

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re	)	Chapter 11
	)	
FF HOLDINGS CORPORATION, and	)	
FARM FRESH, INC.	)	Case No. 98-37 (JF)
	)	Case No. 98-38 (JF)
Debtors.	)	

**FINAL APPLICATION OF  
KLEHR, HARRISON, HARVEY, BRANZBURG & ELLERS LLP,  
CO-COUNSEL TO FF HOLDINGS CORPORATION AND FARM FRESH, INC.,  
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Name of Applicant: Klehr, Harrison, Harvey, Branzburg & Ellers LLP

Authorized to Provide Professional Services to: FF Holdings Corporation and Farm Fresh, Inc.

Date of Retention: January 7, 1998

Period for which compensation and reimbursement is sought: January 7, 1998 - February 20, 1998

Amount of Compensation sought as actual, reasonable and necessary: \$26,439.75

Amount of Expense Reimbursement sought as actual, reasonable and necessary: \$16,681.26

This is a(n): \_\_\_\_\_ interim  final application.

There is no time or fee charge for the preparation of this application included in this request for compensation.

If this is not the first application filed, disclose the following for each prior application.

<u>Date</u> <u>Filed</u>	<u>Period</u> <u>Covered</u>	<u>Requested</u> <u>Fees/Expenses</u>	<u>Approved</u> <u>Fees/Expenses</u>
n/a	n/a	n/a	n/a

184

<u>Name of Professional Person</u>	<u>Position with the applicant and number of years in that position</u>	<u>Hourly billing rate (including changes)</u>	<u>Total Billed Hours</u>	<u>Total Compensation</u>
Joanne B. Wills	Partner	\$295.00	64.40	\$18,676.00
Morton R. Branzburg	Partner	\$300.00	2.25	\$ 675.00
Richard M. Beck	Partner	\$200.00	9.00	\$ 1,800.00
David S. Eagle	Partner	\$200.00	14.80	\$ 2,960.00

**ASSOCIATES**

Michael R. Nestor	Associate - 3 Years	\$125.00	11.75	\$ 1,468.75
-------------------	---------------------	----------	-------	-------------

**PARA-PROFESSIONALS**

Wendy Warren	Paralegal - 13 Months	\$80.00	10.75	\$ 860.00
--------------	-----------------------	---------	-------	-----------

Grand Total \$26,439.75

Blended Rate \$234.08

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re	)	Chapter 11
	)	
FF HOLDINGS CORPORATION, and	)	
FARM FRESH, INC.	)	Case No. 98-37 (JJF)
	)	Case No. 98-38 (JJF)
Debtors.	)	

**FINAL APPLICATION OF  
KLEHR, HARRISON, HARVEY, BRANZBURG & ELLERS LLP,  
FOR ALLOWANCE OF FINAL COMPENSATION  
AND REIMBURSEMENT OF EXPENSES**

**TO THE HONORABLE JOSEPH J. FARNAN, JR.,  
CHIEF JUDGE, DISTRICT COURT:**

Klehr, Harrison, Harvey, Branzburg & Ellers LLP (“Klehr Harrison”), co-counsel to FF Holdings Corporation and Farm Fresh, Inc. (the “Debtors”), as and for its final application pursuant to 11 U.S.C. §§ 330 and 331 and Bankruptcy Rule 2016 for allowance of compensation for services rendered and for reimbursement of expenses incurred in connection therewith, respectfully represents:

**INTRODUCTION**

1. By this application, Klehr Harrison seeks (I) final allowance of compensation for the professional services rendered by Klehr Harrison as attorneys for the Debtors for the period from January 7, 1998 through February 20, 1998 (the “Final Compensation Period”) in the amount of \$26,439.75, and (ii) final allowance of compensation for actual and necessary expenses incurred by Klehr Harrison during the Final Compensation Period in connection with the rendering of such professional services in the amount of \$16,681.26 for a total payment of \$43,121.01.

## **BACKGROUND**

2. Klehr Harrison was employed under a general retainer to represent the Debtors as bankruptcy co-counsel in connection with these chapter 11 cases pursuant to an Order entered by this Court on January 7, 1998. The Order authorized Klehr Harrison to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

## **SUMMARY OF SERVICES RENDERED DURING THE FINAL COMPENSATION PERIOD**

3. As stated in the Affidavit of Joanne B. Wills, Esquire, attached hereto as Exhibit "A", all of the services for which final compensation is sought herein were rendered for and on behalf of the Debtors solely in connection with these cases and not on behalf of any other entity.

4. The partners and associates of Klehr Harrison who have rendered professional services in these cases during the Final Compensation Period are Joanne B. Wills, Esquire, Morton R. Branzburg, Esquire, Richard M. Beck, Esquire, David S. Eagle, Esquire, Michael R. Nestor, Esquire and Wendy Warren. Klehr Harrison, by and through the above named persons, has investigated the acts, conduct and property of the Debtors and advised the Debtors and co-counsel on a regular basis with respect to legal matters in connection with all aspects of these proceedings. Klehr Harrison has also spent considerable time communicating with unsecured creditors, vendors, litigants and other parties in interest in an effort to administer these bankruptcy cases as efficiently as possible. Finally, Klehr Harrison has assisted in the preparation and filing of numerous motions, responses and other pleadings necessary and/or required in connection with the prosecution of these chapter 11 cases.

