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U.S. BANKRUPTCY COURT
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14 *of Unsecured Creditors*

15 UNITED STATES BANKRUPTCY COURT
16 DISTRICT OF NEVADA

17 IN RE:
18 PEGASUS GOLD CORPORATION, a
19 Nevada corporation; and related entities,
20
21 Debtor.

CASE NOS. BK-N 98-30088 GWZ
through BK-N 98-30105 GWZ
(Jointly Administered)

CHAPTER 11

**APPLICATION OF HARTMAN &
ARMSTRONG, LTD. FOR (i)
INTERIM ALLOWANCE OF
COMPENSATION FOR
PROFESSIONAL SERVICES
RENDERED AND
REIMBURSEMENT OF EXPENSES
INCURRED FROM DECEMBER 1, 1998
THROUGH FEBRUARY 5, 1999, AND
(ii) FOR FINAL ALLOWANCE OF
FEES AND EXPENSES INCURRED
DURING THE CHAPTER 11 CASE**

Hearing Date: May 17, 1999
Hearing Time: 9:00 a.m.
Set By: LD

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24 Pursuant to 11 U.S.C. Sections 330 and 331, Hartman & Armstrong, Ltd. ("Hartman &
25 Armstrong"), local counsel for the Official Committee of Unsecured Creditors (the
26 "Committee"), hereby makes its fourth interim application for an order allowing compensation
27 for professional services rendered and reimbursement of expenses incurred for the period
28

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

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

8 **I. BACKGROUND**

9 A. Hartman & Armstrong served as local counsel for the Committee until February 5,
10 1999, pursuant to Order of the Bankruptcy Court entered on June 26, 1998. On February 5,
11 1999, the effective date of the Liquidating Plan, the Committee ceased to exist.¹

12 B. The professional services for which allowance of compensation is requested in this
13 *Application* were performed by Hartman & Armstrong in its capacity as local counsel for the
14 Committee. During the time period covered by this Application, the Committee's interests were
15 aligned with the interests of the Debtors on several issues, and, thus, Hartman & Armstrong
16 handled several joint filings of the Debtors and the Committee, as well as several filings for the
17 Debtors which the Committee supported.

18 C. A description of services performed by Hartman & Armstrong is included in the
19 Statements which are attached hereto as Exhibits A through C. The expenses for which
20 Hartman & Armstrong seeks reimbursement are detailed in Exhibit D.

21 D. As set forth in the Exhibits, Hartman & Armstrong has rendered professional services
22 and incurred expenses for the period from December 1, 1998 through February 5, 1999 in the
23 total amount of \$11,208.81, of which \$7,940.50 represents compensation for professional
24 services rendered and \$3,268.31 represents reimbursement for expenses incurred.

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27 ¹Because the Committee is no longer in existence, there is no client to review and
28 approve this Application.

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

5 **II. REIMBURSEMENT FOR ACTUAL, NECESSARY EXPENSES**

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

9 B. Said expenses have been calculated in accordance with the guidelines set by the
10 Court at the hearings conducted on August 28, 1998.

11 C. Hartman & Armstrong's in-house photocopy charges have been calculated at \$.15 per
12 page and facsimile charges have been calculated at \$1.00 per page for the first twenty pages of
13 a facsimile, and \$.50 per page thereafter.

14 D. Expenses incurred by Hartman & Armstrong to third parties are limited to the actual
15 amounts billed or paid by Hartman & Armstrong on behalf of the estate. There was no
16 opportunity to prorate expenses between the estate and other cases.

17 **III. TASK SUMMARY**

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

22 **A. Retention of Professionals (Exhibit A).**

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

25 A breakdown of the services rendered by Hartman & Armstrong in connection with this
26 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.

III. 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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