

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

In re:

Case No. 6:07-bk-00761-ABB
Chapter 11
(Jointly Administered)

LOUIS J. PEARLMAN, et al.,

Debtors.

ORDER

This matter came before the Court on the Joint Motion of Petitioning Creditors for Allowance and Payment of Administrative Fees and Expenses (Doc. No. 1268) filed by Petitioning Creditors David D. Mathis, Beverly A. Mathis, and Roberta D. Jordan ("Petitioning Creditors") pursuant to 11 U.S.C. Sections 503(b)(3) and 503(b)(4). A hearing was held on July 16, 2008 at which the Chapter 11 Trustee, counsel for the Chapter 11 Trustee, counsel for the Office of the United States Trustee, counsel for Petitioning Creditors and various other parties in interest appeared. Petitioning Creditors did not file a post-hearing summary of its application pursuant to the Court's directive.

Petitioning Creditors request an administrative expense award for reimbursement of \$125,449.05, consisting of fees of \$102,012.50 and costs of \$23,436.55, paid to its legal counsel Snell & Wilmer L.L.P. The Application reflects fees and costs incurred in connection with: (i) the fraud investigation and related involuntary bankruptcy petition filed against Trans Continental Records, Inc.; (ii) the appointment of the Chapter 11 Trustee in the Trans Continental Records, Inc. bankruptcy case; and (iii) the transition of the Trans Continental Records, Inc. bankruptcy estate to the Chapter 11 Trustee and the formation of the Official Committee of Unsecured Creditors.

Snell & Wilmer L.L.P. provided redacted billing records reflecting fees and costs incurred during the period February 15, 2007 through May 17, 2007 (Doc. No. 1268, Exh. 1). The billing records reflect a total of 177.5 hours billed at hourly rates ranging from \$200.00 to \$575.00 for professionals, with a blended hourly

rate of \$568.30. The billing records reflect a total of 6.3 hours billed at hourly rates ranging from \$165.00 to \$210.00 for paraprofessionals, with a blended hourly rate of \$180.71.

After consideration of the First Colonial and Johnson factors,¹ Petitioning Creditors are due an interim award of fees of \$40,000.00 and costs of \$23,436.55.

Accordingly, it is

ORDERED, ADJUDGED and DECREED that Petitioning Creditors are hereby awarded on an interim basis fees of \$40,000.00 plus costs of \$23,436.55, for a total award of \$63,436.55, as an allowed administrative expense pursuant to 11 U.S.C. Sections 503(b) and 507(a)(2). This interim award of fees and costs is subject to disgorgement upon final application and review by the Court.

Dated this 26th day of September, 2008.

/s/Arthur B. Briskman
ARTHUR B. BRISKMAN
United States Bankruptcy Judge

¹ The reasonableness of attorney's fees and costs is determined through an examination of the criteria enunciated by the Fifth Circuit Court of Appeals in In the Matter of First Colonial Corp. of Am., 544 F.2d 1291 (5th Cir. 1977) and Johnson v. Georgia Highway Express, Inc., 488 F.2d 714 (5th Cir. 1974). The twelve factors are: (1) the time and labor required; (2) the novelty and difficulty of the questions involved; (3) the skill requisite to perform the legal service properly; (4) the preclusion of other employment by the attorney due to acceptance of the case; (5) the customary fee; (6) whether the fee is fixed or contingent; (7) time limitations imposed by the client or the circumstances; (8) the amount involved and the results obtained; (9) the experience, reputation, and ability of the attorneys; (10) the "undesirability" of the case; (11) the nature and the length of the professional relationship with the client; (12) awards in similar cases. Johnson at 714.