

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: : Chapter 11
: :
ALSET OWNERS, LLC, *et al.*,¹ : Case No. 09-11960 (BLS)
: (Jointly Administered)
Debtors. : **Objection Deadline: September 22, 2009**
----- : **@ 4:00 p.m.**
: **Hearing Date: Only in the Event of an Objection**

**SECOND MONTHLY FEE APPLICATION OF BLANK ROME LLP,
DEBTORS' COUNSEL, FOR COMPENSATION AND REIMBURSEMENT
OF EXPENSES FOR THE PERIOD JULY 1, 2009 THROUGH JULY 31, 2009**

This Second Monthly Fee Application for Compensation and Reimbursement of Expenses ("Fee Application") is filed by Blank Rome LLP ("Blank Rome") requesting payment for services rendered and reimbursement of expenses incurred as lead bankruptcy counsel for Alset Owners, LLC, *et al.* (the "Debtors") for the period July 1, 2009 through and including July 31, 2009 (the "Application Period").

JURISDICTION

1. The Court has jurisdiction over this matter under 28 U.S.C. § 1334. This is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2). Venue of these chapter 11 cases in this district is proper under 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

2. On June 5, 2009, the above-captioned Debtors filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").

¹ The Debtors and the last four digits of their respective tax identification numbers are: Alset Owners, LLC, a Delaware limited liability company (7520); Altes, LLC, a Delaware limited liability company (6927); Setla, LLC, a Delaware limited liability company (6752); and Checkers Michigan, LLC, a Delaware limited liability company (8016). The Debtors' service address is Altes, LLC/Setla, LLC, 1200 North Federal Highway, Suite 111-B, Boca Raton, FL 33432-2813.

3. On June 19, 2009, the Debtors' Application for Authority to Employ Blank Rome LLP as General Bankruptcy Counsel (the "Retention Application"), was filed with the Court. This Court approved the employment of Blank Rome, Nunc Pro Tunc as to June 5, 2009, by Order dated July 7, 2009 [Docket No. 75].

4. On June 24, 2009, The Office of the United States Trustee (the "U.S. Trustee") appointed the Official Committee of Unsecured Creditors (the "Committee") in the Debtors' cases.

5. Blank Rome is a nationally recognized law firm with extensive experience and expertise in bankruptcy and reorganization proceedings, particularly with respect to the representation of debtors and creditors' committees.

6. Presently, the attorneys having primary day-to-day responsibility for representation of these cases are Michael Z. Brownstein, David W. Carickhoff, and Rocco A. Cavaliere. Blank Rome has drawn and will draw upon the knowledge and skills of other firm attorneys to provide services as the needs arise.

RELIEF REQUESTED

7. Blank Rome submits this Fee Application pursuant to § 330 and § 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated July 7, 2009 [Docket No. 71] (the "Administrative Order"), and Del. Bankr. LR 2016-2. By this Fee Application, Blank Rome seeks interim allowance of compensation for actual and necessary professional services rendered in the amount of \$125,144.00 for the Application Period, and seeks payment of \$100,115.20 in accordance with the terms of the Administrative Order. Blank Rome also seeks reimbursement of expenses incurred in the amount of \$2,735.97.

SUMMARY OF FEES

8. The total number of hours expended by Blank Rome professionals and paraprofessionals in performing professional services for the Debtors during the Application Period was 282.90 hours at a blended billing rate of \$442.36 per hour. The value of these services has been computed at the rates Blank Rome customarily charges for similar services provided to other clients.

9. A detailed chronological itemization of the services rendered by each attorney and paraprofessional calculated by tenths of an hour and categorized in accordance with the appropriate project code, is attached hereto as Exhibit "A". Specifically, the services rendered by Blank Rome during the Application Period included without limitation the following:

(a) Blank Rome Fee/Employment Applications (Project Code 1):

During the Application Period, Blank Rome performed various tasks necessary to the preparation, filing, and service of Blank Rome's First Fee Application. Such work required coordination between and among the accounting department, paralegals, and attorneys for retrieval and review of the billing statements in furtherance of the Fee Application.

