
IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH
CENTRAL DIVISION

In re:

I.A. CORP.,

Debtor.

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: Bankruptcy Number 89B-07724
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: [Chapter 11]
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MEMORANDUM DECISION AND ORDER

Pending before the court are the applications of Chris L. Schmutz, Esq. (Schmutz) and Brian Steffensen, Esq. (Steffensen) for allowance of attorneys fees and reimbursement of expenses from the estate of I.A. Corp. Inc., a reorganized debtor. The applicants (Applicants) are counsel¹ for Ferrill J. Volpicelli and Jessie Volpicelli (Volpicellis), parties in interest who have filed claims as unsecured creditors and interest holders in this case. At issue is whether applicants are entitled to compensation for attorney's fees and costs pursuant to 11 U.S.C. §§ 503(b)(3)(D) and (4).²

The Applicants contend that their services, including an objection to the secured claims of Robert Laing (Laing) and Langco Inc. (Langco), and an objection to a creditors' proposed plan of reorganization, produced a substantial contribution to the estate

¹ On November 1, 1990, Steffensen was substituted for Terrell Smith as co-counsel.

² All future references are to Title 11 of the United States Code unless otherwise noted.

that entitled them to payment of allowed administrative expenses from assets of the reorganized debtor. Laing, a holder of an allowed secured claim, objects to allowance of such administrative claims. Laing seeks disallowance of portions of the fees and costs and asserts that the Applicants' objections to the claims of Laing and Langco and to the creditors' chapter 11 plan did not substantially contribute to the case and did not have an actual and demonstrable benefit. Laing also asserts that Applicants' administrative claims should be disallowed for policy reasons and for lack of specificity with respect to itemization of fees and costs.

The court has now considered the evidence presented, reviewed the events that transpired in this case as reflected in the court files and docket, the arguments of counsel, and has independently reviewed applicable case law. Now being fully informed, the court rules as follows.

FACTS

On December 20, 1989, I.A. Corp. filed its voluntary petition for relief pursuant to the provisions of chapter 11. The petition was signed by Vito A. Rotunno, Jr., Joan Rotunno, Ferrill J. Volpicelli and Jessie Volpicelli as directors of I.A. Corp. The Volpicellis are the clients of the Applicants and all pleadings in this case, except those relating to the pending fee applications, have been filed by the Applicants on behalf of the Volpicellis. This case is the continuation of litigation between the alleged equity interest holders of I.A. Corp. and its predecessor. These parties dispute who is entitled to receive the beneficial interest in certain real property located in Park City, Utah, that is the sole physical asset of I.A. Corp. I.A. Corp. has been a dysfunctional debtor from its filing.

Immediate issues arose over whether the Rotunnos and the Volpicellis were authorized to execute the chapter 11 petition. The United States Trustee filed a motion to convert the case to a case under chapter 7.³ The case was not converted and no trustee was appointed. The case has been acrimonious and most of the proofs of claim and proofs of interest filed in the case have been objected to by various parties.

Laing/Langco, alleged creditors of I.A. Corp., filed a creditors plan of reorganization and a proposed disclosure statement. Volpicellis objected to the disclosure statement, citing nine perceived flaws. Several of the objections went to the plan proponents' involvement in the case or to the method of disposing of I.A. Corp.'s assets. The court confirmed Laing/Langco's modified plan on November 26, 1990.

The confirmed plan provides that the real property located in Park City is to be managed by a property manager. Costs of administering the property are to be paid and any excess funds distributed to holders of allowed claims secured by interests in the property. Distribution would first be made to Zions First National Bank and Bay Area Finance, with distribution to the allowed Lang/Langco claims deferred. The plan also provides that one year after all general unsecured claims and stockholders interests have been allowed or disallowed, a disbursing agent will sell the property. If the disbursing agent sells the property within one year of the allowance or disallowance of all unsecured claims and interests, the property will be sold subject to secured claims. Allowed unsecured creditors may credit bid

³ I.A. Corp.'s responsive pleading to the United States Trustee's motion to dismiss indicated that "because of the dispute regarding control and ownership of the debtor corporation... counsel for the debtor is unable to receive clear and unequivocal instruction regarding the conduct and handling of this Chapter 11 proceeding. . . . [I]t may be of benefit to the administration of the bankruptcy estate if an independent, objective trustee were appointed to control the affairs of the debtor."

their claims provided that Zions Bank has the right to monitor the sale and to control acceptance of a bid only if the bank deems a bidder to be credit worthy.

If the property is not sold within three years of the effective date (November 26, 1993) because claims and interests disputes have not been resolved, the property will be sold free and clear of liens with valid liens to attach to the proceeds and with the provision that holders of allowed secured claims may credit bid pursuant to § 363(k). Prior to the three-year deadline, I.A. Corp. may pay the disbursing agent sufficient funds to cover all allowed and estimated general unsecured claims and the disbursing agent will then convey the property back to I.A. Corp. This plan provision gives equity interest holders three years to raise enough money to pay the disbursing agent in order to retain the benefit of the value of the real property, but only if all other unsecured claims are fully paid.⁴ A number of objections to unsecured claims and interests remain unresolved and no sale of the property has been scheduled by the disbursing agent. As of this date, I.A. Corp. has not paid to the disbursing agent sufficient funds to satisfy all claims.

The value of the real property is \$1,183,000. The disclosure statement reflected certain claims secured by the real property as follows: claim of Summit County in the amount of \$2,949 (paid at confirmation); Langco deed of trust (Aftergood Note); Langco claim filed in the amount of \$115,064; Zions Bank claim in the amount of \$242,125; Bay Area Financial claim in the amount of \$88,000; Laing claim filed in the amount of \$221,665;

⁴ Under the creditors' proposed plan monthly distribution by the property manager would have been to secured creditors with allowed claims, including the claims of Laing/Langco. A disbursing agent would have sold the property within one year of the allowance or disallowance of all unsecured claims and interests. The property would be sold subject to secured claims. Secured creditors would have had the right to credit bid their claims under § 363(k). If the successful bidder was an unsecured claimant, the amount in excess of any credit bid could be paid over time in twenty equal quarterly installments with interest at ten percent.

claim of Marsac Mill Manor and Silver Mill House Condominium Association claim in the amount of \$7,504.

