

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

Hearing Date: July 1, 2009

Hearing Time: 10:00 a.m.

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: In re : Chapter 11  
: :  
: STAR TRIBUNE HOLDINGS CORP., : Case No. 09-10244 (RDD)  
: *et al.*, :  
: : (Jointly Administered)  
: Debtors. :  
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**RESPONSE OF THE UNITED STATES TRUSTEE TO  
APPLICATIONS FOR FIRST INTERIM ALLOWANCE OF  
FEES AND REIMBURSEMENT OF OUT OF POCKET  
EXPENSES PURSUANT TO 11 U.S.C. § 330**

TO: THE HONORABLE ROBERT D. DRAIN,  
UNITED STATES BANKRUPTCY JUDGE:

The United States Trustee (the “United States Trustee”), has reviewed the following applications (the “Applications”) of the retained professionals (the “Applicants”) of Star Tribune Holdings Corporation and The Star Tribune Company (the “Debtors”), seeking interim awards of compensation and reimbursement of expenses for the period indicated below.

<b>Applicant</b>	<b>Period</b>	<b>Fees</b>	<b>Expenses</b>	<b>Hours</b>
Davis Polk & Wardwell LLP, counsel to the Debtors	1/15/09 through 4/30/09	\$3,332,925.25	\$100,346.99	5921.9
Curtis, Mallet-Prevost, Colt & Mosle LLP, conflicts counsel to the Debtors	1/15/09 through 4/30/09	\$186,730.50	\$6,653.66	321
Jones Day Special Labor Counsel to Debtors	1/15/09 through 4/30/09	\$217,677.00	\$30,025.21	411.3
Blackstone Advisory Services L.P., financial advisor to the Debtors	1/15/09 through 4/30/09	\$532,258.06	\$3,351.23	937.5
Lowenstein Sandler PC, counsel to the Official Committee of Unsecured Creditors	1/28/09 through 4/30/09	\$545,810.00	\$14,346.66	1444

Chanin Capital Partners, LLC, financial advisor to the Official Committee of Unsecured Creditors	2/2/09 through 4/30/09	\$370,535.71	\$13,534.10	968.4
<b>Totals:</b>		<b>\$5,185,936.52</b>	<b>\$168,257.85</b>	

## BACKGROUND

1. On January 15, 2009 (the “Petition Date”), the Debtors filed voluntary petitions for relief under the Bankruptcy Code. By order signed on January 16, 2009, the Court directed the joint administration of the Debtors’ cases. See ECF Doc. No. 19.

2. The Debtors have continued in possession and management of their business and property pursuant to 11 U.S.C. §§ 1107 and 1108. No trustee or examiner has been appointed in the Debtors’ bankruptcy cases.

3. On January 28, 2009, the United States Trustee appointed the Official Committee of Unsecured Creditors (the “Committee”) in these cases. See ECF Doc. No. 56. By order signed on March 9, 2009, the Court authorized the committee to retain Lowenstein Sandler PC (“Lowenstein”) as its counsel, effective as of January 28, 2009. See ECF Doc. No. 141.

4. By order signed on February 6, 2009, the Court authorized the Debtors to employ the firm of Davis Polk & Wardwell LLP (“Davis Polk”) as their counsel, effective as of the Petition Date. See ECF Doc. No. 79.

5. By order signed on February 6, 2009, the Court authorized the Debtors to employ the firm of Curtis, Mallet-Prevost, Colt & Mosle LLP (“Curtis Mallet”) as conflicts counsel, effective as of the Petition Date. See ECF Doc. No. 78.

6. By order signed on March 13, 2009, the Court authorized the Debtors to employ Blackstone Advisory Services L.P. (“Blackstone”) as financial advisor, effective as of the Petition Date. See ECF Doc. No. 153.

7. By order signed on April 27, 2009, the Court authorized the Committee to employ Chanin Capital Partners (“Chanin”) as the Committee’s financial advisors, effective as of February 2, 2009. See ECF Doc. No. 222.

8. On February 6, 2009, the Court entered its Order to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals (the “Monthly Compensation Order”). See ECF Doc. No. 80.

