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5 Co-Counsel to the Official Committee  
6 of Creditors Holding Unsecured Claims

7  
8 UNITED STATES BANKRUPTCY COURT  
9 SOUTHERN DISTRICT OF CALIFORNIA

10 In re  
11 LEAP WIRELESS INTERNATIONAL, INC.,  
12 and CRICKET COMMUNICATIONS, INC., et  
al.  
13  
14 Debtors.

Case No. 03-03470- All  
through  
Case No. 03-03535-All  
(Jointly Administered)

Chapter 11 Case

**SECOND INTERIM APPLICATION OF  
IRELL & MANELLA LLP, CO-  
COUNSEL TO THE OFFICIAL  
COMMITTEE OF CREDITORS  
HOLDING UNSECURED CLAIMS,  
FOR COMPENSATION AND  
REIMBURSEMENT OF COSTS;  
MEMORANDUM OF POINTS AND  
AUTHORITIES; AND DECLARATION  
OF JEFFREY M. REISNER IN  
SUPPORT THEREOF**

**Hearing Date and Time:**

DATE: May 6, 2004  
TIME: 10:30 a.m.  
PLACE: Department 2

JUDGE: Hon. Louise DeCarl Adler

**SUMMARY OF FEES AND COSTS REQUESTED BY APPLICANT<sup>1</sup>**

Application Period	October 1, 2003 – January 31, 2004
Total Hours Billed <sup>2</sup>	73.80
Total Fees Requested	\$16,042.50
Total Fees Written-off	\$4,974.50
Total Costs Requested	\$1,096.95
Total Request	\$17,139.45
Blended Hourly Rate	\$217.38

Fees requested and approved in prior applications:

Date Filed or Served	Period Covered	Requested Fees	Requested Expenses	Allowed Fees	Allowed Expenses	Payment Received
11/10/03	4/13/03 – 9/30/03	\$92,858.00	\$4,239.56	\$92,858.00	\$3,818.56	\$96,676.56

<sup>1</sup> Attached hereto as Exhibit "2" is a summary of the total fees and costs incurred by the Applicant during the Application Period.

<sup>2</sup> Includes 28.4 hours of billable work that was voluntarily written-off by Applicant, which lowered the overall fee request by \$4,974.50.

1 **TO THE HONORABLE LOUISE DECARL ADLER, UNITED STATES BANKRUPTCY**  
2 **JUDGE:**

3 Pursuant to the provisions of 11 U.S.C. §§ 328 and 1103, Irell & Manella LLP  
4 (“Applicant”), hereby respectfully applies to this Court for its second interim award of fees for  
5 professional services rendered to, and reimbursement of expenses incurred in its representation  
6 of, the Official Committee of Creditors Holding Unsecured Claims (the “Committee”), duly  
7 appointed in the chapter 11 case of Leap Wireless International, Inc. (the “Debtor”).

8 On June 19, 2003, this Court entered its Order authorizing Applicant’s employment as  
9 co-counsel to the Committee, effective as of April 13, 2003 (the “Employment Order”).

10 Applicant has performed those legal services necessary to represent the Committee in the  
11 Debtor’s chapter 11 case, in accordance with the terms of the Employment Order. Pursuant to  
12 the Employment Order, Applicant worked alongside Committee co-counsel Kramer Levin  
13 Naftalis & Frankel LLP (“Kramer”) in an effort to maximize recoveries for the unsecured  
14 creditors in the most efficient manner possible. In this regard, Kramer coordinated the activities  
15 of the respective firms, only asking Applicant to handle a task when Kramer believed it was  
16 most efficient to do so. Using this process, allocation of responsibility was clear and duplication  
17 avoided.

18 Pursuant to this allocation mechanism, Applicant finally reviewed, processed and filed  
19 all pleadings prepared on behalf of the Committee, while Kramer took a primary role in  
20 negotiations and preparation of substantive pleadings. Applicant also played an important role  
21 by assisting in negotiations and drafting pleadings, by preparing employment and fee related  
22 pleadings on behalf of the Committee’s financial advisors.

23 Applicant made a conscious effort to avoid duplication of effort with Kramer and did not  
24 appear at hearings attended by Kramer attorneys unless absolutely necessary under the  
25 circumstances. In effect, Applicant functioned like a local branch office of Kramer. In so doing,  
26 Applicant helped to save the estate a significant amount of money.

