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*General Bankruptcy and Restructuring Counsel to  
the Debtor*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X	
In re:	: Chapter 11
AIRFASTTICKETS, INC.,	: Case No. 15-11951 (SHL)
Debtor.	:
-----X	

**FIRST INTERIM APPLICATION OF ARENT FOX LLP,  
AS GENERAL BANKRUPTCY COUNSEL TO THE DEBTOR,  
FOR INTERIM ALLOWANCE OF COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FOR SERVICES RENDERED DURING  
THE PERIOD FROM OCTOBER 27, 2015 THROUGH FEBRUARY 29, 2016**

Name of Applicant:	<u>Arent Fox LLP</u>
Authorized to Provide Professional Services to:	<u>Debtor and Debtor-in-Possession</u>
Date of Retention:	<u>December 2, 2015 (nunc pro tunc to October 27, 2015)</u>
Period for which Compensation and Reimbursement are sought:	<u>October 27, 2015 through February 29, 2016</u>
Amount of Compensation sought as actual, reasonable, and necessary:	<u>\$230,022.50</u>
Amount of Expense Reimbursement sought as actual, reasonable, and necessary:	<u>\$7,293.60</u>
This is a(n):	_____ monthly <u> X </u> interim    _____ final application

**PRIOR FEE APPLICATIONS FILED**

		Requested		Paid, Subject to Approval <sup>1</sup>		
Date Filed	Period Covered	Fees	Expenses	Fees	Expenses	Amount of Holdback
12/15/15	10/27/2015-11/30/2015	\$113,211.00	\$5,672.80	\$113,211.00	\$5,672.80	\$22,642.20
02/05/16	12/1/2015-12/31/2015	\$27,212.00	\$449.32	\$27,212.00	\$449.32	\$5,442.40
02/26/16	01/01/2016-01/3/12016	\$43,562.00	\$29.70	\$43,562.00	\$29.70	\$8,712.40
03/__/16	02/01/2016-02/29/2016	\$46,037.50	\$1,141.78	Pending	Pending	\$9,207.50
<b>TOTAL</b>		<b>\$230,022.50</b>	<b>\$7,293.60</b>			<b>\$46,004.50</b>

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<sup>1</sup> Under this Court's Compensation Order (as defined herein), Arent Fox's filed Monthly Fee Statements and received payment of 80 percent of the fees and 100 percent of the expenses requested, subject to Interim Fee Application and approval of this Court.

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*General Bankruptcy and Restructuring Counsel to the Debtor*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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Chapter 11  
Case No. 15-11951 (SHL)

**FIRST INTERIM APPLICATION OF ARENT FOX LLP,  
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REIMBURSEMENT OF EXPENSES FOR SERVICES RENDERED DURING  
THE PERIOD FROM OCTOBER 27, 2015 THROUGH FEBRUARY 29, 2016**

Arent Fox LLP (“Arent Fox”), general bankruptcy and restructuring counsel for AirfastTickets, Inc., Debtor and Debtor-in-Possession (the “Debtor”), hereby submits its first interim fee application (the “Application”) pursuant to (i) sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), (ii) Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (iii) the *Compensation Order* (as defined herein), for interim allowance of compensation for services rendered in the aggregate amount of \$230,022.50 and for reimbursement of actual and necessary expenses incurred by Arent Fox in connection therewith in the amount of \$7,293.60 for the period from October 27,

2015 through February 29, 2016 (the “Compensation Period”). In support of this Application, Arent Fox respectfully represents as follows:

### **JURISDICTION**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

### **BACKGROUND**

2. On July 27, 2015, certain of the Debtor’s creditors (the “Petitioning Creditors”) filed an involuntary petition against the Debtor seeking an order for relief under chapter 7 of the Bankruptcy Code.

3. On September 21, 2015, the Debtor filed an answer, consenting to the entry of an order for relief under the Bankruptcy Code. The Debtor also filed its *Motion to Convert Chapter 7 Case to Chapter 11 Pursuant to 11 U.S.C. § 706(a)* (the “Motion to Convert”), seeking to convert the Debtor’s case to one under chapter 11 of the Bankruptcy Code.

4. On October 27, 2015 the Court signed an order converting the Debtor’s case to one under chapter 11 of the Bankruptcy Code, establishing October 27, 2015 as the date of the order for relief (the “Order for Relief”). No trustee or examiner has been requested in this chapter 11 case.

5. A creditors committee formation meeting was convened by the United States Trustee on November 13, 2015, but no committee was formed.