9. By order signed on May 6, 2009, the Court extended the Debtors’ exclusive time to file a plan of reorganization through and including August 13, 2009. See ECF Doc. No. 234.

10. On June 18, 2009, the Debtors filed a disclosure statement in conjunction with their Joint Plan of Reorganization. See ECF Doc. No. 298.

11. The Debtors are current with the filing of their monthly operating reports through May 2009.

12. The Debtors’ monthly operating report for the period ended May 31, 2009 (the “May Report”), indicates that during the period of May 4, 2009 through May 31, 2009, the Debtors had net income of \$171,000, based upon revenues of over \$15.3 million. See ECF Doc. No. 305. The May Report also shows that as of May 31, 2009, the Debtors had “Cash and Cash Equivalents” of \$34.365 million. Id.

13. The Debtors are current with their United States Trustee quarterly fees pursuant to 28 U.S.C. § 1930(a)(6) and any applicable interest pursuant to 31 U.S.C. § 3717 through the first quarter of 2009.

### LEGAL STANDARDS

14. Section 330 of the Bankruptcy Code provides that:

After notice to the parties in interest and the United States trustee and a hearing, and subject to sections 326, 328, and 329, the court may award to a trustee, an examiner, a professional person employed under section 327 or 1103-

- (A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, professional person, or attorney and by any paraprofessional person employed by any such person; and
- (B) reimbursement for actual, necessary expenses.

11 U.S.C. § 330(a)(1)(A) and (B).

15. Section 330 focuses on reasonableness and benefit to the estate of the professionals' services. In re Lederman Enter., Inc., 997 F.2d 1321, 1323 (10th Cir. 1993). Accordingly, an application for compensation and reimbursement of expenses must demonstrate that the professional's services were necessary and made a beneficial contribution to the estate or its creditors. In re Engel, 124 F.3d 567, 573 (3d Cir. 1997).

16. Under section 330, the bankruptcy court has the authority to reduce fees or expenses requested when they are disproportionate to the benefit to the estate, even if it has already approved the professional's retention under sections 327 and 328 of the Bankruptcy Code. In re Taxman Clothing Co., 49 F.3d 310, 316 (7th Cir. 1995); see Zolfo, Cooper & Co. v. Sunbeam-Oster Co., Inc., 50 F.3d 253, 262 (3d Cir. 1995) (affirming lower courts' denial of

improperly documented and inadequately detailed expenses). Moreover, “[s]ervices of a poor quality which are the consequence of wrongful or unethical conduct, may result in denial of any fee or an order for return of any fee paid.” Red Carpet Corp. v. Miller, 708 F.2d 1576 (11th Cir. 1983).

17. With respect to the interim fee applications, pursuant to 11 U.S.C. § 331, interim fee awards are discretionary, and are subject to reexamination and adjustment during the course of the case. In re Spanjer Brothers, Inc., 191 B.R. 738, 747 (Bankr. N.D. Ill. 1996) (citing In re Jensen-Farley Pictures, Inc., 47 B.R. 557 (Bankr. D. Utah 1985)). Any interim fees awarded or paid are payable on account and are subject to the Court’s review at the time of the final fee applications.

## **RESPONSE**

### **All Applicants**

18. The United States Trustee respectfully requests a percentage fee reduction (colloquially known as a “hold back”) of the requested fees for all of the Applicants. Because no plan of reorganization has yet been confirmed in these cases and because the Debtors are still in the process of reorganizing their business operations, the ultimate success of this case is not yet certain. For these reasons, the United States Trustee believes a percentage reduction is proper at this time. See, e.g., In re Bank of New England Corp., 134 B.R. 450, 459 (Bankr. D. Mass. 1991), aff’d, 142 B.R. 584 (D.Mass. 1992) (because of the difficulty in determining whether

services were actual and necessary when reviewing interim applications, bankruptcy courts routinely require hold backs until the end of the case).

**Davis Polk & Wardwell LLP , Counsel to the Debtors**

19. Except as set forth in paragraph 18 above, the United States Trustee has no objection to the allowance of interim fees to this professional.

