

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

IN RE:

IMPERIAL DISTRIBUTING, INC. ET AL

Debtors

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01-140
CHAPTER 11

**SEVENTH INTERIM APPLICATION FOR COMPENSATION
AND REIMBURSEMENT OF EXPENSES OF
J. A. COMPTON & CO., P.C. ACCOUNTANTS FOR
DEBTORS FOR THE PERIOD AUGUST 1, 2001
THROUGH AUGUST 12, 2001**

TO THE HONORABLE JUDGE OF THE UNITED STATES BANKRUPTCY COURT:

COMES NOW J. A. Compton & Co., P.C. ("Applicant"), retained and employed as accountants for Imperial Distributing, Inc. ("Debtors") and files this **SEVENTH INTERIM APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES OF J. A. COMPTON & CO., P.C. ACCOUNTANTS FOR DEBTORS FOR THE PERIOD AUGUST 1, 2001 THROUGH AUGUST 12, 2001** (the "APPLICATION"), and in support of same would demonstrate as follows:

APPLICATION

1. APPLICATION is herein served upon parties as required by the Bankruptcy Code and the local rules.

RELIEF REQUESTED

2. By this APPLICATION, J. A. Compton & Co. P.C. seeks professional fees and expenses for the period AUGUST 1, 2001 through AUGUST 12, 2001 for 80% of \$15,487.22 which equals to \$12,389.78 and 100% of \$16.26 of expenses including preparation of this APPLICATION. J.A. Compton & Co., P.C. seeks an interim allowance of \$12,406.04 total with this application. Applicant has received \$54,483.47 in payment on May 23, 2001 for services and expenses rendered as reported on Applicant's First Interim Application For Compensation and Reimbursement of Expenses for the Period February 1, 2001 to March 26, 2001. Applicant has received a second payment of \$9,173.38 on May 23, 2001 for services and expenses rendered as reported on Applicant's Second Interim Application For Compensation

and Reimbursement of Expenses for the Period March 1, 2001 to March 31, 2001. We also received \$13,418.67 on 6/18/01, which represents 20% of our 1st and 2nd Interim Applications. We received \$50,582.32 on 7/19/01 for services and expenses rendered as reported on Applicant's Third Interim Application For Compensation and Reimbursement of Expenses for the Period April 1, 2001 to April 30, 2001. Also, we received \$41,822.71 for services and expenses rendered as reported on Applicant's Fourth Interim Application For Compensation and Reimbursement of Expenses for the Period May 1, 2001 to May 31, 2001. We received \$52,365.97 on 8/23/01 for services and expenses rendered as reported on Applicant's Fifth Interim Application for Compensation and Reimbursement of Expenses for the Period June 1, 2001 to June 30, 2001. Applicant has totally received \$221,846.52 as of this date. Applicant has received no other compensation as Accountant for the Debtor as disclosed in the application for retention of accountants by the Debtor.

BACKGROUND

3. The Debtors commenced its CHAPTER 11 case JANUARY 16, 2001 and filed its APPLICATION TO EMPLOY ACCOUNTANTS on January 17, 2001. The Order authorizing the Debtors' employment of accountants was signed on MARCH 12, 2001 and entered on MARCH 14, 2001, by the United States Bankruptcy Court for the District of Delaware Division.

4. Applicant has complied with the requisites of Bankruptcy Rule 2016.

PRIOR APPLICATIONS

5. This is Applicant's SEVENTH APPLICATION seeking compensation for all services rendered and expenses incurred in representing the Debtors.

SCOPE OF APPLICATION

6. Applicant seeks compensation for services rendered and expenses incurred on behalf of the Debtors during the period AUGUST 1, 2001 through AUGUST 12, 2001 (the "Subject Period"), a period of approximately one month. Applicant additionally seeks compensation for professional services rendered and expenses incurred in connection with the preparation of this APPLICATION.

COMPENSATION SOUGHT

7. During the Subject Period, Applicant expended a total of 137.03 hours of professional time on behalf of the Debtors at an average rate of \$113.02, exclusive of time spent in connection with preparation

of this APPLICATION. An accounting of the dates such services were rendered by person and by date is filed concurrently herewith as **EXHIBIT "A"** to this APPLICATION and is incorporated herein by reference for all purposes. Fees sought for those services total \$15,487.22.

8. Applicant is seeking reimbursement of expenses incurred in connection with its employment as accountant in the amount of \$16.26. An accounting of expenses is attached hereto as **EXHIBIT "A"**. Each expenditure was a necessary and reasonable cost incident to the performance of Applicant's services to the DEBTORS during the subject period. Expenses incurred in preparation of this APPLICATION were incurred in connection with duplicating and forwarding copies of said APPLICATION in accordance with Rule 2002 of the Rules of Bankruptcy Procedure.

