft letter to opposing counsel re dismissal of case.   | .70          |                   |  |
| 03/05/2003                         | REJ | Review correspondence from vendors re billing issues; review unpaid vendor invoices; draft e-mail to Mr. Mayerson re vendor issues; review status of bills and pre- and post-petition allocations. | 2.00         |                   |  |
| 03/06/2003                         | EM  | Assist Ms. Young with organization of materials to go off-site.  | .30          |                   |  |
| 03/13/2003                         | EM  | Prepare materials for meeting with Mr. Kinsella; discuss same with Mr. Spivack.  | 1.90         |                   |  |
| 03/14/2003                         | EM  | Prepare for and attend meeting with Mr. Spivack and Mr. Kinsella; prepare documents/images to go to Mr. Kinsella pursuant to subpoena; draft and finalize letter to Mr. Kinsella.                  | 4.00         |                   |  |
| 03/14/2003                         | SRS | Prepare for and meeting with Mr. Kinsella.   | 2.00         |                   |  |
| 03/19/2003                         | EM  | Organize files for off-site storage; prepare documents for Mr. Kinsella's review; discuss same with Mr. Spivack.   | .80          |                   |  |
| 03/20/2003                         | EM  | Draft and finalize letter to Mr. Kinsella enclosing requisitioned employee information.  | .40          |                   |  |
|                                    |     |  |              | <b>Amount</b>     |  |
| <b>Total Professional Services</b> |     |  | <b>12.10</b> | <b>\$2,488.00</b> |  |

**Expenses:**

|   |       |
|---|-------|
| Computer Research in February 2003 for Dockets - LexisNexis CourtLink, Inc. | 63.35 |
| Computer Research in March 2003 for Dockets - LexisNexis CourtLink, Inc.    | 63.45 |

|  |                    |
|--|--------------------|
| Court Docket Search  | 136.78             |
| Fax Charge   | 2.00               |
| Federal Express  | (19.16)            |
| Outside Photocopying Service on 2/20/03 of CD - On-Site Sourcing, Inc.                         | 237.94             |
| Photocopying   | 36.30              |
| Professional Services Rendered November 19 - 30, 2002 for Consulting - Stewart Economics, Inc. | 10,113.00          |
| Telephone  | .28                |
| Westlaw Research   | 2.56               |
| <b>Total Expenses</b>  | <b>\$10,636.50</b> |
| <b>Total This Invoice</b>  | <b>\$13,124.50</b> |

**Summary of Professional Services**

|                 |            |            |
|-----------------|------------|------------|
| Ericka Mompont  | 7.40 HRS @ | 115.00 /HR |
| Robert Johnston | 2.70 HRS @ | 310.00 /HR |
| Stephen Spivack | 2.00 HRS @ | 400.00 /HR |

**Spriggs & Hollingsworth  
1350 I Street, N.W.  
Washington, D.C. 20005  
FED ID #52-1279928**

Tony L. Visage, Esq.  
Vice President and Associate General Counsel  
Encompass Services Corporation  
3 Greenway Plaza, Suite 2000  
Houston, TX 77046

Invoice No. **17388**  
May 15, 2003

**Fee Application**

|            |     |   | <b><u>Hours</u></b> |
|------------|-----|---|---------------------|
| 04/02/2003 | REJ | Work on fee application for Compensation period November 19, 2002 to February 28, 2002 (2.2); telephone call with Ms. Newell regarding fee application (.2); draft e-mail to Ms. Newell regarding fee applications (.4); review e-mail from Ms. Newell regarding fee application issues (.2). | 3.00                |
| 04/03/2003 | REJ | Telephone call with Stewart Economics regarding distribution of November 2002 bill (.1); draft e-mail to accounting regarding distribution of November bill (.2); work on interim fee statement (.5).   | .80                 |
| 04/04/2003 | REJ | Revise fee application (1.4); discuss fee application with Mr. Mayerson (.2).   | 1.60                |
| 04/08/2003 | REJ | Revise Fee Application to incorporate Mr. Mayerson's comments (1.1); research regarding First Colonial factors (.5); revise Fee Application to address First Colonial factors more directly (1.2).  | 2.80                |
| 04/09/2003 | REJ | Make revisions to fee application suggested by Ms. Newel (.9); supervise creation of exhibits for fee application (.3).   | 1.20                |
| 04/10/2003 | REJ | Call with Ms. Newel regarding Fee Application timing.   | .20                 |
| 04/11/2003 | REJ | Work on first interim fee application (1.3); telephone call with Ms. Newell regarding first interim fee application (.2); draft e-mail to Ms. Newell enclosing draft first interim fee application (.5).  | 2.00                |

