

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

In re:) Chapter 11
)
CONEXANT SYSTEMS, INC., *et*) Case No. 13-10367 (MFW)
al.,)
) (Jointly Administered)
Debtors.)

**THIRD FEE APPLICATION OF GAVIN/SOLMONESE LLC, AS FINANCIAL
ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,
FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT
OF EXPENSES FOR THE PERIOD FROM
MAY 1, 2013 THROUGH MAY 31, 2013**

Name of Applicant: **Gavin/Solmonese LLC**

Authorized to Provide Professional Services to: **Official Committee of Unsecured Creditors**

Date of Retention: **March 8, 2013**

Period for which Compensation sought as actual, reasonable and necessary: **May 1, 2013 through May 31, 2013**

Amount of Compensation sought as Actual, reasonable and necessary: **\$11,555.00**

Amount of Expense Reimbursement sought as actual, reasonable and necessary: **\$1.20**

This is a: **Monthly Fee Application**

The total time expended for fee application is approximately 2 hours, and the corresponding compensation to be requested in the next fee application will be approximately \$300.00.

**GAVIN/SOLMONESE LLC SUMMARY OF
PROFESSIONALS RENDERING SERVICES FROM
MAY 1, 2013 THROUGH MAY 31, 2013**

Professional Person	Position of the Applicant, Number of Years in that Position	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
Edward T. Gavin, CTP	Principal, 2006	\$600.00 (Prof.) \$300.00 (Travel)	1.20 0.00	\$720.00 0.00
Wayne P. Weitz	Senior Director, 2012	\$475.00 (Prof.) \$237.50 (Travel)	5.60 0.00	\$2,660.00 \$0.00
Stanley W. Mastil	Director, 2012	\$375.00 (Prof.) \$187.50 (Travel)	21.00 0.00	\$7,875.00 \$0.00
Judy L. Sacher	Other Professional Staff, 2002	\$150.00 (Prof.)	2.00	\$300.00
		Totals	29.80	\$11,555.00

COMPENSATION BY PROJECT CATEGORY

Project Category	Total Hours	Total Fees
Business Analysis	1.60	\$640.00
Case Administration	1.10	\$522.50
Claims Administration and Objections	20.30	\$7,687.50
Court Hearing	0.20	\$120.00
Fee/Employment Application	4.50	\$1,550.00
Plan and Disclosure Statement	2.10	\$1,035.00
TOTAL	29.80	\$11,555.00

EXPENSE SUMMARY

Expense Category	Service Provider er (if applicable)	Total Expenses
Telephone		\$1.20
Total		\$1.20

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OF EXPENSES FOR THE PERIOD FROM
MAY 1, 2013 THROUGH MAY 31, 2013**

Pursuant to sections 328 and 1103 of Title 11 of the United States Code (the “Bankruptcy Code”), Rules 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Bankruptcy Rules”), and the Court’s Administrative Order Under 11 U.S.C. §§ 330 and 331 Establishing Procedures for Interim Compensation and Expense Reimbursement of Professionals and Committee Members, dated April 11, 2013 (the “Administration Order”) [D.I.168], Gavin/Solmonese LLC (“Applicant” or “G/S”) hereby files this application for monthly interim allowance of reasonable compensation with respect to the bankruptcy case of Conexant Systems, Inc., *et al.* (the “Debtors”) for services rendered as the Financial Advisor to the Official Committee of Unsecured Creditors (the “Committee”) in the amount of \$11,555.00, together with the reimbursement for actual and necessary expenses incurred in the amount of \$1.20 (the “Application”) for the period from May 1,

2013 through and including May 31, 2013 (the “Compensation Period”). In support of the Application, Applicant submits the affidavit of Edward T. Gavin, CTP attached hereto as Exhibit “A”. In further support of the Application, Applicant respectfully represents as follows:

JURISDICTION

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of this proceeding and this Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicate of the Application are 11 U.S.C. §§ 328 and 1103.

FACTUAL BACKGROUND

4. Conexant Systems, Inc. *et al.* (the “Debtors”) filed their voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) on February 28, 2012. Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, the Debtors operate their businesses as Debtors-in-possession. No trustee or examiner has been appointed in these cases.

8. On March 8, 2013, the Office of the United States Trustee, pursuant to Section 1102 of the Bankruptcy Code, appointed the Committee.

