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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____)	
In re)	Chapter 11 Cases
)	
Adelphia Communications Corporation, <u>et al.</u> ,)	Case No. 02-41729 (REG)
)	
Debtors.)	Jointly Administered
_____)	

**FINAL APPLICATION OF FISHER, SWEETBAUM, LEVIN & SANDS, P.C.,
AS ATTORNEYS FOR DEBTORS AND DEBTORS IN
POSSESSION, FOR ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED FROM
OCTOBER 1, 2005 THROUGH FEBRUARY 13, 2007**

TO THE HONORABLE ROBERT E. GERBER,
UNITED STATES BANKRUPTCY JUDGE:

Fisher, Sweetbaum, Levin & Sands, P.C.¹ (“FSLs”), attorneys for the above-captioned debtors and debtors in possession in these cases (the “Debtors”), in support of its final application (the “Final Application”) for allowance of compensation for professional services rendered and reimbursement of expenses incurred from October 1, 2005 through February 13, 2007, respectfully represents:

¹ Prior to August 1, 2006, this law firm was known as Fisher, Sweetbaum & Levin, P.C.

PRELIMINARY STATEMENT

1. By this Final Application and pursuant to sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code") and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), FSLs requests that this Court authorize allowance of compensation for professional services FSLs rendered to the Debtors during the Final Application Period in the amount of \$783,774.73, comprised of \$766,315.75 in fees (of which \$617,152.60 has previously been paid and \$149,163.15 remains outstanding) and \$17,458.98 in expenses (the entire amount of which has been paid).

2. This Court has jurisdiction over this Final Application pursuant to 28 U.S.C. §§ 157 and 1334 and the "Standing Order of Referral of Cases to Bankruptcy Judges," dated July 10, 1984, of District Court Judge Robert T. Ward. Venue of these cases and this Final Application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The predicates for the relief sought herein are sections 330 and 331 of chapter 11 of the Bankruptcy Code and Rule 2016 of the Bankruptcy Rules.

FSLs'S FEES AND EXPENSES

3. FSLs's services in these cases have been substantial, necessary, and beneficial to the Debtors and to their estates, creditors, and other parties in interest. Throughout the Final Application Period, the variety and complexity of the issues involved in these cases and the need to address those issues on an expedited basis have required FSLs, in discharge of its professional responsibilities, to devote substantial time by professionals from many legal disciplines on a daily basis, and often through night and weekend work.

4. In accordance with section II.B. of 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 "UST Guidelines"), FSLs makes the following disclosures:

- (a) On February 25, 2004, the Debtors filed their proposed plan of reorganization and related disclosure statement. Upon consideration of the views of certain stakeholders, on April 22, 2004, the board of directors announced that it would embark upon a dual-track emergence strategy and pursue both a sale of the company and a stand-alone plan of reorganization.
- (b) To the best of FSLs's knowledge, all quarterly fees have been paid to the U.S. Trustee and all required monthly operating reports have been filed;
- (c) FSLs is advised that the Debtors are paying undisputed administrative expenses in the ordinary course of business from cash generated from operations; and
- (d) With the exception of asserted liens of the Debtors' prepetition lenders and various contractors, the Debtors' funds are generally unencumbered.

5. For the Final Application Period, pursuant to the Compensation Order, FSLs has received \$617,152.60 in payments for services rendered and \$17,458.98 for expenses incurred in connection with the rendering of such professional services in these cases. This amount represents 100% payment for expenses incurred by FSLs during the Final Application Period. Subject to the "Outside Payments," as defined below, this amount represents 80% payment for services rendered by FSLs during the Final Application Period. Pursuant to the Compensation Order, 20% of the fees for professional services is subject to a "hold back." At Adelpia's request, FSLs was paid a total of \$4,100 (the "Outside Payments") at the closings of two separate sales of Adelpia properties. By this Final Application, FSLs seeks allowance of

compensation in full for services rendered and expenses incurred during the Final Application Period.

6. No agreement or understanding exists between FSLs and any other entity for the sharing of compensation to be received for services rendered in or in connection with this case. See Affidavit of Fritz L. Fisher, Esq., annexed hereto as Exhibit A.

7. FSLs maintains written records of the time expended by attorneys, law clerks and paraprofessionals in rendering professional services to the Debtors. Such time records are made contemporaneously with the rendition of services by each person rendering such services.