1 On November 10, 2004, Applicant filed the "First Interim Application of Irell & Manella  
2 LLP, Co-Counsel to the Official Committee of Creditors Holding Unsecured Claims, for  
3 Compensation and Reimbursement of Costs," seeking payment of fees and expenses incurred  
4 from April 13, 2003 through September 30, 2003.

5 On December 17, 2003, the Court entered its Order Approving Interim Application of  
6 Irell & Manella LLP for Compensation and Reimbursement of Expenses, allowing fees of  
7 \$92,858.00, costs of \$3,818.56, and authorizing payment of the same. Pursuant to the Court's  
8 order Applicant has received payment of \$96,676.56.

9 By this Application, Applicant seeks approval of compensation and reimbursement of  
10 expenses incurred from October 1, 2003 through January 31, 2004 (the "Application Period"), in  
11 the amount of \$16,042.50 in fees and \$1,096.95 in expenses, for a total of \$17,139.45. The fees  
12 sought in this Application reflect a voluntary reduction of \$4,974.50 in fees, solely attributable  
13 to time spent preparing the first interim fee application. Applicant's write-off of 28.4 hours of  
14 billable time resulted in a decrease in the blended hourly rate for the Application Period from  
15 \$284.78 to \$217.38. Applicant requests that this Court authorize and direct the Debtor to pay to  
16 Applicant all outstanding sums awarded by the Court pursuant to this Application.

17 Applicant incorporates herein by reference the representations contained in the attached  
18 Declaration of Jeffrey M. Reisner (the "Reisner Declaration"). This Application is made and  
19 based upon the attached Memorandum of Points and Authorities, the Reisner Declaration, all  
20 pleadings on file in these cases, and all evidence, both oral and written, that may be submitted  
21 prior to or at the time of the hearing on this Application.

22 By virtue of the rapid pace of the Debtor's chapter 11 case, as well as the complexity of  
23 the Debtor's case and those of its affiliates and the contentious nature of certain of the  
24 proceedings in the case, Applicant has been required to incur the professional fees and costs  
25 described in the Reisner Declaration. However, as detailed herein, Applicant's diligent and  
26 successful efforts in the representation of the Committee significantly benefited unsecured  
27 creditors of the Debtor's estate. Moreover, the work performed by Applicant did not duplicate

1 work performed by Kramer, and Applicant's location and familiarity with local practice in the  
2 Southern District of California allowed Applicant to provide the Committee with the most  
3 efficient representation possible.

4 **WHEREFORE**, Applicant requests that this Court enter an order as follows:

5 1. Awarding to Applicant compensation for the Application Period, pursuant to  
6 sections 328 and 1103 of the Bankruptcy Code, in the amount of \$17,139.45, which consists of  
7 compensation for professional services rendered to the Committee in the amount of \$16,042.50,  
8 reimbursement for expenses incurred on behalf of the Committee in the amount of \$1,096.95, and a  
9 voluntary reduction of \$4,974.50;

10 2. Authorizing and requiring the Debtor to pay to Applicant all sums awarded by the  
11 Court pursuant to this Application; and

12 3. Granting to Applicant such other and further relief as the Court may deem just  
13 and proper under the circumstances of this case.

14 DATED: April 8, 2004

IRELL & MANELLA LLP

15  
16 By: 

Jeffrey M. Reisner

Mike D. Neue

17 Co-Counsel to the Official Committee  
18 of Creditors Holding Unsecured Claims  
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **FACTUAL BACKGROUND**

4 **A. Procedural Background**

5 On April 13, 2003 (the "Petition Date"), the Debtor and certain affiliates each filed a  
6 voluntary petition for relief under chapter 11 of the Bankruptcy Code. By order dated April 14,  
7 2003, the Court consolidated the debtors' cases for joint administration.

8 This Court has jurisdiction over this Application under 28 U.S.C. §§ 157 and 1334. This  
9 matter is a core proceeding within the meaning of 28 U.S.C. § 1408 and 1409. The statutory bases  
10 for the relief requested herein are sections 328 and 1103 of the Bankruptcy Code.

