**IN THE UNITED STATES BANKRUPTCY COURT**

**FOR THE DISTRICT OF DELAWARE**

| | | |
|---|---|---|
| In re: | ) | Chapter 11 (Jointly Administered) |
| | ) | |
| CHI-CHI'S INC., et al.,[2] | ) | Case No. 03-13063 (CGC) |
| | ) | |
| Debtors. | ) | |

**TENTH MONTHLY APPLICATION OF STRADLING YOCCA CARLSON & RAUTH FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES AS SPECIAL CORPORATE COUNSEL TO DEBTORS FOR THE TIME PERIOD FROM JULY 1, 2004 THROUGH JULY 31, 2004**

| | |
|---|---|
| Name of Applicant: | Stradling Yocca Carlson & Rauth |
| Authorized to Provide Professional Services to: | The above-captioned debtors and debtors-in-possession |
| Date of Retention: | The Petition Dates |
| Period for which Compensation and Reimbursement is Sought: | July 1, 2004 through July 31, 2004 |
| Collective Total of Fees Incurred During Application Period: | $29,059.00 |
| Collective Amount of Compensation Sought as Actual, Reasonable and Necessary, Inclusive of 20% Holdback: | $23,247.20 |
| Collective Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary: | $499.71 |
| Total Request | $23,746.91 (80% of Fees, 100% of Expenses) |

This is an: X interim X monthly __ final application.

The total time expended for fee application preparation is approximately 4.10 hours and the corresponding compensation requested is approximately $1,503.00.[3]

---

[2] The related debtors consist of the following entities: Chi-Chi's, Inc., CCMR of Catonsville, Inc., CCMR of Cumberland, Inc., CCMR of Frederick, Inc., CCMR of Greenbelt, Inc., CCMR of Harford County, Inc., CCMR of Maryland, Inc., CCMR of Ritchie Highway, Inc., CCMR of Timonium, Inc., Chi-Chi's of West Virginia, Inc., CMM Dissolution, Inc., Koo Koo Roo, Inc., Maintenance Support Group, Inc., Koo Koo Roo Licensing Systems, Inc., The Hamlet Group, Inc., H.H. of Maryland, Inc., and H.H.K. of Virginia, Inc.

[3] The actual number of hours expended preparing this Application and the corresponding compensation requested will be set forth in SYC&R's subsequent fee applications.

Prior Monthly Applications Filed:

| Date Filed | Period Covered | Requested Fees Less Holdback | Requested Expenses | Approved Fees | Approved Expenses |
|---|---|---|---|---|---|
| 12/17/03 | 10/8/03 – 10/31/03; 10/21/03 – 10/31/03 | $121,536.80 | $2,765.50 | $121,221.20 | $2,765.50 |
| 1/9/04 | 11/1/03 – 11/30/03 | $43,786.20 | $1,236.14 | $43,786.20 | $1,236.14 |
| 2/24/04 | 12/1/03 – 12/31/03 | $38,194.80 | $413.94 | $38,194.80 | $413.94 |
| 2/25/04 | 1/1/04 – 1/31/04 | $42,496.80 | $2,264.70 | $42,496.80 | $2,264.70 |
| 3/25/04 | 2/1/04 – 2/29/04 | $35,542.80 | $1,802.72 | $35,542.80 | $1,802.72 |
| 4/29/04 | 3/1/04 – 3/31/04 | $30,180.80 | $759.79 | $30,180.80 | $759.79 |
| 5/26/04 | 4/1/04 – 4/30/04 | $22,759.20 | $932.91 | $22,759.20 | $932.91 |
| 7/1/04 | 5/1/04 – 5/31/04 | $9,746.80 | $362.22 | $9,746.80 | $362.22 |
| 7/22/04 | 6/1/04 – 6/30/04 | $35,172.00 | $344.45 | | |

