

HINTON, SUSSMAN, BAILEY & DAVIDSON, L.L.P.  
 5300 Memorial Drive, Suite 1000  
 Houston, Texas 77007  
 (713) 864-4477 phone  
 (713) 864-8738 fax  
 Charley A. Davidson (*admitted pro hac vice*)

**UNITED STATES BANKRUPTCY COURT  
 SOUTHERN DISTRICT OF NEW YORK**

In re:	)	<b>Chapter 11</b>
	)	
ENRON CORP., et al.,	)	<b>Case No. 01-16034 (AJG)</b>
	)	
Debtors.	)	<b>Jointly Administered</b>
	)	

**SUMMARY SHEET PURSUANT TO THE UNITED STATES TRUSTEE GUIDELINES  
 FOR REVIEWING APPLICATIONS FOR COMPENSATION AND REIMBURSEMENT  
 OF EXPENSES FILED UNDER 11 U.S.C. § 330**

**AMENDED FINAL APPLICATION**

NAME OF APPLICANT:	Charley A. Davidson, Hinton, Sussman, Bailey & Davidson	
TIME PERIOD:	June 17, 2002 to October 1, 2002.	
ROLE IN CASE:	Counsel	
CURRENT APPLICATION:	Fees Incurred:	\$ 37,647.50
	Expenses Requested	\$ 60.92
PRIOR APPLICATION:	Fees Previously Requested	\$ 0.00
	Fees Previously Awarded	\$ 0.00
	Expenses Previously Requested	\$ 0.00
	Expenses Previously Awarded	\$ 0.00

**PROFESSIONAL SERVICES RENDERED  
BY HINTON, SUSSMAN, BAILEY & DAVIDSON, L.L.P.  
ON BEHALF OF JAMES CALVIN CURRY  
JUNE 17, 2002 THROUGH OCTOBER 1, 2002**

<b>Name</b>	<b>Position, Year Licensed</b>	<b>Hourly Rate</b>	<b>Hours</b>	<b>Total</b>
Charley A. Davidson	Partner, 1978	\$350.00	64.35	\$22,522.50
Joe W. Bailey	Partner, 1980	\$350.00	25.5	\$8,925.00
Kara Kearney	Law Clerk, N/A	\$100.00	62	\$6,200.00
<b>Total</b>			<b>151.85</b>	<b>\$37,647.50</b>

**ACTUAL AND NECESSARY DISBURSEMENTS INCURRED  
BY HINTON, SUSSMAN, BAILEY & DAVIDSON, L.L.P.  
ON BEHALF OF JAMES CALVIN CURRY  
JUNE 17, 2002 THROUGH OCTOBER 1, 2002**

<b>Expenses</b>	<b>Amounts</b>
Xerox	\$31.75
Postage	\$2.17
Fax	\$2.00
Administrative Expenses	\$25.00
<b>Total Expenses</b>	<b>\$60.92</b>

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**UNITED STATES BANKRUPTCY COURT  
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<b>In re:</b>	)	<b>Chapter 11</b>
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<b>ENRON CORP., et al.,</b>	)	<b>Case No. 01-16034 (AJG)</b>
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<b>Debtors.</b>	)	<b>Jointly Administered</b>
	)	

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**AMENDED FINAL APPLICATION OF HINTON, SUSSMAN, BAILEY & DAVIDSON,  
L.L.P., COUNSEL FOR JAMES CALVIN CURRY, FOR ALLOWANCE OF  
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND  
REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES INCURRED  
FROM JUNE 17, 2002 THROUGH OCTOBER 1, 2002**

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**TO: THE HONORABLE ARTHUR J. GONZALEZ  
UNITED STATES BANKRUPTCY JUDGE:**

Hinton, Sussman, Bailey & Davidson, L.L.P., (“HSBD”), attorneys for James Calvin Curry as a former employee of Enron Corp. and its affiliated debtors in possession (collectively, “Enron” or the “Debtors”), for its amended final application (the “Application”) for an order pursuant to sections 330(a), 331 and 363(b) of Title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for the allowance of compensation for professional services performed by HSBD for the period commencing June 17, 2002 through and including October 1, 2002 (the

“Compensation Period”), and for reimbursement of HSBD’s actual and necessary expenses incurred during the Compensation Period, respectfully represents:

**SUMMARY OF PROFESSIONAL COMPENSATION  
AND REIMBURSEMENT OF EXPENSES REQUESTED**

1. This Application has been prepared in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted on April 19, 1995 (the “Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “UST Guidelines”), the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, dated January 17, 2002 (the “Initial Administrative Fee Order”), the Order Supplementing Administrative Order Dated January 17, 2002 Establishing Procedures for Interim Compensation and Reimbursement of Expenses by Establishing Fee Committee, Directing Preparation of Professional Budgets and Formatting for Presentation of Billing Statements, dated April 26, 2002 (the “Fee Committee Order”), the Second Supplemental Order Regarding (A) Procedures for Interim Compensation and Reimbursement of Expenses and (B) Preparation of Professional Budgets and Formatting for Presentation of Billing Statement, dated May 24, 2002 (the “Second Supplemental Fee Order”), the Third Supplemental Order Regarding (A) Procedures for Interim Compensation and Reimbursement of Expenses and (B) Preparation of Professional Budgets and Formatting for Presentation of Billing Statements, dated July 15, 2002 (the “Third Supplemental Fee Order”), the Fourth Supplemental Order Regarding (A) Procedures for Interim Compensation and

Reimbursement of Expenses and (B) Preparation of Professional Budgets and Formatting for Presentation of Billing Statements, dated August 14, 2002 (the “Fourth Supplemental Fee Order”, and collectively, the “Enron Fee Orders”), the Order Authorizing Debtors to Retain, *nunc pro tunc*, Swidler Berlin Shereff Friedman, L.L.P. as Special Employees Counsel and to Pay for Legal Fees and Disbursements Pursuant to Sections 105(a), 327(e), 330, 331 and 363(b)(1) of the Bankruptcy Code, and this Court’s Order Dated March 29, 2002 authorizing Debtors to Retain, *nunc pro tunc*, Hinton, Sussman, Bailey & Davidson, L.L.P. as Counsel to James Calvin Curry and to pay Legal Fees and Disbursements pursuant to Sections 105(a), 327(e), 330, 331, and 363(b)(1) of the Bankruptcy Code (the “HSBD Retention Order”), and the application for an order concurrently filed Pursuant to 11 U.S.C. §§ 105 and 107(b) and Rule 9018 of the Federal Rules of Bankruptcy Procedure, requesting an order granting Hinton, Sussman, Bailey & Davidson, L.L.P. Limited Relief From the Court’s Administrative Order Dated January 17, 2002 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the “Requested HSBD Confidentiality Order”).

2. HSBD seeks payment of final compensation for professional services rendered as counsel to James Calvin Curry during the Compensation Period, in the aggregate amount of \$37,647.50, and for reimbursement of expenses incurred in the rendition of such services in the amount of \$60.92. During the Compensation Period, HSBD attorneys and paraprofessionals expended a total of 151.85 hours for which compensation is requested.

3. There is no agreement or understanding between HSBD and any other person, other than members of the firm, for the sharing of compensation for services rendered in this case.

4. The fees charged by HSBD in this case are billed in accordance with its existing billing rates and procedures in effect during the Compensation Period. The rates HSBD charges for the services rendered by its professionals and paraprofessionals in these Chapter 11 cases are the same rates HSBD charges for professional and paraprofessional services rendered in comparable non-bankruptcy related matters. Such fees are reasonably based on the customary compensation charged by comparably skilled practitioners in comparable non-bankruptcy cases in a competitive national legal market.

5. Pursuant to UST Guidelines, a schedule setting forth all HSBD professionals and paraprofessionals who have performed services in these Chapter 11 cases during the Compensation Period, the capacities in which each such individual is employed by HSBD, the department in which each individual practices, the year in which each professional was first licensed to practice law, the hourly billing rate charged for services performed by such individual, the aggregate number of hours expended in this matter, and the fees billed, which is attached as Exhibit 2.

6. Annexed hereto as Exhibit 3 is a schedule specifying the categories of expenses for which HSBD is seeking reimbursement and the amounts for each such expense category.

7. HSBD maintains computerized records of the time spent by all HSBD attorneys and paraprofessionals in connection with the rendition of services in these

Chapter 11 cases. Concurrently filed with this request is a requested confidentiality order seeking to protect the attorney-client privilege and confidentiality of said time records.

8. With respect to the months of June, July, August, September, and October 2002, comprising the Compensation Period, HSBD has submitted monthly fee statements in the aggregate amount of \$37,647.50 for professional services, and \$60.92 for disbursements on behalf of James Calvin Curry. To date, HSBD has not been reimbursed for professional services or disbursements for the Compensation Period. HSBD requests payment of \$37,708.42, representing 100 percent of the outstanding balance for professional services rendered and disbursements made on behalf of James Calvin Curry during the Compensation Period. Time spent preparing this Application is not included within the time for which compensation is sought.