9. On May 13, 2013 the Court entered that certain Order Authorizing Employment and Retention *Nunc Pro Tunc* to March 8, 2013 of Gavin/Solmonese LLC as Financial Advisor to the Official Committee of Unsecured Creditors [D.I. 235], approving the Committee’s retention of G/S *nunc pro tunc* to March 8, 2013.

COMPENSATION AND REIMBURSEMENT OF EXPENSES

9. Applicant submits this Application to the Bankruptcy Court for an allowance of reasonable compensation for actual and necessary professional services provided to the Committee as its Financial Advisor in this case during the Compensation Period and for reimbursement of actual and necessary out-of-pocket expenses incurred in advising the Committee during the Compensation Period. All included services and costs for which Applicant seeks compensation were performed for, or on behalf of, the Committee during the Compensation Period.

10. By this Application, Applicant thus seeks (a) allowance of compensation in the amount of \$11,555.00 for services rendered as Financial Advisor during the Compensation period, (b) authority for immediate payment to Applicant of 80% of such compensation (\$9,244.00) pursuant to paragraph (b) of the Administration Order, and (c) allowance of reimbursement and immediate payment in the amount of \$1.20 for expenses incurred and disbursed during the Compensation Period.

11. Exhibit "B" is a summary covering all the services performed by Applicant with respect to this matter during the Compensation Period. This detailed itemization complies with Local Bankruptcy Rules in that each time entry contains a separate time allotment; a description of the type of activity and the subject matter of the activity; all time is billed in increments of one-tenth of an hour; the time entries are presented chronologically in categories, and; all meetings or hearings are individually identified. Following is the detailed itemization, by task category, of all services

performed by Applicant with respect to this matter during the Compensation Period. Non-working travel time (to the extent applicable) is billed at 50% of normal rates.

12. The Applicant has divided its time into the following categories:
 - a) **Business Analysis (1.60 Hours - \$640.00)** This category includes time spent in the review of debtor's business plan; development and review of strategies; preparation and review of cash flow forecasts and feasibility studies and general review of business matters as they pertain to the bankruptcy case.
 - b) **Case Administration (1.10 Hours - \$522.50)** This category includes time spent in coordination and compliance matters including case management tasks; schedules; contacts with the Office of the United States Trustee; general record keeping and documentation requirements
 - c) **Claims Administration and Objections (20.30 Hours - \$7,687.50)** This category includes general and specific claim inquiries; bar date motions; analyses, objections and allowance of claims.
 - d) **Court Hearing (0.20 Hours - \$120.00)** Time billed to this category includes time related to attending and preparing for hearings held before the United States Bankruptcy Court for the District of Delaware. During the Compensation Period, the Applicant, among other things, attended hearings before the Bankruptcy Court.
 - e) **Fee/Employment Application (4.50 Hours - \$1,550.00)** This category includes the preparation and/or review of employment and fee applications for self or others; motions to establish interim procedures.

- f) **Plan and Disclosure Statement (2.10 Hours - \$1,035.00)** This category includes review, discussion of or formulation of actual, theoretical or proposed Plan(s) and/or Disclosure Statement(s), including presentation and confirmation; compliance with plan confirmation orders, if any; and related activities, such as communication and correspondence, related thereto.

13. Attached hereto as Exhibit "C" is a summary of the costs actually expended by the Applicant in the performance of services rendered on behalf of the Committee. The costs for which reimbursement is requested total \$1.20. The breakdown of the costs includes the rate of copying charges (\$.10/page) and the basis for each rate, telephone charges, facsimile charges (\$1.00/page – outgoing transmission only), messenger service, travel expenses, court reporter services, overnight delivery fees, outside reproduction, legal research and PACER charges. By this Application, the Applicant does not seek expenses for incoming facsimile transmissions.

WHEREFORE, Gavin/Solmonese LLC respectfully requests (i) allowance of compensation in the amount of \$11,555.00 for professional services rendered and \$1.20 for reimbursement for actual and necessary costs; (ii) immediate payment of \$9,244.00 which is 80% of the allowed compensation of \$11,555.00; (iii) allowance and immediate payment of 100% of the allowed actual and necessary costs of \$1.20; and (iv) such other and further relief as this Court deems necessary and just.

Dated: June 20, 2013



Edward T. Gavin, CTP
Gavin/Solmonese LLC
919 N. Market Street, Suite 600
Wilmington, DE 19801
(302) 655-8997 ext. 151

EXHIBIT “A”

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

In re:)	Chapter 11
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CONEXANT SYSTEMS, INC., <i>et</i>)	Case No. 13-10367 (MFW)
<i>al.</i> ,)	
)	(Jointly Administered)
Debtors.)	

