

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re) Chapter 11
)
HEARTLAND WIRELESS) Case No. 98-2692 (JJF)
COMMUNICATIONS, INC.,)
)
Debtor.)

**COVER SHEET FOR
FIRST INTERIM AND FINAL APPLICATION FOR
COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES**

This is the first and final fee application for Richards, Layton & Finger. A summary for the application is as follows:

FIRST INTERIM AND FINAL APPLICATION

APPLICANT	DATE FILED	RETENTION DATE	FEES REQUESTED	EXPENSES REQUESTED	TOTAL
Richards, Layton & Finger	05/14/99	12/4/98	\$26,098.50	\$10,391.27	\$36,489.77

209

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HEARTLAND WIRELESS)	Case No. 98-2692 (JJF)
COMMUNICATIONS, INC.,)	
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Debtor.)	

**FIRST INTERIM AND FINAL APPLICATION FOR
COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES**

Name of Applicant: Richards, Layton & Finger, P.A.

Authorized to Provide Professional Services to: Heartland Wireless Communications, Inc.

Date of Retention: December 4, 1999

Period for which compensation and reimbursement are sought: December 4, 1998 through
March 15, 1999

Amount of Compensation sought as actual, reasonable, and necessary: \$26,098.50

Amount of Expense Reimbursement sought as actual, reasonable, and necessary: \$10,391.27

This is a: interim X final application

The total time estimated expended for the preparation of this application is approximately 11.6 hours and the corresponding compensation requested is approximately \$1,544.80 (2.0 x \$350.00 = \$700.00 + 9.6 x \$88.00 = \$844.80). These amounts are included in the above-referenced requests for an allowance of final compensation and reimbursement of expenses.

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

Date Filed	Period Covered	Requested Fees, Expenses	Approved Fees, Expenses
N/A			

**SUMMARY OF TIME EXPENDITURES
FOR DECEMBER 4, 1998 THROUGH MARCH 15, 1999**

Name of Professional	Position and Year Assumed Position	Hourly Billing Rate	Total Hours Billed	Total Compensation
Thomas L. Ambro	Joined firm as an associate in 1976, became director in 1982, Member DE Bar since 1976	\$ 340	26.1	\$ 8,874.00
		350	18.3	6,405.00
Mark D. Collins	Joined firm as an associate in 1993, became director July 1998, Member DE Bar since 1991	\$ 250	.2	\$ 50.00
Daniel J. DeFranceschi	Joined firm as an associate in 1990, Member DE Bar since 1989	\$ 205	13.1	\$ 2,685.50
		208	.1	\$ 20.80
Hillary C. Steinberg	Joined firm as an associate in 1995, Member DE Bar since 1995	\$ 160	9.0	\$ 1,440.00
David Carickhoff, Jr.	Joined firm as an associate in 1998, Member PA, NJ and DE Bars since 1998	\$ 135	7.3	\$ 985.50
		137	8.8	1,205.60
Steven M. Yoder	Joined firm as an associate in 1997	\$ 135	1.0	\$ 135.00
Brenda B. Collins	Paralegal 2 years	\$ 87	13.8	\$ 1,200.60
		88	22.5	1,980.00
Susan D. Williams	Paralegal 14 years	\$ 82	2.7	\$ 221.40
Cynthia M. Lees	Paralegal 4 years	\$ 83	1.3	\$ 107.90
Keith D. Warren	Paralegal 1 year	\$ 82	7.6	\$ 623.20
		83	1.7	141.00
Jacqueline Needam	Case Management Assistant 1 year	\$ 46	.5	\$ 23.00
GRAND TOTAL:				\$ 26,098.50
BLENDED RATE				\$ 194.76

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FOR THE DISTRICT OF DELAWARE

In re) Chapter 11
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HEARTLAND WIRELESS) Case No. 98-2692 (JJF)
COMMUNICATIONS, INC.,)
)
Debtor.)

**FIRST INTERIM AND FINAL APPLICATION OF
RICHARDS, LAYTON & FINGER, P.A., FOR ALLOWANCE
OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Pursuant to sections 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Court’s 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 December 4, 1998 (the “Administrative Order”), and the Court’s General Order No. 32 (“General Order No. 32”), Richards, Layton & Finger, P.A. (“RL&F”) files this **First and Final** Application for Allowance of Compensation and Reimbursement of Expenses (the “Application”). By this Application, RL&F seeks a final allowance of \$26,098.50 as compensation and \$10,391.27 for reimbursement of actual and necessary expenses for a total of \$36,489.77 for the period December 4, 1998 through March 15, 1999 (the “Compensation Period”). In support of this Application, RL&F respectfully represents as follows:

BACKGROUND

1. On December 4, 1998 (the “Petition Date”), Heartland Wireless Communications, Inc. (the “Debtor”) filed its voluntary petition for relief under chapter 11 of the

Bankruptcy Code.