|                                    |     |  | <u>Hours</u> |                          |  |
|------------------------------------|-----|--|--------------|--------------------------|--|
| 04/13/2003                         | REJ | Review e-mail from Mr. Mayerson regarding executing fee application (.1); draft e-mail to Mr. Mayerson regarding executing fee application (.1); draft e-mail to Ms. Newell regarding execution of fee application (.1). | .30          |                          |  |
| 04/14/2003                         | REJ | Telephone call with Ms. Newell regarding submission of Fee Application (.2); finalize fee application and forward executed version to Ms. Newell (.7).   | .90          |                          |  |
| 04/23/2003                         | REJ | Review and revise March 2003 billing statements (.9); draft letter covering March 2003 billing statements (.3).  | 1.20         |                          |  |
| 04/29/2003                         | REJ | Discuss appearance at Fee Application hearing with Mr. Mayerson (.3); draft e-mail to Ms. Newell regarding fee application hearing (.2).   | .50          |                          |  |
| <b>Total Professional Services</b> |     |  | <u>14.50</u> | <u>\$4,495.00</u>        |  |
| <br><b>Expenses:</b>               |     |  |              |                          |  |
| Federal Express                    |     |  |              | 134.10                   |  |
| Photocopying                       |     |  |              | 61.80                    |  |
| Postage                            |     |  |              | 3.32                     |  |
| Telephone                          |     |  |              | 1.96                     |  |
| <b>Total Expenses</b>              |     |  |              | <u>\$201.18</u>          |  |
| <b>Total This Invoice</b>          |     |  |              | <u><u>\$4,696.18</u></u> |  |

**Summary of Professional Services**

Robert Johnston

14.50 HRS @

310.00 /HR



**Spriggs & Hollingsworth**  
**1350 I Street, N.W.**  
**Washington, D.C. 20005**  
**FED ID #52-1279928**

Tony L. Visage, Esq.  
Vice President and Associate General Counsel  
Encompass Services Corporation  
3 Greenway Plaza, Suite 2000  
Houston, TX 77046

Invoice No. **17880**  
June 19, 2003

**Fee Application**

|                                    |     |   | <u>Hours</u> |                   |
|------------------------------------|-----|---|--------------|-------------------|
| 04/14/2003                         | SRS | Conferences with Mr. Johnston re pleading.  | .10          |                   |
| 05/01/2003                         | REJ | Discuss issue of post-petition payments in excess of ordered discounts with Mr. Mayerson and Mr. Klein; draft e-mail to Mr. Visage re post-petition balance due; discuss post-petition balances with Ms. Streets. | 2.50         |                   |
| 05/01/2003                         | SAK | Discussions with Mr. Johnston and Mr. Mayerson re billing issues.   | .50          |                   |
| 05/02/2003                         | REJ | Review bills to determine amounts due; draft e-mail to Mr. Visage re accounting discrepancy.  | .50          |                   |
| 05/05/2003                         | REJ | Prepare for hearing re fee application; discuss hearing on fee application with Mr. Mayerson.   | 2.10         |                   |
| 05/06/2003                         | REJ | Prepare for hearing re fee application.   | 5.00         |                   |
| 05/07/2003                         | REJ | Prepare for and attend hearing on Spriggs & Hollingsworth's first interim fee application.  | 2.50         |                   |
| 05/15/2003                         | REJ | Revise April bill.  | 1.00         |                   |
| 05/20/2003                         | REJ | Revise and finalize April bill.   | 1.00         |                   |
| <b>Total Professional Services</b> |     |   | <u>15.20</u> | <u>\$4,741.00</u> |