| Name of Professional Individual | Position, year assumed prior relevant experience, year of obtaining relevant license to practice | Hourly Billing Rate (including Changes) | Total Hours Billed | Total Compensation |
|---|---|---|---|---|
| **Sharon R. Klein** | Shareholder, Member of Cal. Bar since 2003 | $490.00 | .70 | $343.00 |
| **Michael A. Rule** | Shareholder; Member of Cal. Bar since 1991 | $375.00 | 68.40 | $25,650.00 |
| **Andrea Levitan Reeves** | Shareholder; Member of Cal. Bar since 1994 | $360.00 | .60 | $216.00 |
| **Brent N. Triff** | Associate, Member of Cal. Bar since 1996 | $350.00 | 1.70 | $595.00 |
| **Monique M. Heyninck** | Associate, Member of Cal. Bar since 2002 | $325.00 | 1.60 | $520.00 |
| **Lisa A. Latham** | Paralegal since 1988 | $175.00 | 8.20 | $1,435.00 |
| **Robert Pinon** | Paralegal since 2002 | $175.00 | .30 | $52.50 |
| **Shauna L. Murray** | Paralegal since 2004 | $165.00 | 1.50 | $247.50 |
| **TOTAL** | | | **83.00** | **$29,059.00** |
| **80% of Total** | | | | **$23,247.20** |

**Blended Rate $350.11**

Pursuant to sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code"), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and the Court's Administrative Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Expense Reimbursement of Professionals and Committee Members, entered November 5, 2003, (the "Administrative Order"), Stradling Yocca Carlson & Rauth (herein "SYC&R" or the "Firm") hereby files its Tenth Monthly Interim Application for Allowance of Compensation and Reimbursement of Expenses for the time period from July 1, 2004 through July 31, 2004 (the "Application"). By this Application SYC&R seeks a monthly interim allowance of compensation for services rendered, which reflects the twenty percent (20%) interim holdback, and reimbursement of costs incurred, in the collective amount of $23,746.91[4], for the time period from July 1, 2004 through July 31, 2004 (the "Application Period"). In support of this Application, SYC&R respectfully represents as follows:

**Background**

1. On October 8 and 21, 2003 (the "Petition Dates"), the Debtors filed their respective voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code. The Firm has been informed that the Debtors are continuing to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On December 8, 2003, this Court entered the "Order Authorizing Retention and Employment of Stradling Yocca Carlson & Rauth as Special Corporate Counsel," to the Debtors, effective as of the Petition Dates.

[4] Please note that pursuant to the Administrative Order, the compensation requested by the Firm reflects the twenty percent (20%) interim holdback, which results in a reduction of the Firm's requested compensation in the amount of $5,811.80.

3. The restaurant industry segments in which Chi-Chi's[5], Koo Koo Roo[6] and the Hamlet Group[7] operate are all highly competitive. Key competitive factors in their respective industry segments are name identification, restaurant location, the quality and value of the food products offered, the quality and speed of service, and the appeal of the dining facilities. These factors are affected by trends in the restaurant industry, changes in the public's eating tastes, habits and preferences, demographic trends, spending and consumer traffic patterns, and local economic conditions. In order to remain competitive, the Debtors are required to promptly respond to the above factors, increases in food and labor costs, and pricing adjustments by their local and national competitors. The failure to quickly respond to changes in their respective industry segments can have an immediate and long-term detrimental effect on the Debtors' financial condition and results from operations.

4. In recent years, Chi-Chi's, Koo Koo Roo and the Hamlet Group have each encountered increased competition from numerous competitors, including those in quick-service, fast-casual and casual dining segments.

**Compensation Paid and Its Source**

5. All Services for which SYC&R requests compensation were performed for or on behalf of the Debtors.

---

[5] All references made herein to "Chi-Chi's" shall be inclusive of the following entities: Chi-Chi's, Inc., CCMR of Catonsville, Inc., CCMR of Cumberland, Inc., CCMR of Frederick, Inc., CCMR of Greenbelt, Inc., CCMR of Harford County, Inc., CCMR of Maryland, Inc., CCMR of Ritchie Highway, Inc., CCMR of Timonium, Inc., Chi-Chi's of West Virginia, Inc. and Maintenance Support Group, Inc.

[6] All references made herein to "Koo Koo Roo" shall be inclusive of the following entities: CMM Dissolution, Inc., Koo Koo Roo, Inc. and Koo Koo Roo Licensing Systems, Inc.