9. To the extent time or disbursement charges for services rendered or disbursements incurred relate to the Compensation Period, but were not processed prior to the preparation of this Application, HSBD reserves the right to request additional compensation for such services and reimbursement of such expenses in a future application.

10. To date, HSBD has not been paid any previously allowed compensation or reimbursements for professional services rendered.

## **BACKGROUND**

11. Commencing on December 2, 2001 (the "Petition Date"), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession

pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Pursuant to its authority under section 1102 of the Bankruptcy Code, the United States Trustee for the Southern District of New York appointed the Official Committee of Unsecured Creditors (the “Committee”) on December 12, 2001 and the Employment Related Issues Committee on March 29, 2002.

12. On March 29, 2002, after notice and a hearing, this Court entered an Order, *inter alia*, Authorizing Retention and Employment, *nunc pro tunc*, of Swidler Berlin Shereff Friedman, LLP as Special Employees’ Counsel and Granting Related Relief (the “March 29 Order”). Swidler Berlin Shereff Friedman’s (“SBSF”) retention as Special Employees’ Counsel was authorized pursuant to sections 105(a), 327(e) and 363b(1) of the Bankruptcy Code, but SBSF agreed that its compensation would be subject to the standards set forth in Bankruptcy Code sections 330 and 331.

13. As part of the application and hearing with respect to the March 29 Order, the reasons why current and former Enron employees required legal counsel were made a matter of record. As the Debtors explained in their application to retain SBSF, prior to and since the Petition Date, various governmental entities and agencies have been conducting investigations concerning the Enron Companies, the precipitous decline in their financial condition, the events leading to the filing of the Debtors’ Chapter 11 petitions, their employee benefit plans, certain of the Enron Companies’ trading operations, and other related issues (such investigations and any additional governmental investigations that may be commenced concerning the Enron Companies are referred to collectively as the “Investigations”). The governmental entities and agencies that have commenced Investigations include the Securities and Exchange Commission (the “SEC”),



numerous Congressional committees, the Department of Justice (the “DOJ”), the Commodity Futures Trading Commission (the “CFTC”), the Federal Energy Regulatory Commission (the “FERC”), the Department of Labor (the “DOL”), the attorneys general of the States of California, Washington and Oregon, the Harris County, (Texas) District Attorneys Office (which shall be referred to as the “Texas Investigation”) and others.

14. With respect to the Texas Investigation, there is a former employee of the Enron Companies, James Calvin Curry, who has not been advised that he is under investigation and who may have information that is relevant to the Texas Investigation and whose assistance, cooperation and participation has been, or likely will be, sought in connection with one or more of the Investigations, in particular, the Texas Investigation (such person represented by HSBD hereinafter called “Employee”).

15. In addition to authorizing certain current and former employees to retain SBSF, Paragraph 4 of the March 29 Order provided for the retention of counsel other than SBSF for employees who are "simply witnesses" in the Investigations and who cannot be represented by SBSF, due to an actual or potential conflict of interest, or if SBSF recommends an individual retain other counsel, or for other reasons. Pursuant to the terms of Paragraph 4 of the March 29 Order, SBSF determined that, since none of its attorneys who were licensed to practice law in the State of Texas were involved in the professional engagement relating to its representation of employees of Enron, it would recommend that Mr. Curry or other Enron employees or ex-employees involved in the Texas Investigation engage counsel other than SBSF in that matter. Mr. Curry retained HSBD to represent him during the course of the Texas Investigation.

16. HSBD filed with the Court a retention application (“HSBD Retention Application”) in order to represent this Employee. Pursuant to the HSBD Retention Order, this Court authorized the retention of HSBD to represent James Calvin Curry during the Compensation Period and the payment of HSBD’s fees and disbursements by the Debtors.

#### **GENERAL SUMMARY OF SERVICES RENDERED**

17. HSBD has rendered extensive professional services on behalf of James Calvin Curry in connection with the Texas Investigation and has facilitated his participation and cooperation with respect thereto. All of the professional services rendered by HSBD are set forth in the computerized time records maintained by HSBD, and the Court is respectfully referred to those records for the details of all of the work performed by HSBD. The following is a summary description of the primary services rendered by HSBD during the Compensation Period, which highlights the benefits conferred upon the Employee, the Debtors, their estates and other parties-in-interest as a result of HSBD’s efforts.

