

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:)	Chapter 11
)	
ACR MANAGEMENT, LLC, et al.,)	Jointly Administered at
)	Case No. 04-27848-MBM
Debtor(s).)	

**SUMMARY COVER SHEET ON THE FINAL FEE APPLICATION
OF MCGUIREWOODS LLP FOR INTERIM ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES AS CO-COUNSEL TO
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD
FROM JUNE 24, 2004 THROUGH JANUARY 31, 2005**

To All Creditors and Parties-In-Interest:

1. Applicant was authorized to serve as co-counsel to the Official Committee of Unsecured Creditors (the "Committee") effective June 24, 2004. An Order approving the retention of McGuireWoods LLP ("McGuireWoods") as co-counsel to the Committee is attached hereto as Exhibit A.
2. This is the final Fee Application of McGuireWoods LLP for the period from June 24, 2004 through January 31, 2005 (the "Application").
3. McGuireWoods has received no retainer in connection with its representation of the Committee.
4. For the Final Fee Period, McGuireWoods performed work in the amount of \$74,629.50 in fees and disbursed expenses in the amount of \$5,820.06.
5. Pursuant to the administrative Order in this Chapter 11 Case regarding Interim Compensation of Professionals dated July 13, 2004, (the "Administrative Order"), McGuireWoods LLP has received interim approval for 100% of fees of \$79,120.50 and 100% of expenses of \$4,204.00 for the period of June 24, 2004 through September 30, 2004.
6. For the period from October 1, 2004 through January 31, 2005 ("Final Period"), McGuireWoods LLP provided a total of 330.10 hours of legal and paralegal services on behalf of the Committee. The value of these services provided by McGuireWoods during the Final Period is \$74,629.50. McGuireWoods disbursed the amount of \$5,820.06 in expenses during the Final Period.
7. By this Application, McGuireWoods seeks final approval of total compensation in the amount of \$153,750.00 in fees and reimbursement of expenses in the total amount of \$10,024.06 for services rendered for the period from June 24, 2004 through January 31, 2005 ("Application Period"). During the Application Period, McGuireWoods provided a total of 660.10 hours of legal and paralegal services on behalf of the Committee.

8. McGuireWoods has previously received 80% of its fees for the period from October 1, 2004 through November 30, 2004 in the amount of \$42,779.60 and McGuireWoods has received 100% of its expenses to be reimbursed for the period October 1, 2004 through November 30, 2004 in the amount of \$4,087.43. McGuireWoods seeks approval for the Debtors to pay the remaining 20% balance of the approved fees for the period October 1, 2004 through November 30, 2004, which amount is \$10,694.90.
9. Further, Applicant seeks approval for the Debtors to pay 100% of the fees for the period December 1, 2004 through January 31, 2005 in the amount of \$21,155.00 and 100% of the expenses for reimbursement for December 1, 2004 through January 31, 2005, which amount is \$1,732.63 for a total amount of \$22,887.63.
10. Applicant seeks a total of \$33,582.53 for the final period October 1, 2004 through January 31, 2005 which represents the Request less the interim monthly applications for fees and expenses previously paid.
11. Applicant also requests approval of up to an additional \$2,000.00 for fees and expenses incurred in preparing and filing this application and attending any hearing regarding same, and de minimis fees incurred in coordinating with Debtors' counsel regarding final winddown of estates and consummation of confirmed plan.

Dated: February 11, 2005

Respectfully submitted,

McGUIREWOODS LLP

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Co-Counsel to the Official Committee of
Unsecured Creditors of ACR Management, LLC

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:)	Chapter 11
)	
ACR MANAGEMENT, LLC, et al.,)	Jointly Administered at
)	Case No. 04-27848-MBM
)	
Debtor(s).		

**FINAL FEE APPLICATION OF MCGUIREWOODS LLP
FOR INTERIM ALLOWANCE OF COMPENSATION AND REIMBURSEMENT
OF EXPENSES AS CO-COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR THE PERIOD FROM JUNE 24, 2004 THROUGH JANUARY 31, 2005**

McGuireWoods LLP, co-counsel to the Official Committee of Unsecured Creditors of ACR Management, LLC (the "Committee"), files the within Final Fee Application for Interim Allowance of Compensation and Reimbursement of Expenses as Co-Counsel to the Committee for the Period from June 24, 2004 through January 31, 2005 and states as follows:

BACKGROUND

1. On June 14, 2004 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 (the Bankruptcy Code). The Debtors continue in possession of their respective properties and management of their respective businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. The Debtors' chapter 11 cases are being jointly administered.

2. On August 10, 2004, this Court approved the retention and employment of McGuireWoods LLP ("McGuireWoods") as co-counsel with Stroock & Stroock & Lavan LLP, to the Committee. A copy of the Order approving the retention and employment of McGuireWoods is attached hereto as Exhibit A.