**Staff Overtime Expenses**

20. The United States Trustee objects, however, to the reimbursement of \$15,205.50 in expenses categorized as “Word Processing and Administrative,” which absent explanation are not reimbursable pursuant to Section D(11) of the Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases dated June 20, 1991 (the “SDNY Guidelines”).<sup>1</sup> See Davis Polk Application, Summary Sheet, Ex. B. Davis Polk states that “[t]hese charges include administrative assistant word processing time billed directly to [the Debtors’] cases” and that such charges “are not included in the firm’s overhead for the purpose of setting billing rates.” Id., n. 9. To the extent that any of the \$15,205.50 of “Word Processing and Administrative” expenses represents secretarial overtime and other duties performed by office staff, these expenses should be disallowed in accordance with the Court’s opinion in In re Fibermark wherein the Court held that “duties appropriate for office staff are considered part of a

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<sup>1</sup>The SDNY Guidelines were amended by the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases dated April 19, 1995 (the “Amended SDNY Guidelines”). The Amended SDNY Guidelines incorporates the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (the “UST Guidelines”). 28 C.F.R., pt. 58, App. A (2008).

professional's overhead expenses and may not be billed to the estate . . . This includes secretarial overtime.” In re Fibermark, Inc., 349 B.R. 385, 397 (Bankr. D. Vt. 2006).

### **Vague Entries for Meal Expenses**

21. The United States Trustee also objects to the reimbursement of for meal expenses in the amount of \$6,696.49, which, absent explanation and detail, are not reimbursable pursuant to Section D(2)(b) of the SDNY Guidelines. See also UST Guidelines, Section 5(iii). In In re Fibermark, the Court held that in order to meet its burden with regard to award of fees and reimbursement of expenses, a retained professional must “furnish enough specificity for the Court to establish whether a given expense was both actual and necessary.” Fibermark, 349 B.R. at 398. Additionally, with respect to meals, and especially if a meal involves multiple professionals, the information an applicant must provide should be “sufficient for the Court to determine whether the amount requested is reasonable and can be justified as necessary, on a per person basis.” Id. at 399.

22. The application contains entries for meals in the categories of “light meals and snacks,” “breakfast meetings,” and “luncheon conferences” that merely indicate the dates of these events and the amount of expenditures. No reference is made at all with regard to which professional(s) ordered such meals or which professionals participated or where the meal was ordered. Additionally, expense entries labeled as “cafeteria meals” merely list the date and the time of the meal, with no information being provided as to which professional(s) ordered such meals. Finally, with regard to entries labeled as “meals out,” many of the individual expense

entries are not linked to a particular day, but rather to a period of days, making it impossible to determine when the individual expense took place. Consequently, requests for all such entries should be disallowed unless the Applicant can provide a clear and comprehensive break-down justifying the reimbursement of these expenses.

**Jones Day**

23. Except as set forth in paragraph 18 above, the United States Trustee has no objection to the allowance of interim fees to this professional.

**Sufficiency of Expense Documentation**

24. The United States Trustee objects, however, to the reimbursement of \$2,730.50 in “Travel Meal” expenses and \$8,624.00 “Travel Transportation” expenses, which absent explanation are not reimbursable pursuant to Section (D)(2)(b) of the SDNY Guidelines. The application contains no information to support the applicant’s request for reimbursement of expenses for meals, travel and transportation, including information regarding the identity of the person incurring the expense, the date the expense was incurred, the amount of the expense and an adequate description of the expense. Until the applicant produces back up information to support these out of pocket expenses, the United States Trustee objects to the reimbursement of \$11,354.50 for these out-of-pocket expenses. In addition, the United States Trustee requests that the applicant comply with the Guidelines and provide detailed support in future applications in which they may seek reimbursement for these types of out-of-pocket requests.

### **Photocopying**

25. In its Application, Jones Day represents that it charges 20 cents per page for photocopying. See Application, ¶ 15(b), p. 6. Jones Day has not certified, however, that in compliance with Section F(2) of the Amended SDNY Guidelines – the applicant is charging the “lesser of \$.20 per page or cost.” Absent certification that it is in compliance with Section F(2) of the Amended SDNY Guidelines, the United States Trustee will object to the reimbursement of expenses related to “Photocopying.”