[7] All references made herein to the "Hamlet Group" shall be inclusive of the following entities: The Hamlet Group, Inc., H.H. of Maryland, Inc., and H.H.K. of Virginia, Inc.

6. SYC&R 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. There is no agreement or understanding between SYC&R and any other person other than the shareholders of SYC&R for the sharing of compensation to be received for services rendered in these cases.

**Fee Statement**

7. The fee statements, which contain daily time logs detailing the time spent by each attorney and paraprofessional for the Application Period, are attached hereto as Exhibits "A" and "B," respectively.[8] To the best of SYC&R's knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, Del.Bankr.LR 2016-2 and the Administrative Order. SYC&R's time reports are initially hand written by the attorney or paraprofessional performing the described services. The time reports are organized on a daily basis.

8. SYC&R's charges for its professional and paraprofessional services rendered to, and/or on behalf of, the Debtors are based upon the time, nature, extent and value of such services and the cost of comparable services other than in a case under the Bankruptcy Code.

**Actual and Necessary Expenses**

9. A summary of actual and necessary expenses incurred by SYC&R for the Application Period is contained in the fee statements, which are appended hereto as Exhibits "A" and "B," respectively. SYC&R customarily charges $0.20 per page for photocopying expenses, however, in order to comply with the guidelines promulgated by the Office of the United States Trustee, SYC&R has reduced its photocopying charge to $0.15 per page. SYC&R's

[8] However, some professional and/or paraprofessional time that was spent during the Application Period may be reflected in a subsequent application.

photocopying machines automatically record the number of copies made when the person that is doing the copying enters the client's account number into a device attached to the photocopier. SYC&R summarizes each client's photocopying charges on a daily basis.

10. SYC&R customarily charges $1.50 per page for out-going facsimile transmissions, however, in order to comply with the guidelines promulgated by the Office of the United States Trustee, SYC&R has reduced its facsimile charge to $1.00 per page. There is no additional charge for long distance telephone calls on faxes. The charge for an outgoing facsimile reflects SYC&R's calculation of the actual costs incurred by SYC&R for the machines, supplies and extra labor expenses associated with sending telecopies and is reasonable in relation to the amount charged by outside vendors who provide similar services. SYC&R does not charge the Debtors for fax receipts.

11. As for on-line legal research (e.g., LEXIS), SYC&R charges the standard usage rates these providers charge for computerized legal research. SYC&R bills its clients the actual cash charged by such services, with no premium.

12. SYC&R believes the foregoing rates are the market rates that the majority of law firms charge clients for such services. In addition, SYC&R believes that such charges are in accordance with the American Bar Association's ("ABA") guidelines, as set forth in the ABA's Statement of Principles, dated January 12, 1995, regarding billing for disbursements and other charges.

**Summary of Services Rendered**

13. The names of the shareholders and associates of SYC&R who have rendered professional services in these cases during the Application Period, as well as the paraprofessionals of SYC&R who provided services to these attorneys during the Application Period, are set forth in Exhibits "A" and "B."

14. SYC&R, by and through such persons, has assisted the Debtors in addressing numerous issues relative to the sale of their respective assets and renewal of their various trademarks, which are described and narrated in detail below.

**Summary of Services Rendered By SYC&R To Chi-Chi's**

15. The services rendered by SYC&R to, and/or on behalf of, Chi-Chi's during the Application Period can be grouped into the categories set forth below. SYC&R attempted to place the services provided in the category that best relates to such services, however, because certain services may relate to one or more categories, services pertaining to one category may in fact be included in another category. The services rendered by the professionals and paraprofessionals employed by SYC&R are generally described below. For a more detailed identification of the actual services provided by the Firm to, and/or on behalf of, Chi-Chi's, as well as the number of hours for each service performed, refer to the fee statement attached hereto as Exhibit "A."

**A. General Corporate Work**

The services rendered in this category were related primarily to the review and analysis of documentation associated with certain asset sales of Chi-Chi's and to the maintenance of Chi-Chi's overall trademark portfolio, including domestic and foreign correspondence, docketing and monitoring of foreign and domestic notices pertaining to potential third party oppositions.

Fees: $8,090.00 Total hours: 25.80

**B. TM-33-Chi-Chi's (Alcohol)**

The services rendered in this category were related primarily to the review, analysis and correspondences pertaining to the protection and maintenance of this mark.

