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U.S. BANKRUETOY COURT
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CASE NOS. BK-N 98-30088 GWZ

### UNITED STATES BANKRUPTCY COURT

### DISTRICT OF NEVADA

L3	PEGASUS GOLD CORPORATION, a	through BK-N 98-30105 GWZ (Jointly Administered)
L 4	Nevada corporation; and related entities,  Debtor.	CHAPTER 11
15	Deotor.	APPLICATION OF HARTMAN & ARMSTRONG, LTD. FOR (i)
L6		INTERIM ALLOWANCE OF COMPENSATION FOR
L7		PROFESSIONAL SERVICES RENDERED AND
18		REIMBURSEMENT OF EXPENSES INCURRED FROM DECMBER 1,1998
19		THROUGH FEBRUARY 5, 1999, AND (ii) FOR FINAL ALLOWANCE OF
20		FÉES AND EXPENSES INCURRED DURING THE CHAPTER 11 CASE
21		Hearing Date: May 17, 1999
22		Hearing Time: 9:00 a.m. Set By: LD

Pursuant to 11 U.S.C. Sections 330 and 331, Hartman & Armstrong, Ltd. ("Hartman & Armstrong"), local counsel for the Official Committee of Unsecured Creditors (the "Committee"), hereby makes its fourth interim application for an order allowing compensation for professional services rendered and reimbursement of expenses incurred for the period

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IN RE:

Hartman & Armstrong, Ltd. 427 West Plumb Lane Reno, Nevada 89509 (702) 786-5400

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December 1, 1998 to February 5, 1999. Hartman & Armstrong also makes its final application for allowance of all fees and expenses incurred during the chapter 11 cases (the "Application"). Finally, Hartman & Armstrong requests authority to supplement its Application to cover the time period subsequent to February 5, 1999 for professional services rendered and expenses incurred in connection with its representation of the Committee.

In support of this Application and pursuant to the United States Trustee Guidelines of January 30, 1996, Hartman & Armstrong respectfully represents as follows:

#### I. **BACKGROUND**

A. Hartman & Armstrong served as local counsel for the Committee until February 5, 1999, pursuant to Order of the Bankruptcy Court entered on June 26, 1998. On February 5, 1999, the effective date of the Liquidating Plan, the Committee ceased to exist.<sup>1</sup>

- B. The professional services for which allowance of compensation is requested in this Application were performed by Hartman & Armstrong in its capacity as local counsel for the Committee. During the time period covered by this Application, the Committee's interests were aligned with the interests of the Debtors on several issues, and, thus, Hartman & Armstrong handled several joint filings of the Debtors and the Committee, as well as several filings for the Debtors which the Committee supported.
- C. A description of services performed by Hartman & Armstrong is included in the Statements which are attached hereto as Exhibits A through C. The expenses for which Hartman & Armstrong seeks reimbursement are detailed in Exhibit D.
- D. As set forth in the Exhibits, Hartman & Armstrong has rendered professional services and incurred expenses for the period from December 1, 1998 through February 5, 1999 in the total amount of \$11,208.81, of which \$7,940.50 represents compensation for professional services rendered and \$3,268.31 represents reimbursement for expenses incurred.

<sup>1</sup>Because the Committee is no longer in existence, there is no client to review and approve this Application.

Hartman & Armstrong, Ltd.

E. During the time period covered by this *Application*, 42.95 hours, were expended for professional services rendered on behalf of the Committee. Ms. Armstrong spent 32.20 hours (\$7,245.00); Mr. Miller spend .25 hours (\$43.75) and Mrs. Shaffer and Mrs. Stanley, Hartman & Armstrong's paraprofessionals, expended 4.35 hours (\$282.75) and 6.15 hours (\$369.00), respectively. Hartman & Armstrong is requesting fees at the following hourly rates:

Professionals	Regular Rates		
Sallie B. Armstrong (SBA)	\$225.00/hr.		
Edmond "Buddy" Miller (EBM)	\$175.00/hr		
Paraprofessionals			
Dee A. Shaffer (DAS)	\$ 65.00/hr.		
Vickie Stanley (VLS)	\$ 60.00/hr.		