18. HSBD rendered professional services to James Calvin Curry during the Compensation Period with respect to the Texas Investigation being conducted by the Harris County (Texas) District Attorney’s Office that sought information or testimony from the Employee. This investigation can be broadly classified as covering various business activities and property tax practices of Enron.

19. The Harris County (Texas) District Attorney’s Office is or has conducted an investigation into certain of Enron’s business and property tax practices. HSBD represented James Calvin Curry in providing information to, or testimony for, this

government agency. Representation of James Calvin Curry in the Texas Investigation has required HSBD attorneys to gain a thorough understanding of a number of highly complex property tax concepts and standards, as well as James Calvin Curry's knowledge of, and roles in, these matters. In order to properly represent James Calvin Curry and protect his rights, HSBD attorneys had to evaluate all of these matters and James Calvin Curry's participation in or knowledge of them against a number of potentially applicable Texas state statutes.

20. As noted above, the Enron Companies determined that it was in their best interests to encourage all current and former employees to cooperate with the Investigations, and this Court found that providing legal representation for the employees conferred a benefit to the Debtors' estates. In facilitating this policy, HSBD's representation of the Employee has provided substantial benefits to the Debtors' estates, including:

- a. HSBD has assisted James Calvin Curry in providing information requested during the course of the Texas Investigation in a manner that has both satisfied the government agency conducting the Investigation and furthered the policy of cooperation that Enron management had determined was necessary to protect the Enron Companies, and hence, the Debtors' estates.
- b. In providing representation to James Calvin Curry, HSBD has helped the Enron Companies retain current employees and obtain qualified new employees, by demonstrating that the Enron Companies have policies designed to protect the rights of their employees.
- c. In providing this representation, HSBD has protected James Calvin Curry's

constitutional and other legal rights throughout all phases of the Texas Investigation, thereby helping to assure his continued cooperation in the Texas Investigation.

21. Due to the complexity of these Chapter 11 cases and the repeated objections by the Committee to the Debtors' payment of the legal expenses of current and former Enron employees by outside counsel even after the Court issued orders authorizing such payment, HSBD rendered significant professional services in connection with numerous issues attendant to these proceedings, including: preparation of separate HSBD Retention Applications and HSBD Retention Orders approved in separate actions by this Court, attendance at hearings related to each HSBD Retention Application, preparation of responses to the objections filed by the Committee, and, concurrently filed with this Application, a petition to the Court for a Confidentiality Order to protect the attorney-client privilege between HSBD and James Calvin Curry.

22. The amount requested in this Application does not include compensation for services rendered in connection with the preparation of monthly fee statements during the Compensation Period but, instead, only the amount resultant from the time involved in the representation of Mr. Curry's interests in the Texas Investigation.

23. Debtors' business practices and the government's related regulatory structures are complex, and the numerous issues raised during this Investigation and the related proceedings required substantial effort by HSBD's partners, associates, and paraprofessionals. HSBD has addressed the issues in an expeditious and efficient manner, always mindful of the costs to Debtors' estates. As described above, HSBD has provided services to facilitate the Texas Investigation and to help move this Investigation forward.

In addition, HSBD has provided counsel to, advised and vigorously protected the legal rights of James Calvin Curry, while assisting in his cooperation with this Investigation. All of these services have furthered the resolution of the Texas Investigation, and by doing so have benefitted the Employees, the Debtors, their estates and other parties-in-interest.

24. These professional services performed by HSBD were necessary and appropriate to protect the interests of James Calvin Curry, as well as the Debtors, their estates, and other parties-in-interest, and therefore, were necessary to the administration of these Chapter 11 cases. Compensation for these services as requested is commensurate with the complexity, importance, and nature of the problems, issues or tasks involved.

25. During the Compensation Period, HSBD's hourly billing rates for attorneys was \$350 per hour. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable bankruptcy cases in a competitive legal market.

### **THE COMPENSATION REQUESTED**

26. There are numerous factors to be considered by the Court in determining allowances of compensation. *See, e.g., In re First Colonial Corp. of America*, 544 F.2d 1291 (5th Cir. 1977), cert. denied, 431 U.S. 904 (1977); *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir 1974); *In re Drexel Burnham Lambert Group Inc.*, 133 B.R. 13 (Bankr. S.D.N.Y. 1991). *See also In re Nine Associates, Inc.*, 76 B.R. 943 (S.D.N.Y. 1987); *In re Cuisine Magazine, Inc.*, 61 B.R. 210 (Bankr. S.D.N.Y. 1986).

