

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
	:	
Refco, Inc., <u>et al.</u>,¹	:	Case No. 05-60006 (RDD)
	:	
Debtors.	:	Jointly Administered
	:	
	:	

**NOTICE OF FIRST AND FINAL APPLICATION OF
DJM ASSET MANAGEMENT, LLC
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AS SPECIAL
REAL ESTATE CONSULTANT TO DEBTORS
AND DEBTORS-IN-POSSESSION FOR THE PERIOD FROM
JANUARY 25, 2006 THROUGH DECEMBER 26, 2006**

Name of Applicant:	<u>DJM Asset Management, LLC</u>
Authorized to Provide Professional Services to:	<u>The above-captioned debtors and debtors-in-possession</u>
Date of Retention:	<u>January 25, 2006</u>
Period for which Compensation and Reimbursement are sought:	<u>January 25, 2006 to December 26, 2006</u>
Amount of Compensation sought as actual, reasonable and necessary:	<u>\$18,319.00</u>
Amount of Enhanced Fee sought:	<u>\$100,000.00</u>
Total Amount of Compensation sought:	<u>\$118,319.00</u>

This is a first and final application.

¹ In addition to Refco, Inc. the following entities are debtors in these related cases: Bersec International LLC, Kroeck & Associates, LLC, Marshall Metals LLC, New Refco Group Ltd., LLC, Refco Administration LLC, Refco Capital LLC, Refco Capital Holdings LLC, Refco Capital Management LLC, Refco Capital Markets, Ltd., Refco Capital Trading LLC, Refco Finance Inc., Refco Financial LLC, Refco Fixed Assets Management LLC, Refco F/X Associates LLC, Refco Global Capital Management LLC, Refco Global Finance Ltd., Refco Global Futures LLC, Refco Global Holdings LLC, Refco Group Ltd., LLC, Refco Information Services LLC, Refco Mortgage Securities, LLC, Refco Regulated Companies LLC and Summit Management LLC.

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**FIRST AND FINAL APPLICATION OF DJM ASSET MANAGEMENT, LLC
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AS SPECIAL REAL ESTATE CONSULTANT TO DEBTORS AND DEBTORS-
IN-POSSESSION FOR THE PERIOD FROM
JANUARY 25, 2006 THROUGH DECEMBER 26, 2006**

Pursuant to sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), DJM Asset Management, LLC (“DJM”) hereby files this First and Final Application for Allowance of Compensation as Special Real Estate Consultant to the Debtors and Debtors-in-Possession for the Period from January 25, 2006 through and including December 26, 2006 (the “Application”). By this Application, DJM seeks a final allowance of \$118,319.00 as compensation for the period January 25, 2006 through December 31, 2006 (the “Application Period”). In support of this Application, DJM respectfully represents as follows:

¹ In addition to Refco, Inc. the following entities are debtors in these related cases: Bersec International LLC, Kroeck & Associates, LLC, Marshall Metals LLC, New Refco Group Ltd., LLC, Refco Administration LLC, Refco Capital LLC, Refco Capital Holdings LLC, Refco Capital Management LLC, Refco Capital Markets, Ltd., Refco Capital Trading LLC, Refco Finance Inc., Refco Financial LLC, Refco Fixed Assets Management LLC, Refco F/X Associates LLC, Refco Global Capital Management LLC, Refco Global Finance Ltd., Refco Global Futures LLC, Refco Global Holdings LLC, Refco Group Ltd., LLC, Refco Information Services LLC, Refco Mortgage Securities, LLC, Refco Regulated Companies LLC and Summit Management LLC.

Background

1. On October 17, 2005 (the “Petition Date”), the above-captioned debtors and debtors-in-possession (the “Debtors”) filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code. During their bankruptcy cases, the Debtors operated their business and managed their properties as debtors and debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. The Debtors’ retention of DJM was approved effective as of January 26, 2006 by this Court’s Order dated March 27, 2006 (“Retention Order”). The Retention Order, by reference to the Agreement (the “Agreement”) attached as Exhibit 1 to the Retention Order authorized DJM to be compensated based on the percentage amounts set forth in the Agreement.

3. The Debtors Plan of Reorganization (the “Plan”) was confirmed and became effective on December 26, 2006.

Compensation Paid and Its Source

4. All services for which compensation is requested by DJM were performed for or on behalf of the Debtors.

5. DJM has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application.

Fee Statements

6. DJM has not previously filed a fee statement in this case.

Summary of Services Rendered

7. The employees of DJM who have rendered professional services in these cases are Thomas Laczay and Andrew Graiser.

8. DJM, by and through the above-named persons, advised the Debtors on a regular basis with respect to various matters in connection with these cases, and performed all necessary professional services which are described and narrated hereinafter.

Summary of Services by Project

9. DJM fulfilled its role as REAL ESTATE CONSULTANT to the Debtors in a manner that facilitated the restructuring of the Debtors and enabled the Debtors to maximize the value of their estates. During the Application Period DJM, at the Debtors' request, completed formal valuations of eleven of the Debtors' leaseholds, as stated in the attached Fee Statement. Pursuant to Section II B 3 of the Agreement, DJM's fee for such valuations is \$1,000 per leasehold for a total of \$11,000. DJM has not previously billed the Debtors or been paid for this fee.

10. During the Application Period DJM negotiated claims reductions in the total amount of \$841,629 related to certain of the Debtors' rejected leases of real property and also assisted the Debtors in completing the transactions involving those claims reductions. Pursuant to Section II B 2(b) of the Agreement, DJM's fee for claims reductions is an amount equal to 2.75% of the reduction multiplied by the distribution to unsecured creditors for the applicable Debtors. DJM understands that the Plan provides for a 23% distribution to unsecured creditors for Refco Group LTD., LLC and a 100% distribution for Refco, LLC. As stated in the attached Fee Statement, DJM's fee for the claims reductions is \$7,319. DJM has not previously billed the Debtors or been paid for this fee.