11 **B. Background of the Debtor and the Appointment of the Committee**

12 Prior to the commencement of the Debtor's bankruptcy case, several of the Debtor's largest  
13 holders of unsecured bonds formed the Unofficial Noteholders' Committee to work with the  
14 Debtor and its affiliates regarding a consensual reorganization of their financial and operational  
15 affairs. Immediately prior to the Petition Date, the Unofficial Noteholders' Committee consisted of  
16 Goldman, Sachs & Co., Aspen Advisors, LLC, Qualcom, Inc., Aquitania Partners LP, and Royal  
17 Bank of Canada, all of whom now serve on the Committee.

18 The Unofficial Noteholders' Committee retained Applicant and Kramer to act as its  
19 counsel. In connection with its representation of the Unofficial Noteholders' Committee, Applicant  
20 received a \$25,000.00 prepetition retainer (the "Retainer"). As of the Petition Date, \$16,316.80 of  
21 the Retainer remained in Applicant's client trust account.

22 On April 25, 2003, the Committee was appointed to represent the interests of unsecured  
23 creditors in the Debtor's case.<sup>3</sup> The Committee then retained Applicant and Kramer as its counsel.

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27 <sup>3</sup> The primary representative of the creditors of the Debtor's subsidiaries is the Unofficial Vendor Debt Committee.  
28 The Unofficial Vendor Debt Committee employed both local counsel and lead counsel from New York, as was the case  
with the Committee, and its professionals are compensated by the estates. The Unofficial Vendor Debt Committee is  
represented by Andrews & Kurth and Pyle, Sims, et al.

1 By an Order entered on June 19, 2003 (the "Employment Order"), the Court approved Applicant's  
2 employment, effective as of April 13, 2003.

3 **C. Background of Applicant**

4 Applicant is a limited liability partnership with offices in Century City and Newport Beach,  
5 California. Applicant comprises attorneys duly licensed to practice law before the courts of the  
6 state of California and numerous United States District Courts, including the United States District  
7 Court for the Southern District of California. Applicant specializes in the fields of bankruptcy,  
8 corporate reorganization and insolvency law, among others.

9 Pursuant to Rule 2016 of the Federal Rules of Bankruptcy Procedure and Local Bankruptcy  
10 Rule 2016-2, the Reisner Declaration sets forth information regarding Applicant and the  
11 professionals employed by Applicant who billed time to the Debtor's chapter 11 case. The Reisner  
12 Declaration further sets forth the status of the case, including a narrative summary of the services  
13 performed by Applicant on behalf of the Committee and the resulting benefits to the Committee  
14 and its constituency.

15 Prior to the hearing on this Application, Applicant will submit a declaration from the  
16 Committee's chairperson, Neil Subin, indicating the Committee's support for this Application.

17 **II.**

18 **APPLICANT HAS COMPLIED WITH THE REQUIREMENTS OF RULE 2016 OF THE**  
19 **FEDERAL RULES OF BANKRUPTCY PROCEDURE, LOCAL BANKRUPTCY**  
20 **RULE 2016-2 AND THE UNITED STATES TRUSTEE GUIDELINES**

21 Rule 2016 of the Federal Rules of Bankruptcy Procedure states, in pertinent part, as follows:

22 (a) **Application for compensation or reimbursement**

23 An entity seeking interim or final compensation for services, or  
24 reimbursement of necessary expenses, from the estate shall file an  
25 application setting forth a detailed statement of (1) the services  
26 rendered, time expended and expenses incurred, and (2) the  
27 amounts requested. An application for compensation shall include

1 a statement as to what payments have theretofore been made or  
2 promised to the applicant for services rendered or to be rendered in  
3 any capacity whatsoever in connection with the case, the source of  
4 the compensation so paid or promised, whether any compensation  
5 previously received has been shared and whether an agreement or  
6 understanding exists between the applicant and any other entity for  
7 the sharing of compensation received or to be received for services  
8 rendered in or in connection with the case . . . .

9 Fed. R. Bankr. P. 2016(a). Local Bankruptcy Rule 2016-2 and the “Guide to Applications for  
10 Professional Compensation” (the “Fee Guide”) published by the United States Trustee for the  
11 Southern District of California provide detailed descriptions of the types of information required to  
12 be presented in fee applications.