The Volpicellis objected to the secured claims of Laing and Langco. The objection resulted in allowance of Laing's claim in the reduced amount of \$25,000 plus interest and attorneys fees and Langco's claim in the reduced amount of \$79,168.93 plus interest and attorneys fees. The court required Langco to offset \$100,850 in payments it had previously received. The court determined that Langco's secured claim was partially void because Langco was actually the alter ego of James M. Gibson. The court also granted an oral motion made at trial by the Volpicellis to stop any interim distributions to Laing and Langco prior to resolution of their claims against the estate.

The Volpicellis filed a motion to alter or amend the judgment seeking a modification related to the award of attorneys fees and the determination that I.A. Corp. had ratified certain documents which the court denied. Cross appeals followed relating to the award of attorneys fees to counsel for Laing and Langco. The district court upheld this court's opinion that the allowed claims of Laing and Langco included attorneys fees.

The Volpicellis were involved in various other matters during the course of this proceeding. The nature of that involvement can be gleaned by a partial listing of events as indicated by a review of the court's file and docket:

12/20/89	Volpicellis signed the chapter 11 petition.
1/31/90	Ferrill Volpicelli appeared at the § 341 meeting.
4/30/90	Proof of claim filed by Volpicellis.
2/11/90	Motion for sanctions under Rule 11 filed by J. Henel against Volpicellis.
2/26/90	Memorandum filed in opposition to the motion for sanctions under Rule 11 filed by Volpicellis.

3/06/90	Removal to this court of a pending state court action entitled Volpicelli v. Gibson, et al. The docket for that adversary proceeding contains 119 entries.
3/30/90	Ex parte motion and order for Rule 2004 examination filed by the United States Trustee requiring Ferrill Volpicelli to appear.
5/07/90	Volpicelli appeared regarding motion to extend the exclusivity period to file a plan.
9/28/90	Notice of appearance filed by Schmutz and Terrell Smith for Volpicellis.
11/02/90	Objection to Gibson Family Trust's claim filed by Volpicellis.
11/02/90	Objection to Gibson Family Trust's claim filed by Volpicellis.
11/02/90	Objection to Joan and Vito Rotunnos' claims filed by Volpicellis.
11/02/90	Objection to James M. Gibson's claim filed by Volpicellis.
11/02/90	Stipulation for substitution of Brian Steffensen for Terrell Smith as co-counsel.
11/02/90	Notice of Appearance of Counsel Steffensen.
11/16/90	Proof of interest filed by Ferrill and Jessie Volpicelli.
11/21/90	Objection to claim of Jesse and Ferrill Volpicelli filed by Rotunnos.
11/21/90	Objection to claim of Laing and Langco filed by Rotunnos (joining in objection filed by Volpicellis).
11/26/90	Proof of claim filed by Volpicellis.
11/28/90	Objection to Volpicellis' claim filed by Laing and Langco.
11/28/90	Objection to Volpicellis' claim filed by Gibson.
12/26/90	Objection to Volpicellis' Proof of Stock Interest filed by Laing and Langco.
12/26/90	Objection to Wm H. Stewart's proof of claim filed by Volpicellis.
12/26/90	Objection to Gibson Family Trust's Proof of Stock Interest filed by Volpicellis.
12/28/90	Objection to Volpicellis' proof of stock interest filed by Gibson.
1/02/91	Objection to Volpicellis' amended claim filed by Laing and Langco.

On March 24, 1992, Schmutz and Steffensen filed a Verified Application for Compensation under § 503(b)(4) (Application) requesting an award of compensation and reimbursement of expenses. Laing objected, asserting that the services rendered by Applicants were rendered solely on behalf of the Volpicellis, and that Schmutz and Steffensen had not made a substantial contribution to the case. Laing also objected because some of the services and costs contained in the Application were allegedly not compensable

at attorney rates, were duplicative, clerical or paralegal in nature, and because many entries were lumped.

The hearing on the original Application was held on April 20, 1992. This court disallowed the Application because many of the entries were non-specific and lumped. However, the Application was disallowed without prejudice. The Applicants were given the opportunity to revise their fee application to include more specific entries so that the court could determine what actions of the Applicants had substantially benefitted the estate.

On October 13, 1992, Schmutz and Steffensen filed a renewed Application seeking compensation under § 503(b)(4) with accompanying memorandum. A modified list of time and expenses for Applicants was attached to the renewed Application. Under the first Application, Schmutz sought compensation and reimbursement of costs totaling \$38,161.33. Under the renewed Application he seeks \$37,076.58. Under the first Application Steffensen sought compensation of \$15,537. He now seeks \$15,062 in fees under the renewed Application. Applicants also seek paralegal compensation in the amount of \$1,176.56 which has remained the same through both versions of the Application. The renewed Application deleted certain entries, but did little to clarify many of the lumped entries or those with descriptions that failed to specifically articulate the service performed. In light of these facts, Laing objects to the renewed Application on the same grounds as the first Application, contending that Applicants made no substantial contribution to the case, that many of the itemized entries of services are lumped and vague, and that costs are not properly itemized.

JURISDICTION

This court has jurisdiction over this proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (O). Because this matter is a core proceeding, this court is entitled to enter a final order. The contested matter is before the court under Local Rule of Bankruptcy Procedure D. Utah 404(a). Rule 404(a) automatically refers bankruptcy cases and proceedings to this court for hearing and determination.