Total Hours: 21.70 Total Fees: \$7,816.00

(b) Other Professionals' Employment and Fee Applications (Project Code 2):

During the Application Period, Blank Rome performed various tasks necessary to the preparation, filing, and service of the Retention Application for CRG Partners Group LLC ("CRG"), as Financial Advisors to the Debtors, including (i) discussions with representatives and counsel of CRG, (ii) preparation and filing of the Affidavit of Gene Baldwin, and (iii) the proposed order relating to the CRG Retention Application.

Also, during the Application Period, Blank Rome performed various tasks necessary to the preparation, filing and service of the First Fee Application of Franchise Resale Consultants, LLC, d/b/a Praetorian Group (“Praetorian”) as Sales Advisors. To that end, Blank Rome coordinated with representatives of Praetorian in furtherance of its First Fee Application.

Finally during the Application Period, Blank Rome reviewed the retention applications filed by professionals retained by the Committee.

Total Hours: 13.70 Total Fees: \$5,964.00

(c) Executory Contracts and Unexpired Leases (Project Code 3):

On the Petition Date, the Debtors filed a motion, seeking, to the extent necessary, the rejection of various leases associated with certain closed restaurants (the “Rejection Motion”). Blank Rome reviewed an objection to the Rejection Motion filed by certain landlords. On July 28, 2009, the court entered an order (i) approving the Rejection Motion as to several leases and (ii) adjourning the hearing to August 26, 2009 for landlords that had filed objections or otherwise responded.

Further, on June 30, 2009, the Debtors prepared and filed a motion to reject a store lease for a location in Michigan which had been managed by Mr. Alan Balan (the “Balan Rejection Motion”). During the Application Period, Applicant discussed the Balan Rejection Motion with counsel to the landlord at the Balan store location and reviewed the landlord’s objection to the Balan Rejection Motion. Blank Rome prepared a proposed order to address the objection. On July 28, 2009, the Court entered an order approving the Balan Rejection Motion after incorporating certain of comments from the landlord of the premises.

Also, during the Application Period, Blank Rome prepared and filed a motion seeking orders authorizing (i) abandonment of property at the closed stores which were the subject of the Rejection Motion, and (ii) procedures for the sale and abandonment of certain de

minimus assets. On July 22, 2009 and July 28, 2009, the Court entered orders regarding the foregoing.

Moreover, during the Application Period, Blank Rome analyzed certain equipment leases and determined, after discussions with the proposed purchaser, that such leases should be rejected, rather than assumed and assigned in connection with the proposed sale. Indeed, on August 6, 2009, the Debtors filed a motion seeking an order rejecting certain equipment leases that were not to be assumed and assigned.

Blank Rome coordinated with BMC Group, Inc. ("BMC"), the Debtors' claims agent, concerning the service of all the aforementioned pleadings.

Total Hours: 41.10 Total Fees: \$17,038.50

(d) Claims Analysis and Objections (Project Code 4):

Blank Rome analyzed some unsecured claims of the Debtors during the Application Period.

Total Hours: .30 Total Fees: \$210.00

(e) Committee Business And Meetings (Project Code 5):

During the Application Period, Blank Rome reviewed the lengthy document requests (the "Document Requests") served upon the Debtors by the Committee.

Blank Rome discussed the Document Requests with the Debtors. Blank Rome and counsel to the Committee agreed that the Debtors would provide the information relevant to the Document Requests on a periodic basis in light of the Debtors' limited staff and increased responsibilities in these cases. During the Application Period, Blank Rome obtained significant information and documentation responsive to the Document Requests. After delivery of such

documentation, Blank Rome discussed the Document Requests and the responsive documents with counsel to the Committee.

Blank Rome also participated in several conference calls with the Committee's counsel and advisors, the Debtors' representatives, and the Debtors' former president, in an effort to provide the Committee with some additional background concerning the Debtors' business operations and the Debtors' relationship with their franchisor.

Finally, Blank Rome finalized a confidentiality agreement to be utilized and executed by the Committee members and their professionals.

Total Hours: 23.50 Total Fees: \$13,039.00

(f) Case Administration And Miscellaneous Issues (Project Code 6):

During the Application Period, Blank Rome prepared administrative functions such as the updating of the master file index, reviewing and updating dockets and updating the Rule 2002 service list. Furthermore, Blank Rome electronically filed several pleadings during the Application Period. Blank Rome coordinated with BMC regarding the service of the various pleadings and notices filed during the Application Period. To that end, Blank Rome also filed affidavits of service prepared by BMC.