Fees: $49.50 Total hours: .30

**C. TM-42-Chi-Chi's (Stylized Letters)**

The services rendered in this category were related primarily to the research of issues affecting the Company's ability to split registrations of this mark, as well as the review, analysis and correspondences pertaining to multiple foreign watch notices potentially affecting this mark.

Fees: $900.00 Total hours: 2.40

**D. TM-42-Life Always Needs A Little Salsa**

The services rendered by the Firm in this category were primarily related to addressing issues concerning the renewal of this trademark registration for the Company.

Fees: $82.50 Total hours: .50

**E. TM-42-Chi-Chi's**

The services rendered in this category were related primarily to the research of issues affecting the Company's ability to split registrations of this mark, as well as the review, analysis and correspondences pertaining to multiple foreign watch notices potentially affecting this mark.

Fees: $1,800.00 Total hours: 4.80

**F. TM-42-Margaritaville**

The services rendered in this category were related primarily to the review, analysis and advice to the Company re: the Company's potential sale of this mark and the ongoing opposition proceedings affecting this mark.

Fees: $3,124.50 Total hours: 8.50

G. **TM-30-Chi-Chi's (Logo) (Taco Seasoning)**

The services rendered in this category were related primarily to the review, analysis and correspondences pertaining to the protection and maintenance of this mark.

Fees: $150.00 Total hours: .40

H. **TM-42-Margaritaville Cantina (Logo)**

The services rendered in this category were related primarily to the review, analysis and advice to the Company re: the Company's potential sale of this mark and the ongoing opposition proceedings affecting this mark.

Fees: $337.50 Total hours: .90

I. **TM-42-Chi-Chi's (Logo)**

The services rendered in this category were related primarily to the review and advice re: multiple foreign activities potentially affecting this mark.

Fees: $668.00 Total hours: 2.00

J. **TM-25-Chi-Chi's (Stylized Lettering)**

The services rendered in this category were related primarily to the review and advice re: certain European activities potentially affecting this mark.

Fees: $300.00 Total hours: .80

K. **TM-42-Chi-Chi's & Design (Restaurant Sketch)**

The services rendered in this category were related primarily to the review and advice re: certain Canadian activities potentially affecting this mark.

Fees: $337.50 Total hours: .90

**L. TM-29-Chi-Chi's (Stylized) (Meat, Fish)**

The services rendered by the Firm in this category were related primarily to SYC&R's analysis and correspondence with multiple foreign associates concerning the maintenance and protection of its trademarks internationally.

Fees: $467.50 Total hours: 1.30

**M. TM-30-Chi-Chi's (Stylized) (Coffee, Tea)**

The services rendered by the Firm in this category were related primarily to SYC&R's analysis and correspondence with multiple foreign associates concerning the maintenance and protection of its trademarks internationally.

Fees: $500.50 Total hours: 1.50

**N. TM-31-Chi-Chi's (Stylized) (Fruits, Vegs.)**

The services rendered by the Firm in this category were related primarily to SYC&R's analysis and correspondence with multiple foreign associates concerning the maintenance and protection of its trademarks internationally.

Fees: $317.50 Total hours: .90

**O. TM-42-Senioritaville**

The services rendered in this category were related primarily to the research, preparation of materials and analysis of the Company's ability to enter into an assignment and assumption arrangement specifically affecting this mark.

Fees: $337.50 Total hours: .90

**P. TM-29/30/42-Chi-Chi's (Stylized)**

The services rendered in this category were related primarily to the review, analysis and correspondences pertaining to the protection and maintenance of this mark.

Fees: $450.00 Total hours: 1.20

**Q. TM-41-Chi-Chi's**

The services rendered in this category were related primarily to the review, analysis and correspondences pertaining to the protection and maintenance of this mark.

Fees: $300.00 Total hours: .80

**R. Asset Sale**

The services rendered in this category were related primarily to the multi-level assistance provided to the Company in preparing, editing and reviewing documents pertaining to its proposed sales of assets.