27. The perspective from which an application for an allowance of compensation should be viewed in a reorganization case was aptly stated by Congress

member Edwards on the floor of the House of Representatives on September 28, 1978, when he made the following statement with respect to section 330 of the Bankruptcy code:

[B]ankruptcy legal services are entitled to command the same competency of counsel as other cases. In that light, the policy of this section is to compensate attorneys and other professionals serving in a case under title 11 at the same rate as the attorney or other professional would be compensated for performing comparable services other than in a case under title 11. Contrary language in the Senate report accompanying S.2266 is rejected, and *Massachusetts Mutual Life Insurance Co. v. Brock*, 405 F.2d 429, 432 (5th Cir 1968) is overruled. Notions of economy of the estate in fixing fees are outdated and have no place in a bankruptcy code. 124 Cong. Rec. H11, 089 (daily ed. Sept. 28, 1978) (emphasis added). See also *In re McCombs*, 751 F.2d 286 (8th Cir. 1984); *In re Drexel Burnham Lambert Group Inc.*, 133 B.R. at 13; *In re Carter*, 101 B.R. 170 (Bankr. D.S.D. 1989); *In re Public Service Co. of New Hampshire*, 93 B.R. 823 (Bankr. D.N.H. 1988); *In re White Motor Credit Corp.*, 50 B.R. 885 (Bankr. N.D. Ohio 1985).

28. The philosophy underlying the adoption of section 330 of the Bankruptcy Code is equally applicable to interim and final compensation. The Bankruptcy Code provides that the same considerations apply to making interim awards of compensation under section 331 as to final allowances under section 330. See *In re Public Service Co. of New Hampshire*, 93 B.R. at 826; *In re International Horizons, Inc.*, 10 B.R. 895 (Bankr. N.D. Ga. 1981). Section 331 of the Bankruptcy Code provides:

A trustee, an examiner, a debtor's attorney, or any professional person employed under section 327 or 1103 of this title may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered before the date of such an application or reimbursement for expenses incurred before such date as is provided under section 330 of this title. After notice and a hearing, the Court may allow and disburse to such applicant such compensation or reimbursement.

11 U.S. C. § 331.

29. In awarding compensation pursuant to sections 330 and 331 of the Bankruptcy Code to professional persons employed under sections 327 and 363 of the Bankruptcy Code, the Court must take into account, among other factors, the cost of comparable non-bankruptcy services. Section 330 of the Bankruptcy Code provides, in pertinent part, for payment of:

- (A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, professional person, or attorney and by any paraprofessional person employed by such person; and
- (B) reimbursement for actual, necessary expenses.

11 U.S.C. § 330(a)(1).

30. The professional services rendered by HSBD have required an expenditure of substantial time and effort. During the Compensation Period, in excess of 150 recorded hours have been expended by HSBD's professionals and paraprofessionals in the rendition of the required professional services for which HSBD seeks compensation.

31. Time and labor devoted, however, is only one of many pertinent factors to be considered in awarding attorney compensation. The number of hours expended must be considered in light of (i) the amount involved and the results achieved to date; (ii) the novelty and difficulty of the questions presented; (iii) the skill requisite to perform properly the legal services; (iv) the preclusion of other employment on behalf of other clients; (v) the customary fee charged to a private client for the services rendered; (vi) awards in similar cases; (vii) time constraints required by the exigencies of the case, including the frequency and amount of time required to be devoted other than during regular business hours; (viii) the experience, reputation and ability of the attorneys rendering services; and (ix) the nature and length of the professional relationship with the

client (collectively, the “Johnson Factors”). *See: Johnson v. Georgia Highway Express*, 488 F.2d at 717-19 (enumerating factors to be considered in awarding attorneys’ fees in equal employment opportunity cases under Title VII); *In re First Colonial Corp. of America*, 544 F.2d at 1298 (applying the Johnson Factors in bankruptcy cases).

32. The majority of the Johnson Factors are codified in section 330(a) of the Bankruptcy Code and have been applied by various courts in making determinations that requested attorneys’ fees constitute reasonable compensation. The Supreme Court has clearly articulated that the “lodestar method”<sup>1</sup> is presumed to subsume the Johnson Factors, as does section 330(a) of the Bankruptcy Code. *See, e.g., Pennsylvania v. Delaware Valley Citizens Counsel for Clean Air*, 483 U.S. 711 (“*Delaware Valley II*”), on remand, 826 F.2d 238 (3d Cir. 1987); *Pennsylvania v. Delaware Valley Citizens Council for Clean Air*, 478 U.S. 546 (1986); *United States Football League v. National Football League*, 887 F.2d 408, 413 (2d Cir. 1989), cert. denied, 493 U.S. 1071 (1990); *Lindy Bros. Builders Inc. v. American Radiator and Standard Sanitary Corp.*, 487 F.2d 161 (3d Cir. 1973), vacated on other grounds, 540 F.2d 102 (3d Cir. 1976); *In re Cena’s Fine Furniture, Inc.*, 109 B.R. 575 (E.D.N.Y. 1990); *In re Drexel Burnham Lambert Group Inc.*, 133 B.R. at 13.