5. A detailed exhaustive description of Klehr Harrison's services for the Final

Compensation Period is included in the time reports for legal fees and disbursements attached as Exhibit B and C hereto. These services included, but are not limited to, the following:

(A) General Case Administration

(Fees - \$16,885.75)

This category includes a number of different tasks that were necessary to avoid or lessen the disruption of the Debtors' businesses caused by the bankruptcy filing or to comply with the requirements of the Delaware Court, the Office of the United States Trustee or the Bankruptcy Code, including without limitation maintaining dockets and calendaring, scheduling of hearings of the Bankruptcy Court, telephone conferences with co-counsel regarding various matters, filing and service of pleadings and preparation of the affidavits of mailing and service lists, as well as various miscellaneous matters. In addition, this category includes numerous telephone calls and conferences with creditors regarding questions related to the chapter 11 cases.

(B) Creditor Committee Meetings/Conferences

(Fees - \$260.00)

This category includes time spent in attendance at the Section 341 meeting of creditors.

(C) Court Hearings (including preparation)

(Fees - \$3,383.00)

This category includes time spent attending hearings before this Court as well as time spent preparing for hearings, including review of documents, witness preparation, strategy meetings with Debtors' representatives and co-counsel, preparation of hearing,

preparation of hearing notebooks and hearing agenda letters. The hearings held during the period included, among others, the hearing on first day motions and the hearing regarding approval of the Debtors' Disclosure Statement and confirmation of its Plan of Reorganization.

(D) Lift Relief Matters

(Fees \$464.00)

This category includes time expended in connection with various requests for modification of the automatic stay by certain personal injury claimants and vendors.

(E) Plan and Disclosure Statement Related Matters

(Fees \$5,457.00)

This category includes time related to plan confirmation issues, including preparing, reviewing and filing of the Debtors' Disclosure Statement and Plan, and memoranda in support thereof.

**DISBURSEMENTS**

6. Klehr Harrison incurred actual out-of-pocket expenses in connection with the rendition of the professional services described above in the sum of \$16,681.26 for which Klehr Harrison respectfully requests reimbursement in full. Attached hereto as Exhibit "D" is a summary of the disbursements requested by Klehr Harrison during the Final Compensation Period. None of these expenses is included in the usual business overhead built into Klehr Harrison hourly rate structure.

7. The disbursements and expenses have been incurred in accordance with Klehr Harrison's normal practice of charging clients for expenses clearly related to and required by particular matters. Such expenses were often incurred to enable Klehr Harrison to devote time

beyond normal office hours to matters which imposed extraordinary time demands. Klehr Harrison has endeavored to minimize these expenses to the fullest extent possible.

8. Klehr Harrison's billing rates do not include charges for photocopying, telephone and telecopier toll charges, computerized research, travel expenses, working meals, secretarial overtime, postage and certain other office services, since the needs of each client for such services differ. Klehr Harrison believes that it is fairest to charge each client only for those expenses actually incurred in performing services for it. Klehr Harrison has endeavored to minimize these expenses to the fullest extent possible.

9. Klehr Harrison charges \$.25 per page for in-house photocopying services, and no more than the vendor's charges for computerized research services and only the telephone charges for out-going facsimile transmissions. Klehr Harrison does not charge for in-coming facsimiles.

**FACTORS TO BE CONSIDERED IN AWARDING ATTORNEYS' FEES**

10. The factors to be considered in awarding attorneys' fees have been enumerated in In re First Colonial Corporation of America, 554 F.2d 1291, 1298-99 (5th Cir.), reh'g denied, 547 F.2d 573, cert. denied, 431 U.S. 904 (1977). Klehr Harrison respectfully submits that consideration of these factors should result in the allowance of the full compensation sought.

(A) The Time and Labor Required. The professional services rendered by Klehr Harrison on behalf of the Debtors have required the expenditure of substantial time and effort, as well as a high degree of professional competence and expertise, in order to deal with the legal issues encountered by the Debtors with skill and dispatch. It is respectfully submitted that the services rendered by Klehr Harrison were performed efficiently, effectively and economically.

(B) The Novelty and Difficulty of Question. These cases involved several highly complex issues.

(C) The Skill Requisite to Perform the Legal Services Properly. Klehr Harrison believes that its recognized expertise in the area of corporate insolvency and litigation, its ability to draw from highly experienced professionals in other areas of Klehr Harrison's practice and its creative approach to the resolution of issues, have contributed to the maximization of the Debtors' liquidation efforts.