13 The Reisner Declaration sets forth all information required by Rule 2016 of the Federal  
14 Rules of Bankruptcy Procedure and Local Bankruptcy Rule 2016-2, including a narrative  
15 summarizing the services performed by Applicant on behalf of the Committee. The Reisner  
16 Declaration also addresses Applicant’s compliance with the Fee Guide, and provides information in  
17 conformance with the substantive requirements of the Fee Guide.

18 **III.**

19 **THE BANKRUPTCY CODE PROVIDES FOR THE ALLOWANCE**  
20 **OF COMPENSATION AND FOR REIMBURSEMENT FOR EXPENSES**

21 Section 328 of the Bankruptcy Code authorizes the Court to award counsel for a chapter 11  
22 creditors’ committee reasonable compensation for services rendered. That section provides, in  
23 pertinent part:

24 (a) The trustee, or a committee appointed under section  
25 1102 of this title, with the court’s approval, may employ or  
26 authorize the employment of a professional person under section  
27 327 or 1103 of this title, as the case may be, on any reasonable



1 terms and conditions of employment, including on a retainer, on an  
2 hourly basis, or on a contingent fee basis. Notwithstanding such  
3 terms and conditions, the court may allow compensation different  
4 from the compensation provided under such terms and conditions  
5 after the conclusion of such employment, if such terms and  
6 conditions prove to have been improvident in light of developments  
7 not capable of being anticipated at the time of the fixing of such  
8 terms and conditions.

9 11 U.S.C. § 328(a).

10 The Employment Order establishes that Applicant was employed pursuant to sections 328,  
11 330, and 1103 of the Bankruptcy Code. Moreover, as set forth in detail in the attached Reisner  
12 Declaration, Applicant has established that the requested fees are reasonable and were necessary  
13 given the circumstances of the Debtor's case and the role of the Committee in connection  
14 therewith. Applicant's request for compensation for services rendered to, and reimbursement of  
15 expenses incurred on behalf of, the Committee during the Application Period, satisfies the  
16 requirements of sections 328 and 1103 of the Bankruptcy Code.

17 **IV.**

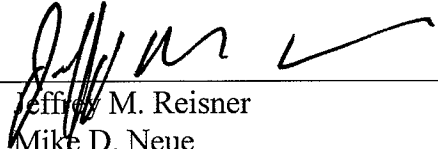
18 **CONCLUSION**

19 Based on the time spent on this matter, the complexity of the issues involved, the results  
20 achieved, the experience of counsel, and the fact that Applicant's hourly rates and charges are  
21 comparable to those charged by similar law firms, Applicant requests that the Court approve this  
22 Application for payment of fees and reimbursement of costs as prayed.

23 DATED: April 8, 2004

IRELL & MANELLA LLP

24  
25 By: \_\_\_\_\_

  
Jeffrey M. Reisner  
Mike D. Neue

Co-Counsel to the Official Committee  
of Creditors Holding Unsecured Claims

1 **DECLARATION OF JEFFREY M. REISNER**

2 I, Jeffrey M. Reisner, hereby declare and state as follows:

3 1. I am a partner of the law firm of Irell & Manella LLP (“Applicant”), counsel to the  
4 Official Committee of Creditors Holding Unsecured Claims (the “Committee”), duly appointed in  
5 the chapter 11 case of Leap Wireless International, Inc. (the “Debtor”).<sup>4</sup> Unless otherwise  
6 indicated, the matters stated herein are within my own personal knowledge and, if called as a  
7 witness, I could and would competently testify thereto.

8 2. I am the attorney with Applicant who has been primarily responsible for overseeing  
9 Applicant’s representation of the Committee.

10 3. I am licensed to practice in all of the courts of the State of California, as well as  
11 admitted to practice before the United States District Court, Southern District of California. I am  
12 authorized to and make this declaration on behalf of Applicant.

13 **THE APPOINTMENT OF THE COMMITTEE IN THE DEBTOR’S CASE AND THE**  
14 **STATUS OF THE DEBTOR’S CASE**

15 4. The Debtor and its affiliates commenced their chapter 11 cases by filing voluntary  
16 petitions for relief on April 13, 2003 (the “Petition Date”).