Fees: $2,775.00 Total hours: 7.40

**S. Fee Applications**

The services rendered in this category were related primarily to the preparation, review and editing of the Ninth Monthly Fee Application and attendant documentation, as well as the Third Quarterly Fee Application.

Fees: $2,953.50 Total hours: 7.90

**T. Opposition to Application by Charter**

The services rendered in this category were related primarily to the preparation, review and analysis of discovery materials, as well as the negotiation and documentation of proposed settlement terms.

Fees: $3,473.00 Total hours: 9.20

**U. Opposition – 709,807 Buffett Margaritaville**

The services rendered in this category were related primarily to the review and preparation for sale of disputed asset in one of four related actions whereby the Company has opposed a confusingly similar mark in Canada.

Fees: $17.50 Total hours: .10

**V. Opposition – 1,001,868 Buffett Margaritaville**

The services rendered in this category were related primarily to the review and preparation for sale of disputed asset in one of four related actions whereby the Company has opposed a confusingly similar mark in Canada.

Fees: $787.50 Total hours: 2.10

**Summary of Services Rendered by SYC&R to The Hamlet Group**

16. The services rendered by SYC&R to, and/or on behalf of, the Hamlet Group during the Application Period can be grouped into the categories set forth below. SYC&R attempted to place the services provided in the category that best relates to such services, however, because certain services may relate to one or more categories, services pertaining to one category may in fact be included in another category. The services rendered by the professionals and

paraprofessionals employed by SYC&R are generally described below. For a more detailed identification of the actual services provided by the Firm to, and/or on behalf of, the Hamlet Group, as well as the number of hours for each service performed, refer to the fee statement attached hereto as Exhibit "B."

**A. General Corporate Work**

The services rendered in this category were related primarily to post-transaction cooperation obligations in conjunction with the sale of this asset.

**Fees: $787.50** **Total hours: 2.10**

**B. Fee Applications**

During the Application Period, the Firm's services in this category were limited to preparing its corresponding Monthly Fee Applications.

**Fees: $52.50** **Total hours: .30**

Valuation of Services Performed On Behalf Of The Debtors

17. Attorneys and paraprofessionals of SYC&R expended a total of 83 hours in connection with these cases during the Application Period, as follows:

| Name of Professional Individual | Hourly Billing Rate (including Changes) | Total Hours Billed | Total Compensation |
|---|---|---|---|
| **Sharon M. Klein** | $490.00 | .70 | $343.00 |
| **Michael A. Rule** | $375.00 | 68.40 | $25,650.00 |
| **Andrea Levitan Reeves** | $360.00 | .60 | $216.00 |
| **Brent N. Triff** | $350.00 | 1.70 | $595.00 |
| **Monique M. Heyninck** | $325.00 | 1.60 | $520.00 |
| **Lisa A. Latham** | $175.00 | 8.20 | $1,435.00 |
| **Robert Pinon** | $175.00 | .30 | $52.50 |
| **Shauna L. Murray** | $165.00 | 1.50 | $247.50 |

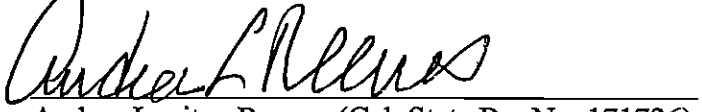
18. The nature of work performed by the persons set forth above is contained in the fee statements, which are attached hereto as Exhibits "A" and "B," respectively. The rates being charged are SYC&R's normal hourly rates for work of this character. Notwithstanding, in order to comply with the guidelines promulgated by the Office of the United States Trustee, all non-working travel time has been billed at half of the professional(s)', and/or paraprofessional(s)', normal hourly rate.

19. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by SYC&R is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title. Moreover, SYC&R has reviewed the requirements of Del.Bankr.LR 2016-2 and believes that this Application complies with that Order.

WHEREFORE, the Firm respectfully requests that the Court enter an order awarding, on an interim basis, SYC&R the sum of $23,746.91[9] in connection with the services it rendered to, and/or on behalf of, the Debtors during the Application Period, as set forth hereinabove.