33. HSBD respectfully submits that application of the foregoing criteria more than justifies the compensation requested in this Application.

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<sup>1</sup> Application of the “lodestar method” involves multiplying the number of hours reasonably expended on the case by the reasonable hourly rate of compensation for each attorney. *In re Grant Assocs.*, 154 B.R. 836, 843 (S.D.N.Y. 1993). This method of calculating attorney fees is appropriate in light of section 330(a) of the Bankruptcy Code, which serves as a starting point, permitting bankruptcy courts, in their own discretion, to consider other factors, such as the novelty and difficulty of the issues, the special skills of counsel, and their results obtained. *In re Copeland*, 154 B.R. 693, 698 (Bankr. W. D. Mich. 1993).



34. As described above, HSBD has encountered novel and difficult legal problems during the course of the Compensation Period, involving many areas of expertise. The professional services rendered in the Texas Investigation have been performed by attorneys with broad expertise and high levels of skill in their practice area or specialty. This highly professional group of attorneys has ensured that this representation has progressed in an efficient manner.

35. During the Compensation Period, HSBD has been required to furnish extensive services, which have often occupied a substantial portion of the time of its attorneys. If this were not a case under the Bankruptcy Code, HSBD would charge the Debtors and expect to receive on a current basis, an amount at least equal to the amounts requested herein for the professional services rendered. Pursuant to the criteria normally examined in bankruptcy cases, and based upon the factors to be considered in accordance with sections 330 and 331 of the Bankruptcy Code, the results that have been achieved during the Compensation Period more than substantiate charges in that amount. The services that HSBD has rendered thus far have produced benefits that have inured to the Employees, the Debtors, their estates and their creditors.

36. HSBD's services as counsel to the Employees justifies compensation at least in the amount requested. Thus, HSBD requests that one hundred percent (100%) of such compensation be allowed. In view of the policy underlying sections 330 and 331 of the Bankruptcy Code that attorneys in bankruptcy cases be compensated on parity with attorneys practicing in other fields, it is respectfully submitted that this final compensation should be allowed as requested.

## **HSBD's STAFFING AND BILLING PRACTICES**

37. HSBD has assigned the work performed during the Compensation Period to attorneys having the experience and specialization to perform the services required efficiently and properly, often to the exclusion of providing services for other clients of HSBD. Moreover, to provide the required services on the most economical basis possible, HSBD assigned as much work as possible that did not require significant levels of experience to associates and/or paraprofessionals.

38. This Application summarizes the time and effort required of HSBD attorneys and paraprofessionals during the Compensation Period to address the complex legal issues and a variety of other matters that have arisen as a result of HSBD's position as Counsel to James Calvin Curry. During the Compensation Period, James Calvin Curry called on HSBD to furnish substantial services that often fully occupied the time of a significant number of its attorneys and paraprofessionals. In summary, the services that HSBD has rendered to date have, in HSBD's view, produced benefits that have inured to all parties-in-interest in this case.

## **ACTUAL AND NECESSARY DISBURSEMENTS**

39. As set forth in Exhibit 3 hereto, HSBD has disbursed \$60.92 as actual and necessary expenses incurred in providing professional services during the Compensation Period.

40. With respect to these expenses, HSBD charges \$0.25 per page for internal copying charges; HSBD charges for external copying charges at the provider's charge to HSBD without markup; HSBD charges for computer research at the provider's charge to

HSBD without markup. The basis for these rates is HSBD's calculation of the actual cost of these services and any discounts are passed on to the client. These charges are intended to cover HSBD's direct operating costs, which costs are not incorporated into HSBD's hourly billing rates. Only clients who actually use services of the types set forth in Exhibit 3 are separately charged for such services. The effect of including such expenses as part of the hourly billing rates would impose that cost upon clients who do not require extensive photocopying and other facilities and services. The amount of the standard photocopying charge is intended to allow HSBD to cover the related expenses of its photocopying service. A determination of the actual expenses per page of photocopying, however, is dependant on both the volume of copies and the total expenses attributable to photocopying on an annual basis.