17 5. Prior to the Petition Date, several of the Debtor’s largest holders of unsecured bonds  
18 formed the unofficial noteholders’ committee (the “Unofficial Noteholders’ Committee”) and  
19 retained Applicant and Kramer Levin Naftalis & Frankel LLP (“Kramer”) as their counsel. On  
20 April 25, 2003, the Committee was appointed to represent the interests of unsecured creditors in the  
21 Debtor’s cases. The members of the Unofficial Noteholders’ Committee became members of the  
22 Committee upon its appointment. On June 19, 2003, this Court entered its Order authorizing  
23 Applicant’s employment as co-counsel to the Committee, effective as of the Petition Date (the  
24 “Employment Order”).<sup>5</sup> Since that time, Applicant has performed those legal services necessary to  
25

26 <sup>4</sup> As the Court is aware, various subsidiaries and other affiliated entities of Leap Wireless International, Inc., including  
27 Cricket Communications, Inc., also commenced bankruptcy cases, which are jointly administered with the Debtor’s  
28 bankruptcy case.

<sup>5</sup> Attached hereto as Exhibit “1” is a true and correct copy of the Order Employing Irell & Manella LLP as Counsel to  
the Official Committee of Unsecured Creditors.

1 represent the Committee in the Debtor's chapter 11 case, in accordance with the terms of the  
2 Employment Order.

3           6. Pursuant to the Employment Order, Applicant worked alongside Committee co-  
4 counsel Kramer Levin Naftalis & Frankel LLP ("Kramer") in an effort to maximize recovery to the  
5 Committee in the most efficient manner possible. In this regard, Kramer coordinated the activities  
6 of the respective firms, only asking Applicant to handle a task when Kramer believed it was most  
7 efficient to do so. Using this process, allocation of responsibility was clear and duplication  
8 avoided.

9           7. Pursuant to this allocation mechanism, Applicant finally reviewed, processed and  
10 filed all pleadings prepared on behalf of the Committee, while Kramer took a primary role in  
11 negotiations and preparation of substantive pleadings. Applicant also played an important role by  
12 assisting in negotiations and drafting pleadings, by preparing employment and fee related pleadings  
13 on behalf of the Committee's financial advisors, and by assisting with issues related to the appeal  
14 of the confirmation order, when requested to do so by Kramer.

15           8. Applicant made a conscious effort to avoid duplication of effort with Kramer and  
16 did not appear at hearings attended by Kramer attorneys unless deemed absolutely necessary under  
17 the circumstances. In effect, Applicant functioned like a local branch office of Kramer. In so  
18 doing, Applicant helped to save the estate a significant amount of money.

19           9. By virtue of the rapid pace of the Debtor's chapter 11 case, as well as the complexity  
20 of the case and the contentious nature of certain of the proceedings in the case, Applicant has been  
21 required to incur the professional fees and costs described below. However, as detailed herein,  
22 Applicant's diligent and successful efforts in the representation of the Committee have been of  
23 significant benefit to unsecured creditors of the Debtor's estate. Moreover, the work performed by  
24 Applicant did not duplicate work performed by Kramer, and Applicant's location and familiarity  
25 with local practice in the Southern District of California allowed Applicant to represent the  
26 Committee in the most efficient manner.

1           10.     Prior to the hearing on this Application, Applicant will submit a declaration from  
2 the Committee's chairperson, Neil Subin, indicating the Committee's support for this Application.

3                           **BACKGROUND OF APPLICANT AND STATUS OF THE CASE**

4           11.     Applicant is a limited liability partnership, which has offices in Century City and  
5 Newport Beach, California. Applicant's practice focuses on, among other areas of law, the fields  
6 of bankruptcy, corporate reorganization, and insolvency law, as well as tax, corporate, securities,  
7 real estate, and litigation matters. An important part of Applicant's chapter 11 practice is the  
8 representation of creditors' committees. Currently, I represent four creditors' committees or their  
9 successors in chapter 11 cases throughout California.

10          12.     All attorneys employed by Applicant who appeared in these cases are duly licensed  
11 to practice in the courts of the State of California and various United States District Courts,  
12 including the Southern District of California. Attached hereto as Exhibit "6" are resumes of the  
13 Applicant's professionals who rendered services to the Committee during the Application Period,  
14 which describe the professionals' education, qualification and work experience. The resume  
15 addresses the information required by Rule 2016 of the Federal Rules of Bankruptcy Procedure and  
16 Local Bankruptcy Rule 2016-2.

