

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
INACOM CORP., et al,) Case No. 00-2426 (PJW)
)
Debtors.) Jointly Administered

FIRST AND FINAL APPLICATION OF HAHN LOESER + PARKS LLP AS SPECIAL COUNSEL
FOR DEBTORS AND DEBTORS IN POSSESSION FOR
ALLOWANCE OF FEES AND EXPENSES COVERING PERIOD FROM APRIL 23, 2002
THROUGH JULY 2, 2002

Name of Applicant: Hahn Loeser + Parks LLP

Authorized to Provide Professional Services to: Debtors and Debtors in Possession

Date of Retention: April 23, 2002

Period for which compensation and reimbursement is sought: April 23, 2002 through July 2, 2002

Amount of Compensation sought as actual, reasonable and necessary: \$91,823.50 + estimated fees in the amount of \$6,000, and if a hearing on this Application is required additional fees not to exceed \$1,500 in connection with preparing and prosecuting this Application

Amount of Expense Reimbursement sought as actual, reasonable and necessary: \$8,456.40 + estimated expenses in the amount of \$1,250.00 if a hearing on this Application is required

This is an X interim X final application

The total time expended for fee application preparation is approximately 32.20 hours and the corresponding compensation requested is approximately \$6,000.

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

		Requested		Approved	
Date Filed	Period Covered	Fees	Expenses	Fees	Expenses

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COUNSEL FOR DEBTORS AND DEBTORS IN POSSESSION FOR
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Hahn Loeser + Parks LLP ("HLP"), which served for a limited period of time as special counsel for the above-captioned debtors and debtors in possession (collectively, the "Debtors"), as and for its first and final application (the "Application") for allowance of compensation for professional services rendered and reimbursement of expenses incurred from April 23, 2002 through July 2, 2002, inclusive (the "Application Period"), respectfully represents:

PRELIMINARY STATEMENT

1. The Debtors are in the midst of effectuating an orderly liquidation process that is designed to maximize the value that is available in these estates.

2. HLP's requested allowance of compensation for services rendered and reimbursement for expenses incurred reflects the requisite time, skill and effort expended towards the goals of assisting the Debtors in investigating and prosecuting avoidance actions against certain of the Debtors' prepetition professionals and other service providers.

BACKGROUND

3. On June 16, 2000 (the "Petition Date") each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

On June 30, 2000 the United States Trustee for the District of Delaware appointed an official committee of unsecured creditors in these chapter 11 cases. No trustee or examiner has been appointed herein. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of this Court. The Debtors have continued in the possession of their respective properties and the management of their respective businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code in order to effectuate an orderly liquidation of the Debtors' remaining businesses and assets.

4. The Debtors were formerly a leading single-source provider of information technology products and technology management services to primarily Fortune 1000 clients.

5. Following the sale of their product distribution business, the Debtors experienced significantly reduced service-business revenues (and, hence, much greater than expected losses) and other financial difficulties. As a result, prior to the Petition Date, the Debtors pursued a sale of their remaining businesses and assets. The inability to locate a purchaser for the Debtors' service-related business, which represented a vast majority of the Debtors' business and revenue, coupled with the Debtors' acute liquidity crisis and inability to meet operating liabilities, ultimately led to the filing of these chapter 11 cases. The Debtors have since ceased operations and are in the process of liquidating their assets.

THE DEBTORS' RETENTION OF HLP

6. By Application dated May 9, 2002 [Docket No. 3059] the Debtors requested authority to employ and retain HLP as special counsel for the Debtors, pursuant to section 327(e) of the Bankruptcy Code, to provide legal services necessary to investigate and, if necessary, prosecute avoidance actions against certain pre-petition professionals of the Debtors. On June 14, 2002 the Court entered its Order Authorizing Employment and Retention *Nunc Pro Tunc* to

April 23, 2002 of Hahn Loeser & Parks LLP as Special Counsel for Debtors and Debtors in Possession in Connection with Investigating and, if Necessary, Prosecuting on Behalf of Debtors Avoidance Actions Against Professionals [Docket No. 3326].

7. On June 11, 2002 HLP received from the Debtors a check in the amount of \$2,550 to cover the filing fees associated with filing avoidance adversary proceedings; all but \$300 of that amount was promptly disbursed to the Court for filing fees. On July 15, 2002 HLP received a retainer for legal fees from the Debtors in the amount of \$24,700. HLP is still holding the sum of \$25,000.

8. Effective July 1, 2002 Jean R. Robertson, the HLP partner principally responsible for the Debtors' engagement, withdrew from HLP and joined another law firm. As a result, other than in connection with this Application, HLP ceased rendering services to the Debtors on July 2, 2002.

9. There have been no prior fee requests made by HLP of the Debtors.

10. This Court has jurisdiction of this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of these cases and this application in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409. HLP submits this Application in accordance with sections 330(a) and 331 of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, Local Bankruptcy Rule 32 and the Modified Procedures Order.

THE APPLICATION

11. By this Application, HLP requests that the Court authorize an allowance of compensation for professional services rendered by HLP in the amount of \$91,823.50 and the reimbursement of actual and necessary expenses incurred by HLP in the amount of \$8,456.40 during the Application Period. HLP's services involved the review and analysis of information provided by the Debtors as to the timing and nature of payments made to numerous professional

and other service providers to the Debtors (the “Service Providers”) prior to the Petition Date. HLP also reviewed information available from filings in these cases as to those Service Providers who were retained in these cases.

