

1 C. Joseph Guild III  
2 Law Offices of C. Joseph Guild III  
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4 Reno, NV 89509-0907  
5 Nevada Bar No. 002358  
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U.S. BANKRUPTCY COURT  
PATRICIA GRAY, CLERK



Litigation Counsel for Debtors

7 **IN THE UNITED STATES BANKRUPTCY COURT**

8 **FOR THE DISTRICT OF NEVADA**

9 In re: ) Case Nos. BK-N-98-30088-GWZ through  
10 ) BK-N-98-30105-GWZ  
11 PEGASUS GOLD CORPORATION, a ) (Jointly Administered)  
12 Nevada corporation; and related entities, )  
13 Debtors. ) Date of Hearing: May 17, 1999  
14 ) Time of Hearing: 9:00 A.M.  
15 ) Set by: Court

14 **FINAL APPLICATION OF C. JOSEPH GUILD FOR INTERIM**  
15 **COMPENSATION AND REIMBURSEMENT OF EXPENSES AS**  
16 **LITIGATION COUNSEL FOR DEBTORS**

17 The law firm of Joseph Guild ("Guild") hereby applies to this Honorable Court for an  
18 award of final compensation for professional fees and reimbursable costs incurred for the period  
19 from December 1, 1998 through February 28, 1999 (the "Fee Application"). C. Joseph Guild  
20 respectfully represents:

21 1. On January 16, 1998 the above-named Debtors filed Petitions for relief under  
22 Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of  
23 Nevada, Northern Division, ("Bankruptcy Court").

24 2. On June 8, 1998, a hearing was held re: Debtor's Omnibus Motion for  
25 Employment Nunc Pro Tunc of Special Counsel. The Bankruptcy Court approved Guild's  
26 employment as special counsel effective as of the Petition date.

#490 ① 937.50 186.86  
1944 ② 1875.00 215.07  
2172 ③ 112.50 34.80  
2925 436.73 2172

1           3.       Guild's Fee Application requests the award and approval of payment of \$112.50  
2 in professional fees and \$34.80 in reimbursable costs incurred for the period from December 1,  
3 1998 through and including February 28, 1999, for a total amount of \$147.30.

4           4.       A detailed statement of professional services rendered and reimbursable expenses  
5 incurred for the period from December 1, 1998 through and including February 28, 1999, is  
6 attached hereto as Exhibit "A" and incorporated herein by reference.

7           5.       From December 1, 1998 through February 28, 1998 Guild has rendered services  
8 with respect to the matter of Pegasus Gold Corporation v. State of Nevada, Department of  
9 Taxation in the First Judicial District Court of the State of Nevada, Case No. 98-0041A and  
10 which case was removed to Bankruptcy Court on August 7, 1998. Pegasus Gold Corporation is  
11 seeking a sales tax refund in the approximate sum of \$1,200,000.00 from the State of Nevada.  
12 Guild has spent .75 hours working on this case at an hourly rate of \$150.00 for which  
13 compensation is sought in the amount of \$112.50.

14           6.       Guild has requested compensation for services rendered as follows:

15                   TOTAL COMPENSATION REQUESTED:                 \$ 112.50

16           7.       Guild has requested compensation for costs incurred as follows:

17                   Postage                                 \$ 14.25  
18                   Facsimile                               \$ 5.00  
19                   Messenger/Process Service         \$ 10.00  
20                   Copies                                   \$ 5.55

21                   TOTAL COSTS REQUESTED:                 \$ 34.80

22           8.       The total amount due to Guild for services rendered and expenses incurred for  
23 which approval is sought here is:

24                   TOTAL BALANCE FOR SERVICES AND COSTS:     \$ 147.30

25           9.       To date, Guild has been paid \$2745.68 for its post-petition fees and expenses.

1 10. The services provided by Guild have greatly benefited the estate in a number of  
2 ways:

3 a. Throughout its involvement in this case thus far, Guild has generally advised  
4 Debtors regarding sales tax litigation against the State of Nevada and Nevada's  
5 tax laws as they relate to the operation of Debtors' business.

6 b. Throughout its involvement in this case thus far, Guild has provided the  
7 Debtors with counsel and advice regarding the requirements of state tax laws, as  
8 such relate to the plan of reorganization that is being prepared in these cases.

9 11. Guild is entitled to an administrative claim for all attorneys' fees and costs  
10 incurred in representing the Debtors under 11 U.S.C. Section 507(a)(1) and 11 U.S.C. Section  
11 503 (b)(1)(A) and is likewise entitled to request this compensation pursuant to 11 U.S.C.  
12 Sections 330 and 331 and F.R.B.P. Section 2016(A), since such fees and costs were necessary in  
13 preserving the Debtors' estate.

14 12. Guild has not entered into any agreement or understanding contrary to law for the  
15 division of said compensation to be paid to it on account of such legal services.

16 WHEREFORE, Guild prays for Orders on this Second Fee Application as follows:

17 1. Awarding interim compensation and allowing payment in the amount of \$147.30,  
18 including \$112.50 in professional fees and \$34.80 in reimbursable expenses for the period from  
19 December 1, 1998 through and including February 28, 1999, as set forth above; and  
20

21 2. For such other and further relief as the Court may deem proper under the  
22 circumstances.

23 DATED: This 4 day of April, 1999.

24  
25   
26 C. JOSEPH GUILD  
27

1 CERTIFICATE OF MAILING

2  
3 I hereby certify that I am an employee of the law firm of Joseph Guild and that on  
4 the 10<sup>th</sup> day of April, 1999, I mailed via regular mail, first class postage prepaid, at  
5 Reno, Nevada, a true copy of the foregoing Application of C. Joseph Guild, III For Interim  
6 Compensation and Reimbursement of Expenses as Litigation Counsel for Debtors to the  
7 following:

8 Nicholas J. Strozza, Esq.  
9 Office of the U.S. Trustee  
10 300 Booth Street  
11 Reno, NV 89509

Michael P. Richman, Esq.  
MAYER BROWN & PLATT  
1675 Broadway  
New York, NY 10019

12 Sallie B. Armstrong, Esq.  
13 HARTMAN & ARMSTRONG  
14 427 West Plumb Lane  
15 Reno, NV 89509

16 Steven Sherman, Esq.  
17 SHEARMAN & STERLING  
18 555 California Street  
19 San Francisco, CA 94104

20 Jennifer Smith, Esq.  
21 LIONEL SAWYER & COLLINS  
22 50 W. Liberty St., #1100  
23 Reno, NV 89501

24 Pegasus Gold Corporation  
25 601 W. First Avenue  
26 Suite 1500  
27 Spokane, WA 99201

28 

An Employee of Joseph Guild

# C. Joseph Guild III

Attorney at Law

4790 Caughlin Pkwy., #360  
Reno, NV 89509-0907

Telephone (775) 345-2000  
Fax (775) 345-6816

Invoice submitted to:  
Mr. Robert Lonergan  
Pegasus Gold Corp.  
601 W. First Avenue  
Suite 1500  
Spokane WA 99204

March 1, 1999

In Reference To: Pegasus v. State of Nevada  
Invoice #10634

## Professional services

	<u>Hours</u>	<u>Amount</u>
2/9/99 Telephone conference with Jim Lewis re: substitution.	0.25	37.50
For professional services rendered	0.25	\$37.50