41. Due to the locations of the Investigations occasional delivery of documents and other materials was required as a result of the exigencies and circumstances of these Investigations. The disbursements for such services are not included in HSBD's overhead for the purpose of setting billing rates and HSBD has made every effort to minimize its disbursements for these services.

#### **MEMORANDUM OF LAW**

42. HSBD submits that the relevant legal authorities are set forth herein and that the requirement pursuant to Local Bankruptcy Rule 9013-1 that the Debtors file a memorandum of law in support of this Application is satisfied.

## NOTICE

43. Notice of this Application has been given in accordance with the Amended Case Management Order Establishing, Among Other Things, Noticing Electronic Procedures, Hearing Dates, Independent Website and Alternative Methods of Participation at Hearings, entered February 26, 2002. HSBD submits that such Notice is adequate and sufficient.

## CONCLUSION

44. In light of the complexity of the issues involved, the results achieved, the significant contributions made and time devoted, often under severe time constraints and to the preclusion of other matters, awards of compensation in similar cases, and other factors pertinent to the allowance of compensation, HSBD believes that the compensation sought herein is fair and reasonable and is authorized under the relevant provisions of the Bankruptcy Code.

**WHEREFORE, HSBD** respectfully requests this Court to enter an order (i) allowing and awarding final compensation for professional services rendered during the Compensation Period in the amount of \$37,647.50 and reimbursement for actual and necessary expenses incurred during the Compensation Period in the amount of \$60.92, totaling \$37,708.42, without prejudice to HSBD's right to seek additional compensation for services performed and expenses incurred during the Compensation Period that were not processed at the time of this Application, and (ii) granting HSBD such other and further relief as this Court deems just and proper.

Dated: Houston, TX  
April 8, 2003

Respectfully Submitted,  
Hinton, Sussman, Bailey & Davidson, L.L.P.

By: \_\_\_\_\_  
CHARLEY A. DAVIDSON  
(*admitted pro hac vice*)  
5300 Memorial Dr., Suite 1000  
Houston, Texas 77007  
(713) 864-4477 phone  
(713) 864-8738 fax

**Exhibit 1**

HINTON, SUSSMAN, BAILEY & DAVIDSON, L.L.P.  
Counsel for James Calvin Curry  
5300 Memorial Dr., Suite 1000  
Houston, Texas 77007  
(713) 864-4477  
Charley A. Davidson (*admitted pro hac vice*)

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

	)	
<b>In re:</b>	)	<b>Chapter 11</b>
	)	
<b>ENRON CORP., et al.,</b>	)	<b>Case No. 01-16034 (AJG)</b>
	)	
<b>Debtors.</b>	)	<b>Jointly Administered</b>
	)	

**CERTIFICATION UNDER GUIDELINES FOR FEES AND DISBURSEMENTS  
FOR PROFESSIONALS IN RESPECT OF AMENDED FINAL APPLICATION  
OF HINTON, SUSSMAN, BAILEY & DAVIDSON, L.L.P. FOR FINAL COMPENSATION  
AND REIMBURSEMENTS OF EXPENSES**

I CHARLEY A. DAVIDSON, hereby certify that:

1. I am a member of the firm of Hinton, Sussman, Bailey & Davidson, L.L.P. (“HSBD”), the Applicant herein.

2. I submit this Certification in connection with the filing of HSBD’s first application (the “Application”), pursuant to sections 330(a) and 331 of Title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for the allowance of final compensation for professional services performed by HSBD for the period commencing June 17, 2002 through and including October 1, 2002 (the “Compensation Period”) and for reimbursement of its actual and necessary expenses incurred

during the Compensation Period.

3. Except as may be otherwise set forth herein, described in the Application, or specifically mandated by this Court in these Chapter 11 cases, I hereby certify that I have read the foregoing Application and, to the best of my knowledge, information and belief, obtained through my own participation in its preparation and from those persons who prepared the Application, the fees and disbursements sought in the Application fall within the Order dated March 29, 2002 approving the retention of HSBD, the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted on April 19, 1995 (the "Local Guidelines"), the United States Trustee Guidelines for Reviewing Applications For Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. section 330, adopted on January 30, 1996 (the "UST Guidelines"), the Administrative Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, dated January 17, 2002 (the "Initial Administrative Order"), the Order Supplementing Administrative Order Dated January 17, 2002 Establishing Procedures for Interim Compensation and Reimbursement of Expenses by Establishing Fee Committee, Directing Preparation of Professional Budgets and Formatting for Presentation of Billing Statements, dated April 26, 2002 (the "Fee Committee Order"), the Second Supplemental Order Regarding (A) Procedures for Interim Compensation and Reimbursement of Expenses and (B) Preparation of Professional Budgets and Formatting for Presentation of Billing Statement, dated May 24, 2002 (the "Second Supplemental Fee Order"), the Third Supplemental Order Regarding (A) Procedures for Interim Compensation and Reimbursement of Expenses and (B) Preparation of Professional Budgets and Formatting for Presentation of Billing Statements, dated July 15, 2002 (the "Third Supplemental Fee Order"), the Fourth Supplemental Order Regarding

