

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**FINAL FEE APPLICATION OF GRUBB & ELLIS COMPANY,
AS REAL ESTATE CONSULTANTS FOR DEBTORS AND DEBTORS IN
POSSESSION, FOR FINAL ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED
FEBRUARY 4, 2003 THROUGH FEBRUARY 13, 2007**

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

Grubb & Ellis Company (“G&E”), real estate consultants for the above-captioned debtors and debtors in possession in these cases (the “Debtors”), in support of its final fee application (the “Final Application”) for allowance of compensation for professional services rendered and reimbursement of expenses incurred from February 4, 2003 through February 13, 2007 (the “Final Application Period”), respectfully represents:

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”), G&E requests that this Court authorize: (a) final allowance of compensation for professional services G&E rendered to the Debtors during the Final Application Period in the amount of \$424,860.00 of which \$339,888.00 has been paid and \$84,972.00 is outstanding; and (b) the reimbursement of actual and necessary expenses G&E

incurred in connection with the rendering of such professional services in the amount of \$104,101.73 of which \$104,101.73 has been paid and \$0.00 is outstanding.

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 statutory 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.

G&E'S FEES AND EXPENSES

3. G&E'S services in these cases have been substantial, necessary, and beneficial to the Debtors and to their estates, creditors, and other parties in interest.

4. G&E has charged Debtors an agreed rate for the abstraction of real property leases and owned real property information. As stated in G&E's retention agreement, the Debtors pay G&E an agreed abstract fee of \$60.00 per owned real property location where G&E reviews, abstracts and enters approximately 40 fields of information and an agreed abstract fee of \$275.00 per lease for each of the leases where G&E reviews, abstracts and enters approximately 225 fields of information in the Debtors' portfolio to be entered in a database built by G&E.

5. For the Final Application Period, pursuant to this Court's Order Under Local Rule 2016-1 and 11 U.S.C. §§105(a) and 331 Establishing Procedures For Final Compensation And Reimbursement Of Expenses Of Professionals And Committee Members, dated August 9, 2002 (the "Compensation Order"), G&E has received \$339,888.00 in payments

for services rendered. This amount represents 80% of the fees for professional services that were subject to a “hold back” pursuant to the Compensation Order. By this Final Application, G&E seeks compensation in full for services rendered. None of the holdback was paid pursuant to the any interim order.

6. No agreement or understanding exists between G&E 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 Michael J. Finley, annexed hereto as Exhibit A.

7. Pursuant to this Court’s Order Authorizing the Retention of Grubb & Ellis Company as Real Estate Consultants for the Debtors and Debtors in Possession Pursuant to Sections 327(a) and 328 of the Bankruptcy Code, dated April 25, 2003 and annexed hereto as Exhibit B, G&E is not required to file time records in accordance with the United States Trustee Guidelines but shall present descriptions of those services provided on behalf of the Debtors and the individuals who provided professional services on behalf of the Debtors in its final fee applications filed with the Court. Accordingly, annexed hereto as Exhibit C is a chart detailing the services provided to the Debtors during the Final Application Period and the aggregate amount of fees expended for each of those matters. Annexed hereto as Exhibit D is a list of individuals who provided services to the Debtors during the Final Application Period.

SUMMARY OF SERVICES RENDERED

8. As stated in G&E's retention agreement, the Debtors pay G&E an agreed abstract fee of \$275.00 per lease for each of the leases in the Debtors' portfolio to be entered in a database built by G&E. This abstract fee includes reviewing the individual lease, completing the lease recap profile, and verifying the accuracy of all entered data. A G&E employee abstracts the information for each lease into the G&E database, for which there are a minimum of 178 fields of information to be inputted. This allows the Debtors to generate reports by regions and business units, allowing them to determine which of their leases will be expiring in any given year so they can determine their location and space requirements going forward. The Debtors are also able to determine to which of their locations have an option to renew and the rent for the location allowing them to determine the cost of renewing the location as opposed to leasing a new location in the same locality. They are able to generate reports showing lease expiration by year and the dollar amount that will drop off from their leasing expense. The Debtors can also use the G&E database to project future rent for each location, by business unit, by business unit and region, by region and by entire lease portfolio.

9. In addition, G&E completes a similar process for each abstract of the Debtors' owned real property locations. In the database created by G&E for the Debtors, there are a minimum 27 fields of input for owned locations and the same allocation to the appropriate business units and region. The Debtors are able to generate reports showing the cost associated with each owned location and compare it with their costs for leased locations. This allows them to determine whether it is more cost effective to own or lease.

G&E'S REQUEST FOR FINAL COMPENSATION

10. The allowance of final compensation for services rendered 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.

11. 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.

12. G&E submits that its request for final allowance of compensation is reasonable. The services rendered by G&E, as highlighted above, required substantial time and effort, which resulting in G&E's preparation of over 2,031 lease abstracts during the Final Application Period. Pursuant to the Final Compensation Procedures of the Fee Committee of Adelphia Communications Corporation, we feel that all of the Fee Committee Factors for Determining Whether Fees and Reimbursement of Expenses Sought in Final Applications are Reasonable have been satisfied and met as addressed in this final application.

PROCEDURE

13. G&E 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; (iii) counsel to the Committees; (iv) the Debtors; and (v) the Fee Committee.

14. No previous application for the relief sought herein has been made to this or any other court.

CONCLUSION

WHEREFORE, G&E respectfully requests that this Court enter an order awarding G&E:

(a) Final compensation from the Debtors for services rendered from February 4, 2003 through February 13, 2007, inclusive, in the amount of \$84,972.00;

(b) Such other and further relief as may be just.

Dated: March 28, 2007

GRUBB & ELLIS COMPANY

By: 

Michael J. Finley

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