These rates result in a blended hourly realized rate for the services covered by this *Application* of \$224.62, exclusive of paraprofessional time. The blended hourly rate, including paraprofessional time, is \$184.88. Hartman & Armstrong believes that its rates are within the normal hourly rates charged by other professionals on matters of the types involved in this case. On the basis of the time expended, the nature, extent and value of the service and the costs of comparable services in matters other than a case under the Code, Hartman & Armstrong believes the compensation it is seeking is reasonable.

- F. No agreement or understanding exists between Hartman & Armstrong and any other person or entity for the sharing of the compensation sought herein.
- G. There have been three prior awards of compensation and reimbursement to Hartman & Armstrong in this case, an award on September 3, 1998 in the amount of \$21,817.18 (\$17,644.00 in compensation and \$4,173.18 in reimbursement), an award on November 9, 1998 in the amount of \$27,881.09 (\$23,357.50 in compensation and \$4,523.59 in reimbursement), and an award on January 26, 1999 in the amount of \$37,997.94 (\$29,705.75 in compensation and \$8,289.19 in reimbursement). These amounts have been paid.

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$8,289.19 in reimbursement). These amounts have been paid. BYP

1) 17644.00 4,173.18

2) 23,357.50 4523.59

3) 29,705.75 8,289.19

4) 1940.50 3,268.3)
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H. The Liquidating Trustee, as successor to the Debtors in Pegasus Gold Corporation and Pegasus Gold Inc., has funds available to pay the compensation and expenses sought herein. The Liquidating Plan also contemplated payment of administrative expenses incurred in connection with the Chapter 11 cases.

### Π. REIMBURSEMENT FOR ACTUAL, NECESSARY EXPENSES

A. Hartman & Armstrong seeks \$3,268.31 as reimbursement for expenses incurred. The expenses for which Hartman & Armstrong seeks compensation are itemized on Exhibit D attached hereto.

- В. Said expenses have been calculated in accordance with the guidelines set by the Court at the hearings conducted on August 28, 1998.
- C. Hartman & Armstrong's in-house photocopy charges have been calculated at \$.15 per page and facsimile charges have been calculated at \$1.00 per page for the first twenty pages of a facsimile, and \$.50 per page thereafter.
- D. Expenses incurred by Hartman & Armstrong to third parties are limited to the actual amounts billed or paid by Hartman & Armstrong on behalf of the estate. There was no opportunity to prorate expenses between the estate and other cases.

#### III. TASK SUMMARY

To assist the Court in reviewing professional services rendered by Hartman & Armstrong, Hartman & Armstrong has categorized its services by task, as identified by the United States Trustee Guidelines of January 30, 1996. The tasks rendered by Hartman & Armstrong and the amounts owed in connection with each task are as follows:

### A. Retention of Professionals (Exhibit A).

Hartman & Armstrong spent 6.00 hours for a total now due and owing of \$847.75 on matters primarily related to the retention of Harrison J. Goldin as special consultant.

A breakdown of the services rendered by Hartman & Armstrong in connection with this task is attached as Exhibit A.

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### B. General Representation. (Exhibit B).

Hartman & Armstrong spent 22.15 hours for a total now due and owing of \$4,204.50 in connection with matters relating to general representation.

A breakdown of the services rendered by Hartman & Armstrong in connection with this task is attached as Exhibit B.

### C. **Fee Applications.** (Exhibit C).

Hartman & Armstrong spent 14.80 hours for a total now due and owing of \$2,888.25 on matters related to the fee applications heard by this Court in January 1999.

A breakdown of the services rendered by Hartman & Armstrong in connection with this task is attached as Exhibit C.

### Ш. **SUMMARY OF SERVICES**

Hartman & Armstrong believes that it has cost effectively and efficiently fulfilled its role as local counsel for the Committee in the Debtors' cases. Hartman & Armstrong did not participate in any of the confirmation hearings, and it coordinated with Mayer, Brown only on as needed basis. Hartman & Armstrong believes that allowance in full of the compensation and reimbursement of expenses requested herein is fair, reasonable and appropriate.

Based on the foregoing, Hartman & Armstrong requests that the Court enter an order as follows:

- (a) awarding to it the total amount of \$11,208.81 for compensation for professional services rendered and expenses incurred, of which amount \$7,940.50 represents compensation for professional services rendered and \$3,268.31 represents reimbursement for expenses incurred for the period from December 1, 1998 through February 5, 1999;
- (b) allowing Hartman & Armstrong a final allowance for compensation for professional services rendered and reimbursement of expenses incurred in the amount of \$98,905.02;

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