Blank Rome attended the second phase of the Debtors' Initial Debtor Interview and the first meeting of creditors pursuant to § 341(a) of the Bankruptcy Code. Moreover, during the Application Period, Blank Rome worked with the Debtors to retrieve and deliver documents requested by the U.S. Trustee in connection with these cases.

Finally, Blank Rome's professionals coordinated amongst themselves to avoid duplication of efforts concerning the various tasks required of Blank Rome on behalf of the Debtors during the Application Period.

Total Hours: 20.40 Total Fees: \$8,840.00

(g) Debtors' Business Operations (Project Code 7):

After the Petition Date, Blank Rome filed, among other things, (i) the Motion of the Debtors for Entry of Interim and Final Order pursuant to §§ 105(a) and 366 of the Bankruptcy Code (I) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Utility Services, (II) Deeming Utility Providers Adequately Assured of Future Performance, and (III) Establishing Procedures For Determining Adequate Assurance of Payment [Docket No. 6] (the "Utility Motion"). Blank Rome attended the first day hearing to consider the relief requested in the Utility Motion, among other first day motions. On June 9, 2009, the Court entered an order approving the Critical Vendor Motion (the "Critical Vendor Order"). On that date, the Court also entered an interim order approving the Utility Motion (the "Utility Order"). During the Application Period, Applicant attended the hearing to consider the Utility Order on a final basis. On July 7, 2009, the Court entered the Utility Order on a final basis.

In furtherance of the Utility Order, during the Application Period, Blank Rome negotiated and coordinated with various utilities concerning requests for additional adequate assurance. Such work required Blank Rome to prepare various letter agreements memorializing the negotiated resolutions between the Debtors and the utilities.

During the Application Period, Blank Rome reviewed and discussed the postpetition budget prepared by CRG and the Debtors' representatives. In addition, Blank Rome worked closely with the Debtors with respect to various operational issues related to the bankruptcy filings, including communications with the Debtors' banks.

Finally, during the Application Period, Blank Rome assisted the Debtors in fulfilling their debtor in possession obligations to complete accurate and detailed schedules and

statements of financial affairs for each of the Debtors. Blank Rome timely filed all such schedules and statements on the Debtors' behalf.

Total Hours: 57.20 Total Fees: \$20,966.00

(h) Sale Of Assets/Asset Purchase Agreement (Project Code 12):

During the Application Period, Blank Rome reviewed various exhibits, schedules, and amendments to the asset purchase agreement dated June 5, 2009 (the "Asset Purchase Agreement") between the Debtors and Checkerco, Inc. (the "Purchaser"), an affiliate of the Franchisor. Blank Rome also prepared for the hearing to consider the Debtors' motion to, among other things, establish bidding procedures in connection with a sale of the Debtors' assets (the "Sale Motion"). Blank Rome discussed the Sale Motion and the proposed order approving bidding procedures with respective counsel to the Purchaser, Committee and Textron Financial Corporation as well as the U.S. Trustee. Blank Rome revised the proposed procedures order to address the various issues and concerns of the foregoing parties. On July 9, 2009, the Court entered an order approving the bidding procedures for the sale and an expense reimbursement to Purchaser (the "Bid Procedures Order"). After entry of the Bid Procedures Order, Blank Rome prepared the required Notice of Sale (the "Sale Notice") and coordinated with BMC to serve all creditors and parties in interest with such Sale Notice. In addition, Blank Rome prepared a Notice of the Assumption and Assignment of Executory Contracts and Unexpired Leases and coordinated with BMC to serve such notice upon all parties to executory contracts or unexpired leases which were to be assumed and assigned.

Also, Blank Rome discussed certain amendments to the Asset Purchase Agreement with the Purchaser and thereafter filed such amendments with the Court.

In connection with the pending sale process, Blank Rome reviewed and commented on a proposed teaser letter prepared by Praetorian Group, the Debtors' sales advisors. Furthermore, throughout the entire sale process, Blank Rome consulted with Praetorian Group about due diligence issues and bidder issues. Finally, Blank Rome engaged in various discussions with potential bidders and other parties in interest concerning the sale process.