8. For the convenience of the Court and parties-in-interest, annexed hereto as part of Exhibit B is a list of the attorneys, law clerks and paraprofessionals who have worked on matters during the Final Application Period, the aggregate time expended by each individual during the Final Application Period, his or her hourly billing rate during the Final Application Period, and the amount of FSLs's fees attributable to each individual. Additionally, annexed hereto as Exhibit C is a list of all the matters for which services were rendered during the Final Application Period and the aggregate amount of hours and fees expended for each of those matters. Required certifications are also annexed hereto as Exhibits D and E. Annexed hereto as Exhibit F is a list of out-of-pocket expenses incurred by FSLs in connection with professional services rendered during the Final Application Period.

9. Copies of the FSLs bills for the Final Application Period have previously been submitted to this Court along with three prior interim fee applications.

10. FSLs also maintains records of all actual and necessary out-of-pocket expenses incurred in connection with the rendition of professional services.

11. Pursuant to the administrative order regarding guidelines for fees and disbursements for professionals in bankruptcy cases (the "Administrative Order"), FSLs recorded its services rendered and disbursements incurred on different matters reasonably expected by the Debtors to continue over a period of at least three months and to constitute a substantial portion of the fees sought during the Final Application Period.

SUMMARY OF SERVICES RENDERED

12. Recitation of each and every item of professional services that FSLs performed during the Final Application Period would unduly burden the Court. Hence, the following summary highlights the major areas to which FSLs devoted time and attention during the Final Application Period.

A. **Review of Leases.** FSLs logged in and reviewed the Adelphia leases, totaling well over 100, to be assigned to Comcast and Time Warner as part of the sale of assets to those companies. The review included identifying renewal rights, assignment rights, holdover rights, purchase options and potential issues that could pose problems. FSLs analyzed the applicability of various purchase options and rights of first refusal. FSLs also worked with Adelphia's bankruptcy counsel to analyze the effect of the bankruptcy on the Adelphia leases. FSLs categorized the leases and prepared lease summary sheets setting forth certain lease information.

B. **Review and Analysis of Title Commitments.** FSLs reviewed and analyzed title commitments for each of the properties, totaling well over 400, to be sold to Comcast and Time Warner as part of the asset sale. As a part of this task, FSLs confirmed the accuracy of legal descriptions, reviewed and confirmed title company requirements for issuance of title insurance policies, reviewed and analyzed title exceptions, identified purchase options and rights of first refusal, identified "problem" title exceptions and encumbrances, and worked to resolve those problem title exceptions and encumbrances. FSLs also worked with the title company to correct inaccuracies and mistakes in the title commitments.

C. **Entity Status Review.** FSLs reviewed the status of the various Adelphia entities owning the properties to be conveyed to Comcast and Time Warner, and the various Adelphia entities that are tenants under the leases to be assigned. This included confirmation of good standing status in various states and confirmation of correct signature blocks.

D. **Conveyance Issues.** FSLs worked with the title company to identify conveyance issues and recordation requirements applicable in the states in which are located those properties to be sold to Comcast and Time Warner. FSLs worked to try to resolve title problems relating to a number of the properties to be sold to Comcast and Time Warner.

E. **Review and Analysis of Liens.** FSLs worked with Adelphia's bankruptcy counsel and Adelphia's in-house tax department to analyze the effect of the bankruptcy on tax liens, mechanic's liens and recorded mortgages relating to various properties to be sold to Comcast and Time Warner.

F. **Standard Form Deeds.** FSLs worked with the title company to prepare standard form deeds for each of the states in which are located those properties to be sold to Comcast and Time Warner.

G. **Property-Specific Deeds and Other Documents.** FSLs prepared deeds for each of the properties to be sold to Comcast and Time Warner, and worked with attorneys for Comcast and Time Warner to resolve any issues relating to certain of those deeds, and FSLs prepared various related documents required to be executed along with the deeds in order to comply with various states' requirements.

H. **New York Trip.** In March 2006, Fritz L. Fisher and Edie M. Suhr, attorneys with FSLs, traveled to New York and met with representatives of Adelphia, Comcast and Time Warner to discuss various title issues and various closing issues and procedures.

