

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
AMERICAN TISSUE INC., <u>et al.</u> <sup>2</sup>	)	Case No. 01-10370(JWV)
	)	(Jointly Administered)
Debtors.	)	
	)	
	)	<b>Objection Deadline: January 29, 2003 at 4:00 p.m.</b>
	)	<b>Hearing Date: t/b/d if necessary</b>

**FINAL APPLICATION OF WILLIAMS, MULLEN CLARK & DOBBINS, P.C. FOR  
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF  
EXPENSES AS COUNSEL TO DEBTOR AND DEBTOR IN POSSESSION FOR  
THE PERIOD FROM AUGUST 1, 2002 THROUGH NOVEMBER 21, 2002**

<b>Name of Applicant:</b>	<b>Williams, Mullen, Clark &amp; Dobbins, P.C.</b>
<b>Authorized to Provide Professional Services to:</b>	<b>Debtor and Debtor in Possession</b>
<b>Date of Retention:</b>	<b>November 23, 2001 (retroactive to October 1, 2001)</b>
<b>Period for which Compensation and Reimbursement is Sought:</b>	<b>August 1, 2002 through November 21, 2002</b>
<b>Amount of Compensation Sought as Actual, Reasonable and Necessary (80% of the services billed):</b>	<b>\$724.80</b>
<b>Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:</b>	<b>\$19.89</b>

This is an:     interim                       final application.

**The total time expended for fee application preparation is approximately 7.5 hours and the corresponding compensation requested is approximately \$1,050.00.**

<sup>2</sup> The following entities are Debtors: American Tissue Inc., 100 Realty Management LLC, American Cellulose Mill Corp., American Tissue Corporation, American Tissue Mills of Greenwich LLC, American Tissue Mills of Neenah LLC, American Tissue Mills of New Hampshire, Inc., American Tissue Mills of New York, Inc., American Tissue Mills of Oregon, Inc., American Tissue Mills of Tennessee LLC, American Tissue Mills of Wisconsin, Inc., American Tissue – New Hampshire Electric Inc., Berlin Mills Railway, Inc., Calexico Tissue Company LLC, Coram Realty LLC, Engineers Road, LLC, Gilpin Realty Corp., Grand LLC, Hydro of America LLC, Landfill of America LLC, Markwood LLC, Paper of America LLC, Pulp of America LLC, Pulp & Paper of America LLC, Railway of America LLC, Saratoga Realty LLC, Tagsons Papers, Inc., Unique Financing LLC.

<b>Name of Professional Person</b>	<b>Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise</b>	<b>Hourly Billing Rate (including changes)</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
Robert D. Perrow	Shareholder 1988 ; Member of VA Bar since 1974	\$300.00	1.9	\$570.00
Ian D. Titley	Shareholder 1997; Member of VA Bar since 1987	\$270.00	0	0
Theodore J. Edlich, IV	Shareholder 1997; Member of VA Bar since 1988	\$250.00	0	0
Dana D. McDaniel	Shareholder 1996; Member of VA Bar since 1988	\$300.00	0	0
Andrew B. Buxbaum	Associate 2001; Member of VA Bar since 2001	\$140.00	2.4	\$336.00
Lisa M. Friend	Paralegal 2000	\$100.00	0	0
C. Nicole Gilliam	Paralegal 1999	85.00	0	0
Leslie D. Randolph	Paralegal 1996	\$95.00	0	0

**Total Fees:                   \$906.00**

**Total Hours:                 4.3**

**Blended Rate:                \$210.70**

COMPENSATION BY PROJECT CATEGORY

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees Requested</b>
<b>Infringement Litigation</b>	<b>1.9</b>	<b>\$ 570.00</b>
<b>Fee Application</b>	<b>2.4</b>	<b>\$ 336.00</b>