17          13.     A summary of fees for services performed and expenses incurred by Applicant in  
18 this case is attached hereto at Exhibit "2." A statement of compensation rates charged by each of  
19 Applicant's professionals involved in this case and the amount of fees attributable to such  
20 professional is attached hereto as Exhibit "7."

21                           **COMPENSATION REQUESTED BY APPLICANT**

22          14.     Applicant received a \$25,000.00 prepetition retainer (the "Retainer") in connection  
23 with its prepetition representation of the Unofficial Noteholders' Committee. Since the Petition  
24 Date, Applicant has not drawn down on the Retainer. The sum of \$16,316.80 remains in  
25 Applicant's client trust account.

26          15.     On November 10, 2004, Applicant filed the First Interim Application of Irell &  
27 Manella LLP, Co-Counsel to the Official Committee of Creditors Holding Unsecured Claims, for

1 Compensation and Reimbursement of Costs, to payment of fees and expenses accruing from April  
2 13, 2003 to September 30, 2003.

3 16. On December 17, 2003, the Court entered its Order Approving Interim Application  
4 of Irell & Manella LLP for Compensation and Reimbursement of Expenses, allowing fees of  
5 \$92,858.00, costs of \$3,818.56, and authorizing payment of the same. Applicant has received  
6 payment of \$96,676.56. Applicant still holds in its client trust account \$16,316.80 of a \$25,000.00  
7 prepetition retainer.

8 17. This is Applicant's second interim application for professional fees and costs. By  
9 this Application, Applicant is requesting that the Court approve the sum of \$16,042.50 in fees and  
10 \$1,096.95 in costs, for a total of \$17,139.45. Applicant incurred these fees and costs on behalf of  
11 the Committee during the period beginning October 1, 2003 and ending January 1, 2004 (the  
12 "Application Period"). The fees sought in this Application reflect a voluntary reduction of  
13 \$4,974.50 in fees, solely attributable to time spent preparing the first interim fee application.  
14 Applicant's write-off of 28.4 hours of billable time resulted in a decrease in the blended hourly rate  
15 for the Application Period from \$284.78 to \$217.36.

16 **SERVICES PERFORMED BY APPLICANT**

17 18. In compliance with the requirements of the Fee Guide, Applicant has created  
18 separate categories for the types of services rendered to the Committee. An analysis of professional  
19 and paraprofessional time spent in each category of services is attached hereto as Exhibit "3." A  
20 summary of the categories of services utilized by Applicant in the Debtor's case is as follows:

- 21 300 Business Operations  
22 400 Case Administration  
23 500 Claims Administration and Objections  
24 600 Employee Benefits/Pension  
25 700 Fee/Employment Application  
26 800 Fee/Employment Objections  
27 1000 Litigation

- 1                   1100 Meetings of Creditors
- 2                   1200 Plan and Disclosure Statement
- 3                   2000 Relief from Stay Proceedings
- 4                   2100 Services for Other Professionals

5           19. Attached hereto as Exhibit "4" is a monthly breakdown of the time spent and the  
6 fees incurred in connection with each category of service to which professional time was billed  
7 during the Application Period. The following is a description of time spent and fees incurred in  
8 each category:

9                   **(300) Business Operations.** Applicant spent a total of 0.1 hours and incurred a total of  
10 \$50.00 in professional fees in connection with this category of services.

11           Applicant's services in this category included the following:

12           (1) Applicant reviewed and analyzed correspondence regarding transitional matters  
13 facing the Debtor.

14                   **(400) Case Administration.** Applicant spent a total of 2.0 hours and incurred a total of  
15 \$694.00 in professional fees in this category of services.

16           Applicant's services in this category included the following:

17           (1) Applicant filed documents and pleadings on behalf of the Committee and ensured  
18 compliance with the requirements of the Local Rules.

19           (2) Applicant regularly monitored the docket in the Debtor's cases and reviewed various  
20 pleadings.

21           (3) Applicant provided information to representatives of the Committee relative to  
22 developments and upcoming matters and hearings in the Debtor's chapter 11 case and conferred  
23 with such representatives regarding its position on various matters.

24                   **(500) Claims Administration and Objections.** Applicant spent a total of 6.7 hours and  
25 incurred a total of \$3,203.00 in professional fees in connection with this category of services.