I. **Closing Preparation.** During the Final Application Period, FSLs analyzed and discussed with Adelphia certain closing procedures and closing issues for the asset sale to Comcast and Time Warner.

J. **Withholding Taxes.** FSLs analyzed the withholding tax requirements for various states and coordinated the process of ensuring compliance with those requirements in connection with the Comcast/Time Warner sale.

K. **Assignment of Leases.** FSLs negotiated documents for the assignment to Comcast and Time Warner of various Adelphia leases.

L. **Closing.** FSLs coordinated the closing, on Adelphia's behalf, of the sale of real estate assets to Comcast and Time Warner, including execution of closing documents and other matters.

M. **Post-Closing Matters.** FSLs worked on various post-closing matters relating to the sale of assets to Comcast and Time Warner. These post-closing matters included, among other things, the following: (1) working to resolve issues relating to withholding taxes, (2) working to resolve title issues that prevented certain properties from being conveyed as part of the Comcast/Time Warner closing, (3) working with the title company to resolve recordation issues in various states, (4) assisting in engaging local counsel for various quiet title actions for certain properties, (5) analyzing issues relating to unpaid real property taxes, (6) analyzing issues relating to U.S. Marshall deeds for certain properties forfeited by Rigas entities, and (7) preparing documents for conveyance of certain tower sites that had not originally been included in list of properties to be conveyed to Comcast and Time Warner.

N. **Sale of Atlantis Properties.** FSLs worked on the sale, via internet auction process, of Adelphia's "Atlantis" properties, totaling approximately 68 properties. This work included, among other things, the following: (1) negotiating Auction Advertising Agreement and related documents, (2) negotiating broker's Listing Agreement, (3) preparing a standard form purchase agreement for each state in which an Atlantis property is located, (4) revising standard form escrow agreement and standard form terms and conditions of sale, (5) reviewing title commitment and vesting deed for each Atlantis property, and confirming the accuracy of legal descriptions and reviewing and confirming title company requirements for issuance of title insurance policies, (6) identifying and attempting to resolve title issues for

various properties, (7) analyzing withholding tax and other issues relating to various states, and (8) preparing purchase agreements for various individual properties.

O. **Other Transactions.** FSLs assisted Adelphia on a number of other real estate transactions. These transactions included a sublease in Greenwood Village, Colorado; a lease in Buffalo, New York; a lease in Monroeville, Pennsylvania; the sale of a tract of land in Palm Beach County, Florida; a construction project in Auburn, New York; the sale of a tower site in Van Buren, Maine; a deed in lieu of condemnation for property in Forsyth County, North Carolina; the sale of vacant land in Hernando, Florida; and a lease in Santa Monica, California.

EVALUATING FSLs'S SERVICES

13. As highlighted above, during the Final Application Period, FSLs provided extensive services to facilitate the Debtors' sale of assets to Comcast and Time Warner, the Debtors' sale of the Atlantis properties, and certain other real estate matters. All of these services have ensured the efficient administration of the Debtors' chapter 11 cases and compliance with the requirements of the Bankruptcy Code.

14. “[T]he ‘lodestar’ method of fee calculation developed by the Sixth Circuit, see Lindy Bros. Builders Inc. v. American Radiator & Standard Sanitary Corp., 487 F.2d 161, 167 (3d Cir. 1973), is the method to be used to determine a ‘reasonable’ attorney fee in all the federal courts, including the bankruptcy courts.” In re Cena’s Fine Furniture, Inc., 109 B.R. 575, 581 (E.D.N.Y. 1990); In re Poseidon Pools of America, Inc., 216 B.R. 98, 100 (E.D.N.Y. 1997). Accord In re Drexel Burnham Lambert Group, Inc., 133 B.R. 13, 22 (Bankr. S.D.N.Y.

1991) (“In determining the ‘reasonableness’ of the requested compensation under § 330, Bankruptcy Courts now utilize the ‘lodestar’ method”).

15. “The lodestar amount is calculated by multiplying the number of hours reasonably expended by the hourly rate, with the ‘strong presumption’ that the lodestar product is reasonable under § 330.” Drexel, 133 B.R. at 22 (citations omitted). FSLs’s hourly rates and fees charged are consonant with the market rate for comparable services. The hourly rates and fees charged by FSLs are the same as (or less than) those generally charged to, and paid by, FSLs’s other clients. Indeed, unlike fees paid by most FSLs clients, due to the “holdbacks” of fees from prior monthly fee statements and the delays inherent in the fee application process, the present value of the fees paid to FSLs by the Debtors is significantly less than fees paid monthly by other FSLs clients.

