

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	:	Chapter 11
	:	
ADVANTA CORP., et al.,	:	Case No. 09-13931 (KJC)
	:	
Debtors.	:	(Jointly Administered)

**FEE AUDITOR’S FINAL REPORT REGARDING THE FINAL
APPLICATION OF WEIL GOTSHAL & MANGES LLP FOR
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD FROM NOVEMBER 8, 2009 THROUGH FEBRUARY 28, 2011**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Final Application of Weil Gotshal & Manges LLP for Allowance of Compensation and Reimbursement of Expenses for the Period from November 8, 2009 through February 28, 2011 (the “Application” or “Final Application”).

BACKGROUND

1. Weil, Gotshal & Manges LLP (“Weil”) was retained as counsel to the Debtors and Debtors-in-Possession. In the Application, Weil seeks approval of fees and expenses as follows: fees totaling \$1,000,565.50 and expenses totaling \$14,632.98 for its services from December 1, 2010 through February 28, 2011 (the “Fourth Interim Period”),¹ and final approval of fees totaling

¹Weil did not file a quarterly application for the Fourth Interim Period, but filed monthly applications for December 2010 and January 2011, and included its February 2011 fees and expenses in its Final Application.

\$8,045,901.40² and expenses totaling \$363,837.87³ for its services from November 8, 2009 through February 28, 2011 (the “Final Application Period”).

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2011, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, Issued January 30, 1996 (the “U.S. Trustee Guidelines”), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served an initial report on Weil based on our review, and we received a response from Weil, portions of which response are quoted herein.

²We note that the total of the fees requested in Weil’s three prior applications, plus the compensation sought for the Fourth Interim Period, is \$8,064,387.00. It does not appear that Weil has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 10, to arrive at the figure it seeks of \$8,045,901.40. We note that the Court has ruled on the First through Third Interim Periods, but no rulings have been made on the Fourth Interim Period.

³We note that the total of the expenses requested in Weil’s three prior applications, plus the expenses sought for the Fourth Interim Period, is \$365,387.81. It appears that Weil has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 10, to arrive at the figure it seeks of \$363,837.87. We note that the Court has ruled on the First through Third Interim Periods, but no rulings have been made on the Fourth Interim Period.

DISCUSSION

Fourth Interim Period

3. We note for informational purposes that, effective January 1, 2011, Weil raised the billing rates of attorneys Simeon Gold, Marcia Goldstein, and Stuart J. Goldring from \$990.00 per hour to \$1,075.00 per hour. We further note that, in the past, this Court has stated that it would require an evidentiary hearing concerning the hourly rates of U.S. professionals billing \$1,000.00 per hour.⁴ We asked Weil to provide any special qualifications for these professionals that would justify this hourly rate. We were then advised by David M. Klauder of the United States Trustee's Office that Weil had agreed to reduce the hourly rates for attorneys Gold, Goldstein, and Goldring from \$1,075.00 to \$1,000.00, for a reduction of \$5,182.50 in fees. Also, in response to our inquiry, Weil stated as follows:

In light of the relatively small aggregate amount that is implicated by the Fee Auditor's question in paragraph 3 of the Initial Report, and for the purposes of this fee application only, Weil agrees to reduce any hourly rates in excess of \$1,000 per hour to \$1,000 per hour. However, Weil does not consider this reduction precedential in any way. In summary, Weil agrees to reduce its fees by \$5,182.50.

We make no recommendation as to whether an hourly rate of \$1,000 is reasonable for the work performed by the three professionals. However, consistent with Weil's proffered reduction, as well as its agreement with the U.S. Trustee, we recommend a reduction of \$5,182.50 in fees.

4. We noted that on December 16, 2010, attorneys Marcia L. Goldstein (\$990), Robert J. Lemons (\$780), and Victoria Vron (\$630) attended the disclosure statement hearing. The total time spent was 27 hours, and total fees of \$15,556.50 were billed. See Exhibit "A." Paragraph

⁴See *In re Dura Automotive Systems, Inc., et al.*, Case No. 06-11202, Transcript of Hearing on August 20, 2008, pp. 12-13.

II.D.5. of the U.S. Trustee Guidelines provides: “If more than one professional from the applicant firm attends a hearing or conference, the applicant should explain the need for multiple attendees.” We asked Weil to explain why it was necessary for each attorney to attend the hearing, and Weil’s response is included as Response Exhibit “1.” We accept Weil’s response and have no objection to these fees.