ANALYSIS

Section 503(b)(3)(D) and (b)(4) allows the Applicants to file a request for payment of an administrative claim that may be granted after notice and a hearing.⁵ The Applicants carry the burden of proving that their services resulted in a substantial contribution to the estate. *Lister v. Haskins (In re Lister)*, 846 F.2d 55, 57 (10th Cir. 1988). Applicants must prove their claims by a preponderance of the evidence. *In re Speeds Billiards & Games, Inc.*, 149 B.R. 434, 437 (Bankr. E.D. Tex. 1993). Any recovery should be

⁵ Section 503(b)(3)(D) and (b)(4) provide as follows:

(b) After notice and a hearing, there shall be allowed administrative expenses, . . . including-

....

(3) the actual, necessary expenses, other than compensation and reimbursement specified in paragraph (4) of this subsection incurred by-

....

(D) a creditor, . . . in making a substantial contribution in a case under chapter 9 or 11 of this title;

....

(4) reasonable compensation for professional services rendered by an attorney or an accountant of an entity whose expense is allowable under paragraph (3) of this subsection, based on the time, the nature, the extent, and the value of such services, and the cost of comparable services other than in a case under this title, and reimbursement for actual, necessary expenses incurred by such attorney or accountant.

strictly construed by the court. *Isaac v. Temex Energy, Inc. (In re Amarex Inc.)*, 853 F.2d 1526, 1530 (10th Cir. 1988).

Laing's objection asserts: 1) that Applicants should not be compensated because their objections to the secured claims of Laing and Langco were the function and obligation of the debtor-in-possession and thus not reasonable and necessary, 2) even if the Applicants' efforts were reasonable and necessary, Applicants did not confer a substantial benefit upon the estate, and, 3) the fee Application is insufficiently itemized, lumped, duplicative and unclear.

The general rule is that a claimant is not entitled to an allowance of fees for activity in connection with the administration of an estate where such activity amounts to the performance of some function or duty of the estate. The exception to the general rule is when an applicant is successful in demonstrating that the appointed officer is either unable or unwilling to act. *In re Ace Finance Co.*, 69 B.R. 827, 830 (Bankr. N.D. Ohio 1987).

Applicants have proved the lack of ability and willingness on the part of I.A. Corp. to pursue either confirmation of a plan or objections to claims. The court is cognizant of the Volpicellis involvement as asserted interest holders in the case and the ongoing infighting among alleged interest holders. If the Volpicellis actions related only to their own aggrandizement, then the fees requested would be disallowed. *In re Sound Radio Inc.*, 145 B.R. 193, 214 (Bankr. D.N.J. 1992). However, I.A. Corp. is a corporation that has been riddled with strife and disharmony. No trustee was appointed nor creditor's committee formed. I.A. Corp. was not only unwilling, but also unable to act and fulfill its duty to the estate by objecting to the claims of Laing and Langco. Therefore, Applicants were justified

in taking on the responsibility of objecting to Laing and Langco's claims, and, if other conditions are met, are eligible for payment of their administrative claims.

Laing's second objection to Applicants' fees rests on whether any of Applicants' efforts substantially contributed to a successful result. Under § 503(b)(3) and (4), the applicable test is whether the applicants efforts resulted in an actual and demonstrable benefit to the debtor's estate and creditors. *Lister*, 846 F.2d at 55 (citing *In re Jensen-Farley Pictures, Inc.*, 47 B.R. 557, 569 (Bankr. D. Utah 1985)); *In re McLean Indus., Inc.*, 88 B.R. 36, 38 (Bankr. S.D.N.Y. 1988); *In re Rockwood Computer Corp.*, 61 B.R. 961, 965 (Bankr. S.D. Ohio 1986). Extensive participation in a case alone is insufficient to compel compensation under § 503(b). *McLean Indus.*, 88 B.R. at 38; *In re D.W.G.K. Restaurant, Inc.*, 84 B.R. 684, 690 (Bankr. S.D. Cal. 1988). The general rule is that a creditor must look to his or her own client for payment. *Jensen-Farley*, 47 B.R. at 573. Nonetheless, if an attorney renders services not only on behalf of his or her client's interests, but confers a significant and demonstrable benefit upon the creditors of the estate, the expenses should be compensated. *In re Romano*, 52 B.R. 590, 593 (Bankr. M.D. Fla. 1985); *In re General Oil Dist., Inc.*, 51 B.R. 794, 806 (Bankr. E.D.N.Y. 1985); *In re Richton Int'l Corp.*, 15 B.R. 854, 856 (Bankr. S.D.N.Y. 1981). Such participation is not limited merely to the proponent of the plan; a creditor whose objections to the plan benefit the estate may also be compensated. *Jensen-Farley*, 47 B.R. at 565-66.

However, something more than self-serving statements must be presented to the court for it to find a substantial contribution. A specific benefit must be shown. *In re 9085 E. Mineral Office Bldg. Ltd.*, 119 B.R. 246, 249 (Bankr. D. Colo. 1990)(attention

devoted to matters of general case administration are usually performed for the benefit of client and are likely duplicative and noncompensable as administrative expenses). Applicants have proved that their activities in reducing the total allowed secured claims against the real property generated a larger return, or the probability of a larger return, to creditors. *In re F.E. Frederick Enters. Inc.*, 146 B.R. 360, 363 (Bankr. W.D. Pa 1992)(claimants fees disallowed where modification in a chapter 11 plan allowed creditors to receive their payments earlier, but did not change the total amount of payment).

When a party is successful in discovering fraud in connection with a case, whether recovery is successful or unsuccessful, the party is entitled to compensation as having made a substantial contribution. *In re Standard Metals Corp.* 105 B.R. 625, 630 n.6 (Bankr. D. Colo. 1989); *In re Texaco, Inc.*, 90 B.R. 622, 627, (Bankr. S.D.N.Y. 1988). This court determined Langco to be the alter ego of James M. Gibson and reduced Langco's claim accordingly. Because of Applicants' successful objections to Laing and Langco's secured claims, it is likely that there will be substantial additional funds available for pro rata distribution to holders of unsecured claims. Applicants are entitled to compensation as an administrative expense for their activities resulting in a substantial reduction of the Laing and Langco claims.