(D) The Preclusion of Other Employment by Applicant Due to Acceptance of the Case. As a result of the complexity of the issues in these cases and the extensive involvement of the Debtors in every aspect of this case, Klehr Harrison's representation of the Debtors has indeed precluded its acceptance of new clients. The matters requiring attention in these cases have required several attorneys to be assigned to these cases, and to give substantial commitment of their time thereto.

(E) The Customary Fee. Klehr Harrison respectfully submits that the fee sought herein is not unusual given the magnitude of these cases and the time expended in attending to the Debtors' representation, and is commensurate with fees Klehr Harrison has been awarded in other cases, as well as with fees charged by other attorneys of comparable experience.

(F) Whether the Fee is Fixed or Contingent. Pursuant to § 330 and 331 of the Bankruptcy Code, all fees sought by professionals employed under § 1103 of the Bankruptcy Code are contingent pending final approval by this Court, and are subject to adjustment depending upon the services rendered.

(G) Time Limitations Imposed by Client or Other Circumstances. As already



indicated, Klehr Harrison has been required to attend to numerous issues arising in the Debtors' cases. Often, Klehr Harrison has had to perform those services under significant time constraints requiring attorneys assigned to these cases to work evenings and weekends.

(H) The Amount Involved and Results Obtained. Through the efforts of Klehr Harrison, its co-counsel and the Debtors have been well-informed and active participants in these cases, and its constructive assistance have contributed to the efficient administration of these cases and to a successful Plan. Moreover, the complexity of certain issues presented in these cases, including negotiations with other parties-in-interest, has involved considerable work.

(I) The Experience, Reputation and Ability of the Attorneys. Klehr Harrison has one of the most sophisticated insolvency practices in the region and plays or has played a major role in numerous cases of national importance. Klehr Harrison's experience enabled it to perform the services described herein competently and expeditiously.

(J) The "Undesirability" of the Case. These cases are not undesirable but, as already indicated, these cases have required a significant commitment of time from several of the attorneys assigned to them.

(K) Nature and Length of Professional Relationship. Klehr Harrison was selected as co-counsel to the Debtors on January 7, 1998 and has been rendering services continuously to the Debtors since that date as necessary and appropriate.

#### **ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

11. The professional services rendered by Klehr Harrison have required a high degree of professional competence and expertise so that the numerous issues requiring evaluation and determination by the Debtors during the Final Compensation Period could be attended to with

skill and dispatch and have, therefore, required the expenditure of substantial time and effort. It is respectfully submitted that the services rendered to the Debtors were performed efficiently, effectively and economically, and the results obtained to date have benefited not only the Debtors, but also the creditor body as a whole as well as the Debtors' estates.

12. With respect to the level of compensation, section 330 of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person (including attorneys for the debtor(s)):

Reasonable compensation for actual necessary services rendered by such . . . professional person . . . based on the time, the nature, the extent, and the value of such services, and the cost of comparable services other than in a case under this title . . . .

11 U.S.C. § 330. The clear Congressional intent and policy expressed in this section is to provide for adequate compensation in order to continue to attract qualified and competent practitioners to bankruptcy cases.

13. During the Final Compensation Period, Klehr Harrison's attorneys and paraprofessionals expended an aggregate of 112.95 hours in rendering services on behalf of the Debtors, which services have a fair market value of \$26,439.75. The work involved, and thus the time expended, was carefully assigned in light of the experience and expertise required for a particular task.

14. As shown by this Application and supporting documents, Klehr Harrison spent its time economically and devoted attention to avoiding unnecessary duplication of time spent by others. Attached hereto as Exhibit "C" are summaries of the hours expended by Klehr Harrison attorneys and paraprofessionals during the Final Compensation Period, their normal hourly rates,

and the value of their service.

**CONCLUSION**

15. No agreement or understanding exists between Klehr Harrison and any other person for the sharing of any compensation to be received for professional services rendered or to be rendered in connection with these cases.

16. No prior application has been made to this or any other Court for the relief requested herein for the Final Compensation Period, or an account of the out-of-pocket expenses incurred in connection therewith, except as has been set forth herein.

**WHEREFORE**, Klehr Harrison respectfully requests that this Court enter an order:

- (a) granting Klehr Harrison a final allowance of \$26,439.75 for compensation for professional services rendered to the Debtors during the Final Compensation Period;
- (b) approving final allowance of reimbursements of Klehr Harrison's out-of-pocket expenses incurred for services rendered during the Final Compensation Period on behalf of the Debtors in the amount of \$16,681.26; and

[This space intentionally left blank]

(c) granting such other and further relief as this Court may deem just and proper.

Respectfully submitted,

KLEHR, HARRISON, HARVEY,  
BRANZBURG & ELLERS LLP

By Joanne B. Wills  
Joanne B. Wills, Esquire (#2357)  
919 Market Street, Suite 1000  
Mellon Bank Center  
Wilmington, DE 19801  
(302) 426-1189

Dated: March 30, 1998