5. We noted certain instances in which multiple Weil attorneys attended meetings. See Exhibit “B.” In light of the Guideline cited above, we asked Weil to explain why it was necessary for each attorney to attend these meetings. Weil’s response is included as Response Exhibit “2.” We accept Weil’s response and have no objection to these fees.

6. We noted the following taxi charge for which more information was needed:

12/22/10	Kaufman, Marcie R. Taxi Service - Legal Vender: XYZ Invoice #: 1404383 Date: 12/8/2010 XYZ 1010248758 90 Dana Dunn 1101 Ride Date: 2010-11/30 From: NY Manhattan 885 3 Ave To: NY Millbrook 259 Woodstock Rd Ride Time: 16:23	236.61
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In response to our request, Weil provided the following information:

Marcie Kaufman (associate, Litigation Department) ordered the cab on November 30, 2010 for Dana Dunn, an Advanta board member. On November 30, 2010, Weil attorneys were preparing Ms. Dunn for a deposition which was requested by the Creditors’ Committee in connection with its objection to the Exclusivity Motion. The cab took Ms. Dunn from Weil’s office at 767 5th Avenue, New York, NY 10153 to Ms. Dunn’s home after the deposition preparation session was completed. Therefore, the fees incurred for this cab ride should be allowed in the full amount of \$236.61.

We accept Weil’s response and have no objection to this expense.⁵

⁵We note that the taxi fare which was billed was less than the comparable taxi fare which we obtained for the same 85-mile itinerary from www.taxifarefinder.com.

7. Ordinarily, we do not question late night or “overtime” meal and transportation charges unless the professional incurring the charge recorded less than three hours of work on the case on the date the charge was incurred. However, we noted the following late night transportation charges incurred on dates when the professional recorded minimal or no time to the case:

1/21/2011 16475250 11 Local Transportation VENDOR: WG&M LLP - PETTY CASH NY; INVOICE#: 20110121; DATE: 1/21/2011 - NY PETTY CASH 01/21/11.M. GOODMAN - TAXI HOME, 01/20/11	\$7.00	2.20 hrs.
02/14/11 Milligan, Peter M. 011 16530251 Local Transportation Vendor: WG&M LLP - Petty cash NY; invoice#:20110211; Date: 2/14/2011 - NY Petty Cash 02/11/11. P. Milligan - Taxis Home, 02/10,02/08/11	\$19.67	2.50 hrs. ⁶

Similarly, we noted the following late night meal charges incurred on dates when the professional recorded minimal or no time to the case:

1/31/2011 Griffiths, David N. 16496841 020A Attorney Meals Seamless Web meals ordered on 01/05/11 at 16:44	\$35.00	1.90 hrs.
1/31/2011 McRae, Peter J. 16497392 020A Attorney Meals Seamless Web meals ordered on 01/13/11 at 19:29	\$32.59	2.10 hrs.
1/31/2011 Petherbridge, Vaughan 16497940 020A Attorney Meals Seamless Web meals ordered on 01/21/11 at 18:27	\$35.00	2.80 hrs.
1/31/2011 Ganesh, Jennifer N. 16498111 020A Attorney Meals Seamless Web meals ordered on 01/19/11 at 17:53	\$34.43	0.50 hrs.

⁶Although Mr. Milligan billed only 2.5 hours on the case on February 10, 2011, he did bill more than 3 hours to the case on February 8, 2011. Thus, we have no objection to that portion of the charge which was incurred on February 8, 2011.

02/16/11 16533450 Seamless Web meals ordered on 2/10/11 at 18:24	Milligan, Peter M. 020A Attorney Meals	\$35.00	2.50 hrs.
02/04/11	Ganesh, Jennifer N. 020A 16511068 Attorney Meals Seamless Web Meals Ordered on 01/24/11 at 17:51	\$34.43	0.00 hrs.

We asked Weil to explain why the estate should reimburse these expenses, and Weil responded:

As a matter of policy, Weil does not agree that an attorney is only eligible for reimbursement for the cost of dinner or transportation if he or she has worked on a matter for three hours or more. There are circumstances when an emergency will arise in a particular matter that will require an attorney to begin work for a client in the evening. Consequently, the attorney may be forced to eat dinner at the office and travel home at 8:30 p.m. or later. In these circumstances, Weil believes that, if an attorney has to stay in the office during the evening to work on a particular client's case, such client should be billed for the attorney's meal and/or transportation costs, regardless of how many hours the attorney billed to that particular client for the day. However, in light of the relatively small amounts that the Fee Auditor references in paragraph 7 to the Initial Report, Weil agrees to reduce its expenses for the Final Fee Application by \$223.45.⁷

We appreciate Weil's response and recommend a reduction of \$223.45 in expenses.