The second area for which Applicants request compensation is for their general participation in the reorganization process. Applicants contend that their objections to the original plan submitted by Laing/Langco, as well as their efforts in contributing to the modified plan that was eventually confirmed, also contributed to a successful result. Applicants negotiated a change in the order of payment of secured creditors that deferred

payment on the Langco obligation. They assert that \$16,000 to \$18,000 in interim payments that would have been paid to Langco were not made as a direct result of their negotiated changes in the plan. Their arguments pre-suppose that the property manager would have paid a contested claim, or that, if paid, the funds would not have been returned to the estate. The Applicants' presented no evidence to support those assumptions.

The Applicants' efforts in modifying the original plan submitted by Laing/Langco were also focused on a change in the timing and procedure for sale of the Park City property. I.A. Corp. was given an opportunity to raise enough money to redeem the property by paying all allowed claims in full. If I.A. Corp. is unable to do so, the property will be sold at auction a year after all claims objections are resolved. If the purchaser is the holder of an allowed claim, the purchaser must pay the balance in excess of its credit bid in cash, rather than finance the purchase over five years. The Applicants presented no evidence that this negotiation effected anything other than the timing of payments and did little to increase the return to any party. *F.E. Fredrick Enters.*, 146 B.R. at 363. The original plan provided for interest of ten percent per annum on the successful credit bidder's payment over time, so the earlier payout is not a substantial modification. The provision for equity interest holders to buy out their claims is too contingent to be of actual value to creditors by way of an increased distribution. The only other benefit that may accrue, if at all, is to the equity interest holders. The contingent and speculative benefit conferred by the plan amendments are too contingent to have conferred a substantial and demonstrable benefit and such services are not compensable.

The third area objected to by Laing/Langco is the incomplete itemization contained in the applications. Many entries are lumped or batched. It is impossible to extract the tainted entries from the entire lumped entry; therefore, the entire entry must be disallowed. *In re Speeds Billiards & Games Inc.*, 149 B.R. 434, 440 (Bankr. E.D. Tex. 1993)(lumped or batched entries prevent the court from reviewing how much time was dedicated to a particular entry).

Many of the entries are also duplicative. The participation of more than one attorney is sometimes necessary in complex matters and compensation in such instances should be awarded. However, there is a difference between coordination and duplication of services. *In re Adventist Living Ctrs.*, 137 B.R. 701, 716 (Bankr. N.D. Ill. 1991)(citing *In re Holthoff*, 55 B.R. 36 (Bankr. E.D. Ark. 1985)). An "example of a kind of work for which only one attorney ordinarily will be compensated is court appearances. When more than one attorney appears in court on a motion or argument or for a conference, no fee should be sought for non-participating counsel." *Adventist Living Ctrs.*, 137 B.R. at 716 (citing *In re Pettibone Corp.*, 74 B.R. 293, 299 (Bankr. N.D. Ill. 1987)); see also *Jensen-Farley*, 47 B.R. at 583. An exception to the above stated rule "would be a showing of some specific reason requiring attendance by more than one attorney at a particular court hearing." *Adventist Living Ctrs.*, 137 B.R. at 716.

Several entries billed by Steffensen are duplicative of the services performed by Schmutz and represent hours in court where both Steffensen and Schmutz were present.⁶

⁶ Two hours on 01/16/91 in the amount of \$190.00 for a court hearing on a motion to quash. Nine hours on 01/30/91 in the amount of \$855.00 for time spent at hearing on objection to the claims of Laing and Langco. Eight hours on 02/06/91 in the amount of \$760.00 for hours spent in court. Seven hours on (continued...)

For the most part, Steffensen did not examine witnesses or argue the case. Although most courts rule that no fees should be awarded where services are duplicative, the amount of the reduction is within the discretion of the trial court. *In re Mullendore*, 527 F.2d 1031, 1040 (10th Cir. 1975)(the court relied on the trial judge, who had an intimate knowledge of all the proceedings, to give credit where credit was due and to avoid payment for duplicative services). Because of the complex nature of the claims litigation, partial payment of two-thirds of the billed amount will be allowed to Steffensen for appearances at hearings where Schmutz was lead counsel.

There are many entries that appear to relate to matters of a general nature in the myriad of issues that arose in the case. Applicants argue that a contribution in a case is like a building, made up of individual bricks; that each brick need only be related to the ultimate outcome and not necessarily directly related to a particular benefit. While there can be no doubt that such participation in the case generally does make some contribution, these actions are also self-interested and duplicative. *Mineral Office Bldg.*, 119 B.R. at 254. Many of the Applicants' services protected only the Volpicellis' interests. To use Applicants' analogy, the bricks make a building with many rooms; only those rooms containing a benefit to all creditors should be paid for by the estate. Extensive participation, alone, is not sufficient to compel compensation under § 503(b). *In re Catalina Spa & R.V. Resort, Ltd.*, 97 B.R. 13, 17 (Bankr. S.D. Cal. 1989); *Ace Finance*, 69 B.R. at 827. As the court in *Catalina Spa* summarized:

(...continued)

02/28/91 in the amount of \$665.00 for hours spent in court. Eight hours on 04/05/91 in the amount of \$760.00 for time in trial.

Compensation cannot be freely given to all creditors who take an active role in bankruptcy proceedings, rather, it must be preserved for those rare occasions when the creditor's involvement truly fosters and enhances the administration of the estate. The integrity of § 503(b) can only be maintained by strictly limiting compensation to extra ordinary creditor actions which lead directly to significant and tangible benefits to the creditors, debtor, or the estate. While § 503(b) was enacted to encourage meaningful creditor participation, it should not become a vehicle for reimbursing every creditor who elects to hire an attorney.

Catalina Spa, 97 B.R. at 21.