9. All professional services for which an interim allowance is requested were performed by Applicant for and on behalf of the DEBTORS. These services were necessary and essential in order for the DEBTORS to perform its duties pursuant to 11 U.S.C.

10. No agreement or understanding exists between Applicant and any other person with respect to sharing the compensation to be received by Applicant for services rendered or to be rendered in connection with this proceeding, except as disclosed herein.

SUMMARY OF SERVICES

11. Accounting services which have been rendered by Applicant on behalf of DEBTORS during the subject period have been extensive as is reflected in **EXHIBIT "A"**. The following is a narrative summarizing the nature and purpose of each particular service, the approximate number of hours expended and compensation sought, and a list of each accounting professional participating on a particular project.

(a) Claim Objections

General Description of Services – We have assisted the debtor in objecting to claims.

Amount of Time Expended - Applicant expended 137.03 hours and incurred \$15,487.22 fees in the completion of this task. This results in an hourly rate of \$113.02.

Benefits to the Estate – We developed many analyses of the claims database and worked closely with management and counsel to identify reasons for valid claim objections. From our work,

\$142,436,891.73 of claim objections have been developed to increase the return to unsecured creditors.

FACTORS DEMONSTRATING REASONABLENESS OF FEE REQUEST

12. Applicant submits that the following factors support the reasonableness of the fees applied for, in accordance with the guidelines provided by *In re SEVENTH Colonial Corp. of America*, 544 F. 2d 1291 (5th Cir. 1977): herein:

(a) **Benefits to the Estate.** The Estate timely filed thirty-seven sets of schedules and SOFA and twenty-seven sets of amended schedules. Claims are receiving proper objections.

(b) The **Time and Labor Involved.** Applicant expended 137.03 hours of professional time to complete its work during the Subject Period. No travel time has been charged in this APPLICATION. The foregoing descriptions reflect that the time and labor required support a fee of the amount requested, and the skills with which the matters were handled.

(c) **The Novelty and Difficulty of the Questions Undertaken.** The Debtors operates a large and complex business. As with similar bankruptcies, the accounting records of the Debtors are complex and very numerous.

(d) The **Skill Requisite to Perform the Accounting Services Properly.** The descriptions above show that Applicant demonstrated the skills required to achieve the above-described results in this proceeding economically.

(e) **Preclusion of Other Employment by the Applicant Due to Acceptance of this Engagement.** Assisting the DEBTORS in a bankruptcy proceeding of this magnitude has precluded Applicant from accepting and/or being available with respect to employment on other matters for other clients.

(f) The **Amount Involved.** The debts and assets of the Debtors are substantial. Based upon a review of the Debtors' schedules, it appears that the total debt of the Debtors is over one billion dollars while the assets of the Debtors are of the same order of magnitude.

(g) **The Experience, Reputation and Ability of Applicant.** The Applicant has extensive bankruptcy accounting experience, having been retained by creditors in the matters of Melvin Lane Powers; Sakowitz, Inc. and Longhorn Oil & Gas Company, among others. Moreover, Applicant has worked for Debtors in the matters of Coral Petroleum Inc. and United Refining Company. Jeff Compton has experience as a chapter 11 and 7 debtors and has also served as accountant to Debtors and creditors in formal and informal reorganization proceedings during the past thirteen years. He is a Certified Public Accountant and Certified Fraud Examiner. The accomplishments in this case by Applicant were accomplished in a very efficient manner as a result of these skills. Additional staff professionals were of assistance in performing routine tasks at a relatively low hourly rate.

(h) **Undesirability of the Case.** This case has been difficult because of the Debtors' voluminous accounting records.

(i) **Nature and Length of the Professional Relationship with Client.** Under the circumstances of the engagement, this factor does not exist and is not significant in determining the reasonableness of the fee request.

(j) **Awards in Similar Cases.** Applicant relies on the Court's experience and knowledge with respect to the fee awards in similar cases and suggests that this factor would support the fee requested herein. The Compensation applied for in the APPLICATION for the time period involved is based upon fees that are reasonable, usual, customary, and standard fees in this community for services of a similar nature by accountants of similar skill and expertise in other CHAPTER 11 proceedings. Applicant can demonstrate that its fees are equivalent or lower than those charged by others of similar experience and skill.

(k) Whether **the Fee is Fixed or Contingent.** The contingent nature of fees is a significant factor in this APPLICATION for, as the Court is aware, unlike the usual fee arrangement for most accounting services, bankruptcy fee awards are not based strictly on normal contractual evaluation of services to be performed by virtue of an agreement between the accountant and the client, but are awarded, at least in part, upon an evaluation of the services rendered in conjunction with the results obtained.