6. On November 24, 2015, the Court approved the sale of substantially all of the Debtor’s operating assets under section 363 of the Bankruptcy Code.

7. On December 2, 2015, the Court approved the retention of Arent Fox, LLP as general bankruptcy and restructuring counsel to the Debtor and Richards, Layton & Finger, P.A. as special counsel to the Debtor in its chapter 11 case.

8. On December 2, 2015, this Court entered the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* [ECF No. 72], which was amended by the *Amended Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* dated February 2, 2016 [ECF No. 95] (the “Compensation Order”). [bring up the next pg]

**RELIEF REQUESTED**

9. By this Application, Arent Fox seeks (i) interim allowance and award of compensation for the professional services rendered by Arent Fox as attorneys during the Compensation Period in the amount of \$230,022.50, representing 270 hours of professional services and 260.30 hours of paraprofessional services; and (ii) reimbursement of actual and necessary expenses incurred by Arent Fox during the Compensation Period in connection with the rendition of such professional and paraprofessional services in the amount of \$7,293.60.

10. Arent Fox seeks payment of 80% of its fees (\$184,018.00) and 100% of its expenses (\$7,293.60) relating to services rendered during the Compensation Period.

11. As stated in the Declaration of Aram Ordubegian, Esq. (the “Ordubegian Declaration”), annexed hereto as **Exhibit A**, all services for which compensation is requested by Arent Fox were performed for or on behalf of the Debtor.

12. Arent Fox has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application for the Compensation Period. There is no agreement or

understanding between Arent Fox and any persons other than the partners of Arent Fox for the sharing of compensation to be received for services rendered in this case.

**SUMMARY OF SERVICES RENDERED**

13. This Application provides a brief summary of the services rendered by Arent Fox on behalf of the Debtor during the Compensation Period by category. While it is not possible or practical to describe each and every activity undertaken by Arent Fox, Arent Fox has maintained contemporaneous time records, which include a detailed chronology of the daily services rendered describing the precise nature of the work, the specific tasks performed, and the time expended by each attorney and paraprofessional. A copy of the time records for the Compensation Period is annexed hereto as **Exhibit B**.<sup>1</sup> A breakdown of the hours and fees by attorney and paraprofessional is annexed hereto as **Exhibit C**.

14. To the best of Arent Fox’s knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Guidelines, and the Compensation Order.

**PETITION, SCHEDULES, FIRST DAY ORDERS (00001)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Aram Ordubegian	Partner	1.5	\$705	\$1,057.50
Andy S. Kong	Partner	0.6	\$600	\$360.00
		7.8	\$565	\$4,407.00
George V. Utlik	Associate	5.4	\$495	\$2,673.00
Lisa Indelicato	Paraprofessional	13.8	\$320	\$4,416.00
Amanda Kyeretwie	Paraprofessional	1.8	\$245	\$441.00
		84.4	\$235	\$19,834.00
<b>TOTAL:</b>		<b>115.3</b>		<b>\$33,188.50</b>

<sup>1</sup> Arent Fox may redact from its invoices certain descriptions of services that are confidential or privileged. To the extent Arent Fox includes a redacted invoice in this Application, it will provide an un-redacted version to the U.S. Trustee and for *in camera* inspection by the Court.

15. Following this Court’s entry of the Order for Relief, Arent Fox immediately went to work assisting the Debtor to compile the information required to prepare and file the Debtor’s schedules of assets and liabilities (the “Schedules”) and statement of financial affairs (the “SOFA”).

16. Arent Fox reviewed the debtor’s books and records, worked with Adam Meislik, the debtor’s representative, to compile and analyze necessary information, and prepared and filed the Schedules, SOFA, List of the Debtor’s top 20 creditors and equity security holders, Creditor Matrix, and other first-day documents, disclosures, declarations, and pleadings, as required under the Office of the United States Trustee’s Guidelines and Local Rules.

17. Thereafter, the Debtor discovered additional information requiring amendment to the Schedules and SOFA. Arent Fox gathered data and prepared amended Schedules and SOFA, which will be filed shortly [where is Brian on this?].