Applicants are entitled to an award of fees and costs as set forth in the renewed Application less the amounts reflected in Exhibit A attached hereto, which entries are specifically disallowed.

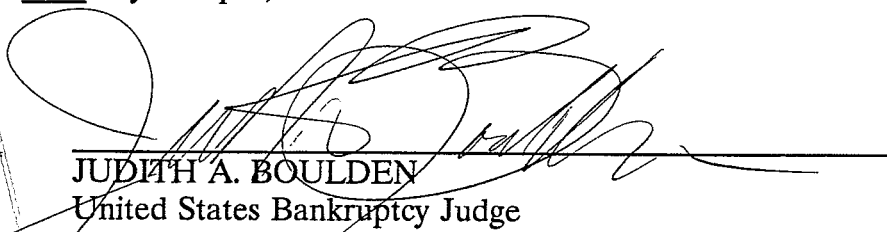
Based upon the foregoing, it is hereby

ORDERED, that the allowed § 503(b) claim of Schmutz is \$27,820.08 (including fees and costs); and it is further

ORDERED, that the allowed § 503(b) claim of Steffensen is \$7,074.09; and it is further

ORDERED, that the allowed § 503(b) claim for paralegal compensation is \$966.56.

DATED this 7 day of April, 1993.


JUDITH A. BOULDEN
United States Bankruptcy Judge

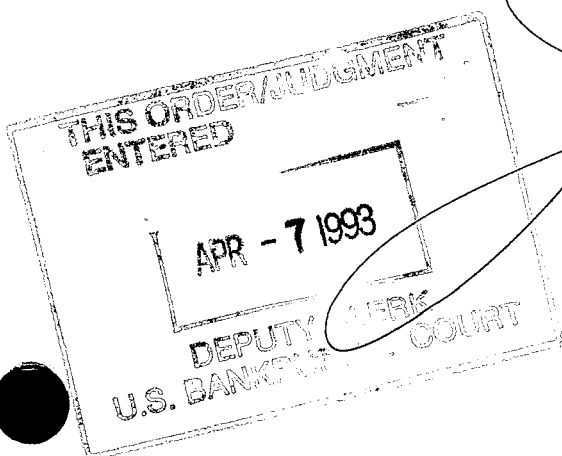


EXHIBIT A

Itemization of Chris L. Schmutz

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
09/07/90	Meet with Kim Mosier & Ralph Larsen re status of bankruptcy case, adequacy of disclosure statement and claims of Laing and Gibson	1.00	85.00
	<i>Lumped - includes general matters and consideration of Gibson's claims, as well as Laing's claims.</i>		
09/13/90	Telephone conference with Terrell Smith re status of bankruptcy and adversary proceeding, discovery problems and work to be done.	.50	42.50
	<i>General matters - does not describe what adversary proceeding was discussed.</i>		
09/14/90	Review plan of reorganization submitted by Langco.	.40	34.00
	Meet with Terrell Smith re plan submitted by Langco, and regarding claims filed.	1.50	127.50
	<i>General matters - general plan review and review of claims filed without specific reference to Laing or Langco claims.</i>		
09/21/90	Prepare and file objection to disclosure statement.	3.00	255.00
	<i>No substantial contribution - general plan review.</i>		
09/26/90	Meet with Terrell Smith to review files, discuss claims to be disputed and review Langco disclosure statement and our objection.	2.10	178.50
	<i>General Matters - Lumped - unable to segregate general review of files and discussion of claims.</i>		
09/27/90	Prepare notice of appearance for myself and for Terrell Smith; prepare objection to claims of Langco and Laing.	1.70	144.50
	<i>Lumped - unable to segregate time for general notice of appearance on behalf of client from preparation of claims objection.</i>		
09/28/90	Prepare for hearing on adequacy of Langco disclosure statement.	1.10	93.50
	<i>No substantial contribution - general plan review.</i>		

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
09/28/90	File objection to claims and notices of appearance, attend hearing on Langco disclosure statement.	1.20	102.00
	<i>General Matter - Lumped - unable to segregate clerical function from attendance at hearing.</i>		
10/02/90	Telephone conference with Mont McDowell re changes in disclosure statement.	.30	25.50
	<i>No substantial contribution - general plan review.</i>		
10/18/90	Meet with Brian Steffensen regarding status of case.	.20	17.00
	Telephone conference with Dr. Volpicelli re what needs to be done.	.30	25.50
	<i>General matters not specifically related to compensable activity.</i>		
10/25/90	Telephone conference with Terrell Smith and Brian Steffensen re recent filings by Laing, and what needs to be done.	.40	34.00
	<i>General matters not specifically related to compensable activity.</i>		
10/25/90	Legal research at U of U law library re Laing's motion for atty fees, motion for authorization to vote contested claim, and good faith.	2.10	178.50
	<i>General matters not specifically related to compensable activity.</i>		
10/26/90	Legal research at U of U law library re temporary allowance of claims to vote on plan.	.50	42.50
	Review and copy all proofs of claim in IA Corp case.	.50	42.50
	<i>General matters not specifically related to compensable activity.</i>		
	Meet with Brian Steffensen to review pending motions in bankruptcy case, and plan responses.	.90	76.50
	<i>Does not delineate which motions were reviewed.</i>		
10/30/90	Obtain from bankr clerk copies of all claims filed in I.A.case; order I.A. 1983 file from Denver archives; review filings at Dept. of Commerce.	1.00	85.00
	<i>Lumped - unable to segregate clerical function.</i>		