26           Applicant's services in this category included the following:

27  
28

1 (1) Applicant reviewed various claims against the estates and corresponded with the  
2 Committee regarding the validity and valuation of the claims.

3 (2) Applicant conferred with the Debtor regarding claim objection procedures; and  
4 reviewed and analyzed issues relative to claims objections.

5 (3) Applicant reviewed correspondence and conferred with the Committee regarding the  
6 settlement of claims.

7 **(600) Employee Benefits/Pension.** Applicant spent a total of 0.1 hours and incurred a total  
8 of \$50.00 in professional fees in connection with this category of services.

9 Applicant's services in this category included the following:

10 (1) Applicant reviewed and analyzed correspondence regarding the resignation of the  
11 Debtor's officers.

12 **(700) Fee/Employment Applications.** Applicant spent a total of 13.4 hours and incurred a  
13 total of \$6,280.00 in professional fees in connection with this category of services (not including  
14 the 28.4 hours of billable work, representing fees of \$4,974.50, which were written-off by  
15 Applicant).

16 Applicant's services in this category included the following:

17 (1) Applicant prepared its first interim fee application and the declarations, exhibits, and  
18 memorandum in support thereof.

19 (2) Applicant prepared for and attended the hearing on its first interim fee application

20 **(800) Fee/Employment Objections.** Applicant spent a total of 1.0 hour and incurred a  
21 total of \$160.00 in professional fees in connection with this category of services.

22 Applicant's services in this category included the following:

23 (1) Applicant filed and served an objection to the fee applications of UBS Warburg and  
24 Pricewaterhouse Coopers, professional employed in these cases.

25 **(1000) Litigation.** Applicant spent a total of 0.3 hours and incurred a total of \$150.00 in  
26 professional fees in connection with this category of services.

27 Applicant's services in this category included the following:

1 (1) Applicant reviewed and analyzed correspondence regarding litigation against the  
2 Debtor in Chile by a secured lender of the Debtor.

3 **(1100) Meetings of Creditors.** Applicant spent a total of 0.7 hours and incurred a total of  
4 \$350.00 in professional fees in connection with this category of services.

5 Applicant's services in this category included the following:

6 (1) Applicant facilitated effective and timely communication with the Committee  
7 through its representatives regarding the outline of the Debtors' plan of reorganization and kept the  
8 Committee updated on the events and progress of the Debtors' cases.

9 **(1200) Plan and Disclosure Statement.** Applicant spent a total of 7.3 hours and incurred a  
10 total of \$2,659.50 in professional fees in connection with this category of services.

11 Applicant's services in this category included the following:

12 (1) Applicant reviewed and analyzed various issues arising from the plan confirmation  
13 process, including of plan confirmation issues, estimates of fees, and the status of confirmation  
14 proceedings.

15 (2) Applicant performed legal research regarding appeal of, and a motion to stay, the  
16 Courts' order confirming the plan of reorganization.

17 (3) Applicant also filed and served the Committee's objection to the motion for stay the  
18 Court's order confirming the plan of reorganization.

19 (4) Applicant also performed legal research and drafted a joinder of the Committee to  
20 Debtor's opposition to appeal of the confirmation order

21 **(2000) Relief from Stay Proceedings.** Applicant spent a total of 0.4 hours and incurred a  
22 total of \$200.00 in professional fees in connection with this category of services.

23 Applicant's services in this category included the following:

24 (1) Review and analysis of correspondence regarding the stay of the Court's order  
25 confirming the plan of reorganization and the oppositions thereto.

26 **(2100) Services for Other Professionals.** Applicant spent a total of 13.4 hours and  
27 incurred a total of \$2,246.00 in professional fees in connection with this category of services.



1 Applicant's services in this category included the following:

2 (1) Applicant facilitated the preparation of fee applications, and supporting documents  
3 for other professionals employed by the Committee, including Kramer and Chanin Capital Partners.

4 (2) Applicant filed the Applications and supporting orders for the fee applications of  
5 Kramer and Chanin Capital Partners.