AFFIDAVIT OF EDWARD T. GAVIN, CTP

STATE OF DELAWARE)	
)	SS.
NEW CASTLE COUNTY)	

BE IT REMEMBERED, that on this 20th day of June, 2013, personally appeared before me, the Subscriber, a Notary Public for the State and County aforesaid, **EDWARD T. GAVIN, CTP**, and being duly sworn according to law, deposes and says as follows:

1. I am a Managing Director of the firm of Gavin/Solmonese LLC (“G/S”), which has served as Financial Advisor to the Official Committee of Unsecured Creditors of the above-referenced bankruptcy case.

2. I have read the foregoing Application of G/S for allowance of compensation and reimbursement of expenses and know the contents thereof and that the same are true and correct, to the best of my knowledge, information and belief.

3. As noted in the Application for Employment of G/S, G/S is a national firm with a well-established reputation in providing financial and management advisory services. Including NHB Advisors, which G/S is in the process of acquiring, G/S has

two Managers, One Shareholder Principal: Edward T. Gavin, CTP (the "Shareholder Principal") and two non-shareholder Principals, several Employees, Independent Contractors or Managing Directors, Senior Consultants, and other associates (collectively, the "Associates"). The Shareholder Principal owns a separate business entity (corporation, limited liability company, or other legal entity) of which the Shareholder Principal is the primary employee. This entity provides the services of the Shareholder Principal to G/S and its clients pursuant to independent contractor agreements between each such entity and G/S. Compensation received by the Shareholder Principal's business entities is unrelated to fees received by G/S from any particular client. Compensation received by Employees is substantially unrelated to fees received by G/S from any particular client. Entities controlled by the non-shareholder Principal and Associates also have written employment and independent contractor agreements with G/S pursuant to which they provide services to G/S and its clients. Each of the non-shareholder Principal and Associates through their respective business entities does all or substantially all of its business with G/S. Compensation received by such entities is based in substantial part upon fees received by G/S from each of G/S's clients. Other than the foregoing, there is no agreement or understanding between G/S, and any other person for a division of compensation as consultants to the Debtor.

4. No division prohibited by the Bankruptcy Code will be made by G/S.

5. The undersigned hereby certifies, in accordance with Del. Bankr. L.R. 2016-2(f), that he has reviewed Del. Bankr. L.R. 2016-2, this Application and the

exhibits thereto, and that such Application and its exhibits comply with Del. Bankr.

L.R. 2016-2.

6. No agreement prohibited by Title 18, Section 155 has been made.



Edward T. Gavin, CTP

SWORN TO AND SUBSCRIBED before me this 20th day of June, 2013.

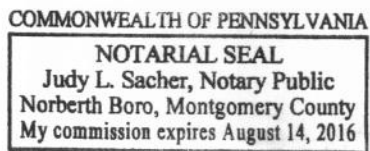

NOTARY PUBLIC

EXHIBIT “B”

COMPENSATION BY PROJECT CATEGORY

Project Category	Total Hours	Total Fees
Business Analysis	1.60	\$640.00
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Fee/Employment Application	4.50	\$1,550.00
Plan and Disclosure Statement	2.10	\$1,035.00
TOTAL	29.80	\$11,555.00

EXHIBIT "C"

EXPENSE SUMMARY

Expense Category	Service Provider (if applicable)	Total Expenses
Telephone		\$1.20
Total		\$1.20

Gavin/Solmonese, LLC
919 N. Market Street
Suite 600
Wilmington, DE 19801

Invoice submitted to:
Conexant System, Inc. et al
C/O James S. Carr, Esq.
Kelley Drye & Warren LLP
101 Park Avenue
New York, NY 10178

Invoice #23138 Services Through 5/31/2013

	Total Professional Fees	\$11,555.00
	Expenses	\$1.20
	Total This Invoice	\$11,556.20
	Balance due	\$11,556.20

Please remit to the address shown:

Wire transfer instructions:

ABA# 031-000053
Account #86-0583-9972
PNC Bank, N.A. Philadelphia, PA
Telephone notification to Judy Sacher - (302) 655-8997

Principal _____

Conexant System, Inc. et al

Consultant Summary

<u>Name</u>	<u>Hours</u>	<u>Amount</u>
Stanley W. Mastil	21.00	\$7,875.00
Wayne P. Weitz	5.60	\$2,660.00
Edward T. Gavin, CTP	1.20	\$720.00
Judy L. Sacher	2.00	\$300.00