8. We noted the following charges described as "Clipping Service/SEC Watch":

12/7/2010 16363797 97 Clipping Service/SEC Watch \$85.00

11/30/2010 SEC Watch for Advanta Corp Originating on 11/10/2009

1/11/2011 16453169 97 Clipping Service/SEC Watch \$85.00

DECEMBER 2010 SEC Watch for Advanta Corp Originating on 11/10/2009

We asked Weil to explain the nature of these expenses, and Weil responded:

The "Clipping Service/SEC Watch" is a news monitoring service that Weil provides for its clients. This monitoring service alerts Weil's library when a client has been mentioned in the news or when a client's Form 8-K or Form 8-Q has been filed with

⁷As the Fee Auditor noted in the Initial Report, Peter Milligan billed more than 3 hours on February 10, 2011, therefore, Weil will only write off the expense for Mr. Milligan's cab on February 8, 2011 in the amount of \$10.00.

the Securities Exchange Commission. Additionally, this service also monitors the client's industry and will alert Weil's library when something occurs in the news that has the potential to affect the client's business or chapter 11 case. This service provides Weil attorneys with the most current information about their clients and allows attorneys to react to news as quickly as possible. The "Clipping Service/SEC Watch" was a necessary expense in the Debtors' chapter 11 cases and should be allowed in the full amount of \$170.00 for the Fourth Fee Period.

We accept Weil's response and have no objection to this expense.

9. Thus, we recommend approval of \$995,383.00 in fees (\$1,000,565.50 minus \$5,182.50) and \$14,409.53 in expenses (\$14,632.98 minus \$223.45) for Weil's services for the Fourth Interim Period.

Prior Interim Applications

10. We note that we previously filed the following final reports for Weil's prior interim applications, which final reports we incorporate by reference herein, and we also note the following orders that ruled on Weil's prior interim applications:

1st Period: Fee Auditor's Final Report Regarding the First Interim Fee Application of Weil, Gotshal & Manges LLP (Docket #814) filed on or about September 21, 2010, in which we recommended approval of fees totaling \$1,991,661.75 and expenses totaling \$43,547.83, reflecting our recommended reductions of \$1,224.50 in fees and \$414.31 in expenses, as further explained in paragraphs 6-8 of that final report. These recommendations were adopted in the Omnibus Order Approving First Interim Fee Application Requests, dated October 26, 2010 (Docket #879).

2nd Period: Fee Auditor's Final Report Regarding the Second Interim Fee Application of Weil, Gotshal & Manges LLP (Docket #1087) filed on or about January

6, 2011, in which we recommended approval of fees totaling \$2,902,767.40 and expenses totaling \$45,918.61, reflecting our recommended reductions of \$12,521.60 in fees and \$300.00 in expenses, as further explained in paragraphs 3-5 and 7-9 of that final report. These recommendations were adopted in the Omnibus Order Approving Second Interim Fee Application Requests, dated February 8, 2011 (Docket #1150).

3rd Period: Fee Auditor's Final Report Regarding the Third Interim Fee Application of Weil, Gotshal & Manges LLP (Docket #1246) filed on or about May 2, 2011, in which we recommended approval of fees totaling \$2,149,935.25 and expenses totaling \$259,738.45, reflecting our recommended reductions of \$5,711.00 in fees and \$835.63 in expenses, as further explained in paragraphs 4, 5, and 7-11 of that final report. These recommendations were adopted in the Omnibus Order Approving Third Interim Fee Applications, dated June 3, 2011 (Docket #1279).

11. We have reviewed the final reports and orders allowing fees and expenses for the prior interim periods, and we do not believe there is any reason to change any of the amounts awarded for the prior interim periods.

CONCLUSION

12. Thus, we recommend final approval of \$8,039,747.40 in fees (\$8,045,901.40⁸ minus \$6,154.00⁹) and \$363,614.42 in expenses (\$363,837.87¹⁰ minus \$223.45¹¹) for Weil's services for the Final Application Period.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: 
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FEE AUDITOR

⁸We note that the total of the fees requested in Weil's three prior applications, plus the compensation sought for the Fourth Interim Period, is \$8,064,387.00. It does not appear that Weil has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 10, to arrive at the figure it seeks of \$8,045,901.40. We note that the Court has ruled on the First through Third Interim Periods, but no rulings have been made on the Fourth Interim Period.