3. McGuireWoods files this Final Fee Application Request for Court approval and allowance of the compensation and reimbursement of expenses sought in the Fee Applications

filed during the period from October 1, 2004 through and including January 31, 2005 (the "Final Fee Period").

4. Under the Administrative Order dated July 13, 2004, the Court authorized the submission of monthly interim professional fee applications on or before the 25th day of each calendar month, and for payment of eighty percent (80%) of the uncontested fees and one hundred percent (100%) of the uncontested expenses requested in the monthly interim professional fee applications to be paid by the Debtors twenty (20) days after service of the monthly interim fee application, and upon filing of a certificate of no objection.

5. The value of the services performed by McGuireWoods on behalf of the Committee during the Final Fee Period is \$74,629.50, with a blended hourly rate for such work performed of approximately \$226.00 per hour.

6. By this Final Fee Application Request, and pursuant to the Administrative Order, McGuireWoods seeks allowance of compensation in the amount of \$74,629.50 for legal services rendered on behalf of the Committee during the Final Fee Period, and the reimbursement of expenses incurred in the sum of \$5,820.06 during the Final Fee Period, and requests payment of \$33,582.53, which represents the total fees and expenses less the interim monthly applications for fees and expenses previously paid.

7. All services performed by McGuireWoods during the Final Fee Period were performed for and on behalf of the Committee.

8. This is the Final Fee Application Request filed by McGuireWoods in this case.

9. During the Final Fee Period, McGuireWoods provided a total of 330.10 hours of legal and paralegal services on behalf of the Committee. Set forth in Exhibit B is a listing of the names, title, and hourly rates for each professional and paraprofessional who rendered services during the First Interim Fee Period.

10. McGuireWoods has accounted for its time by designating twenty-two (22) separate categories, standard for a case of this size and nature, to which time was billed as follows:

Exhibit 1	01 General (Administrative Matters)
Exhibit 2	02 Petition, Schedules and Financial Reports
Exhibit 3	03 Investigation of Prepetition Transactions
Exhibit 4	04 Debtor in Possession Financing
Exhibit 5	05 Monthly Reports
Exhibit 6	06 Cash Collateral
Exhibit 7	07 Creditor Inquiries
Exhibit 8	08 Docket Review
Exhibit 9	09 Employee Matters
Exhibit 10	10 Executory Contracts, Personalty Leases and Real Estate Leases
Exhibit 11	11 Reclamation
Exhibit 12	12 Client Conferences
Exhibit 13	13 Disclosure Statement and Plan of Reorganization
Exhibit 14	14 Insurance
Exhibit 15	15 Taxes
Exhibit 16	16 Utilities
Exhibit 17	17 Creditors' Committee
Exhibit 18	18 Claims Processing
Exhibit 19	19 Miscellaneous Motions and Adversary Proceedings
Exhibit 20	20 Sales
Exhibit 21	21 Motions for Relief from Stay
Exhibit 22	22 Retention of Professionals and Fee Applications

11. A narrative statement of the services rendered in each category and a summary of the time and charges of each professional who rendered services and the grand total of all time and charges for services rendered in each category is as follows:

- 01 General (Administrative Matters). Services rendered in this category include meetings and conferences with Committee members and Debtors' counsel regarding case status and open issues, Committee organizational matters, strategic planning, and other general issues in the bankruptcy case. The total hours in this category are 82.40 and the total amount of compensation sought in this category is \$15,767.50.
- 02 Petition, Schedules and Financial Reports. There were no services rendered in this category.
- 03 Investigation of Prepetition Transactions. Services rendered in this category include conferences regarding investigation of potential fraudulent transfers. The total hours in this category are 2.50 and the total amount of compensation sought in this category is \$812.50.
- 04 Debtor-in-Possession Financing. Services rendered in this category include review of Debtor financing documentation. The total hours in this category are 1.00 and the total amount of compensation sought is \$125.00.
- 05 Monthly Reports. There were no services rendered in this category.