12. HLP made written requests to the Service Providers to provide information as to the nature of the prepetition payments made by the Debtors and whether or not any defenses existed to the avoidance of such payments under chapter 5 of the Bankruptcy Code. Some of the Service Providers responded to such request.

13. On June 11, 2002, HLP filed on behalf of the Debtors adversary proceedings seeking the avoidance of prepetition payments against fifteen Service Providers. Following such filings HLP engaged in discussions with counsel for such Service Providers tolling such proceedings while the parties engaged in informal discovery.

14. At that point, due to the withdrawal from HLP of Ms. Robertson, HLP’s services to the Debtors were terminated as of July 2, 2002.

15. A complete description of all of HLP’s services during the Application Period is set forth in the time detail contained in the attached Exhibit A. Annexed hereto as Exhibit B is a schedule that summarizes the time spent by each professional and para-professional on each of four matter numbers established and used by HLP for this engagement. In addition, HLP estimates that it will incur fees in an amount not to exceed \$6,000 and, if a hearing on this Application is required additional fees not to exceed \$1,500 and expenses not to exceed \$1,250, in connection with preparing and prosecuting this Application.

16. Bankruptcy Code Section 330 authorizes “reimbursement for actual, necessary expenses” incurred by special counsel to a debtor. 11 U.S.C. §330(a)(1)(B) “Once documented, ‘actual and necessary expenses’ are automatically reimbursable.” *In re Liberal Market, Inc.*, 24

B .R. 653, 658 (Bankr. S.D. Ohio 1982). HLP seeks reimbursement for expenses incurred in rendering services during the Application Period in the amount of \$8,456.40. A summary of actual and necessary expenses incurred by HLP for the Application Period is attached hereto and included in Exhibit B. Copies of supporting documentation for these expenses are available upon request.

17. HLP does not charge its clients for domestic long distance telephone calls (except for calls to State corporation authorities as a part of HLP's investigation of the adversary proceeding defendants in advance of the filing of the adversary proceedings) and incoming or outgoing facsimiles. In addition, HLP's photocopy charges reflect only the costs HLP incurs for outside photocopy projects and internal copy projects in excess of 200 images at 15 cents per copy, which is fair, reasonable and well below the 50 cents per copy authorized by statute for copies made by the clerks of the United States Courts. 28 U.S.C. §1914(b); Judicial Conference Schedule of Fees n.4 (rev. May 1, 1987).

18. Other disbursements and expenses have been incurred in accordance with HLP's normal practice of charging clients for expenses clearly related to and required by particular matters. These expenses include, but are not limited to (overnight courier service, bulk postage, Pacer research and computer research). HLP has endeavored to minimize these expenses to the fullest extent possible.

19. The professional services and related expenses for which HLP requests an allowance of compensation and reimbursement of expenses were rendered and incurred in connection with these cases in the discharge of HLP's professional responsibilities as attorneys for the Debtors in their chapter 11 cases. HLP's services have been necessary and beneficial to the Debtors and their estates, creditors and other parties in interest.

PAYMENT UNDER THE MODIFIED PROCEDURES ORDER

20. Pursuant to Order Approving Debtors' Motion for Modification of Prior Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the "Modified Procedures Order") entered in these proceedings on December 12, 2000, Notice of this Application is being provided to, among others, the Notice Parties (as defined in decretal paragraph 3a thereof). Also pursuant to the Modified Procedures Order if no objections are filed with the Court by the Objection Deadline and served on HLP and each of the other Notice Parties then the Debtors are authorized to pay to HLP an amount equal to 80% of the fees and 100% of the expenses requested herein; and if an objection is timely filed, the Debtors are authorized to pay to HLP an amount equal to 80% of the fees and 100% of the expenses not subject to an objection.

CONCLUSION

HLP respectfully submits that it is entitled to receive as reasonable compensation for fees and expenses the full amount requested herein, as such fees and expenses are related to services that were valuable to the Debtors' estates and are reasonable and commensurate with the rates and charges for professional services for attorneys of like standing and experience.

Hahn Loeser has complied with the local rules and Court guidelines in making this request for compensation; see Verification of Lee D. Powar attached hereto as Exhibit C.

Based on the foregoing, HLP respectfully requests that the Court enter an Order in the form attached hereto as Exhibit D, providing:

(a) final allowance and approval of compensation for necessary and beneficial services rendered to and on behalf of the Debtors during the Application Period in the amount of \$91,823.50;

(b) final allowance and approval of actual and necessary expenses incurred in connection with rendering services during the Application Period in the amount of \$8,456.40;

(c) final allowance and approval of (i) compensation for the preparation and prosecution of this Application anticipated to be provided during the period after July 2, 2002 in an amount not to exceed \$6,000; and (ii) if a hearing on this Application is required, additional fees in an amount not to exceed \$1,500 and reimbursement of the necessary and appropriate expenses anticipated to be incurred in connection with such hearing in an amount not to exceed \$1,250.00;

(d) that HLP be authorized to apply in partial satisfaction of such award the retainer it is holding in the amount of \$25,000; and

(e) that the Debtors be directed promptly to pay the balance of such award.

Dated: Cleveland, Ohio
August 16, 2002

HAHN LOESER + PARKS LLP

By: /s/

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