**CASE MANAGEMENT AND OPERATING REPORTS (00002)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Robert Hirsh	Partner	2.2	\$780	\$1,716.00
Aram Ordubegian	Partner	9.0	\$735	\$6,615.00
		6.6	\$705	\$4,653.00
Andy S. Kong	Partner	12.8	\$600	\$7,680.00
		12.4	\$565	\$7,006.00
George V. Utlik	Associate	18.2	\$530	\$9,646.00
		23.2	\$495	\$11,484.00
Lisa Indelicato	Paraprofessional	7.8	\$335	\$2,613.00
		20.5	\$320	\$6,560.00
Amanda Kyeretwie	Paraprofessional	0.5	\$245	\$122.50
		0.5	\$235	\$117.50
Mariola Wiatrak	Paraprofessional	2.8	\$210	\$588.00
<b>TOTAL:</b>		<b>116.5</b>		<b>\$58,801.00</b>

18. This project category includes time billed by Arent Fox professionals and devoted to the efficient management and administration of the Debtor's chapter 11 case on the day-to-day basis.

19. Arent Fox counseled the Debtor about the duties, responsibilities and requirements of chapter 11 and assisted it throughout the Compensation Period in meeting these duties and requirements. To that end, Arent Fox assisted the Debtor in preparing, reviewing and filing monthly operating reports, performing diligence and complying with duties and disclosure requirements under the Office of the United States Trustee's Guidelines and Local Rules. Also, Arent Fox prepare for and attended the Office of the United States Trustee's organization meeting for a committee formation, responded to creditor inquiries concerning the operating reports, and prepared initial disclosures and various other documents required for compliance with the Office of United States Trustee's Guidelines.

20. In addition, Arent Fox prepared for and attended the combined initial case conference and hearings to consider the retention of its professionals and procedures for compensation of such professionals and subsequent status conferences in the Debtor's chapter 11 case.

21. Further, Arent Fox prepared for and attended the meeting of creditors pursuant to section 341 of the Bankruptcy Code and communicated with the Debtor, the Office of United States Trustee, and other parties in interest concerning the 341 meeting of creditors.

**CORPORATE AND BUSINESS MATTERS (00003)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Aram Ordubegian	Partner	0.3	\$705	\$211.50
<b>TOTAL:</b>		<b>0.3</b>		<b>\$211.50</b>



22. During the Compensation Period, Arent Fox counseled the Debtor with regard to New York employment issues regarding its remaining employees.

**INVESTIGATION, DUE DILIGENCE AND ANALYSIS (00004)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
George V. Utlik	Associate	0.6	\$530	\$318.00
<b>TOTAL:</b>		<b>0.6</b>		<b>\$318.00</b>

23. Arent Fox conferred with the Debtor’s financial advisor regarding its review and analysis of the Debtors’ D&O insurance and other insurance policies.

**CREDITOR INQUIRY (00007)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Andy S. Kong	Partner	0.6	\$565	\$339.00
George V. Utlik	Associate	0.7	\$530	\$371.00
		0.8	\$495	\$396.00
<b>TOTAL:</b>		<b>2.1</b>		<b>\$1106.00</b>

24. In connection with this category of services, during the Compensation Period Arent Fox received and addressed inquiries from various creditors with respect to, among other things, claims and potential distributions, the initial action in Superior Court of the State of California and other pending lawsuits, as well as the general status of this case.

**SALE AND DISPOSITION OF ASSETS (00008)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Aram Ordubegian	Partner	4.6	\$705	\$3,243.00
Andy S. Kong	Partner	3.2	\$565	\$1,808.00
George V. Utlik	Associate	13.6	\$495	\$6,732.00
Lisa Indelicato	Paraprofessional	6.9	\$320	\$2,208.00
<b>TOTAL:</b>		<b>28.3</b>		<b>\$13,991.00</b>

25. With respect to this category of services, Arent Fox devoted time to the representation of the Debtor in connection with the private sale of substantially all of the Debtor’s intellectual property and software and certain related assets under section 363 of the Bankruptcy Code by (a) preparing and working with the buyer’s counsel in finalizing the sale motion, purchase agreement, notice of motion, reply to an objection, and proposed sale order, (b) engaging in communications and correspondence regarding the same with the Debtor, Chambers, buyer and other parties in interest, and (c) scheduling and attending the sale hearing and pre- and post- closing meetings and communications with the Debtor and its co-counsel as well as counsel for the buyer regarding the sale process and procedures under the Local Rules, proposed order approving the sale, and closing matters.