6 20. Attached hereto and incorporated by this reference as Exhibit "5," are the detailed  
7 time records of Applicant concerning its representation of the Committee in the Debtor's case.  
8 These records consist of computer printouts in the form of billing statements prepared and  
9 forwarded to the Committee in the ordinary course of practice by Applicant. Time records are  
10 prepared on a daily basis by the attorneys and legal assistants of Applicant. Time is measured on a  
11 "tenths of an hour basis." The billing statements contain a chronological summary of the time  
12 spent and services rendered to the Committee by Applicant in this case. The billing statements in  
13 this case are set forth under Applicant's File No. 158262 and include services rendered during the  
14 Application Period, as well as the expenses incurred on behalf of the Committee during the  
15 Application Period.

16 **REIMBURSEMENT OF EXPENSES REQUESTED BY APPLICANT**

17 21. As set forth in the Application, Applicant is requesting reimbursement of expenses  
18 incurred during the Application Period in the amount of \$1,096.95. Applicant has prepared a  
19 breakdown of the expenses incurred, on a month-by-month basis, in connection with its  
20 representation of the Committee in these chapter 11 cases, which is attached hereto as Exhibit "8."<sup>6</sup>  
21 Almost all of the following expense categories reflect substantial savings to the estates by virtue of  
22 Applicant's negotiated discounts with outside vendors and utilization of Applicant's extensive  
23 investment in computer and document scanning technologies (for which no reimbursement is  
24 sought) in favor of more expensive traditional copying, fax, overnight delivery and messenger  
25 charges.

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28 <sup>6</sup>For an individual, itemized cost summary, please refer to Exhibit "9," which are Applicant's invoices that were recorded on a monthly basis.

1           22.    The following is a brief cost summary as to the different types of expenses for which  
2 Applicant is seeking reimbursement:

3           A. Document Reproduction: Applicant incurred the total sum of \$328.95 in  
4 document reproduction expenses. Applicant's photocopy equipment will operate only  
5 when a specific client number is entered into the equipment. In addition, the coding system  
6 permits the entry of a code number for the type of photocopying to be done. All of  
7 Applicant's clients, whether debtor, creditor or committee, are charged \$.15 per page, as set  
8 forth in Applicant's retainer agreements with its clients. Wherever possible, Applicant  
9 utilized its scanning and e-mail technology to distribute, at no cost, documents to the  
10 Committee and other parties in the cases.

11           B. Westlaw and Pacer Research. A total of \$97.16 was incurred for online research  
12 in this case. Charges for online research are made at the time the services are utilized and  
13 are recorded by the client to be charged for the online service, the attorney or paralegal  
14 performing the online research, and the time spent therefor. The charges are calculated by  
15 the provider of the services and are based on the time actually spent connected to the data  
16 base.

17           C. Air Freight & Messenger Services: Applicant incurred the sum of \$508.50, in  
18 expedited delivery and messenger service charges during the Application Period.

19           D. Postage: A cost recovery system in Applicant's mail room records the client for  
20 whom postage charges are incurred and the amount to be charged. These charges are then  
21 recorded on the client's account. Applicant incurred the sum of \$38.40 in postage charges  
22 for mailing of various documents in connection with its representation of the Committee in  
23 these chapter 11 cases.

24           E. Long Distance: Applicant incurred the sum of \$2.72 in long distance telephone  
25 charges in these cases. Records of long-distance telephone calls are created and maintained  
26 by a computerized system used by Applicant which includes the date of the call, the  
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telephone number reached, the client to be charged for the call and the attorney or legal assistant making the call.

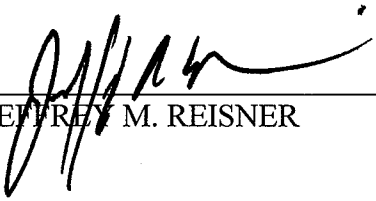
F. Postage: Applicant incurred the total sum of \$38.40 in postage charges for mailing of various notices, motions, pleadings, and correspondence in connection with the representation of the Committee in these chapter 11 cases. A cost-recovery system in Applicant's mail room records the client for whom postage charges are incurred and the amount to be charged.

G. Parking and Mileage: Applicant incurred the sum of \$121.22 for mileage and parking costs in connection with these chapter 11 cases.

23. Other than as between the members of Applicant, no agreement or understanding of any kind exists between Applicant and any other person for the sharing of compensation received or to be received by Applicant for services rendered to the Committee, in connection with these chapter 11 cases.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 8th day of April, 2004, at Newport Beach, California.

  
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JEFFREY M. REISNER