16. FSLs intentionally sets its billing rates at a level that it perceives to be less than the prevailing rates in the Denver, Colorado market for comparable law firms. This is done in an attempt to provide the best value to FSLs' clients, and to promote loyalty among those clients. FSLs' counterparts on the real estate sales to Comcast and Time Warner were a large New York firm and a large Philadelphia firm. FSLs' "performance" on that deal was clearly on a par with the two larger law firms; attorneys from those two other firms would readily agree to this, as throughout the course of the transaction they were very complimentary of the diligence, integrity and competency of the FSLs attorneys.

17. The hours expended by FSLs were necessary. “[T]he appropriate perspective for determining the necessity of the activity should be prospective: hours for an activity or project should be disallowed *only* where a Court is convinced it is readily apparent

that no reasonable attorney should have undertaken that activity or project or where the time devoted was excessive.” Drexel, 133 B.R. at 23 (emphasis added). Moreover, in passing upon the reasonableness of hours expended, courts should be mindful of the “practical judgments, often within severe time constraints, [professionals make] on matters of staffing, assignments, coverage of hearings and meetings, and a wide variety of similar matters.” Id. These judgments are presumed to be made in good faith. Id.

FEE COMMITTEE CRITERIA

18. When evaluated in light of the factors to be considered in determining reasonableness, as identified by the Fee Committee of Adelphia Communications, et al. (the "Fee Committee"), it is clear that FSLs' fees are reasonable. The Fee Committee's factors are discussed below.

1. **The Final Applicant’s role, objectives, and accomplishments in the Adelphia Case.** The role of FSLs in the Adelphia bankruptcy was to represent Adelphia with respect to certain real estate matters. The most significant aspects of this representation related to the sale of assets to Comcast and Time Warner and the sale of Adelphia's "Atlantis" properties. The objective with respect to the Comcast and Time Warner sale was to convey over 450 properties, and to assign over 100 leases, to Comcast and Time Warner as of the July 31, 2006 closing date. This objective was met, other than with respect to a limited number of properties that had title issues that could not be resolved prior to the closing date. The objective for the Atlantis sale is to sell

approximately 68 properties via an internet auction. This objective has not yet been met, because the transaction is still in process. FSLs has worked hard, however, to help structure the deal and prepare the necessary documentation to make this transaction a success.

2. **The time billed for the services and the billing rates.** As discussed above, the time billed by FSLs was necessary to accomplish the desired results for the client, and the billing rates are quite reasonable.

3. **Steps taken by the Final Applicant to provide services solely within their scope of employment, as prescribed by their respective retention orders.** FSLs was retained to provide legal services relating to various real estate transactions. FSLs was careful to stay within that scope of work. At times, the transactions on which FSLs provided services involved tax, bankruptcy and other specialized issues. In each of those instances, FSLs notified Adelphia representatives of the situation. Only after receiving direction from Adelphia, FSLs would then consult with Adelphia's designated tax, bankruptcy and other specialists concerning the applicable issues.

4. **Coordination of the Final Applicant's services with those of other professionals in the Adelphia Case to limit or prevent duplication of work being done.** FSLs worked closely with Jim Zerefos and Patty Conroy at Adelphia to ensure that Adelphia stayed apprised of the tasks undertaken by FSLs and to ensure that services were not

duplicated. Through regular communication with Mr. Zerefos and Ms. Conroy, FSLs was able to prevent any significant duplication of effort.

5. **Whether the services were necessary to the administration of, or beneficial at the time at which the services were rendered.** The services provided by FSLs allowed Adelphia, in some cases, to continue with its normal real estate dealings, including leasing of space and disposition of properties in the normal course of business. The Comcast and Time Warner sale were beneficial to Adelphia in that it raised funds with which to pay creditors. The sale of real estate assets to those entities was an integral part of the asset sale. The sale of the Atlantis properties will raise additional cash to pay creditors.