Total Hours: 62.30 Total Fees: \$33,935.00

(i) Hearings (Attendance/Preparation) (Project Code 17):

During the Application Period, Blank Rome prepared for and attended the hearing held on July 7, 2009. Several motions and applications including the Sale Motion were addressed by the Court at the July 7th hearing. Blank Rome prepared an agenda and binders in connection with the July 7th hearing. In addition, Blank Rome prepared several Certifications of No Objection and one Certification of Counsel in connection with the hearing scheduled for July 22, 2009. Because no contested motions were going forward, the July 22, 2009 hearing was cancelled.

Total Hours: 34.50 Total Fees: \$14,393.00

(j) Non-Working Travel Time (Project Code 19):

Time billed to this matter related to non-working travel time. In accordance with Del. Bankr. L.P. 2016-2(d) (viii), any time in this category may be billed at either 50% of the regular hourly rate or reduced to 50% of the amount of time actually expended. Blank Rome has reduced the total fee for non-working travel time from \$3,065.00 to \$1,532.50.

Total Hours: 5.20 Total Fees: \$1,532.50

(k) Other Litigation (Project Code 21):

During the Application Period, Blank Rome reviewed certain complaints improperly filed against the Debtors and delivered correspondence to the plaintiffs in such actions notifying them of the automatic stay.

Finally, Blank Rome reviewed certain pleadings in a separate bankruptcy case pending in the Eastern District of Virginia involving an entity named RAD Restaurants, Inc., the purchaser of certain of the Debtors' stores in Virginia in 2007.

Total Hours: 3.00 Total Fees: \$1,410.00

ACTUAL AND NECESSARY COSTS AND EXPENSES INCURRED

10. Reimbursement of expenses in the amount of \$2,735.97 is sought herein. A complete breakdown of these expenses is reflected in Exhibit "B". Blank Rome reserves the right to request, in subsequent fee applications, reimbursement of any additional expenses incurred during the Application Period, as such expenses may not yet have been accounted for in Blank Rome's billing system.

**COMPLIANCE WITH THE BANKRUPTCY CODE,
THE BANKRUPTCY RULES AND LOCAL RULES**

11. In accordance with Del. Bankr. LR 2016-2, a summary schedule of hours and fees for each attorney and paraprofessional, and a summary schedule of hours and fees categorized by project code are set forth in the attachments to this Fee Application.

12. Blank Rome submits that the services rendered and expenses incurred were actual and necessary and that the compensation sought is reasonable and in accordance with the standards of 11 U.S.C. § 330.

13. Every effort has been made by Blank Rome to categorize daily time entries in accordance with the correct project code. However, in some instances, services overlap between

project codes. Thus, some services may appear under more than one code, although in no instance is a specific time entry recorded more than once.

14. The undersigned submits that this Fee Application complies with Del. Bankr. LR 2016-2.

15. No agreement or understanding exists between Blank Rome and any other entity for the sharing of compensation received or to be received for services rendered in or in connection with these cases.

NOTICE

16. As required by the Administrative Order, a copy of this Fee Application has been served upon the (i) Debtors, (ii) counsel for the Committee, (iii) counsel for the U.S. Trustee, and (iv) counsel for Checkers Drive-In Restaurants, Inc. Notice of this Fee Application was served upon all parties requesting notice pursuant to Bankruptcy Rule 2002.

WHEREFORE, Blank Rome respectfully requests that this Court: (i) approve this Second Monthly Interim Fee Application for services rendered and expenses incurred for the Application Period; and (ii) enter any other and further relief as the Court deems proper and just.

Dated: September 2, 2009

BLANK ROME LLP

By: /s/ David W. Carickhoff

Bonnie Glantz Fatell (No. 3809)

David W. Carickhoff (No. 3715)

1201 North Market Street, Suite 800

Wilmington, DE 19801

Telephone: (302) 425-6400

Facsimile: (302) 425-6464

-and-

Michael Z. Brownstein

Rocco A. Cavaliere

The Chrysler Building

405 Lexington Avenue

New York, NY 10174

Telephone: (212) 885-5000

Facsimile: (212) 885-5001

Attorneys for Debtors and

Debtors in Possession