

ORIGINAL

RECEIVED AND FILED

98 OCT 13 AM 11:06

U.S. DISTRICT COURT
DISTRICT OF NEVADA
SPokane, Washington

cc: w
ZD

1 JOEL C. McCORMICK, III
2 McCORMICK, DUNN & BLACK, P.S.
3 Fernwell Building, Suite 200
4 505 W. Riverside Avenue
5 Spokane, Washington 99201
6 Telephone: (509) 455-8711
7 Fax: (509) 455-8734
8 Attorneys for Pegasus Gold, Inc.

6 IN THE UNITED STATES BANKRUPTCY COURT
7 FOR THE DISTRICT OF NEVADA

8 In re:) Case Nos. BK-N-98-30088-GWZ
9) through BK-N-98-30105-GWZ
10 PEGASUS GOLD CORPORATION, a)
11 Nevada corporation; and related entities,) (Jointly Administered)
12 Debtors.) Chapter 11
13)
14) **INTERIM COMPENSATION**
15) **APPLICATION WITH ATTACHED**
16) **TIME AND EXPENSE RECORDS:**
17) **MCCORMICK, DUNN & BLACK**
18)
19) Date of Hearing: November 5, 1998
20) Time of Hearing: 9:00 a.m.
21) (SET BY SHEILA)
22)

18 TO THE DEBTORS, THE OFFICE OF THE UNITED STATES TRUSTEE, AND OTHER PARTIES
19 ENTITLED TO NOTICE:

20 McCormick, Dunn & Black, P.S. ("MD&B") submits this Application for an award of
21 interim compensation for professional fees and reimbursable expenses incurred from the
22 period from June 16, 1998 to and including August 31, 1998 (the "Application Period") and
23 respectfully represents:

approved in order # 1725

26 INTERIM COMPENSATION APPLICATION WITH
ATTACHED TIME AND EXPENSE RECORDS - 1

McCormick, Dunn & Black, P.S.
LAW OFFICES
Suite 200, Fernwell Building
505 W. Riverside
Spokane, WA 99201
VOICE: (509) 455-8711 • FAX: (509) 455-8734

1474

1 1. On January 16, 1998, the above-named Debtors filed a Petition for relief under
2 Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District
3 of Nevada.

4 2. On June 17, 1998, the Debtors filed a motion for employment *nunc pro tunc*
5 of, among others, MD&B, and MD&B understands that, on June 18, 1998, such
6 employment was approved by the Court.

8 3. MD&B hereby applies for the payment of interim compensation for services
9 rendered and reimbursement of expenses incurred during the Application Period.

10 4. MD&B seeks the payment of: (i) interim compensation in the amount of
11 \$6,673.00, representing one-hundred percent (100%) of the fees for services rendered
12 during the Application Period, and (ii) interim reimbursement of expenses in the amount of
13 \$111.72, representing one-hundred percent (100%) of the expenses incurred during the
14 Application Period. Members of MD&B expended a total of 33.6 hours in the provision of
15 services to the Debtors during the Application Period.
16

17 5. Copies of the monthly accounts rendered by MD&B to Pegasus Gold, Inc. for
18 services rendered and reimbursable expenses incurred during the Application Period are
19 attached hereto as **Exhibit A** and a summary setting out, among other things, the name of
20 each individual who performed services to the Debtors during the Application Period, the
21 status of such individuals, the hourly billing rate applicable to each such individual and the
22 time expended by those individuals is attached hereto as **Exhibit B**, provided, however, that
23 in each such case certain privileged descriptions of services may be deleted.
24
25
26

1 6. During the Application Period, MD&B provided services to Pegasus Gold, Inc.
2 involving the provision of advice relating to ongoing dealings and negotiations with the
3 sureties of Pegasus Gold, Inc. in the context of these Chapter 11 proceedings. In this way,
4 the services provided by MD&B have greatly benefited the estate. MD&B understands and
5 believes that the services provided by it are in no way duplicative of services provided by
6 the other law firms employed in this matter.
7

8 7. MD&B understands that the firm of Gordon & Silver, Ltd. will serve a copy of
9 this Application on the Office of the United States Trustee and the Debtors.

10 8. MD&B acknowledges that the interim payment of compensation and
11 reimbursement of expenses sought in this Application does not constitute a request for final
12 allowance of such compensation and the reimbursement of expenses. Subsequently, MD&B
13 will seek final allowance of the compensation charged and expenses incurred for the entire
14 case, and any interim fees or expenses received during the course of the case will be
15 credited against such finally allowed fees and expenses.
16

17 9. Neither MD&B nor any members of MD&B have any agreement or
18 understanding of any kind to divide, pay over, or share with any other person, except as
19 among the members of MD&B, any portion of the fees or expenses to be awarded pursuant
20 to this Application.
21

22 ////

23 ////

24 ////

25 ////

26
INTERIM COMPENSATION APPLICATION WITH
ATTACHED TIME AND EXPENSE RECORDS - 3

McCormick, Dunn & Black, P.S.

LAW OFFICES

Suite 200, Fernwell Building

505 W. Riverside

Spokane, WA 99201

VOICE: (509) 455-8711 • FAX: (509) 455-8734

Exhibit A

Pegasus Gold, Inc.
1500-601 West First Avenue
Spokane, WA 99204

505 W. Riverside, STE 200
Spokane, WA 99201
(509)455-8711

Attention: Robert A. Lonergan

In Account With

McCORMICK, DUNN & BLACK, P.S.

To professional services rendered from May 28, 1998 through August 31, 1998 in connection with the following matters (see pre-bill attached):

Fees Associated with Conferences/Meetings

- * Meeting with client
- * Prepare for meeting with Safeco; Travel to client's office to attend meeting; Debrief with Robert; Return to office; Phone Call for J. Majeski
- * Conference with J. McCormick and M. Bissell re: Interpretation of language in bond
- * Conference with K. Allen and J. McCormick; Research legal issues re: Surety obligations, plan of operations, disturbance of mining areas and CFR'S
- * Conference with J. McCormick and K. Allen re: surety issues; Final research memo

Our Fees: \$2256.00

Fees Associated with Time Spent on Phone Calls

- * Phone calls to/from bankruptcy counsel re: Basis of employment; Letter to client
- * Return calls for R. Lonergan
- * Phone call for J. Schwilhofer; Message back from Pat
- * Phone call to Pat; Phone call from Pat; Review fax; Review materials from client; Review legal authorities re: Continuation exposure; Legal research on Lexis; Outline issues for meeting