2. The Debtor's retention of RL&F was approved effective as of the Petition Date by this Court's Order dated December 4, 1998 (the "Retention Order"). The Retention Order authorized RL&F to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses it incurred. At all relevant times, RL&F believes that it has been a disinterested person as that term is defined in section 101(14) of the Bankruptcy Code and has not represented or held an interest adverse to the interest of the Debtor.

COMPENSATION PAID AND ITS SOURCE

3. All services for which compensation is required by RL&F were performed for or on behalf of the Debtor.

4. Except to the extent of the retainer paid to RL&F as described in the application seeking approval of RL&F's employment by the Debtor and the interim payments made by the Debtor pursuant to the Administrative Order, during the period covered by this Application, RL&F has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with this case. There is no agreement or understanding between RL&F and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these cases.

FEE STATEMENTS

5. The fee statements for the time period December 4, 1998 through March 15, 1999 are attached hereto as Exhibit A. These statements contain daily time logs describing the time spent by each attorney and paraprofessional for this period. To the best of RL&F's knowledge, this Application complies with the Bankruptcy Code, the Bankruptcy Rules, the Guidelines adopted by

the Office of the United States Trustee (the "Guidelines"), this Court's Order No. 32 ("Order No. 32") and the Administrative Order.

ACTUAL AND NECESSARY EXPENSES

6. A summary of actual and necessary expenses and daily logs of expenses incurred by RL&F for the period December 4, 1998 through March 15, 1999 are attached hereto as Exhibit B.

7. RL&F charges all of its clients \$.15 per page for photocopying expenses, \$1.00 per page for out-going facsimile transmissions, and \$.40 per page for in-coming facsimile transmissions. Actual long-distance carrier charges for outgoing facsimile transmissions are reflected in the long-distance telephone charges.

8. Regarding providers of on-line legal research (e.g., LEXIS and WESTLAW), RL&F charges all its clients the standard usage rates these providers charge, which, due to contractual flat fees, may not always equal RL&F's actual cost. During the Compensation Period, RL&F was under contract to pay these providers a flat fee every month. For certain months the flat fee may be higher than actual usage. For certain other months the flat fee may be lower than actual usage. Charging its clients the on-line providers' standard usage rates allows RL&F to cover adequately the monthly flat fees it must pay to these types of providers.

9. RL&F believes the foregoing rates are the going rates that the majority of law firms charge clients for such services. In addition, RL&F believes that such charges are in accordance with the American Bar Association's ("ABA") guidelines, as set forth in the ABA's Statement of Principles, dated January 12, 1995, regarding billing for disbursements and other charges.

SUMMARY OF SERVICES RENDERED

10. The attorneys of RL&F who have rendered professional services in this case during the Compensation Period are: Thomas L. Ambro, Mark D. Collins, Daniel J. DeFranceschi, Hillary C. Steinberg, David W. Carickhoff, Jr. and Steven M. Yoder¹. Paraprofessional services were provided by Brenda B. Collins, Susan D. Williams, Cynthia M. Lees, Keith D. Warren and Jacqueline Needam.

11. RL&F, by and through the above-named persons, has prepared and/or assisted in the preparation of various applications and orders submitted to the Court for consideration, advised the Debtor on a regular basis with respect to various matters in connection with this case, and has performed all necessary professional services which are described and narrated in detail hereinafter.

SUMMARY OF SERVICES BY PROJECT

12. The services rendered by RL&F during the Compensation Period can be grouped into the categories set forth below. The attorneys and paralegals who rendered services relating to each category are identified, along with the number of hours for each individual and the total compensation sought for each category, in Exhibit A attached hereto (Exhibit A reflects time entries for the period December 4, 1998 through March 15, 1999).

A. Case Administration/Miscellaneous Matters

Fees: \$4,330.10; Total Hours: 31.1

This category includes tasks related to filing documents with the Court, service thereof, maintenance of calendars, communications with the U.S. Trustee, review of notices of appearance, maintaining service lists, and matters related to exclusivity.

¹ Mr. Yoder is not yet a member of the Delaware Bar.

B. Creditor Inquiries

Fees: \$1,342.70; Total Hours: 7.0

This category includes tasks related to responding to creditor inquiries.

C. Meetings

Fees: \$2,266.00; Total Hours: 7.3

This category includes time expended preparing for and attending meetings with the Debtor, members of the Creditors' Committee and individual creditors.

D. Executory Contracts/Unexpired Leases

Fee: \$738.50; Total Hours: 5.1

This category includes tasks related to the analysis of contracts and leases, and matters relating to the assumption, assignment or rejection of executory contracts and unexpired leases.

E. Automatic Stay/Adequate Protection

Fee: \$315.10; Total Hours: 1.1

This category includes tasks related to motions to modify the automatic stay, types of actions where adequate protection is the central issue, and pending matters which affect the automatic stay.

F. Plan of Reorganization/Disclosure Statement

Fees: \$2,544.10; Total Hours: 8.1

This category includes tasks related to the formulation, negotiation, and preparation of the plan of reorganization, the disclosure statement and related corporate documentation and research relating thereto.

G. Claims Administration

Fees: \$1,273.60; Total Hours: 4.2

This category includes tasks related to claim administration and bar date matters, conducting lien searches, review of tax liens, perfecting security interests and discussions with the IRS regarding IRS claims.