Date: August 30, 2004

STRADLING YOCCA CARLSON & RAUTH



Andrea Levitan Reeves (Cal. State Bar No. 171726)
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Telephone: (949) 725-4000
Facsimile: (949) 725-4100
Special Corporate Counsel to the Debtors and Debtors in Possession

[9] Please note that pursuant to the Administrative Order, the compensation requested by the Firm reflects the twenty percent (20%) interim holdback, which results in a reduction of the Firm's requested compensation in the amount of $5,811.80.

## CHI-CHI'S:

### COMPENSATION BY PROJECT CATEGORY

| Project Category | Total Hours | Total Fees Requested |
|---|---|---|
| General Corporate | 25.80 | $8,090.00 |
| TM-33-Chi-Chi's (Alcohol) | .30 | $49.50 |
| TM-42-Chi-Chi's (Stylized Letters) | 2.40 | $900.00 |
| TM-42-Life Always Needs A Little Salsa | .50 | 82.50 |
| TM-42-Chi-Chi's | 4.80 | 1,800.00 |
| TM-42-Margaritaville | 8.50 | 3,124.50 |
| TM-30-Chi-Chi's (Logo) (Taco Seasoning) | .40 | $150.00 |
| TM-42-Margaritaville Cantina (Logo) | .90 | $337.50 |
| TM-42-Chi-Chi's (Logo) | 2.00 | $668.00 |
| TM-25-Chi-Chi's (Stylized Lettering) | .80 | $300.00 |
| TM-42-Chi-Chi's & Design (Restaurant Sketch) | .90 | $337.50 |
| TM-29-Chi-Chi's (Stylized) (Meat, Fish) | 1.30 | $467.50 |
| TM-30-Chi-Chi's (Stylized) (Coffee, Tea) | 1.50 | $500.50 |
| TM-31-Chi-Chi's (Stylized) Fruits, Vegs.) | .90 | $317.50 |
| TM-42-Senioritaville | .90 | $337.50 |
| TM-29/30/42-Chi-Chi's (Stylized) | 1.20 | $450.00 |
| TM-41-Chi-Chi's | .80 | $300.00 |
| Asset Sale | 7.40 | $2,775.00 |
| Fee Applications | 7.90 | $2,953.50 |
| Opposition to Application by Charter | 9.20 | 3,473.00 |
| Opposition – 709,807 Buffett Margaritaville | .10 | 17.50 |
| Opposition – 1,001,868 Buffett Margaritaville | 2.10 | $787.50 |
| Totals | 80.60 | $28,219.00 |
| Interim Holdback (20%) | | $5,643.80 |
| **Total Request** | | **$22,575.20** |

### EXPENSE SUMMARY

| Expense Category | Service Provider (If Applicable) | Total Expenses |
|---|---|---|
| Reproduction ($.15/page) | | 69.60 |
| Delivery/Courier Service | FED-X | 12.59 |
| Patent and Trademark Fee(s) | | $412.50 |
| Telephone Charges | | 5.02 |
| **Total** | | **$499.71** |

## THE HAMLET GROUP:

## COMPENSATION BY PROJECT CATEGORY

| Project Category | Total Hours | Total Fees Required |
|---|---|---|
| General Corporate | 2.10 | $787.50 |
| Fee Applications | .30 | $52.50 |
| Totals | 2.40 | $840.00 |
| Interim Holdback (20%) | | $168.00 |
| **Total Request** | | **$672.00** |

VERIFICATION

STATE OF CALIFORNIA :
:
COUNTY OF ORANGE :

Michael A. Rule, after being duly sworn according to law, deposes and says:

a) I am a shareholder with the law firm of Stradling Yocca Carlson & Rauth.

b) I have personally performed many of the legal services rendered by Stradling Yocca Carlson & Rauth, Special Corporate counsel to the Debtors and am thoroughly familiar with the other work performed on behalf of the Debtors by the lawyers and paraprofessionals of SYC&R.

c) I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have been informed and believe that the foregoing Application substantially complies with Del.Bankr.LR 2016-2.

Michael A. Rule

SWORN AND SUBSCRIBED
before me this 26th day of August, 2004.

Patricia Ann McCormick, Notary Public
My Commission Expires: May 1, 2007

PATRICIA ANN MCCORMICK
Commission # 1414836
Notary Public - California
Orange County
My Comm. Expires May 1, 2007