⁹This amount includes the fee reduction of \$5,182.50 for the Fourth Interim Period (see paragraph 3), as well as a Court-ordered fee reduction for the Third Interim Period in the amount of \$971.50, not previously deducted by Weil.

¹⁰We note that the total of the expenses requested in Weil's three prior applications, plus the expenses sought for the Fourth Interim Period, is \$365,387.81. It appears that Weil has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 10, to arrive at the figure it seeks of \$363,837.87. We note that the Court has ruled on the First through Third Interim Periods, but no rulings have been made on the Fourth Interim Period.

¹¹See paragraph 7.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 7th day of June, 2011.



Warren H. Smith

SERVICE LIST
Notice Parties

Applicant

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EXHIBIT "A"

12/16/2010 Goldstein, Marcia L. 2.00 \$1,980.00
Attend hearing before Judge Carey.

12/16/2010 Goldstein, Marcia L. 2.50 \$1,237.50
Travel to Wilmington with V. Vron and R. Lemons and prepare for disclosure and exclusivity hearing.

12/16/2010 Goldstein, Marcia L. 3.00 \$1,485.00
travel to New York from Delaware for disclosure statement hearing.

12/16/2010 Lemons, Robert J. 3.60 \$1,404.00
Return from disclosure statement hearing.

12/16/2010 Vron, Victoria 4.80 \$1,512.00
non-working travel to Delaware for disclosure statement hearing (1.8); non-working travel back from Delaware from disclosure statement hearing (3.0)

12/16/2010 Lemons, Robert J. 6.30 \$4,914.00
Prepare for disclosure statement and exclusivity hearing (4.5); Attend disclosure statement hearing (1.8).

12/16/2010 Vron, Victoria 4.80 \$3,024.00
Prepare for hearing on disclosure statement (2.6);.....; attend disclosure statement hearing (2.2).

EXHIBIT "B"

a. We note that on December 2, 2010, attorneys Richard L. Levine (\$885), Marcie R. Kaufman (\$595), Robert J. Lemons (\$780), and Victoria Vron (\$630) attended a meeting with the debtor. The total time spent was 7.90 hours. Total fees of \$5,702.00 were billed.

12/2/2010 Levine, Richard L. 2.00 \$1,770.00
.....; attend meeting with client, v. vron and r. lemons re: plan (2.0);.....

12/2/2010 Kaufman, Marcie R. 2.00 \$1,190.00
.....; attend meeting with client, v. vron and r. lemons re: plan (2.0);

12/2/2010 Lemons, Robert J. 1.90 1,482.00
Meet with W. Rosoff, J. Dubow, R. Levine, M. Kaufman and V. Vron re: plan litigation (1.9);.....

12/2/2010 Vron, Victoria 2.00 \$1,260.00
Participate in meeting with R. Levine, M. Kaufman and client re: deposition and Disclosure statement/exclusivity hearing (2.0);.....

b. We note that on December 9, 2010, attorneys Richard L. Levine (\$885), Bruce S. Meyer (\$885), Marcie R. Kaufman (\$595), Robert J. Lemons (\$780), Victoria Vron (\$630), Jennifer Ganesh (\$455), and Debora Hoehne (\$515) attended a conference call with the debtor and other professionals. The total time billed was 15.40 hours, and total fees of \$10,289.00 were billed.

12/9/2010 Levine, Richard L. 1.90 \$1,681.50
.....; attend conference call with clients, Weil and RLF re: responses to objections (1.9)

12/9/2010 Meyer, Bruce S. 2.00 \$1,770.00
Call with client re: hearing strategy and reply brief to objections to the disclosure statement

12/9/2010 Kaufman, Marcie R. 2.00 \$1,190.00
Conference call to discuss responses to Disclosure statement and exclusivity objections.

12/9/2010 Lemons, Robert J. 2.00 \$1,560.00
.....; attend strategy call with Weil (2.0).

12/9/2010 Vron, Victoria 3.00 \$1,890.00
; strategy call with WGM team, RLF, Alvarez & Marsal and the client re: responses to Disclosure statement and exclusivity objections (3.0);.....

12/9/2010 Ganesh, Jennifer N. 2.00 \$910.00
 ATTEND CALL WITH CLIENT, Richards Layton AND INTERNAL WEIL TEAM Re: STRATEGY FOR THE REPLY TO THE OBJECTIONS TO THE DISCLOSURE STATEMENT (2.0);.....