H. Court Hearings

Fees: \$6,716.90; Total Hours: 31.3

This category includes preparation for and attendance at court hearings.

I. Schedules/SOFA/U.S. Trustee Reports

Fees: \$822.30; Total Hours: 4.0

This category includes preparation of schedules and amendments, statements of financial affairs and amendments, operating reports and other reports required by the U.S. Trustee or Bankruptcy Court.

J. Employee Issues

Fees: \$68.00; Total Hours: .2

This category includes tasks related to employee wages, benefits, collective bargaining issues, other employee relation matters, ERISA and retiree benefits.

K. Tax Issues

Fees: \$139.00; Total Hours: .4

This category includes tasks related to all federal and state income, property, employment, excise and other tax matters.

L. Litigation/Adversary Proceedings

Fees: \$3,650.80; Total Hours: 19.9

This category includes tasks related to reviewing and addressing litigation and adversary proceedings, such as disputes with trade competitors and vendors.

M. Professional Retention/Fee Issues

Fees: \$223.80; Total Hours: 2.1

This category includes tasks related to preparing applications to retain professionals, objecting to the retention of other professionals and objecting to the fees of other professionals.

N. Final Fee Application Preparation

Fees: \$1,544.80; Total Hours: 11.6

This category includes preparation of interim and final fee applications.

O. Utilities

Fees: \$68.00; Total Hours: .2

This category includes tasks related to utility issues.

P. Insurance

Fees: \$54.80; Total Hours: .4

This category includes tasks related to insurance policies or coverage.

VALUATION OF SERVICES

13. Attorneys and paraprofessionals of RL&F have expended a total of 134.0 hours in connection with this matter during the Compensation Period, as follows:

<u>ATTORNEYS</u>	<u>HOURS</u>	<u>RATE</u>
Thomas L. Ambro	18.3	\$350
Thomas L. Ambro	26.1	\$340
Mark D. Collins	.2	\$250
Daniel J. DeFranceschi	.1	\$208
Daniel J. DeFranceschi	13.1	\$205
Hillary C. Steinberg	9.0	\$160
David Carickhoff, Jr.	8.8	\$137
David Carickhoff, Jr.	7.3	\$135
Steven M. Yoder	1.0	\$135

<u>PARAPROFESSIONALS</u>	<u>HOURS</u>	<u>RATE</u>
Brenda B. Collins	22.5	\$88
Brenda B. Collins	13.8	\$87
Susan D. Williams	2.7	\$82
Cynthia M. Lees	1.3	\$83
Keith D. Warren	1.7	\$83
Keith D. Warren	7.6	\$82
Jacqueline Needam	.5	\$46

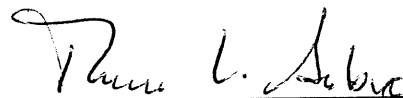
14. The nature of the work performed by these persons is fully set forth in Exhibit A attached hereto. These are RL&F's normal hourly rates for work of this character. The reasonable value of the services rendered by RL&F to the Debtor during the Compensation Period is \$26,098.50.

15. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount requested is fair and reasonable given (a) the complexity of this case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title. Moreover, RL&F has reviewed the requirements of Order No. 32 and believes that this Application complies with that Order.

WHEREFORE RL&F respectfully requests the entry of an order granting (a) an allowance in the amount of \$26,098.50 as compensation for necessary professional services rendered to the Debtor during the Compensation Period and in the amount of \$10,391.27 for reimbursement

of actual necessary costs and expenses during that period; (b) that such sums be authorized for payment less what has been paid previously to RL&F pursuant to the Administrative Order, and (c) for such other and further relief as this Court may deem just and proper.

Dated: May 14, 1999
Wilmington, Delaware



Thomas L. Ambro (No. 677)
RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
P.O. Box 551
Wilmington, Delaware 19899
(302) 658-6541

ATTORNEYS FOR THE DEBTOR

VERIFICATION

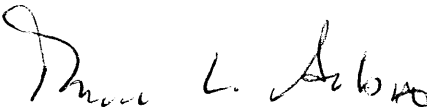
STATE OF DELAWARE :
 :
COUNTY OF NEW CASTLE :

Thomas L. Ambro, after being duly sworn according to law, deposes and says:

a) I am a director with the applicant firm, Richards, Layton & Finger, P.A., and have been admitted to appear before this Court.

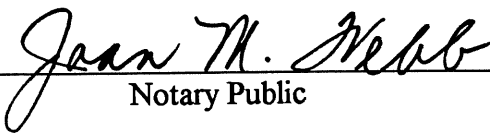
b) I have personally performed many of the legal services rendered by Richards, Layton & Finger, P.A. as counsel to the Debtor and am familiar with the other work performed on behalf of the Debtor by the lawyers in the firm.

c) I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed General Order No. Order 32, and submit that the Application substantially complies with such order.



Thomas L. Ambro

SWORN AND SUBSCRIBED before me this 14th day of May, 1999



Notary Public