**Expenses:**

|  |       |
|--|-------|
| Computer Research in April 2003 for Dockets - LexisNexis CourtLink, Inc. | 79.21 |
| Fax Charge   | 2.00  |
| Federal Express  | 27.67 |
| Photocopying   | 6.90  |

|   |                   |
|---|-------------------|
| Postage   | 1.48              |
| Telephone   | .07               |
| Travel Expenses - Robert E. Johnston 5/6 - 7/03 Travel to Houston, TX | 1,753.14          |
| <b>Total Expenses</b>   | <b>\$1,870.47</b> |
| <b>Total This Invoice</b>   | <b>\$6,611.47</b> |

**Summary of Professional Services**

|                 |             |            |
|-----------------|-------------|------------|
| Robert Johnston | 14.60 HRS @ | 310.00 /HR |
| Stephen Klein   | .50 HRS @   | 350.00 /HR |
| Stephen Spivack | .10 HRS @   | 400.00 /HR |

**EXHIBIT E**

**Actual and Necessary Disbursements Incurred by Spriggs & Hollingsworth on  
behalf of Encompass Services Corporation from November 19, 2002 through  
June 9, 2003**

| <b>EXPENSES</b>                                    | <b>AMOUNTS</b>     |
|--|--------------------|
| Witness Fee  | \$61.32            |
| Courier  | \$472.94           |
| Computer Research                                  | \$768.00           |
| Database Printing                                  | \$261.34           |
| Fax Charge   | \$64.50            |
| Meal Expense                                       | \$143.34           |
| Photocopying                                       | \$2,389.58         |
| Postage  | \$15.78            |
| Professional Services (Expert and Consultant Fees) | \$45,178.70        |
| Subpoena Fee                                       | \$75.00            |
| Telephone  | \$35.67            |
| Transcript Copies                                  | \$1,711.00         |
| Travel Expenses                                    | \$1,753.14         |
| Westlaw Research                                   | \$1,161.66         |
|  |                    |
|  |                    |
|  |                    |
| <b>Grand Total</b>                                 | <b>\$54,091.97</b> |

**Certificate of Service**

This is to certify that a true and correct copy of the foregoing Application was served upon the parties listed below by e-mail or by United States mail, first class, postage prepaid on this the 7<sup>th</sup> day of AUGUST, 2003.

Debtors  
Encompass Services Corporation  
3 Greenway Plaza, Suite 2000  
Houston, TX 77046  
Attn: Todd Matherne

Counsel for the Debtors  
Weil, Gotshal & Manges LLP  
700 Louisiana, Suite 1600  
Houston, TX 77002  
Attn: Alfredo Perez  
Lydia Protopapas

Office of the United States Trustee  
515 Rusk Street, 3rd Floor  
Houston, TX 77002  
Attn: Hector Duran, Jr.

Counsel for the Debtors' Prepetition  
Lenders and Counsel for the Debtors'  
Postpetition Lenders:  
Winstead Sechrest & Minick P.C.  
5400 Renaissance Tower  
1201 Elm Street  
Dallas, TX 75270-2199  
Attn: R. Michael Farquhar

Chairperson of and Counsel to the  
Committee:  
Philip Falcone - Co-chair  
Harbert Management Corporation  
555 Madison Avenue, 28th Floor  
New York, NY 10022  
Facsimile: 212-521-6972

John Pare - Chair  
Hughes Supply, Inc.  
20 North Orange Ave., Suite 200  
Orlando, FL 32801  
Facsimile: 407-649-3018

Andrews & Kurth L.L.P.  
600 Travis Street, Suite 4200  
Houston, TX 77002  
Attn: Hugh M. Ray  
Jim Donnell



Rene Olvera



rendered during the Compensation Period and \$54,094.99 as reimbursement for actual and necessary expenses S&H incurred during the Compensation Period; and it is further

ORDERED that the Debtors are authorized to pay Spriggs & Hollingsworth such sums, to the extent that such amounts have not previously been paid; and it is further

ORDERED that Spriggs & Hollingsworth is entitled to seek compensation for preparation of its Application.

DATED: \_\_\_\_\_, 2003  
Houston, Texas

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HONORABLE WILLIAM R. GREENDYKE,  
UNITED STATES BANKRUPTCY JUDGE