

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

In re:

Dickinson Theaters, Inc.,

Reorganized Debtor.

Chapter 11

Case No. 12-22602 (DLS)

**FINAL FEE APPLICATION OF KELLEY DRYE & WARREN LLP, AS COUNSEL
TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR
COMPENSATION FOR SERVICES RENDERED AND EXPENSES INCURRED
FOR THE PERIOD OCTOBER 4, 2012 THROUGH JANUARY 15, 2013**

Kelley Drye & Warren, LLP (“Kelley Drye”), counsel to the Official Committee of Unsecured Creditors (the “Committee”) of Dickinson Theatres, Inc., the above-captioned reorganized debtor (the “Debtor”), submits this final application (the “Application”), pursuant to sections 330 and 331 of 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), and in accordance with Federal Rule of Bankruptcy Procedure (“Bankruptcy Rule”) 2016, for the allowance of compensation for services rendered and expenses incurred as counsel to the Committee for the period from October 4, 2012 through January 15, 2013 (the “Application Period”). In support of this Application, Kelley Drye respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 1557. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory and rule-based predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code and Bankruptcy Rule 2016.

BACKGROUND

2. On September 21, 2012 (the “Petition Date”), the Debtor filed a voluntary petition pursuant to chapter 11 of the Bankruptcy Code with this Court. Following the Petition Date, the Debtor continued in possession of its properties and continued to operate and manage its business as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. On October 4, 2012, the Committee retained Kelley Drye as its lead counsel. Kelley Drye was not paid a retainer. Since its retention, Kelley Drye has filed monthly statements of compensation for services rendered and expenses incurred.

4. On December 28, 2012, the Court confirmed the Debtor’s First Amended and Restated Plan of Reorganization (the “Plan”). On January 15, 2013, the Plan became effective.

FEES AND EXPENSES

5. During the Application Period, Kelley Drye performed necessary, reasonable, and valuable legal services for the Committee. The reasonable value of the services rendered by Kelley Drye to the Committee during the Application Period is \$189,785.50. The expenses incurred by Kelley Drye during the Application Period, including relevant Committee member expenses, total \$9,572.10.

6. The following is a summary of the services rendered by Kelley Drye during the Application Period for which compensation is sought, itemized by project category:

Project Category	Total Hours	Total Fees
Case Administration	17.0	\$7,743.50
Retention Matters	32.3	\$14,979.50
Fee Matters	34.1	\$15,470.00
Financing and Cash Collateral	34.5	\$16,990.50
Asset Disposition	2.1	\$1,018.50
Executory Contracts and Leases	5.9	\$2,817.50
Avoidance Actions	6.6	\$3,257.00
Claims	15.8	\$8,194.50
Disclosure Statement and Plan of Reorganization	154.3	\$79,499.50
Committee & Creditor Communications	49.1	\$23,135.50
Business Operations	16.7	\$8,483.50
Court Hearings	19.8	\$8,196.00
Total	388.2	\$189,785.50

7. Kelley Drye has provided a total of 388.2 hours of professional legal services for the Committee in connection with this case during the Application Period. The following is a summary of the services rendered by Kelley Drye, itemized by timekeeper:

Name of Professional	Year of First Bar Admission	Position with Kelley Drye and Number of Years in that Position	Hourly Billing Rate - 2012	Hourly Billing Rate - 2013¹	Total Billed Hours	Total Compensation
Eric R. Wilson, Esq.	1997	Partner since 2006	\$625	\$670	83.4	\$52,287.00
Benjamin Blaustein, Esq.	2006	Associate since 2005	\$485	\$535	174.1	\$84,593.50
Jennifer D. Raviele, Esq.	2009	Associate since 2008	\$425	\$460	115.6	\$49,585.00
Marie Vicinanza	n/a	Paralegal since 1990	\$230	\$240	10.3	\$2,380.00
Fayanne Betan	n/a	Paralegal since 2011	\$195	\$205	4.8	\$940.00

8. The hourly rates charged in this Application are Kelley Drye's normal hourly rates for work of this character. Based on such rates, the value of the professional services rendered during the Application Period totals \$189,785.50, with a blended hourly rate of \$488.89. To minimize the cost of the services provided, Kelley Drye has, whenever possible, avoided duplication of efforts and delegated appropriate tasks to associates and paralegals with a lower hourly rate.

9. All services for which compensation is requested by Kelley Drye were

¹ Effective as of January 1, 2013, Kelley Drye's hourly rates increased per its typical yearly rate adjustment. This adjustment impacted all of Kelley Drye's clients equally.

performed for or on behalf of the Committee, and not on behalf of the Debtor or other persons. There is no agreement or understanding between Kelley Drye and any other persons, other than members of the firm, for the sharing of compensation to be received for services rendered in this case.