6. **Whether the services were performed within a reasonable amount of time commensurate with the complexity, importance and nature of the problem, issue or task addressed.** FSLs provided timely service on all of the real matters for which it was engaged. FSLs operated within a tight timeframe to be ready on the July 31, 2006 closing date for the conveyance of over 400 properties and the assignment of over 100 leases to Comcast and Time Warner. It worked hard, though, to meet that date, and succeeded in helping Adelphia perform its closing obligations in a timely fashion, subject only to completion of post-closing matters relating to some of the properties with title issues that could not be solved prior to closing.

7. **The opposition encountered and the problems that arose.** The biggest obstacle faced by FSLs in the Comcast/Time Warner transaction was the relatively large number of properties owned by Adelphia that had significant title problems. Some of these properties, which Adelphia had been occupying and operating for years, were not shown to be owned by an Adelphia entity in the public records. FSLs worked hard to resolve as many of these title issues as possible prior to the closing. By working closely with the title company and Adelphia's in-house team, it succeeded in solving many of these issues. Some of these issues proved intractable, however, and required post-closing quiet title actions for their resolution.

8. **Compliance with Fee Committee Memorandum.** FSLs has made a diligent attempt to comply with the Fee Committee Memorandum.

9. **Any amounts by which the fees of the Final Applicant have been reduced voluntarily, with respect to an Interim Application or otherwise, prior to their submission to or review by the Fee Committee identified by work code or, if none, by description.** FSLs has not voluntarily reduced the amounts of fees for which it seeks reimbursement. As discussed above, FSLs believes that its billing rates are quite reasonable, and the hours spent by FSLs attorneys and paralegals were necessary to the diligent representation of Adelphia.

10. **Any amounts by which the fees of the Final Applicant have been reduced at the recommendation of the Fee Committee, with respect to an Interim Application or otherwise, identified by work code or, if none, by description.** To our knowledge, the Fee Committee has not recommended a reduction of FSLS' fees with respect to an Interim Application or otherwise.

11. **Any amounts by which the expenses of the Final Applicant have been reduced voluntarily, with respect to an Interim Application or otherwise, prior to their submission to or review by the Fee Committee identified by expense category.** FSLS has not voluntarily reduced the amounts of expenses for which it seeks reimbursement. These expenses were all necessary expenses incurred in the course of FSLS' representation of Adelpia. Included in these expenses were advances of significant amounts for recording fees, transfer taxes and withholding taxes, which FSLS paid on Adelpia's behalf.

12. **Any amounts by which the expenses of the Final Applicant have been reduced at the recommendation of the Fee Committee, with respect to an Interim Application or otherwise, identified by expense category.** To our knowledge, the Fee Committee has not recommended a reduction of FSLS' expenses with respect to an Interim Application or otherwise.

13. **Any other matters that the Fee Committee believes should be considered by the Bankruptcy Court in its final determination of compensation and expense reimbursement for the Final Applicant.** FSLs believes that Adelphia received very good value in the services provided by FSLs. The legal service was excellent and the fees were reasonable.

14. **The Final Application should also include a chart detailing the fee and expense reductions, identified in factors (9) through (12), for consideration and verification by the Fee Committee.** Such a chart has not been included in this Final Fee Application, since, as set forth above, there are no such fee reductions at this time.

FSLs'S REQUEST FOR FINAL COMPENSATION

19. The allowance of final compensation for services rendered and reimbursement of expenses incurred in bankruptcy cases is expressly provided for in section 331 of the Bankruptcy Code:

[A] debtor's attorney, or any professional person . . . may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered . . . as is provided under section 330 of this title.

11 U.S.C. § 331.

20. Concerning the level of compensation, section 330(a)(1)(A) of the Bankruptcy Code provides, in pertinent part, that the court may award to a professional person, including the debtor's attorney:

reasonable compensation for actual, necessary services rendered by the . . . professional person, or attorney. . . .

11 U.S.C. § 330. The Congressional intent and policy expressed in section 330 of the Bankruptcy Code is to provide for adequate compensation to continue to attract qualified and competent practitioners to bankruptcy cases.

21. FSLs submits that its request for final allowance of compensation is reasonable. The services rendered by FSLs, as highlighted above, required substantial time and effort, much of which occurred under substantial pressure and during nights and weekends.