(A) Procedures for Interim Compensation and Reimbursement of Expenses and (B) Preparation of Professional Budgets and Formatting for Presentation of Billing Statements, dated August 14, 2002 (the “Fourth Supplemental Fee Order”)

4. I further certify that the fees and disbursement sought are billed at rates in accordance with practices customarily employed by HSBD and generally accepted by HSBD’s clients.

5. I further certify that in providing a reimbursable service, HSBD does not make a profit on that service, whether the service is performed by HSBD in-house or through a third party.

6. I further certify that James Calvin Curry has approved the requested amount.

Dated: Houston, TX  
April 8, 2003

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CHARLEY A. DAVIDSON



**Exhibit 2**

**PROFESSIONAL SERVICES RENDERED  
BY HINTON, SUSSMAN, BAILEY & DAVIDSON, L.L.P.  
JUNE 17, 2002 THROUGH OCTOBER 1, 2002**

<b>Name</b>	<b>Position, Year Licensed</b>	<b>Hourly Rate</b>	<b>Hours</b>	<b>Total</b>
Charley A. Davidson	Partner, 1978	\$350.00	64.35	\$22,522.50
Joe W. Bailey	Partner, 1980	\$350.00	25.5	\$8,925.00
Kara Kearney	Law Clerk, N/A	\$100.00	62	\$6,200.00
<b>Total</b>			<b>151.85</b>	<b>\$37,647.50</b>

**Exhibit 3**

**ACTUAL AND NECESSARY DISBURSEMENTS INCURRED  
BY HINTON, SUSSMAN, BAILEY & DAVIDSON, L.L.P.  
ON BEHALF OF JAMES CALVIN CURRY  
JUNE 17, 2002 THROUGH OCTOBER 1, 2002**

<b>Expenses</b>	<b>Amounts</b>
Xerox	\$31.75
Postage	\$2.17
Fax	\$2.00
Administrative Expenses	\$25.00
<b>Total Expenses</b>	<b>\$60.92</b>

**CERTIFICATE OF SERVICE**

I hereby certify on April 8, , 2003 that a true and correct copy of the foregoing Amended Final Application of Hinton, Sussman, Bailey & Davidson, L.L.P., Counsel for Current and Former Enron Employees for and Allowance of Interim Compensation for Professional Services Rendered and for Reimbursement of Actual and Necessary Expenses Incurred from June 17, 2002 Through and Including October 1, 2002 is to be accomplished by Bankruptcy Services, Inc. to all necessary parties pursuant to the Amended Case Management Order Establishing, Among Other Things, Noticing Electronic Procedures, Hearing Dates, Independent Website and Alternative Methods of Participation at Hearings as entered in Case NO. 01-16034 (AJG) In re: Enron Crop., et al (Jointly Administered) on February 26, 2002 and hard copies are delivered by Federal Express with supplemental and confidential information to the following:

Mary Elizabeth Tom Office of US Trustee 33 Whitehall Street, 21st Floor New York, NY 10004	Brian S. Rosen Weil, Gotshal & Manges LLP 767 Fifth Avenue New York, NY 10153
John Silas Hopkins, III Applications Analyst 376 Martin Meadow Pond Road Lancaster, New Hampshire 03584-3218	Luc A. Despins Milbank, T weed, Hadley & McCloy LLP One Chase Manhattan Plaza New York, NY 10005
John J. Marquess Automated Applications Analyst Legal Cost Control 255 Kings Highway East Haddonfield, New Jersey 08033	Ray Bowen, Jr. Enron Corp. 1400 Smith Street Houston, TX 77002
Joseph Patchan Committee Chairman 14800 County Line Road Hunting Valley, Ohio 44022	United States Bankruptcy Court Southern District of New York Room 534, Chambers' Copy Alexander Hamilton Custom House One Bowling Green New York, New York 10004-1408

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CHARLEY A. DAVIDSON