11. During the Application Period DJM provided significant advice to the Debtors concerning the Refco Group LTD., LLC lease of 162,282 square feet of space at 550 West Jackson Blvd., in Chicago, Illinois (the "Chicago Lease"). The Chicago Lease was scheduled to

expire on March 31, 2015 and its yearly cost including base rent, taxes and common area charges was approximately \$6,000,000. Thus there were substantial remaining obligations for the Chicago Lease, from June 1, 2006 to March 31, 2015, including scheduled rent increases and estimated tax and common area charge increases. In connection with the sale of a substantial portion of the Debtors' assets, the Debtors agreed to let the purchaser use the Chicago Lease premises past May 15, 2006, the last date for the Debtors to reject leases. The Debtors were thus faced with a situation where they either had to assume the Chicago Lease, possibly subjecting the Debtors to a substantial administrative claim, or reject the Chicago Lease, possibly jeopardizing the purchase agreement. In addition, the Debtors were engaged in hard-fought litigation with the Chicago Lease landlord and needed an expert witness in connection with that litigation. DJM, at the Debtors' request and on an expedited basis, located and recommended to the Debtors the services of Joseph Cabrera, an Executive Vice President of Cushman & Wakefield, who has extensive experience in the Chicago office market. Thereafter, over the course of several days, DJM arranged and participated in discussions among Mr. Cabrera, Debtors' counsel, Skadden, Arps, Slate, Meagher & Flom, during which discussions DJM provided advice as to settlement negotiations, review of lease terms and the amount of potential remaining lease obligations. DJM understands that the litigation was settled and the landlord provided its consent to the extension of the rejection date for the Chicago Lease to August 15, 2006. That later date allowed the Debtors to satisfy their contractual obligations to the purchaser and not incur any further administrative claims. DJM asserts that its advice and negotiations were critical in achieving this result, eliminating the potential for continued lengthy and costly litigation and an unfavorable result concerning the Chicago Lease. As stated in the attached Compensation Schedule, DJM is requesting an enhanced fee of \$100,000 for such

services. Although the Agreement does not specifically provide for services of this type, DJM asserts that given the complexity, importance and nature of these services, the requested amount is reasonable in relation to the amount of fees DJM would charge in non-bankruptcy cases and in connection with all the factors relevant to this case.

Valuation of Services

12. The fee statement for the Application Period is attached hereto as Exhibit A.

13. In accordance with the factors enumerated in Section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by DJM is fair and reasonable given (a) the complexity of these cases, (b) the nature and extent of the services rendered, (c) the value of such services, and (d) the costs of comparable services other than in a case under this title.

WHEREFORE, DJM respectfully requests the entry of an order providing that, for the period January 25, 2006 through December 31, 2006, a final allowance be made to DJM, with respect to the sum of \$118,319 as compensation for necessary professional services rendered, and that such sums be authorized for payment, the Debtors be directed to pay such sums and for such other and further relief as this Court may deem just and proper.

Dated: February 22, 2007

Respectfully submitted,

DJM Asset Management, LLC

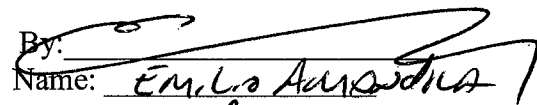
By: 
Name: E. L. S. Amador
Title: Co-President

EXHIBIT A

FEE STATEMENT

DJM Asset Management, LLC (“DJM”) provided lease valuations pursuant to Section II B 3 of the Real Estate Consulting Agreement (the “Agreement”) between the Debtors and DJM and negotiated claim waivers pursuant to Section II B 2 (b) of that Real Estate Consulting Agreement for the leases and in the amounts shown in the table below. Pursuant to such Sections of the Real Estate Consulting Agreement, DJM is requesting payment of its fee in the total amount as set forth below.

Valuations

<u>Location</u>	<u>DJM Fee</u>
6 Liberty, Aliso Viejo, CA	\$1,000
560 Lincoln Road, Miami Beach, FL	1,000
550 W. Jackson Blvd., Chicago, IL	1,000
111 W. Jackson Blvd., Chicago, IL	1,000
18336-18344 S. West Creek, Dr., Tinley Park, IL	1,000
One N. Wacker Dr., Chicago, IL	1,000
233 S. Wacker Dr., Chicago, IL	1,000
525 Washington Blvd., Jersey City, NJ (14 th and 36 th Floor)	1,000
One World Financial Center, New York, NY (22 nd , 23 rd and 24 th Floors)	1,000
481 Fifth Ave., New York, NY	1,000
775 Ridge Lake Blvd., Memphis, TN (Partial 3 rd and 4 th Floors)	1,000
Total Valuation Fees	
	\$11,000

Claim Reductions

<u>Location</u>	<u>Claim Reduction</u>	<u>at 2.75%</u>	<u>x Assumed Payout</u>	<u>DJM Fee</u>
6 Liberty, Aliso Viejo, CA	197,430	5,529	23% (1)	\$1,249
560 Lincoln Road, Miami Beach, FL	94,203	2,591	100% (2)	2,591
111 W. Jackson Blvd., Chicago, IL	433,698	11,927	23% (1)	2,743
18336-18344 S. West Creek, Dr., Tinley Park, IL	116,298	3,198	23% (1)	736
Total Claim Reductions Fees				\$7,319

(1) Calculated with a 23% distribution for Refco Group LTD., LLC.

(2) Calculated with a 100% distribution for Refco, LLC.

Enhanced Fee for 550 West Jackson Blvd., Chicago, IL	\$100,000
Total Fees	\$118,319