**ASSET ANALYSIS AND RECOVERY (00009)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Aram Ordubegian	Partner	0.9	\$735	\$661.50
		0.7	\$705	\$493.50
Richard D. Buckley	Partner	8.3	\$635	\$5,270.50
Andy S. Kong	Partner	12.8	\$600	\$7,680.00
		4.1	\$565	\$2,316.50
George V. Utlik	Associate	0.2	\$530	\$106.00
		2.7	\$495	\$1,336.50
Amanda Kyeretwie	Paraprofessional	0.5	\$245	\$122.50
<b>TOTAL:</b>		<b>30.2</b>		<b>\$17,987.00</b>

26. This category includes time spent by Arent Fox in performing diligence and review of the Debtor’s assets, including various claims that belong to the Debtor’s estate, and potential recoveries and analyses. Among other things, Arent Fox communicated and worked closely with the Debtor’s representative and financial advisor to review the Debtor’s books and records and to determine the scope and extent of the Debtor’s available assets and interests in certain funds and properties, including surety bonds and bank deposits. Further, Arent Fox

evaluated and recommended to the Debtor potential litigation for recovery of certain estate assets and claims, engaged in related investigation and discovery, and prepared numerous subpoenas for documents to various companies and financial institutions. Arent Fox reviewed the documents produced in response to the subpoenas during the Compensation Period and the investigation remains ongoing.

**CLAIMS ADMINISTRATION AND OBJECTIONS (00010)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Aram Ordubegian	Partner	0.3	\$705	\$211.50
Andy S. Kong	Partner	10.1	\$600	\$6,060.00
		0.9	\$565	\$508.50
M. Douglas Flahaut	Associate	3.0	\$530	\$1,590.00
George V. Utlik	Associate	4.2	\$530	\$2,226.00
		3.2	\$495	\$1,584.00
Lisa Indelicato	Paraprofessional	39.9	\$335	\$13,366.50
		13.2	\$320	\$4,224.00
<b>TOTAL:</b>		<b>74.8</b>		<b>\$29,770.50</b>

27. During the Compensation Period, Arent Fox responded to numerous communications from creditors in this chapter 11 case, including requests for payment of certain employees’ claims and administrative claimants. Furthermore, Arent Fox prepared and prosecuted the Debtor’s motion for establishing a claims bar date, along with related procedures and notice, including notice by publication.

28. On behalf of the Debtor, Arent Fox prepared for and attended a hearing on the claims bar date motion and obtained an order of this Court, dated February 25, 2016 (the “Bar Date Order”), establishing April 6, 2016, as the deadline by which all non-governmental entities must file proofs of prepetition claims against the Debtor. The Bar Date Order also established April 25, 2016 as the deadline for all governmental units to file proofs of prepetition claims against the Debtor’s estate.

29. Finally, during the Compensation Period, Arent Fox began to review and reconcile proofs of prepetition claims filed against the Debtor.

**MISCELLANEOUS MOTIONS AND OBJECTIONS (00011)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
George V. Utlik	Associate	3.0	\$530	\$1,590.00
Mariola Wiatrak	Paraprofessional	0.3	\$210	\$63.00
<b>TOTAL:</b>		<b>3.3</b>		<b>\$1,653.00</b>

30. This category includes time spent by Arent Fox preparing for and attending a case management status conference and a hearing before the Court on consideration of a creditor’s motion for payment of administrative expenses.

**ADVERSARY PROCEEDINGS (00012)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Andy S. Kong	Partner	2.6	\$600	\$1,560
Sevan Gorginian	Associate	2.6	\$330	\$858.00
<b>TOTAL:</b>				

31. This category includes time spent by Arent Fox in reviewing documents and correspondence and preparing to commence an adversary proceeding by drafting and filing a complaint against Citibank, N.A. and the Debtor’s insider Nikolaos Koklonis to enjoin them from further transferring funds the estate has an interest in.

**PROFESSIONAL RETENTION (00013)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Aram Ordubegian	Partner	1.9	\$705	\$1,339.50
Andy S. Kong	Partner	4.6	\$600	\$2,760.00
		18.7	\$565	\$10,565.50
George V. Utlik	Associate	1.0	\$530	\$530.00
		15.1	\$495	\$7,474.50
Lisa Indelicato	Paraprofessional	4.1	\$335	\$1,373.50
		17.9	\$320	\$5,728.00

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Amanda Kyeretwie	Paraprofessional	3.7	\$235	\$869.50
Mariola Wiatrak	Paraprofessional	3.7	\$210	\$777.00
<b>TOTAL:</b>		<b>70.7</b>		<b>\$31,417.50</b>

32. During the Compensation Period, Arent Fox expended necessary time preparing, commenting on and filing applications and related documents, notices and proposed orders to retain the Debtor’s various professionals, including co-counsel and financial advisor, performing required review and search for connections and drafting disclosures concerning all parties in interest, preparing and prosecuting the Debtor’s motion for an order establishing procedures for compensation and reimbursement of expenses for the estate’s professionals and addressing related issues, and preparing for and attending related the hearing on approval of the professionals’ retention applications before the Court.