### **Curtis, Mallet-Prevost, Colt & Mosle LLP, Conflicts Counsel to the Debtors**

26. Except as set forth in paragraph 18 above, the United States Trustee has no objection to the allowance of interim fees to this professional.

### **Word Processing Expenses**

27. Curtis Mallet has requested reimbursement of word processing expenses totaling \$1,860.67. Pursuant to Section D (11) of the SDNY Guidelines, word processing and other staff services are not reimbursable expenses unless it is established that these charges are not included in the firm’s overhead. Because the Curtis Mallet Application makes no representation that word processing charges are not included in the firm’s overhead for the purpose of setting the firm’s hourly rates, the United States Trustee objects to the payment of any expenses for word processing charges.

### **Overtime Expenses**

28. In addition, the United States Trustee objects to the request of Curtis Mallet for reimbursement of overtime expenses in the amount of \$211.71. The Amended SDNY Guidelines provide that overtime is not reimbursable unless the applicant provides justification, based upon the circumstances of the case, for departing from the rule that precludes reimbursement of overtime expenses. See Amended SDNY Guidelines, at Section F(5). Because the Curtis Mallet Application puts forth no explanation as the necessity for reimbursement of overtime, it is not an allowable expense.

### **Photocopying Expenses**

29. The United States Trustee objects, however, to the reimbursement of \$189.70 in expenses categorized as “Duplicating,” which, absent explanation, are not reimbursable pursuant to Section F(2) of the Amended SDNY Guidelines. Curtis Mallet has not certified that in compliance with Section F(2) of the Amended SDNY Guidelines – it is charging the “lesser of \$.20 per page or cost.” Absent certification that it is in compliance with Section F(2) of the Amended SDNY Guidelines, the United States Trustee objects to the reimbursement of expenses related to “Duplicating.”

### **Sufficiency of Expense Documentation**

30. Although the Curtis Mallet Application provides a listing of the category of expenses for which the Applicant seeks to be reimbursed, the Applicant has failed to include substantiation that details and supports the requested reimbursement for meals (\$148.77) and

transportation (\$606.98) in its Application. See Section D(2)(b) of the SDNY Guidelines; see also UST Guidelines, Section 5(iii). The United States Trustee objects to the reimbursement of the aforementioned expenses until the Applicant provides back-up support for these reimbursement requests, including the identity of the person incurring the expense, the date the expense was incurred, the amount of the expense and an adequate description of the expense. In addition, the United States Trustee requests that the applicant comply with the Guidelines and provide detailed support in future applications in which they may seek reimbursement with respect to these types of out-of-pocket requests.

**Blackstone Advisory Services L.P., Financial Advisor to the Debtors**

31. Except as set forth in paragraph 18 above, the United States Trustee has no objection to the allowance of interim fees to this professional.

**Vague Research Expenses**

32. The United States Trustee objects, however, to the reimbursement of \$315.10 in research expenses, which absent explanation are not reimbursable pursuant to Section D(2)(b) of the SDNY Guidelines. See also UST Guidelines, Section 5(iii). In its application, Blackstone requests reimbursement of expenses of \$277.50, representing “Internal Research,” which is also described as “online data research.” See Blackstone Application, App. D. Blackstone also requests reimbursement of expenses of \$37.60, described as “External Research – Online Database.” Id. By contrast, requests for reimbursement of expenses for searching Reuters and Dow Jones databases are clearly delineated. Id. Blackstone’s reimbursement for expenses

labeled as “Internal Research” and “External Research – Online Database” should, therefore, be disallowed until Blackstone explains in detail which databases or sources or materials it researched and how the amounts listed were calculated.

**Expenses for Meals with Clients**

33. In its application, Blackstone requests reimbursement of \$218.57 for a “working dinner meal” on February 5, 2009 incurred by Henry Hsu, which apparently involved three persons. See Blackstone Application, App. D. Absent an explanation as to why this amount is reasonable, this expense should be disallowed. Mr. Hsu’s time records reported 2.0 hours of services on that day.