- 06 Cash Collateral. There were no services rendered in this category.
- 07 Creditor Inquiries. There were no services rendered in this category.
- 08 Docket Review. Services rendered in this category include research and distribution of pleadings docket. The total hours in this category are 10.50 and the total amount of compensation sought is \$1,334.50.
- 09 Employee Matters. There were no services rendered in this category.
- 10 Executory Contracts, Personalty Leases and Real Estate Leases. There were no services rendered in this category.
- 11 Reclamation. There were no services rendered in this category.
12. Client Conferences. There were no services rendered in this category.
- 13 Disclosure Statement and Plan of Reorganization. Services rendered in this category include conferences with Committee members regarding valuation issues, and plan proposals, review of Debtors' Plan and Disclosure Statement and liquidation analysis materials, meeting with Debtors' counsel regarding plan of reorganization negotiation issues, and preparation for plan confirmation hearing. The total hours in this category are 146.30 and the total amount of compensation sought is \$42,229.50.
- 14 Insurance. There were no services rendered in this category.
- 15 Taxes. There were no services rendered in this category.
- 16 Utilities. There were no services rendered in this category.
- 17 Creditors' Committee. Services rendered in this category include interoffice conferences regarding status of Committee organizational issues. The total hours in this category are 3.30 and the total amount of compensation sought is \$1,105.50.
- 18 Claims Processing. Services rendered in this category include research of proof of claims filed by general creditors. The total hours in this category are 0.20 and the total amount of compensation sought is \$25.00.
- 19 Miscellaneous Motions and Adversary Proceedings. Services rendered in this category include review of pleadings filed of record, preparation for and attendance at miscellaneous Motion hearings, update of critical dates calendar, filing of pleadings with Court, and other miscellaneous matters relating to Motions filed. The total hours in this category are 30.70 and the total amount of compensation sought is \$5,752.50.
- 20 Sales. There were no services rendered in this category.
- 21 Motions for Relief from Stay. Services rendered in this category include review and analysis of Motions for Relief from Stay filed by various

claimants and attendance at related hearings. The total hours in this category are 2.80 and the total amount of compensation sought is \$568.00.

- 22 Retention of Professionals and Fee Applications. Services rendered in this category include preparation of monthly and interim fee applications, and filing and coordination of service regarding same. The total hours in this category are 50.40 and the total amount of compensation sought is \$6,909.50.

12. A summary of expenses incurred during the Final Fee Period is set forth in Exhibit C.

13. A summary of the current and cumulative amount of time billed to each of these categories is set forth in Exhibit D.

14. Set forth in Exhibit E is a listing of services provided by individual professionals and paraprofessionals in each category set forth in the Administrative Order and a summary of the time and charges of each professional and paraprofessional who rendered services in each category for the period December 1, 2004 through January 31, 2005. In connection with this Final Fee Application, Applicant previously filed fee applications for the period October 1, 2004 through October 31, 2004 on December 1, 2004 at docket entry number 900 and for the period November 1, 2004 through November 30, 2004 on January 4, 2005 at docket entry number 1102, which fee applications attach billing detail for those respective periods.

15. The fees and expenses requested for this Final Fee Period by McGuireWoods are based on the firm's usual and customary hourly rates and expenses charged for work performed for other clients on both bankruptcy and non-bankruptcy related matters.

16. As set forth in the attached Affidavit of Mark E. Freedlander, McGuireWoods has not represented or held an interest adverse to the estate, and is a disinterested person within the meaning established by Section 327(a) of the Bankruptcy Code. Additionally, no division of fees prohibited by 18 U.S.C. §155 has been or will be made by McGuireWoods or any of its employees.

WHEREFORE, McGuireWoods respectfully requests that this Honorable Court enter an Order (i) allowing it final compensation in the amount of \$74,629.50 for legal services rendered on behalf of the Committee during the Final Fee Period covering the period from October 1, 2004 through January 31, 2005 and allowing the reimbursement of expenses incurred in the sum of \$5,820.06 during the Final Fee Period; (ii) directing the Debtors to pay \$10,694.90 which represents the total fees and expenses request less the interim monthly applications for fees and expenses previously paid; (iii) allowing McGuireWoods interim compensation in the amount of \$21,155.00 for legal services rendered on behalf of the Committee covering the Period from December 1, 2004 through January 31, 2005 and allowing the reimbursement of expenses incurred in the sum of \$1,732.63; and (iv) directing the Debtors to pay \$33,582.53 which represents the total fees and expenses request for the Period.

McGUIREWOODS LLP

Dated: February 11, 2005

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Co-Counsel to the Official Committee of
Unsecured Creditors of ACR Management, LLC

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

Mark E. Freedlander, being first duly sworn on oath, deposes and says that he is a partner in the law firm of McGuireWoods LLP, co-counsel for the Official Committee of Unsecured Creditors of ACR Management, LLC.

That McGuireWoods LLP is a disinterested person and does not represent or hold an interest adverse to the interests of the Estates on the matters for which it was employed, in accordance with Section 327(a) of the Bankruptcy Code;

That no prohibited agreement or understanding exists between McGuireWoods LLP or any of its employees and any other person or persons for a division of compensation in this proceeding;

That no division of fees prohibited by §504 of the Bankruptcy Code has been or will be made;

That no agreement prohibited by 18 U.S.C. §155 has been or will be made by McGuireWoods LLP or any of its employees;

That no other prohibited division of compensation has been or will be made by McGuireWoods LLP or any of its employees;

That, in addition, the foregoing Application is submitted in accordance with the provisions of Rule 2016 of the Federal Rules of Bankruptcy Procedure and the Rules of this Court.

/s/ Mark E. Freedlander
Mark E. Freedlander

Sworn to and subscribed
before me this 11th day
of February, 2005.

Notary Public