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
10/31/90	Meet with Brian Steffensen to review case, plan strategy and coordinate bankr case and adversary proceeding.	2.50	212.50
	<i>General matters - unable to determine what adversary proceeding.</i>		
11/01/90	Prepare certificate of service, stipulation for substitution of counsel, notice of appearance of Steffensen and file and mail same.	2.00	170.00
	<i>General matter - entry is lumped and partially clerical.</i>		
	Meet with Terrell Smith and Brian Steffensen to map out strategy and discuss facts and documents we need.	1.30	110.50
	<i>Unable to determine if this relates to objection to Laing and Langco claims, or objection to other claims.</i>		
11/02/90	Prepare list of key facts for Terrell Smith.	.30	25.50
	<i>Brian Steffensen already substitute for Terrell Smith. Unspecific as to why the task performed or what the activity relates to.</i>		
11/02/90	Office conference with Terrell Smith re key facts, documents and depositions.	.20	17.00
	<i>General matter not specifically identified as relating to objection to claims of Laing and Langco.</i>		
11/05/90	Telephone conference with Vito Rotunno re objections to claims.	.20	17.00
	<i>Unspecific as to which claims objections.</i>		
11/07/90	Telephone conference with Kim Mosier, atty for I.A.	.10	8.50
	<i>General matter not specifically identified as relating to objection to claims of Laing and Langco.</i>		
11/08/90	Work on memorandum in opposition to claims.	3.20	272.00
	<i>Unspecific as to which claims objections.</i>		
	Telephone conferences with Cindy McGinnis, Bart Skinner, Steve Tyler and Brian Steffensen re Zions claim and voting on Langco's Plan.	.60	51.00
	Telephone conferences with Tim Pingree and Vince Lombardo of Bay Area Financial, re BAF's claim and voting on the plan.	.60	51.00
	<i>General matter - not specifically related to objection to claims of Laing and Langco.</i>		

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
11/09/90	Work on memorandum in support of objections to claims. <i>Unspecific as to which claims objections.</i>	3.20	272.00
	Telephone conferences with Vito Rotunno and his atty, Gary Jubber, re status of case. <i>General matter not specifically related to compensable services.</i>	0.40	34.00
11/12/90	Work on objection to Plan filed by Laing and Langco. <i>Service did not result in a present demonstrable benefit to all creditors.</i>	3.10	263.50
	Work on memoranda in opposition to claims of Gibson, Gibson Family Trust and Langco. <i>Lumped entry with objection to Gibson and Gibson Family Trust claims objection.</i>	1.60	136.00
11/13/90	Work on memoranda in opposition to claims. <i>Entry is unspecific as to what claims objection.</i>	1.70	144.50
	Telephone conferences with Dr. Volpicelli, Steve Tyler and Bay Area Financial. <i>Unspecific entry - too general and applicable to general representation of client.</i>	.60	51.00
11/14/90	Telephone conferences with Mont McDowell and his office. Telephone conference with Kim Mosier. Telephone conference with Steve Tyler, atty for Zions. <i>Unspecific entry -- too general and applicable to general representation of client.</i>	.60 .20 .20	51.00 17.00 17.00
11/15/90	Telephone conference with Steve Tyler (atty for Zions), Bob Rees (atty for Rotunno) and Brian Steffensen re objections to plan. <i>Unspecific entry -- too general and applicable to general representation of client.</i>	.80	68.00

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
11/16/90	Telephone conference with Steve Tyler, Mont McDowell, and Bob Rees re objections to plan and fees.	.70	59.50
	Finalize objections and memoranda to plan and fees for filing.	.80	68.00
	Then file ballot accepting plan as modified.	1.50	127.50
<i>No substantial contribution - all services relate to plan confirmation for which there is no realizable benefit to the estate.</i>			
11/19/90	Review pleadings filed by Vito Rotunno's attorney and discuss with Brian Steffensen; TC Vince Lombardo, atty for Bay Area Financial.	.30	25.50
<i>Lumped and unspecific entry -- too general and applicable to general representation of client.</i>			
11/21/90	Telephone conference with Robert Rees, atty for Rotunno, re objections to claims, and adversary proceeding against Gibson.	.40	34.00
<i>Lumped topics including adversary proceeding against Gibson.</i>			
11/26/90	Review latest modifications in plan of reorganization.	.60	51.00
	Telephone conference with Mont McDowell and Steve Tyler (atty for Zions Bank) re wording of plan provisions.	.70	59.50
	Attend hearing on confirmation of plan; meet with Robert Rees (atty for Rotunno), Terrell Smith and Brian Steffensen re litigation.	2.30	195.50
<i>No substantial contribution - all services relate to plan confirmation for which there is no realizable benefit to the estate.</i>			
12/06/90	Office conference with Brian Steffensen re planning and strategy.	1.00	85.00
<i>General entry - not specifically related to claims objection of Laing and Langco.</i>			
01/10/91	File notice of deposition of Mountain Plaza Bank and mail copies.	.30	25.50
<i>Clerical function.</i>			

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
01/10/91	Serve subpoena on Capital City Bank and review bank statements from Union Bank account.	.60	51.00
	<i>Lumped entry, a portion of which appears to be paralegal service -- billed at attorney rates.</i>		
	Serve subpoena on First Interstate Bank re cashier's check on Louis property.	.50	42.50
	<i>Paralegal service billed at attorney rates.</i>		
01/14/91	Prepare letters to Dan Boone and Vito Rotunno.	.40	34.00
	<i>Unspecific entry - no indication if the letters related to the objection to the claim of Laing and Langco.</i>		
01/21/91	Telephone conference with Vito Rotunno.	.20	17.00
	<i>Unspecific entry - no indication if the conference related to the objection to the claim of Laing and Langco.</i>		
01/23/91	Deliver subpoena to Valley Bank; review Valley's records, TC Valley's records custodian re appearance at hearing.	1.60	136.00
	<i>Lumped entry - part of which is paralegal service. Unable to determine if billed at paralegal rates.</i>		
02/04/91	Telephone conference with Vito Rotunno.	.20	17.00
	<i>Unspecific entry - no indication if the conference related to the objection to the claim of Laing and Langco.</i>		
02/05/91	Telephone conference with Bob Rees.	.20	17.00
	<i>Unspecific entry - no indication if the conference related to the objection to the claim of Laing and Langco.</i>		
08/21/91	Telephone conference with Terrell Smith re Judge Boulden's decision, and re discovery sanctions.	.30	25.50
	<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>		
	Telephone conference with Vito Rotunno re Judge Boulden's decision and MREC case.	.20	17.00
	<i>Entry not related to the Laing and Langco claim litigation and did not produced a result beneficial to the estate.</i>		
	Legal research re attorneys fees awards.	.90	76.50
	<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>		