**Meal and Transportation Expenses Related to Minimal Work on the Debtors’ Cases**

34. Many of the meals or transportation were provided to Blackstone employees on days when they only worked for less than three hours on matters relating to the Debtors, or did not provide any services on behalf of any matter relating to the Debtors at all. Reimbursement for meals on these days as illustrated in the chart below appears excessive and should be denied:

<b>DATE</b>	<b>SERVICE</b>	<b>AMOUNT</b>	<b>EMPLOYEE</b>	<b>HOURS BILLED</b>
<b>02/03/09</b>	<b>Transportation</b>	<b>\$15.00</b>	<b>McKee</b>	<b>0</b>
<b>01/15/09</b>	<b>Meals</b>	<b>\$20.00</b>	<b>Hsu</b>	<b>0</b>
<b>01/15/09</b>	<b>Meals</b>	<b>\$20.00</b>	<b>McKee</b>	<b>0</b>
<b>02/12/09</b>	<b>Meals</b>	<b>\$20.00</b>	<b>Baird</b>	<b>1.5</b>
<b>01/20/09</b>	<b>Transportation</b>	<b>\$11.30</b>	<b>Baird</b>	<b>0</b>
<b>01/26/09</b>	<b>Transportation</b>	<b>\$9.90</b>	<b>Baird</b>	<b>2.0</b>
<b>02/05/09</b>	<b>Transportation</b>	<b>\$11.12</b>	<b>Baird</b>	<b>2.0</b>
<b>02/07/09</b>	<b>Transportation</b>	<b>\$9.70</b>	<b>Baird</b>	<b>2.0</b>
<b>02/18/09</b>	<b>Transportation</b>	<b>\$7.40</b>	<b>McKee</b>	<b>2.5</b>
<b>02/19/09</b>	<b>Transportation</b>	<b>\$7.25</b>	<b>McKee</b>	<b>2.0</b>
<b>02/23/09</b>	<b>Transportation</b>	<b>\$7.40</b>	<b>McKee</b>	<b>2.0</b>

<b>03/13/09</b>	<b>Transportation</b>	<b>\$6.48</b>	<b>McKee</b>	<b>2.0</b>
<b>02/07/09</b>	<b>Breakfast</b>	<b>\$7.04</b>	<b>Baird</b>	<b>2.0</b>
<b>02/16/09</b>	<b>Meals</b>	<b>\$20.00</b>	<b>McKee</b>	<b>0.5</b>
<b>02/19/09</b>	<b>Meals</b>	<b>\$20.00</b>	<b>McKee</b>	<b>2.0</b>
<b>03/12/09</b>	<b>Meals</b>	<b>\$16.25</b>	<b>McKee</b>	<b>2.5</b>
<b>03/13/09</b>	<b>Meals</b>	<b>\$20.00</b>	<b>McKee</b>	<b>2.0</b>

**Photocopying Expenses**

35. The United States Trustee requests additional information from the applicant regarding the billing practices with respect to the charge for internal photocopying totaling \$218.56. The applicant must certify that it has billed the estate at actual cost for these photocopying expenses so as to be in compliance with Section F(2) of the Amended SDNY Guidelines – i.e. that the applicant is charging the “lesser of \$.20 per page or cost.” Absent this certification, the United States Trustee objects to the reimbursement of \$218.56 for photocopying expenses requested by the applicant.

**Lowenstein Sandler PC, Counsel to the Committee**

**Vague and Lumped Time Entries**

36. In addition to the objection set forth in paragraph 18 above, the United States Trustee objects to the allowance of 5% of the fees requested by Lowenstein because they failed to comply with Section 4(v) of the UST Guidelines, which prohibits vague and lumped time entries.

37. Because professionals have the burden of proving the reasonableness of their fee requests, they must provide specific and detailed time records. See In re Bennett Funding Group, 213 B.R. 234, 244 (Bankr. N.D.N.Y. 1997).