22. The services rendered by FSLs during the Final Application Period were performed diligently and efficiently. Accordingly, when possible, FSLs delegated tasks to lower cost junior attorneys and law clerks or, for discrete matters, to attorneys with specialized expertise in the particular task at issue. While that approach may have required intra-office conferences or involved individual attorneys who spent only a few hours on the matter at hand, the net result was enhanced cost efficiency.

23. During the Final Application Period, FSLs generally assigned discrete projects or tasks to particular associates assigned to the case. These associates would be primarily responsible for interacting with the various parties in interest to accomplish particular tasks. The associates would routinely report to senior attorneys as to the status of particular matters and related issues.

24. Although duplication of effort has been avoided to the greatest extent possible, some duplication may have occurred as a result of the intensity of the matters in which FSLs was engaged, the complexity of the issues that arose during these cases, and the urgent basis upon which some of these services were rendered. However, FSLs believes that any duplication of effort was *de minimis*, and was beneficial to the estates in that thorough knowledge of the background and the history of these cases makes each successive task more efficient.

DISBURSEMENTS

25. FSLs incurred actual and necessary out-of-pocket expenses during the Final Application Period in connection with the rendition of the professional services described above, in the amounts set forth in Exhibit F. By this Final Application, FSLs respectfully requests allowance of such reimbursement in full.

26. The disbursements for which FSLs seeks reimbursement include the following:

- (a) Duplicating - In-house photocopying is charged at \$0.10 per page, based upon the cost of duplicating services. The charge per page includes a charge for maintaining the duplicating facilities. Outside copy services are charged at actual cost.
- (b) Telecommunications - Long distance calls are billed at actual cost. Outgoing facsimile transmittals are billed at \$0.20 per page, while there is no charge for incoming facsimiles. This rate is based upon costs incurred by FSLs for phone charges and equipment maintenance.
- (c) Computer Research Charges - FSLs' practice is to bill clients for LEXIS and Westlaw research at actual cost, which includes vendor payments and phone charges.
- (d) Delivery Services - FSLs' practice is to charge postal, overnight delivery and courier services at actual cost.

- (e) Word Processing Charges and Secretarial Overtime - FSLs' practice is not to bill clients for word processing charges and secretarial overtime.
- (f) Airfare, lodging, out-of-town meals and miscellaneous travel expenses for the March 2006 trip to New York by Fritz L. Fisher and Edie M. Suhr of FSLs were charged at actual cost. Mileage reimbursement for driving to and from Denver International Airport in connection with that trip was charged at a rate of \$0.485 per mile.
- (g) FSLs, at Adelpia's request, paid the fees of an outside consultant to procure from various state agencies copies of official organizational documents for various Adelpia agencies, as filed with those state agencies. These fees were charged back to Adelpia with no mark-up.
- (h) The cost of procurement of AIA forms was charged at cost.
- (i) FSLs advanced significant amounts for recording fees, transfer taxes and withholding taxes (as well as a nominal fee for assessed property value), which FSLs paid on Adelpia's behalf to various state agencies. These amounts were charged back to Adelpia with no mark-up.

PROCEDURE

27. FSLs has provided notice of this Final Application to: (i) the Office of the United States Trustee; (ii) counsel to the agents for the Debtors' prepetition and postpetition bank lenders; (iii) counsel to the Committees; (iv) the Debtors; and (v) the Fee Committee.

28. On January 29, 2007, FSLs filed with the Court its first application for interim allowance of compensation for professional services rendered and reimbursement of expenses incurred for the period October 1, 2005 through February 28, 2006. On February 21, 2007, FSLs filed with the Court its second application for interim allowance of compensation for professional services rendered and reimbursement of expenses incurred for the period March 1, 2006 through August 31, 2006. FSLs anticipates that on March 23, 2007, it will file with the Court its third application for interim allowance of compensation for professional services

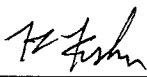
rendered and reimbursement of expenses incurred for the period September 1, 2006 through February 13, 2007. Except for the foregoing interim applications, no previous application for the relief sought herein has been made to this or any other court.

CONCLUSION

WHEREFORE, FSLs respectfully requests that this Court enter an order awarding FSLs compensation from the Debtors for services rendered from October 1, 2005 through February 13, 2007, inclusive, in the amount of \$766,315.75 and expenses incurred during that period in the amount of \$17,458.98.

Dated: March 22, 2007

FISHER, SWEETBAUM, LEVIN & SANDS, P.C.

By: 

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