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
08/24/91	Work on motion to alter or amend	2.40	204.00
	Legal research on attorneys fees and ratification for motion to alter or amend.	1.90	161.50
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
08/26/91	Work on memorandum in support of motion to alter or amend.	5.00	425.00
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
08/27/91	Work on memorandum in support of motion to alter or amend.	4.50	382.50
	Legal research on application for reimbursement of fees and expenses.	1.00	85.00
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
	Prepare notice of hearing, obtain hearing date, prepare certificate of service, and file and serve all pleadings re motion to alter or amend.	2.20	187.00
<i>Includes paraprofessional time billed at attorney rates.</i>			
08/28/91	Work on memorandum in support of motion to alter or amend.	6.10	518.50
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
09/03/91	Telephone conference with Robert Rees, atty for Rotunno, re Langco appeal.	.30	25.50
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
09/11/91	Telephone conference with Mont McDowell, atty for Laing, re settlement of atty fees issues.	.20	17.00
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
09/12/91	Telephone conference with John Maycock, atty for Langco; prep letter to him re motion to alter or amend.	.30	25.50
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
09/23/91	Telephone conference with Mont McDowell re settlement of Laing claim.	.10	8.50
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
09/26/91	Telephone conference with Mont McDowell re motion to alter or amend.	.10	8.50
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
10/02/91	Prepare for hearing on motion to alter or amend.	1.90	161.50
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
10/03/91	Attend hearing on motion to alter or amend.	1.50	127.50
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
11/02/91	Review notice of appeal filed for Langco and Laing by Boone, and calendar deadlines.	.20	17.00
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
11/05/91	Telephone conference with Bob Rees re Langco appeal and settlement prospects.	.20	17.00
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
11/08/91	Prepare cross appeal.	.90	76.50
	File notice of cross appeal.	.30	25.50
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
12/10/91	Telephone conference with Robert Rees re Langco appeal and Joan's deposition.	.30	25.50
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
12/18/91	Prepare fee application	3.10	263.50
<i>No breakdown of time - no indication if pleadings prepared, itemization collated, or what service was performed to determine if it was compensable.</i>			
01/07/92	Telephone conference with clerks at District Court re status of Langco appeal and motion for withdrawal of reference.	.30	25.50
<i>Entry did not lead to compensable service, no actual and demonstrable benefit to the estate, because no successful result.</i>			
03/23/92	Work on fee application, certificate of service and notice of hearing.	1.60	136.00
<i>No breakdown of time - no indication if pleadings prepared, itemization collated, or what service was performed to determine if it was compensable.</i>			
03/24/93	Finalize and file fee application.	2.50	212.50
<i>No time breakdown so that a determination can be made if it was compensable, and a portion appears to be paralegal time billed at attorney rates.</i>			
03/27/92	Copy and mail NOH's on fee application.	1.30	45.50
<i>Clerical time - not compensable.</i>			
10/08/92	Prepare revised fee application, cert. of service and notice of hearing and prepare modified exhibits.	8.70	739.50
<i>Lumped entry, time not compensable if application had been correctly prepared initially. Not specific if narrative prepared or itemization.</i>			
Total Fee Reduction			\$8,664.50

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
Costs			
11/01/90	Copies.		26.50
<i>No itemization or indication of number of copies or amount charged for each copy and whether it is an actual cost.</i>			
12/22/90	Fax charges, 11-01-90 through 11-30-90.		45.50
<i>No itemization of how many faxes, cost per page and whether the fee charged is an actual cost.</i>			
12/27/90	Copies.		26.00
<i>No itemization or indication of number of copies or amount charged for each copy and whether it is an actual cost.</i>			
01/14/91	Copies.		9.00
<i>No itemization or indication of number of copies or amount charged for each copy and whether it is an actual cost.</i>			
01/31/91	Typing of exhibits and summaries of bank records.		120.00
<i>Clerical service that is part of overhead.</i>			
02/01/91	Copies.		10.00
<i>No itemization or indication of amount charged for each copy and whether it is an actual cost.</i>			
02/28/91	Typing cost of Gibson deposition summaries and of Union Bank records summary.		255.00
<i>Clerical service that is part of overhead.</i>			
11/08/91	Filing fee for notice of cross-appeal in Laing/Langco.		100.00
<i>No benefit to the estate, no successful result.</i>			
Total Cost Reduction			\$592.00

Date

Description

Hours

Amount

Itemization of Brian W. Steffensen P.C.

10/22/90 Hours in conference with Chris Schmutz re docs.

2.75

261.25

No detail of what service was performed. Impossible to tell if it was related to objection to claims of Laing and Langco, or whether related to other matters.

10/23/90 Hours reviewing documents

1.00

95.00

No detail of what service was performed. Impossible to tell if it was related to objection to claims of Laing and Langco, or whether related to other matters.

10/25/90 Hours reviewing documents.

1.25

118.75

No detail of what service was performed. Impossible to tell if it was related to objection to claims of Laing and Langco, or whether related to other matters.

10/30/90 Hours in telephone conference with Chris Schmutz re
progress of research, etc.

.50

47.50

No detail of what service was performed. Impossible to tell if it was related to objection to claims of Laing and Langco, or whether related to other matters.

10/31/90 Hours reviewing documents.

3.75

356.25

No detail of what service was performed. Impossible to tell if it was related to objection to claims of Laing and Langco, or whether related to other matters.

Hours reviewing documents.

5.50

522.50

No detail of what service was performed. Impossible to tell if it was related to objection to claims of Laing and Langco, or whether related to other matters.

11/07/90 Hours reviewing documents.