12/9/2010 Hoehne, Debora 2.50 \$1,287.50
 Call with client, Richards Layton, and Weil teams to discuss UCC objections to Disclosure Statement and extension of exclusivity.

c. We note that on February 14, 2011, attorneys Victoria Vron (\$720), Jennifer Ganesh (\$560), Debora Hoehne (\$600), and Robert J. Lemons (\$850) attended a meeting with the debtor and other professionals. The total time spent was 15 hours. Total fees of \$9,716.00 were billed.

02/14/11 VV 3.70 2,664.00 Meet with client, Alvarez & Marsal, Drinker & Biddle, FTI, Latham, D. Hoehne, J. Ganesh and R. Lemons (partial) to discuss status of claims reconciliation process and transition of claims resolution to liquidating trustee (3.0); confer with A. Sagat re: same in preparation for meeting (.7)

02/14/11 JG 5.70 3,192.00 Prepare for meeting with creditors' committee and FTI re: claims transition (2.7); attend meeting with Latham, FTI, Alvarez & Marsal, V. Vron and R. Lemons (partial) re: same (3.0);.....

02/14/11 DH 3.60 2160.00 Review materials for claims transition meeting with Latham & FTI (.5); attend claims transition meeting with V. Vron, J. Ganesh, R. Lemons (partial), A. Sagat, D. Lewandowski, R. Schwartz, A. Singer, FTI and Drinker Biddle (3.1).

02/14/11 RL 2.00 1,700.00; meeting (partial) with Latham, FTI, Advanta, V. Vron, D. Hoehne, and J. Ganesh re: post effective date claims resolution process (2.0).

RESPONSE EXHIBIT “1”

December 1, 2010 through February 28, 2011 (the “*Fourth Fee Period*”) was a crucial and very busy period in the Debtors’ chapter 11 cases. On November 2, 2010, the Debtors filed with the United States Bankruptcy Court for the District of Delaware (the “*Bankruptcy Court*”) the Disclosure Statement for Debtors’ Joint Plan Under Chapter 11 of the Bankruptcy Code [Docket No. 896] (as amended, the “*Disclosure Statement*”) and on November 4, 2010, the Debtors filed the Motion to Extend Exclusive Periods for ... Filing a Chapter 11 Plan and Solicitation Thereto [Docket No. 903] (the “*Exclusivity Motion*”). The Debtors received objections to both the Disclosure Statement and the Exclusivity Motion from counsel to the Official Committee of Unsecured Creditors (the “*Creditors’ Committee*”) and various other parties. The Disclosure Statement, Exclusivity Motion and all corresponding objections were set to be heard at the December 16, 2010 hearing. Ms. Goldstein and Mr. Lemons are both partners in Weil’s Business, Finance and Restructuring Group (“*BFR*”) and Victoria Vron is a senior associate in BFR. It was necessary for all three attorneys to attend this hearing because obtaining Court approval of the Disclosure Statement and the Exclusivity Motion were critical steps in winding down the Debtors’ chapter 11 cases. Ms. Goldstein argued the Exclusivity Motion, while Mr. Lemons argued for approval of the Disclosure Statement. Ms. Vron oversaw the preparation and filing of the Disclosure Statement and Exclusivity Motion as well as the Debtors’ replies to the objections to the same. Because Ms. Vron was most familiar with all facets of the objections, it was necessary for her to attend the December 16, 2010 hearing. Thus, the fees incurred for attending the hearing on December 16, 2010 are appropriate and should be allowed in the full amount of \$15,556.50.

RESPONSE EXHIBIT “2”

As noted above, the Fourth Fee Period was a crucial time in the Debtors’ chapter 11 cases. During this time, Weil, amongst other things, (i) advised the Debtors on the formulation of a chapter 11 plan and the related disclosure statement; (ii) prepared for a contested hearing on the Disclosure Statement and the Exclusivity Motion; (iii) negotiated a consensual chapter 11 plan with counsel to the Creditors’ Committee; (iv) obtained approval of the chapter 11 plan and the Disclosure Statement; and (v) assisted in winding down the Debtors’ estate. The meetings and conference calls identified in *Exhibit B* to the Initial Report are specifically addressed below:

- a. Exhibit B (¶a): We note that on December 2, 2010, attorneys Richard L. Levine (\$885), Marcie Kaufman (\$595), Robert J. Lemons (\$780), and Victoria Vron (\$630) attended a meeting with the debtor. The total time spent was 7.90 hours. Total fees of \$5,702.00 were billed.