Professional Services

	<u>Hours</u>	<u>Amount</u>
5/1/2013 - SWM Business Analysis Reviewed case information, declarations, and other background information to review claims	1.20	450.00
- SWM Claims Administration and Objections Reviewed scheduled claims in all debtors and prepared analysis of unsecured claims	1.60	600.00
5/2/2013 - SWM Claims Administration and Objections Review filed claims with related scheduled claims and update potential objections	2.20	825.00
- SWM Claims Administration and Objections Prepared excel file of scheduled claims for use in claims review	2.10	787.50
5/6/2013 - ETG Claims Administration and Objections Corr. S. Cho re: STATS ChipPAC claim	0.10	60.00
- ETG Claims Administration and Objections Corr. counsel re: STATS ChipPAC claim	0.10	60.00
5/8/2013 - SWM Claims Administration and Objections Reviewed claims 27 - 37 and prepared register and information needed for any potential objections	0.80	300.00
- SWM Claims Administration and Objections Prepared download of filed claims and related file for analysis purposes	2.20	825.00
5/9/2013 - SWM Claims Administration and Objections Review claims 38 - 62	2.10	787.50
- SWM Claims Administration and Objections Prepare register and information needed for any potential objections	1.40	525.00

Conexant System, Inc. et al

			<u>Hours</u>	<u>Amount</u>
5/9/2013	- ETG	Fee/Employment Application Corr. counsel, WPW re: responses to fee application and lack thereof	0.20	120.00
	- WPW	Fee/Employment Application Corr KDW re: responses to professional retention apps	0.30	142.50
5/13/2013	- WPW	Business Analysis Corr KDW re: Case Update memo to OCUC	0.40	190.00
	- ETG	Court Hearing Corr. counsel re: matters up for hearing.	0.20	120.00
5/14/2013	- SWM	Claims Administration and Objections Revise register analysis maintained and review claims 63 - 67	1.20	450.00
5/15/2013	- SWM	Claims Administration and Objections Revise register analysis maintained and review claims 68 - 72	1.30	487.50
5/16/2013	- SWM	Claims Administration and Objections Revise register analysis maintained and review claims 73 - 86	1.80	675.00
	- SWM	Claims Administration and Objections Review fee applications filed and related analysis/correspondence	0.90	337.50
	- WPW	Claims Administration and Objections Corr SWM re: bar date motion and claims analysis	0.30	142.50
5/17/2013	- SWM	Claims Administration and Objections Revise register analysis maintained and review claims 87 - 98	2.20	825.00
5/20/2013	- WPW	Plan and Disclosure Statement Corr re: solicitation process and plan update	0.40	190.00
	- WPW	Plan and Disclosure Statement Corr KDW re: plan solicitation status and general case update	0.40	190.00
	- ETG	Plan and Disclosure Statement Corr. counsel, committee members re: update as to general plan status	0.20	120.00
5/23/2013	- WPW	Plan and Disclosure Statement Corr re: and review of Comerica plan objection	0.40	190.00
5/27/2013	- WPW	Fee/Employment Application Review April Fee Application supporting documents	1.00	475.00

Conexant System, Inc. et al

		<u>Hours</u>	<u>Amount</u>
5/27/2013 -	WPW Fee/Employment Application Review First Fee Application	0.70	332.50
5/28/2013 -	ETG Fee/Employment Application Review/revise fee application for March 2013; changes to JLS	0.30	180.00
5/29/2013 -	JLS Fee/Employment Application Review April 2013 expense application supporting materials for spelling and grammatical errors. Generate and compose fee application for April 2013	2.00	300.00
-	WPW Plan and Disclosure Statement Corr plan update	0.30	142.50
-	WPW Case Administration Review G/S April invoice and fee application	1.10	522.50
-	ETG Plan and Disclosure Statement Corr counsel, WPW re: plan status update	0.10	60.00
5/30/2013 -	WPW Plan and Disclosure Statement Corr with KDW re: Oracle objection	0.30	142.50
For professional services rendered		29.80	\$11,555.00
Expenses:			
5/1/2013--	ADM Expense Rate		1.20
5/31/2013	05/01/13-05/31/13 Telephone expense ETG		
Total expenses			\$1.20
Total amount of this bill			\$11,556.20