**FEE APPLICATIONS (00014)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Aram Ordubegian	Partner	2.0	\$735	\$1,470.00
Andy S. Kong	Partner	2.3	\$600	\$1,380.00
		0.6	\$565	\$339.00
George V. Utlik	Associate	0.4	\$530	\$212.00
		1.6	\$495	\$792.00
Lisa Indelicato	Paraprofessional	7.0	\$335	\$2,345.00
		11.3	\$320	\$3,616.00
Mariola Wiatrak	Paraprofessional	15.7	\$210	\$3,297.00
<b>TOTAL:</b>		<b>40.9</b>		<b>\$13,451.00</b>

33. During the Compensation Period, Arent Fox prepared and filed the motion of the Debtor to establish procedures for the interim compensation of professionals. Further, Arent Fox took the actions necessary to prepare, compile, file and serve monthly fee statements of the estate’s professionals in accordance with the Interim Compensation Procedures Order and in compliance with the procedures and guidelines established by the Office of the United States

Trustee. In addition, Arent Fox reviewed, commented on, filed and served monthly fee statements of Richards, Layton & Finger and BSW & Associates.

34. Arent Fox also began drafting its first interim fee application.

**DISCLOSURE STATEMENT AND PLAN MATTERS AND SOLICITATION (00016)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Aram Ordubegian	Partner	1.8	\$705	\$1,269.00
George V. Utlik	Associate	0.4	\$530	\$212.00
		0.2	\$495	\$99.00
<b>TOTAL:</b>		<b>2.4</b>		<b>\$1,580.00</b>

35. During the Compensation Period, Arent Fox spent time strategizing with the Debtor on an appropriate exit strategy including the preparation of a plan of reorganization and related issues.

**AUTOMATIC STAY AND SECTION 262 AND 363 MATTERS (00019)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Aram Ordubegian	Partner	0.6	\$735	\$441.00
Andy S. Kong	Partner	0.6	\$600	\$360.00
M. Douglas Flahaut	Associate	2.4	\$530	\$1,272.00
		4.8	\$459	\$2,376.00
George V. Utlik	Associate	3.8	\$530	\$2,014.00
		0.7	\$495	\$346.50
Lisa Indelicato	Paraprofessional	3.5	\$335	\$1,172.50
Mariola Wiatrak	Paraprofessional	0.5	\$210	\$105.00
<b>TOTAL:</b>		<b>16.9</b>		<b>\$8,087.00</b>

36. During the Compensation Period, Arent Fox spent time considering application and potential termination of the automatic stay and preparation and prosecution of the Debtor's motion for relief from the automatic stay to authorize the Debtor to file required reports and applications in compliance with the Orders entered and procedures set forth by the Vice Chancellor Laster. In connection with this matter, Arent Fox conferred with the Debtor and the

Office of the United States Trustee regarding the automatic stay issues and related process. Moreover, Arent Fox performed diligence, communicated with the Debtor and parties in interest including the surety bond's counsel, and considered automatic stay issues in connection with certain travel bonds and related issues and potential entry into a stipulation for relief from the automatic stay.

**TAX (00024)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Andy S. Kong	Partner	0.3	\$600	\$180.00
<b>TOTAL:</b>		<b>0.3</b>		<b>\$180.00</b>

37. During the Compensation Period, Arent Fox spent time reviewing IRS payroll tax issues.

**TRAVEL (00029)**

PROFESSIONALS	POSITION	HOURS	RATE	TOTAL
Aram Ordubegian	Partner	22.5	\$705	\$15,862.50
<b>TOTAL:</b>		<b>22.5</b>		<b>\$15,862.50</b>

38. Arent Fox professionals traveled to and from court hearings, committee formation meetings and the 341 meeting of creditors.

**STATUTORY BASIS FOR COMPENSATION**

39. The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code, as supplemented by Bankruptcy Rule 2016. Arent Fox seeks compensation for actual, necessary professional services rendered and reimbursement of reasonable expenses incurred on behalf of the Debtor during the Compensation Period.