(l) **Customary Fee.** The hourly rates charged are equal to the rates charged to all

clients of our firm. The hours of work performed would have been performed for the same clients outside of bankruptcy.

(m) **Time Constraints Imposed.** The time allowed for thirty-seven sets of schedules and the subsequent twenty-seven amendments and SOFA was very short, as the case began in January, the schedules were filed during 2/2/01 with confirmation during early August.

CERTIFICATE OF SERVICE

I hereby certify that the complete APPLICATION OF SEVENTH INTERIM APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES OF J. A. COMPTON & CO., P. C. FOR THE PERIOD AUGUST 1, 2001 THROUGH AUGUST 12, 2001 has been served on all creditors and parties-in-interest with known addresses as listed below, by placing the same in the United States mail, postage prepaid, this 26 day of September, 2001, addresses as follows:



J. A. Compton

The Debtors

c/o Imperial Sugar Company
Attn: Chief Financial Officer
One Imperial Square
8016 Highway 90-A
P. O. Box 9
Sugar Land, TX 77487-0009

c/o Imperial Sugar Company
Attn: Mr. Bill Schwer, Executive Vice President
One Imperial Square
8016 Highway 90-A
P. O. Box 9
Sugar Land, TX 77487-0009

Counsel for the Debtors

Young, Conaway, Stargatt & Taylor, LLP
Attn: James Patton, Esq.
11th Floor, The Wilmington Trust Center
P. O. Box 391
Wilmington, Delaware 19899-0391

Baker Botts LLP
Attn: Jack L. Kinzie, Esq.
2001 Ross Avenue
Dallas, Texas 75201-2980

Creditors Counsel

Akin, Gump, Strauss, Hauer & Feld, LLP
Attn: Mr. Kirk Kennedy
1700 Pacific Avenue, Suite 4100
Dallas, Texas 75201-4675

Office of the U.S. DEBTORS

601 Walnut Street
Curtis Center
Suite 950, West
Philadelphia, Pennsylvania 19106

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

IN RE:

IMPERIAL DISTRIBUTING, INC. ET AL

BANKRUPTCY
CASE NO. 01-140
(CHAPTER 11)

DEBTORS.

EXHIBIT "A"

DESCRIPTION OF SERVICES RENDERED, TIME EXPENDED
AND EXPENSES INCURRED DURING THE PERIOD
AUGUST 1, 2001 THROUGH AUGUST 12, 2001

September 18, 2001

J. A. Compton & Co., P.C.
1201 Louisiana, Suite 1035
Houston, TX 77002-5603

TIN: 76-0339066

Invoice submitted to:
Imperial Sugar Company
8016 Hwy. 90A
P.O. Box 9
Sugar Land TX 77487-0009
Mr. Bill Schwer

In Reference To: Imperial Distributing, Inc. et al Chapter 11 Case No. 01-140; In the
U.S. Bankruptcy Court for the District of Delaware

Invoice # 15283

Professional Services

		<u>Hrs/Rate</u>	<u>Amount</u>
	<u>Claim Objections</u>		
8/1/01	DMO Discuss claim register issues and requested information for Friday's meeting; review Omnibus Claim Objection; search Delaware court website re: IRS Form 6123; review local rules re: Form 6123; phone call to bankruptcy court	2.77 125.00/hr	346.56
	MH develop claim register; develop reports requested by Hal to begin coding PeopleSoft for distributions;	6.00 150.00/hr	900.00
	GE looked over the transfer documents	5.00 75.00/hr	375.00
8/2/01	CRB Reviewing notes and sending out e-mail re: status of imperial transfers. Sending out list of transfers to Mary Gregory. Met with Mike and Gerardo. Addressing various issues regarding transferred claims. Preparing letters to send to transferees detailing multiple sells. Updating agreed duplicates within database and updating first omnibus objection accordingly. Printing out most recent section of docket.	8.26 105.00/hr	867.27
	DMO Review revisions to claim register; discuss items with Mike	0.72 125.00/hr	90.17
	JAC staff supervision on claim transfers	1.50 275.00/hr	412.50