EXPENSE SUMMARY

<b>Expense Category</b>	<b>Service Provider (If Applicable)</b>	<b>Total Expenses</b>
<b>Photocopies</b>		<b>\$1.95</b>
<b>Courier Service</b>	<b>Federal Express</b>	<b>\$10.94</b>
<b>Vendor Photocopies</b>		
<b>Telecopies</b>		<b>\$ 7.00</b>

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
AMERICAN TISSUE INC., et al.<sup>3</sup> ) Case No. 01-10370(JWV)  
) (Jointly Administered)  
Debtors. )  
)  
) **Objection Deadline: January 29, 2002 at 4:00 p.m.**  
) **Hearing Date: t/b/d if necessary**

**FINAL APPLICATION FOR  
COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES FOR  
THE PERIOD FROM AUGUST 1, 2002 THROUGH NOVEMBER 21, 2002**

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”), and the Administrative Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Committee Members, If Any, submitted to this Court on October 15, 2001 with a certificate of non-objection (the “Administrative Order”), Williams, Mullen, Clark & Dobbins, P.C. (“WILLIAMS, MULLEN” or the “Firm”) hereby files this Final Application for Allowance of Compensation and Reimbursement of Expenses for August 1, 2002 through November 21, 2002 (the “Application”). By this Application WILLIAMS, MULLEN seeks a monthly interim allowance of compensation in the amount of \$724.80 (80% of \$906.00) and reimbursement of actual and necessary expenses in the amount of \$19.89 for a total of \$744.69 for the period August 1, 2002

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<sup>3</sup> The following entities are Debtors: American Tissue Inc., 100 Realty Management LLC, American Cellulose Mill Corp., American Tissue Corporation, American Tissue Mills of Greenwich LLC, American Tissue Mills of Neenah LLC, American Tissue Mills of New Hampshire, Inc., American Tissue Mills of New York, Inc., American Tissue Mills of Oregon, Inc., American Tissue Mills of Tennessee LLC, American Tissue Mills of Wisconsin, Inc., American Tissue – New Hampshire Electric Inc., Berlin Mills Railway, Inc., Calexico Tissue Company LLC, Coram Realty LLC, Engineers Road, LLC, Gilpin Realty Corp., Grand LLC, Hydro of America LLC, Landfill of America LLC, Markwood LLC, Paper of America LLC, Pulp of America LLC, Pulp & Paper of America LLC, Railway of America LLC, Saratoga Realty LLC, Tagsons Papers, Inc., Unique Financing LLC.

through November 21, 2002 (the "Interim Period"). Given the minimal fees requested since the last WILLIAMS, MULLEN fee application, WILLIAMS, MULLEN respectfully requests that no holdback be required for fees incurred from August 1, 2002. As such, WILLIAMS, MULLEN, respectfully requests that all \$906.00 be paid on account of fees billed during the Interim Period. WILLIAMS MULLEN estimates that an additional five (5) hours will be spent preparing the final fee application, not reflected on \$906.00 amount requested. Accordingly, WILLIAMS, MULLEN requests payment of an additional \$700.00. Additionally, WILLIAMS, MULLEN seeks approval of unpaid fees incurred since its retention date on October 1, 2002 in the amount of \$16,190.95 representing the 20% holdback of fees previously approved on an interim basis (in January and August, 2002), in accordance with the Administrative Order. The total amount requested in this Application is \$17,816.84. In support of this Application, WILLIAMS, MULLEN respectfully represents as follows:

#### BACKGROUND

1. The Debtors filed this Chapter 11 bankruptcy case on September 10, 2001.
2. WILLIAMS, MULLEN was employed to represent the Debtor in this case by Order entered November 23, 2001, nunc pro tunc October 1, 2001, (the "Employment Order") pursuant to application filed October 24, 2001. The Employment Order authorized WILLIAMS, MULLEN's employment with regard to representing one of the Debtors, American Tissue, Inc. ("ATI") in defense of post-petition litigation styled Fort James Operating Corporation, et. al. v. American Tissue, Inc., Case No. 3:01cv634 (the "Infringement Litigation") filed in the United States District Court for the Eastern District of Virginia on September 24, 2001. Because of the urgent nature of the need for legal services, WILLIAMS MULLEN began work on the case on October 1, 2001, the day it was contacted by bankruptcy counsel for the Debtors.