38. Many of the time entries made by Lowenstein’s attorneys and paraprofessionals

are vague and, thus, do not comply with the UST Guidelines. See In re Brous, 370 B.R. 563, 569 (Bankr. S.D.N.Y. 2007) (citing Guidelines, (b) for the proposition that “fee applications, standing alone, must contain sufficient detail to demonstrate compliance with § 330”). Such vague entries include, for example, and without limitation, “draft memo re: potential issues in motion,” “conference call with Chanin,” “attention to DIP issues,” “internal meeting re cash collateral,” “participate in team conference call,” “calls with J. Becht re: additional items,” “calls re: title searches,” “attend meeting with debtor in NYC,” “meeting with indenture trustee’s counsel,” “meeting with committee counsel re: US Trustee’s fees,” “participate in team conference call,” and “review and revise cash.” In addition, all time entries concerning communications should describe the “nature of the communication” and parties thereto, see Brous, 370 B.R. at 569. These examples and other time entries throughout the approximately 200 pages of time records do not provide sufficient detail in order to determine whether the services were reasonable, necessary or benefitted the estates.

39. Section 4(v) of the UST Guidelines require that services rendered on the same day should be listed in separate entries unless the aggregate daily time for tasks performed in a project does not exceed one half hour. So-called “lumping” is permissible if an applicant “indicates parenthetically the amount of time spent on each activity.” See Brous, 370 B.R. at 570. Many of the time entries made by the attorneys and paraprofessionals at the Lowenstein firm are “lumped” together, rendering it difficult to determine whether such services and the time spent thereon is reasonable. The following are but examples of some of these time entries which are

found throughout Lowenstein's application:

Read Credit Agreements and Security Agreements; begin plan for lien review; numerous info requests; order searches (5.50)

Review cash collateral objection, objection to debtor's application to retain financial advisors; revise same (1.80)

Review and revise cash collateral settlement term sheet, confer with S. Levine re: same (4.60)

40. Again, the foregoing are examples only, as other similarly deficient time records appear throughout the application. Absent explanation, the United States Trustee requests that the total fees requested for allowance by this application be reduced by approximately 5%, or \$27,000 to address Lowenstein's non-compliance with the UST Guidelines and the case law.

#### **Overhead Expenses Billed as Services**

41. The United States Trustee requests that the Court reduce the Applicant's compensation by \$1,000 to address what appears to be the inclusion of overhead expenses as part of the requested compensation. See Section 4(vii) of the UST Guidelines. More than one of Lowenstein's attorneys and/or paraprofessional staff seek to charge the Debtors' estates for services that are a part of the firm's internal administration of the case, thus, overhead, for which the estates may not be charged. Examples of these time entries include: "organize, review and set up file," "review memo re: conflict check list," and "revise and recode Lowenstein Sandler prebill for January & February 2008." These are services that should be subsumed by the normal administration of the firm and not charged to the estates.

### **Review of News Articles**

42. The United States Trustee objects to the request for reimbursement of expenses in the amount of \$3,500 for reviewing news articles. Many of the Lowenstein attorneys entered time for reviewing articles, for example, and without limitation, “review death watch article,” “review article re: par bidder fees,” review blog re: Coleman, “review Project Celsius article” and “review articles re: Star Tribune bankruptcy.” In fact, there are approximately 25 time entries relating to the Lowenstein attorneys review of articles. The United States Trustee believes that attorney review of news articles relating to cases on which they are retained is a basic activity in which all professionals must engage to maintain their status as legal experts and to adequately represent their clients. Accordingly, the United States Trustee submits that such charges are not reasonably billed to the estates and requests that the Court reduce Lowenstein’s fees by \$3,500 to address these concerns.

### **Sufficiency of Expense Documentation**

43. Although the Lowenstein Application provides a listing of the category of expenses for which Lowenstein seeks to be reimbursed, Lowenstein has failed to include documentation detailing and supporting the requested reimbursement with its Application. At a glance, it is unclear what expenses were incurred under the description “telecommunications” (\$658.77) or “Travel” (\$397.40). In response to a request by the United States Trustee, satisfactory substantiation has been provided. The United States Trustee requests that future applications by Lowenstein provide substantiating detail including the identity of the person

incurring the expense, the date the expense was incurred, the amount of the expense and an adequate description of the expense.