40. Section 331 of the Bankruptcy Code permits professionals employed by the Bankruptcy Court to apply for interim compensation under the standards set forth in section

330. Section 330(a)(1) of the Bankruptcy Code allows for the following: “(A) reasonable compensation for actual, necessary services rendered by. . . [an] attorney and by any paraprofessional person employed by such [attorney]; and (B) reimbursement for actual, necessary expenses.”

41. Section 330(a)(3)(A) of the Bankruptcy Code provides that,

[i]n determining the amount of reasonable compensation to be awarded . . . the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including (A) the time spent on such services; (B) the rates charged for such services; (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under [Title 11]; (D) 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 . . . and (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title [11].

11 U.S.C. § 330(a)(3).

42. Congress intended that bankruptcy attorneys be compensated at the market rate for comparable services in non-bankruptcy cases. *See In re Ames Dep’t Stores, Inc.*, 76 F.3d 66, 71 (2d Cir. 1996) (citing *In re UNR Indus., Inc.*, 986 F.2d 207, 208–09 (7th Cir. 1993)); see also *In re Drexel Burnham Lambert Group, Inc.*, 133 B.R. 13, 21–22 (Bankr. S.D.N.Y. 1991) (Conrad, J.). The policy of section 330 is to ensure that qualified attorneys will “not be deterred from taking bankruptcy cases due to a failure to pay adequate compensation.” *Ames Dep’t Stores*, 76 F.3d at 72 (citing *UNR Indus.*, 986 F.2d at 210).

43. As demonstrated in Arent Fox’s time records for the Compensation Period, the services were performed efficiently and effectively and were done at the request of the Debtor in furtherance of the fiduciary obligations or statutory duty of the Debtor and were necessary and beneficial to the bankruptcy estate.



**ACTUAL AND NECESSARY EXPENSES**

44. During the Compensation Period, Arent Fox incurred \$7,293.60 in expenses on behalf of the Debtor. Detailed descriptions of Arent Fox's expenses are included in **Exhibit B** attached hereto. A summary of the actual and necessary expenses incurred by Arent Fox during the Compensation Period is attached hereto as **Exhibit D**.

45. While representing the Debtor in this case, Arent Fox lowered its customary black-and-white photocopying charge of \$.20 per page to \$.10 per page, and its customary color photocopying charge of \$.75 per page to \$.10 per page. In addition, Arent Fox lowered its customary charges of \$1.25 per page for out-going facsimile transmissions to \$1.00 per page in accordance with the Local Rules. Actual long-distance carrier charges for outgoing facsimile transmissions are reflected in the long-distance telephone charges.

46. The Out of-Town Transportation and Taxicabs expenses incurred during the Compensation Period consist of economy class flights, public fares, and taxi services to attend various hearings in this bankruptcy case and particularly, the sale hearing on November 20, 2015 as well as the hearings on the various professionals retention applications on December 1, 2015. Arent Fox and the Debtor believed that it was in the best interest of the estate that Aram Ordubegian, a partner in Arent Fox's Los Angeles office and the partner in charge in this bankruptcy case, personally attend the sale hearing and the hearings on the retention applications. With respect to Out of Town Lodging expenses, Mr. Ordubegian stayed a total of three nights at a hotel for the sale hearing to prepare for and meet with the buyer prior to the sale hearing and discuss sale closing issues after the sale hearing and two nights for the hearings on the professional retention applications. Lastly, as to Overtime Meals, Arent Fox

paraprofessionals incurred working meal expenses to meet various filing deadlines as they arose in this bankruptcy case and if warranted, taxi fares home.

47. Arent Fox believes that the foregoing rates for the services rendered are in accord with the market rates that the majority of law firms charge their clients for such services. The expenses are reasonable and economical in view of the necessity of the services provided and are of the type customarily charged to non-bankruptcy clients of Arent Fox.

**WHEREFORE**, Arent Fox respectfully requests that the Court:

(a) approve, on an interim basis, the allowance of \$230,022.50 for compensation for professional services rendered to the Debtor during the period from October 27, 2015 through and including February 29, 2016;

(b) approve the reimbursement of Arent Fox's out-of-pocket expenses incurred in connection with the rendering of such services during the period from October 27, 2015 through and including February 29, 2016, in the amount of \$7,293.60; and

(c) authorize and direct the Debtor to immediately pay to Arent Fox the amount of \$46,004.50, which is equal to the sum of 80% of Arent Fox's fees and 100% of Arent Fox's expenses incurred during the Compensation Period.

Dated: March 25, 2016  
New York, New York

**ARENT FOX LLP**

/s/ George V. Utlik

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