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UNITED STATES BANKRUPTCY COURT
PATRICIA GRAY
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6 IN THE UNITED STATES BANKRUPTCY COURT

7 FOR THE DISTRICT OF NEVADA

8 In re:) Case Nos. BK-S-97-20554-GWZ
) and BK-S-97-20555-GWZ
9 STRATOSPHERE CORPORATION,) (Jointly Administered)
a Delaware corporation, and)
10 STRATOSPHERE GAMING CORP.,)
a Nevada corporation,) Chapter 11
11 Debtors)
) Date: December 10, 1998
12) Time: 10:00 a.m.
13)
14)

15 FOURTH AND FINAL APPLICATION OF SCHRECK MORRIS FOR
16 COMPENSATION AND REIMBURSEMENT OF EXPENSES
17 AS SPECIAL GAMING COUNSEL FOR DEBTORS

18 The law firm of Schreck Morris hereby applies to this
19 Honorable Court for an award of final compensation for
20 professional fees and reimbursable costs incurred for the
21 period from July 1, 1998, through and including September 30,
22 1998, as well as for certain other professional fees and
23 reimbursable costs incurred after Schreck Morris's appointment
24 herein, but for which no payment has been previously requested
25 (the "Fourth and Final Fee Application"). Schreck Morris
26 respectfully represents:

27 1. On January 27, 1997, the above-named Debtors filed
28 Petitions for relief under chapter 11 of the Bankruptcy Code in

1781

1 the United States Bankruptcy Court for the District of Nevada,
2 Southern Division.

3 2. On March 5, 1997, the Debtors filed an Ex Parte
4 Application for Order Authorizing and Approving the Employment
5 of Schreck Morris as Special Gaming Counsel for Debtors, and an
6 Order of this Court authorizing such employment was entered on
7 March 11, 1997. (A copy of said Order is attached hereto as
8 Exhibit "A").

9 3. Schreck Morris' Fourth and Final Fee Application
10 requests the award and approval of payment of \$6,956.25 in
11 professional fees and \$256.97 in reimbursable costs incurred
12 for the period from July 1, 1998, through and including
13 September 30, 1998, for a total amount of \$7,213.22.

14 4. A detailed statement of professional services
15 rendered and reimbursable expenses incurred in relation to this
16 Fourth and Final Fee Application is attached hereto as Exhibit
17 "B" and incorporated herein by reference.

18 5. With respect to this Fourth and Final Fee
19 Application, Schreck Morris has rendered services with respect
20 to the following issues or matters:

- 21 a. John A. Godfrey, Esq., has spent 14.75 hours
22 working on this case at an hourly rate of
23 \$275.00 for which compensation is sought in the
24 amount of \$4,056.25;
- 25 b. James R. Chamberlain, Esq., has spent 14.10
26 hours working on this case at an hourly rate of
27 \$200.00 for which compensation is sought in the
28 amount of \$2,820.00; and
- c. Ethan A. Jones, a paralegal, has spent 1.00
hour working on this case at an hourly rate of
\$80.00 for which compensation is sought in the
amount of \$80.00.

1 6. During the period covered by this Fourth and Final
2 Fee Application, Schreck Morris has rendered services with
3 respect to the following issues or matters:

- 4 a. General\Administrative: 1.00 hours, \$ 80.00;
- 5 b. Gaming and Regulatory: 26.3 hours, \$5,916.25;
- 6 and
- 7 c. Fee Application: 4.8 hours, \$960.00.

8 7. The Court conducted its most recent fee application
9 hearing in this case on August 28, 1998.

10 8. Schreck Morris has requested compensation for
11 services rendered as follows:

- 12 a. First Fee Application \$8,673.75.
- 13 b. Second Fee Application \$10,733.75.
- 14 c. Third Fee Application \$11,356.95.
- 15 d. Fourth Fee Application \$6,956.25.
- 16 **TOTAL COMPENSATION REQUESTED. . . . \$37,720.70.**

17 9. Schreck Morris has requested compensation for costs
18 incurred as follows:

- 19 a. First Fee Application \$9.80.
- 20 b. Second Fee Application \$243.98.
- 21 c. Third Fee Application \$1,085.69.
- 22 d. Fourth Fee Application \$256.97.
- 23 **TOTAL COMPENSATION REQUESTED: . . . \$1,596.44.**

24 10. The total amount due to Schreck Morris for services
25 rendered and expenses incurred for which approval is sought
26 here is:

- 27 a. First Fee Application \$8,683.55.
- 28 b. Second Fee Application \$10,977.73.

- 1 c. Third Fee Application \$12,442.64.
- 2 d. Fourth Fee Application \$7,213.22.
- 3 **TOTAL BALANCE FOR SERVICES AND COSTS: . \$39,317.14.**

4 11. To date, Schreck Morris has been paid \$22,684.67 for
5 its fees and expenses in this case.

6 12. Exhibit "C" attached hereto is a Summary of
7 Reimbursable Costs for this fee application.

8 13. The services provided by Schreck Morris have greatly
9 benefitted the estate in a number of ways:

10 a. Throughout its involvement in this case thus
11 far, Schreck Morris has generally advised
12 Debtors regarding gaming and other regulatory
laws as they relate to the operation of
Debtors' business.

13 b. Throughout its involvement in this case thus
14 far, Schreck Morris has provided the Debtors
15 with counsel and advise regarding the
16 requirements of state and local gaming and
17 other licensing laws, as such relate to the
plan of reorganization that is being prepared
in these cases, and Schreck Morris has dealt
directly with gaming and regulatory authorities
in that regard.

18 c. Schreck Morris has responded to audit letter
19 requests and taken such actions as have been
20 necessary to make certain that the Debtors are
in good standing to do business in Nevada.

21 14. Schreck Morris is entitled to an administrative claim
22 of all attorneys' fees and costs incurred in representing the
23 Debtors under 11 U.S.C. § 507(a)(1) and 11 U.S.C. §
24 503(b)(1)(A) and is likewise entitled to request this
25 compensation pursuant to 11 U.S.C. §§ 330 and 331 and F.R.B.P.
26 § 2016(A), since such fees and costs were necessary in
27 preserving the Debtors' estates.

28 15. Schreck Morris has not entered into any agreement or
understanding contrary to law for the division of said

1 compensation to be paid to it on account of such legal
2 services.

3 WHEREFORE, Schreck Morris prays for Orders on this Fourth
4 and Final Fee Application as follows:

5 1. Awarding interim compensation and allowing payment in
6 the amount of \$7,213.22, including \$6,956.25 in professional
7 fees and \$256.97 in reimbursable expenses for the period
8 covered by this Fourth and Final Fee Application, as set forth
9 above; and

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

12 DATED this 5th day of November, 1998.

13 SCHRECK MORRIS

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By: 

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