The meeting held on December 2, 2010 was held to bring Weil’s litigation team up to speed to assist in the litigation with the Creditors’ Committee over the Exclusivity Motion and the Disclosure Statement. Richard Levine is a partner in Weil’s litigation department (the “*Litigation Department*”) and had taken on the role as chief litigator throughout the Debtors’ chapter 11 cases. Marcie Kaufman assisted Mr. Levine, as the senior litigation associate, in litigation issues throughout this case. Mr. Lemons and Ms. Vron attended this meeting to give Mr. Levine and Ms. Kaufman the background information on the dispute with the Creditors’ Committee regarding the Disclosure Statement and the Exclusivity Motion and to formulate and coordinate the Debtors’ legal strategy to resolve the dispute. Therefore, the fees incurred for attending the meeting on December 2, 2010 are appropriate and should be allowed in the full amount of \$5,702.00.

- b. Exhibit B (¶b): We note that on December 9, 2010, attorneys Richard L. Levine (\$885), Bruce S. Meyer (\$885), Marcie R. Kaufman (\$595), Robert J. Lemons

(\$780), Victoria Vron (\$630), Jennifer Ganesh (\$455), and Debora Hoehne (\$515) attended a conference call with the debtor and other professionals. The total time billed was 15.40 hours, and total fees of \$10,289.00 were billed.

The meeting on December 9, 2010 between the Weil attorneys and the Debtors was held to discuss the Debtors' responses to the objections received to the Exclusivity Motion and the Disclosure Statement (many of which were really chapter 11 plan confirmation objections). Mr. Levine and Bruce Meyer (partner, Litigation Department) both attended this meeting because, as a result of the objections filed by various parties to the Disclosure Statement and the Exclusivity Motion, the Debtors anticipated litigation over confirmation of the Debtors' proposed chapter 11 plan and both Mr. Levine and Mr. Meyer were preparing to litigate these issues at the confirmation hearing. Ms. Kaufman attended this meeting because, as the senior litigation associate, she needed to be prepared to assist at the confirmation hearing and needed to understand the issues in dispute. Mr. Lemons' participation at this meeting was necessary because he led the discussion regarding the Debtors' responses to objections to the Disclosure Statement and the Exclusivity Motion. Debora Hoehne and Jennifer Ganesh are associates in BFR. Ms. Hoehne prepared the reply to the Creditors' Committee's objection to the Exclusivity Motion [Docket No. 1006] and Ms. Ganesh prepared the omnibus reply to the objections to the Disclosure Statement [Docket No. 1005]. Ms. Vron's attendance at this meeting was necessary because she supervised the preparation of these replies. Therefore, the fees incurred for attending the meeting on December 9, 2010 are appropriate and should be allowed in the full amount of \$10,289.00.

- c. Exhibit B (¶c): We note that on February 14, 2011, attorneys Victoria Vron (\$720), Jennifer Ganesh (\$560), Debora Hoehne (\$600), and Robert J. Lemons (\$850) attended a meeting with the debtor and other professionals. The total time spent was 15 hours. Total fees of \$9,716.00 were billed.

The meeting on February 14, 2011 was held so that Alvarez & Marsal (“**A&M**”) and Weil could prepare the liquidating trustee and its counsel to take over the Debtors’ chapter 11 cases on the effective date of the Debtors’ chapter 11 plan [Docket No. 1185] (the “**Plan**”). Weil and A&M met with Latham & Watkins LLP, Drinker Biddle, and FTI Consulting (all together, the “**Liquidating Trustee Parties**”) to discuss outstanding matters in the case, such as claims reconciliation and to transition over all outstanding motions and works-in-progress. It was necessary for Mr. Lemons, Ms. Vron, Ms. Hoehne, and Ms. Ganesh (associate, BFR) to attend the meeting on February 14, 2011 because each of these attorneys had been working on specific parts of the Debtors’ chapter 11 case and had unique knowledge to transfer over to the Liquidating Trustee Parties. For example, Ms. Hoehne and Ms. Ganesh each were in the process of preparing drafts of separate claims objections and attended the February 14, 2011 meeting in order to discuss those claims objections and related questions. Mr. Lemons had specific input on certain of the drafts of the claims objections and, accordingly, attended only the portion of the meeting on February 14, 2011 when those issues were discussed. Ms. Vron was involved in all aspects of the Debtors’ chapter 11 cases and oversaw the drafts of all claims objections and transition issues. Her presence was necessary at the meeting to address all other additional issues. Therefore, the fees incurred for attending the meeting on February 14, 2011 are appropriate and should be allowed in the full amount of \$9,716.00.