44. The United States Trustee requests additional information from the applicant regarding the billing practices with respect to the charge for internal photocopying in the amount of \$1,276.92. The Application states that the “Applicant’s regular charge for photocopy expenses is \$.12 per page ....” (Application, ¶ 20). The applicant must certify that it has billed the estate at actual cost for these photocopying expenses so as to be in compliance with Section F(2) of the Amended SDNY Guidelines – i.e. that the applicant is charging the “lesser of \$.20 per page or cost.”

**Chanin Capital Partners, LLC, financial advisor to the Committee**

45. Except as set forth in paragraph 18 above, the United States Trustee has no objection to the allowance of interim fees to this professional.

**Meal Expenses Above Cap**

46. The United States Trustee objects, however, to the reimbursement of overtime meal expenses in an amount of greater than \$20.00 per person for all Chanin professionals. See Amended SDNY Guidelines, Section F(5). Not only was this cap exceeded for many of the overtime meal expenses, but at times, the expenses for which reimbursement was sought were extraordinary. For example, Chanin seeks reimbursement of \$480.78 for an out of town meal for four people on March 24, 2009. See Chanin Application, Ex. B.

### **Meal Expenses Related to Minimal Work on the Debtors' Cases**

47. Many of the meals were provided to Chanin employees on days when they only worked for less than three hours on matters relating to the Debtors, or did not provide any services on behalf of any matter relating to the Debtors at all. In view of this, reimbursement for meals on these days appears excessive and should be denied. Some examples of this practice are set forth below:

<b>DATE</b>	<b>SERVICE</b>	<b>AMOUNT</b>	<b>EMPLOYEE</b>	<b>HOURS BILLED</b>
<b>2/27/09</b>	<b>Working Lunch (4)</b>	<b>\$106.24</b>	<b>Murphy</b>	<b>2.5</b>
<b>3/01/09</b>	<b>Working Lunch</b>	<b>\$15.00</b>	<b>Mirshak</b>	<b>0</b>
<b>3/28/09</b>	<b>Lunch</b>	<b>\$15.00</b>	<b>Mirshak</b>	<b>0</b>
<b>39904</b>	<b>Dinner (2)</b>	<b>\$25.00</b>	<b>Marino</b>	<b>1.1</b>
<b>4/09/09</b>	<b>Dinner</b>	<b>\$21.30</b>	<b>Marino</b>	<b>1.5</b>
<b>4/17/09</b>	<b>Dinner</b>	<b>\$21.55</b>	<b>Marino</b>	<b>0</b>
<b>4/27/09</b>	<b>Dinner</b>	<b>\$22.15</b>	<b>Marino</b>	<b>2.0</b>

48. All requests for meal reimbursement over \$20, or for days during which the professionals worked only a few hours or not at all, should be denied.

### **Alden Kinder's Expenses**

49. Reimbursable expenses are also requested for one Alden Kinder totaling \$107.75. Alden Kinder is not listed as a professional who provided services relating to the Debtor. The United States Trustee objects to all expenses incurred by Alden Kinder, as set forth in the Chanin Application.

### **Expenses for Professional Services**

50. Chanin has requested reimbursement of expenses for the professional services of Erica Jones Miller \$1,457.00. Ms. Miller is not listed as a professional or paraprofessional for

which compensation is sought in the Chanin Application. To the extent Ms. Miller's services for ordinary business charges for secretarial, word processing or other staff services, such expenses are not reimbursable. See Fibermark, 349 B.R. at 397 (noting that secretarial overtime is an overhead expense, not compensable from the estate). The United States Trustee objects to the expenses relating to professional expenses, absent an explanation as to why these fees are not included within Chanin's overhead.

WHEREFORE, the United States Trustee respectfully requests that the Court grant the relief requested in the Applications, as modified herein, and grant such other and further relief as it may deem just and proper.

Dated: New York, New York  
June 26, 2009

Respectfully submitted,

DIANA G. ADAMS  
UNITED STATES TRUSTEE

By: /s/ Brian S. Masumoto  
Brian S. Masumoto  
Trial Attorney  
33 Whitehall Street, 21st Floor  
New York, New York 10004  
Tel. No. (212) 510-0500