3. WILLIAMS, MULLEN requests compensation pursuant to 11 U.S.C. §§ 330 and 503(b).

4. WILLIAMS, MULLEN and its attorneys and other professionals were employed to undertake the representation of the Debtors at hourly rates set forth in the Notice of Application for Order Under Section 327(e) of the Bankruptcy Code Authorizing the Employment and Retention of Williams Mullen Clark & Dobbins as Special Litigation Counsel for the Debtors and Debtors in Possession previously filed herein. A \$25,000 retainer was requested but has not yet been paid and no cap or limitation on fees or other charges was imposed. It was contemplated in the Firm's employment and disclosed in WILLIAMS, MULLEN's employment application that WILLIAMS, MULLEN would be reimbursed for all out-of-pocket costs incurred, including charges for necessary photocopying, postage, long distance telephone, facsimile, travel and similar expenses.

5. As set forth above, the Debtor submitted to this Court the Administrative Order on October 15, 2001 with a certificate of non-objection. Pursuant to the procedures set forth in the Administrative Order, professionals may request monthly compensation and reimbursement, and interested parties may object to such requests. If no interested party objects to a professional's request within twenty (20) days, and if the Court does not schedule a hearing in respect to a fee application, then the Debtor is authorized and directed to pay the professional eighty-percent (80%) of the fees and one hundred-percent (100%) of the expenses requested in the fee application subject to the filing and approval of quarterly compensation applications which will be scheduled for hearing. Given that this is WILLIAMS, MULLEN's final fee application and that the amounts requested for the Interim Period are minimal, WILLIAMS,

MULLEN requests that the holdback be waived and WILLIAMS, MULLEN be awarded 100% of the fees requested for the Interim Period.

### **Fee Statements**

The fee statement for the Interim Period is attached hereto as Exhibit 1. This statement contains daily time logs describing the time spent by each attorney and paraprofessional during the Interim Period.<sup>4</sup> To the best of WILLIAMS, MULLEN's knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the local rules of this Court, and the Administrative Order. WILLIAMS, MULLEN's charges for its professional services are based upon the time, nature, extent and value of such services and the cost of comparable services other than in a case under the Bankruptcy Code.

### **Actual and Necessary Expenses**

1. A summary of actual and necessary expenses incurred by WILLIAMS, MULLEN for the Interim Period is attached hereto as part of Exhibit 2. WILLIAMS, MULLEN customarily charges \$0.15 per page for photocopying expenses related to cases, such as this one, arising in Virginia. WILLIAMS, MULLEN's photocopying machines automatically record the number of copies made when the person that is doing the copying enters the client's account number into a device attached to the photocopier. WILLIAMS, MULLEN summarizes each client's photocopying charges on a daily basis.

2. WILLIAMS, MULLEN charges \$1.00 per page for out-going facsimile transmissions. There is no additional charge for long distance telephone calls on faxes. The

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<sup>4</sup> As noted above, WILLIAMS, MULLEN has spent an additional five (5) hours preparing this Final Fee Application. This time is not reflected on Exhibit 1.

charge for outgoing facsimile reflects WILLIAMS, MULLEN's calculation of the actual costs incurred by WILLIAMS, MULLEN for the machines, supplies and extra labor expenses associated with sending telecopies and is reasonable in relation to the amount charged by outside vendors who provide similar services.

3. Regarding providers of on-line legal research (e.g., WESTLAW), WILLIAMS, MULLEN charges the standard usage rates these providers charge for computerized legal research. WILLIAMS, MULLEN bills its clients the actual cash charged by such services, with no premium. Any volume discount received by WILLIAMS, MULLEN is passed on to the client.

4. WILLIAMS, MULLEN believes the foregoing rates are the market rates that the majority of law firms charge clients for such services. In addition, WILLIAMS, MULLEN 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.