.50

47.50

No detail of what service was performed. Impossible to tell if it was related to objection to claims of Laing and Langco, or whether related to other matters.

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
11/08/90	Hours in conference with Chris Schmutz re facts and strategy.	1.25	118.75
	Hours reviewing documents; continued review of Terrell's files.	2.00	190.00
	Hours in telephone conference with Steve Tyler, counsel for Zions Bank.	1.50	142.50
<i>No detail of what service was performed. Impossible to tell if it was related to objection to claims of Laing and Langco, or whether related to other matters.</i>			
11/09/90	Hours in conference with Chris Schmutz.	.75	71.25
	Hours reviewing documents.	.50	47.50
<i>No detail of what service was performed. Impossible to tell if it was related to objection to claims of Laing and Langco, or whether related to other matters.</i>			
11/12/90	Hours reviewing documents Completing review of case files, cont. Completing review of case files to find facts to support various objections being prepared by Chris against creditors' claims and to support proposed Motion for Continuance and Objections to Plan and Mont McDowell's attorney's fees.	7.30	693.50
<i>No detail of what service was performed. Impossible to tell if it was related to objection to claims of Laing and Langco, or whether related to other matters. Entries are lumped.</i>			
11/13/90	Hours in conference with Chris Schmutz, Zions Bank reps regarding Zions' claims and Langco's Plan with Chris Schmutz re evidence, issues and strategy.	1.60	152.00
<i>No substantial contribution - appears to relate to objection to the creditor's plan. General matters for the client.</i>			
11/14/90	Hours in Telephone Conference with Chris Schmutz re negotiations, strategies, etc.	1.00	95.00
<i>No detail of what service was performed. Impossible to tell if it was related to objection to claims of Laing and Langco, or whether related to other matters.</i>			
11/15/90	Hours in Conference with Chris to review objections, evidence.	1.40	133.00
<i>No detail of what service was performed. Impossible to tell if it was related to objection to claims of Laing and Langco, or whether related to other matters.</i>			

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
11/15/90	Hours drafting review of drafts of objections, etc.; review files for necessary factual information work on memo in support of Motion to Continue.	4.30	408.50
<i>Entries are lumped and unspecific - Insufficient detail to determine what activity was performed.</i>			
11/16/90	Telephone from attorney Bob Rees re Rotunno's and Volpicelli's objections and status of negotiations from Bob Rees about Rotunno's pleadings.	0.65	61.75
<i>No detail of what service was performed. Impossible to tell if it was related to objection to claims of Laing and Langco, or whether related to other matters.</i>			
01/16/91	Hours at court hearing on motion to quash.	2.00	63.33
<i>Duplicative of Schmutz's time.*</i>			
01/22/91	Hours reviewing documents to be used as exhibits; preparing copies of exhibits.	1.50	142.50
<i>Lumped entries include paraprofessional time billed at attorney rates.</i>			
01/25/91	Hours at court--delivering exhibit books to judge, clerk and McDowell.	1.00	95.00
<i>Includes paraprofessional time billed at attorney rates.</i>			
01/30/91	Hours at hearings on objection to claims of Laing and Langco.	9.00	285.00
<i>Duplicative of Schmutz's time.*</i>			
02/06/91	Hours at court--continued	8.00	253.33
<i>Duplicative of Schmutz's time.*</i>			
02/19/91	Hours in telephone conference with Rees, Boone, Lehmer, Terrell, Doc, Chris arranging with Doc would need to appear at Rotunno v. Gibson trial.	1.20	114.00
<i>Entry not related to the Laing and Langco claim litigation and did not produce a result beneficial to the estate.</i>			

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
02/20/91	Hours at court attending morning session of Rotunno Trial and afternoon session of Rotunno Trial.	7.00	665.00
	Hours in conference with Chris re Gibson's testimony.	.45	42.75
	Hours in telephone conference with Chris re progress of Rotunno trial.	.50	47.50
	Hours at court attending morning and afternoon sessions of Rotunno Trial.	4.75	451.25
	<i>Not compensable - no indication of how this relates to objection to claims of Laing and Langco.</i>		
02/26/91	Hours in telephone conference with Chris re Zions, etc.	.35	33.25
	<i>Description insufficient.</i>		
02/28/91	Hours at court--continued hearings on Langco's claims.	7.00	221.67
	<i>Duplicative of Schmutz's time.*</i>		
03/12/91	Hours in telephone conference to Zions' attorneys.	.25	23.75
	<i>Description insufficient.</i>		
04/02/91	Hours preparing for court--pick up documents requested by Chris; misc. trial prep tasks; refine Gibson cross-ex outline; get exhibit copies.	10.25	973.75
	<i>Lumped. Some entries clerical.</i>		
04/04/91	Hours at court obtaining certified copies of disclosure statements for trial exhibits; hours in trial.	8.00	760.00
	<i>Lumped. Clerical. Duplicative of Schmutz's time.</i>		
04/05/91	Hours in trial.	8.00	253.33
	<i>Duplicative of Schmutz's time.*</i>		
	Total Fee Reduction		\$7,987.91

* Represents a reduction of .33333% of charge listed in the Application.

Date

Description

Hours

Amount

Itemization of Sharon Borovatz - Paralegal

12/22/90	Reviewed checks produced by Mr. Magda re: Park City Ltd. & IA loans and expenditures made by Mr. Rotunno.	2.00	40.00
<i>No indication of relation to Laing and Langco claims objection.</i>			
12/28/90	Summarized checks produced by Mr. Magda to Mr. Smith re: various Rotunno accounts.	3.80	76.00
<i>No indication of relation to Laing and Langco claims objection.</i>			
12/29/90	Completed summary of check produced by Mr. Magda to Mr. Smith re: various Rotunno accounts. Delivered summaries to typist and picked up deposition summary.	4.70	94.00
<i>Partially clerical. Lumped time.</i>			

Total Fee Reduction

\$210.00