		<u>Hrs/Rate</u>	<u>Amount</u>	
8/2/01	MH	work on claim register for meeting tomorrow; work on requested reports (schedules with no POCs and POCs < Sched and < \$5k); work w/ Courtney and Gerardo re: transfers; and linking of sold claims to claim buyer;	7.00 150.00/hr	1,050.00
	GE	wrote a notice letter to buyers who bought claims which had also been sold to someone else.	6.00 75.00/hr	450.00
8/3/01	DMO	Travel to and from Imperial, meeting with Mike, Hal, Roy, Brenda and Randy to discuss claim register and payments to creditors; prepare an Amended Schedule G for Limestone Products, e-mail to distribution list minutes from this morning's meeting; discuss possible options with Mike	6.52 125.00/hr	815.45
	CRB	Updating transfer list from docket and transfer notices.	3.35 105.00/hr	351.28
	MH	Meeting with Hal and Brenda and Randy re: upcoming distributions and claim register; forward omnibus draft to Roy Cordis; meet w/ Jeff and Dina to discuss; work w/ Courtney re: transfers, agreed duplicates, and identify potential transfer problems;	3.50 150.00/hr	525.00
	CRB	Working on inputting transfers into table format, dealing with multiple buys and other transfer issues.	3.90 105.00/hr	409.12
	PW	Input proof of claim in to claim register, file proof of claim, make copy	0.50 55.00/hr	27.50
	GE	entered the new transfer forms received by Madison and Liquidity. Combined those into a list with the amounts bought.	8.00 75.00/hr	600.00
	TI	Helped Mike with imperial transfers identifying multiple purchased claims.	4.50 105.00/hr	472.00
8/6/01	DMO	e-mail re: distribution planning meeting; review e-mails, discuss transfers with Mike Howard	0.36 125.00/hr	45.17
	CRB	Working on transfers. Met with Mike and called Mary to discuss various issues.	3.72 105.00/hr	390.28
	CRB	Sent preliminary list to Mary. Spoke with Mary about how to handle Dice POCs. Adding Dice POCs to first omnibus objection file as appropriate. Working on transfer list.	3.73 105.00/hr	392.06
	MH	work w/ Courtney re: various issues about transfers; speak w/ Mary Gregory re: questions;	1.25 150.00/hr	187.50

			<u>Hrs/Rate</u>	<u>Amount</u>
8/6/01	GE	Doubled checked the list of new transfers that had been entered	4.00 75.00/hr	300.00
8/7/01	CRB	Sorting through Transfer Notices to send Mary copies of multiple sells.	2.35 105.00/hr	246.60
	CRB	Researching multiple transfers on docket.	1.20 105.00/hr	126.12
	CRB	Spoke with Mike about transfer status. Madison Capital call.	0.17 105.00/hr	17.50
	MH	work on update to reports requested by Imperial (sched amts w/ no POCs; and POC < sched amt and < 5k); meet w/ Randy Jones at imperial to discuss data transmissions; work w/ Courtney re: transfer work;	6.00 150.00/hr	900.00
8/8/01	CRB	Working with POC records not yet added to the database. Adapting records to fit the database format.	5.78 105.00/hr	606.52
	PW	Input amended pocs into claim register, copy documents, file, mailed copies back to creditor	0.50 55.00/hr	27.50
	DMO	Phone call with Hal regarding elections, discuss claim register issues (objections, transfers and elections) with Mike and Courtney, review logic in claim register, discuss claim register and PeopleSoft integration with Mike	4.50 125.00/hr	562.50
8/9/01	DMO	Meeting with Mary Gregory and Mike Howard, discuss issues with Mike Howard	2.66 125.00/hr	332.99
	MH	update claim register and forward to Jeff and Dina for comments/review; update Transfer list; for list to Baker Botts for receipt of transfer notices not available to us; meet w/ Dina and Mary Gregory re: transfer questions;	5.00 150.00/hr	750.00
	GE	seperated the transfers according to "problems", and made a list of each category	8.00 75.00/hr	600.00
8/10/01	DMO	Making modifciations to the omnibus objections list	5.29 125.00/hr	660.63
	MH	make changes to Omnibus Objection per Baker Botts (remove growers and add nonfederal taxing authorities); rewrite scripts; adjust spreadsheet; review;	7.00 150.00/hr	1,050.00
	GE	looked up, reference, and copied pocs from the IRS and PBGC. Continued to categorize the "problem" transfers	8.00 75.00/hr	600.00

	<u>Hrs/Rate</u>	<u>Amount</u>
SUBTOTAL:	[137.03	15,487.22]
For professional services rendered	137.03	\$15,487.22
Additional Charges :		
	<u>Qty/Price</u>	
8/3/01 Mileage to sugarland to meet w/ hai, randy, brenda, and roy	25 0.33	8.13
8/7/01 Mileage to sugarland to meet w/ randy jones;	25 0.33	8.13
Total costs		<u>\$16.26</u>
Total amount of this bill		<u>\$15,503.48</u>