5. This Application may not contain an itemization for all expenses incurred by the Firm in connection with its representation of the Debtor during the Application Period. The Firm reserves the right to request reimbursement of additional expenses for such amounts in connection with future applications.

### **Summary of Services Rendered**

The shareholders, associates and of counsel attorneys of WILLIAMS, MULLEN who have rendered professional services in these cases for which WILLIAMS, MULLEN seeks



compensation are as follows: Robert D. Perrow, Ian D. Titley, Dana D. McDaniel, Theodore J. Edlich, IV and Andrew B. Buxbaum. Paraprofessional assistance was provided by paralegals Leslie D. Randolph, C. Nicole Gilliam and Lisa M. Friend. These are WILLIAMS, MULLEN's normal hourly rates for work of this character. The reasonable value of the services rendered by WILLIAMS, MULLEN to the Debtor during the Interim Period to be paid on an interim basis, is \$906.00.

### Summary of Services by Project

#### A. **The Infringement Litigation**

During this period, WILLIAMS, MULLEN has rendered numerous professional services to the Debtors in connection with the Infringement Litigation. These services included review of case history, various stages of litigation of the infringement dispute and research, discussion of alternative favorable resolutions of these issues for the Debtors and negotiated a settlement.

WILLIAMS, MULLEN began work for this case on the eve of a preliminary injunction hearing without an opportunity to prepare and file an application for employment with this Court and with the risk such application may not be approved. WILLIAMS, MULLEN was able to secure a short continuation of the injunction hearing, gather evidence from the Debtor and prepare legal memoranda and argument in support of the Debtor's position. Subsequently, WILLIAMS, MULLEN was able to negotiate a settlement.

Hours: 4.3                      Total Fees: \$ 570.00

6. Attached as Exhibit 1 is a cumulative chronological summary of all time entries for which professional compensation is requested by WILLIAMS, MULLEN.

7. Attached as Exhibit 2 is a cumulative summary of all out-of-pocket expenses for which reimbursement is requested by WILLIAMS, MULLEN. All photocopy and facsimile charges are billed at what WILLIAMS, MULLEN believes to be its actual cost and do not include any component of profit.

8. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by WILLIAMS, MULLEN 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, WILLIAMS, MULLEN has reviewed the requirements of Rule 2016-2 of the Local Rules for the United States Bankruptcy Court for the District of Delaware, and this Application complies with Local Rule 2016-2.

WHEREFORE, WILLIAMS, MULLEN respectfully requests that the Court enter an order, in the form attached hereto, providing that, for the Interim Period, an allowance be made to WILLIAMS, MULLEN in the sum of \$724.80 as compensation for necessary professional services rendered, and the sum of \$19.89 for expenses incurred for a total of \$744.69, that such sums be authorized for payment; that the requirement of a holdback be waived given that this is the final fee application and the amount of fees requested are minimal; that the fees incurred in preparing this Application, \$700.00 be awarded to WILLIAMS, MULLEN immediately, and additionally WILLIAMS, MULLEN respectfully requests that the Court enter an order, the form attached hereto, providing that an allowance be made to WILLIAMS, MULLEN in the sum of \$16,190.95 representing the 20% holdback from prior interim fee applications, and for such other and further relief as this Court may deem just and proper.

Dated: December \_\_, 2002

CERTIFICATION

33. WILLIAMS, MULLEN certifies that American Tissue Inc., et al., the Debtors in this case, has reviewed and approved the professional compensation and reimbursement of expenses requested herein.

WILLIAMS, MULLEN, CLARK & DOBBINS, P.C.

By: Robert D. Perrow  
Robert D. Perrow

Title: SHAREHOLDER

Robert D. Perrow – VSB No. 14766  
WILLIAMS, MULLEN, CLARK & DOBBINS, P.C.  
1021 East Cary Street  
P. O. Box 1320  
Richmond, Virginia 23218-1320  
(804) 783-6480  
Special Counsel for the Debtors

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