10. Kelley Drye has incurred total out-of-pocket disbursements during the Application Period in the amount of \$7,596.50 as follows:

Expense Category	Total Expenses
Cab Service	\$715.83
Duplication	\$328.60
Long Distance Travel	\$5,036.40
Meals	\$92.75
Telephone	\$338.92
Postage	\$13.80
Transcriptions	\$715.40
Courier	\$44.14
Binding	\$7.10
Lodging	\$291.65
Outside Printing	\$11.91
Total	\$7,596.50

11. The expense reimbursement requested by Kelley Drye in this Application is for expenses normally billed to the firm's clients in other matters, including both bankruptcy and non-bankruptcy matters. In addition, Kelley Drye included \$1,975.60 in this Application for the expenses of the Committee members in attending the in-person meeting in Kansas City, Kansas on October 11, 2012. Detailed statements of the expenses incurred by Kelley Drye and the Committee members are attached hereto as **Exhibit C**.

12. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount requested in this Application is fair and reasonable given (a) the complexity of this case, (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 in a case other than one under Title 11.

13. Kelley Drye respectfully reserves the right to supplement this Application with additional time descriptions or other supporting material after receiving objections, questions, and/or comments from any and all parties.

NATURE AND EXTENT OF SERVICES PROVIDED

14. During the Application Period, Kelley Drye performed a variety of services for the Committee, which were separated into twelve project categories. A detailed description of Kelley Drye's services by project category is set forth below. Attached hereto as **Exhibit B** are invoices, by project category, which contain the (i) dates of all services rendered; (ii) amount of time spent on such services, broken down by the tenth of an hour; (iii) identity of the attorney or paraprofessional rendering the services; (iv) detailed descriptions of the services rendered; and (v) total compensation sought for each project category.

15. The services rendered by Kelley Drye in representing the Committee as its counsel during this case were reasonable, necessary, and incidental to representation of the Committee. Such services benefitted the estate. On the first day of its retention, Kelley Drye began working collaboratively with the Debtor, its secured lenders, and other parties in interest to globally resolve the major issues in this case that threatened the Debtor's ability to reorganize. Not only did this process benefit the general unsecured creditors in this case by providing them certain protections in the Plan, but the Debtor's entire bankruptcy estate also benefited from the quick reorganization that Kelley Drye assisted in facilitating.

A. General Case Administration

16. In connection with this matter, Kelley Drye: (i) monitored the docket in this case and generally reviewed all pleadings filed; (ii) managed its internal task list and case calendar; and (iii) prepared and maintained a comprehensive contacts sheet.

B. Retention Matters

17. In connection with project category, Kelley Drye: (i) conducted a comprehensive internal conflicts investigation; (ii) prepared its retention application and implemented billing protocols; (iii) defended and consensually resolved an objection by the Debtor's secured lender to Kelley Drye's retention application; (iv) sought and conducted interviews of local counsel; and (v) coordinated the Committee's retention of its financial advisor, Protiviti, Inc. ("Protiviti"), and assisted in the filing of a retention application to employ Protiviti.

C. Fee Matters

18. In connection with this matter, Kelley Drye: (i) analyzed the Local Rules for the United States Bankruptcy Court for the District of Kansas to confirm that it complied with all of the Court's requirements; (ii) prepared its monthly fee statements; and (iii) assisted Protiviti in preparing and filing its monthly fee statements.

D. Financing and Cash Collateral

19. In connection with this project category, Kelley Drye: (i) closely analyzed the Debtor's motions to obtain DIP financing, proposed case budget, and credit agreements; (ii) reviewed and commented on several drafts of the Debtor's interim and final DIP financing orders; and (iii) prepared an objection to the Debtor's proposed DIP financing. After extensive negotiations among Kelley Drye, the Debtor, and its secured lenders, the parties were able to resolve the Debtor's financing issues consensually and Kelley Drye did not have to file the objection.

E. Asset Disposition

20. In connection with this matter, Kelley Drye: (i) analyzed the Debtor's

motion to abandon its so called “K-7 property”; (ii) ensured a proper appraisal of the property was taken prior to its abandonment to First Community Bank; and (iii) negotiated with the Debtor and First Community Bank to minimize the bank’s deficiency claim.

F. Executory Contracts and Leases

21. In connection with this project category, Kelley Drye: (i) analyzed all of the Debtor’s motions to reject executory contracts and unexpired leases; (ii) attended the Court’s hearing on the Debtor’s motion to reject a lease with Spirit Master Funding; and (iii) negotiated with several contract and lease counterparties.

G. Avoidance Actions

22. In connection with this matter, Kelley Drye: (i) reviewed the Debtor’s statements of financial affairs to identify payments made within 90-days and 1-year of the Petition Date; (ii) reviewed the stock purchase agreement between the Horton Trust and John Hartley; (iii) conducted a lien investigation; and (iv) evaluated potential subordination arguments related to same.

H. Claims

23. In connection with this project category, Kelley Drye: (i) reviewed, analyzed, and commented on the Debtor’s motions to pay critical vendors and establish procedures for claims pursuant to section 503(b)(9) of the Bankruptcy Code; (ii) analyzed the Debtor’s estimated claims analysis; and (iii) negotiated with certain creditors to resolve large unsecured claims against the Debtor’s estate.

I. Disclosure Statement and Plan of Reorganization

24. In connection with this matter, Kelley Drye: (i) reviewed and commented on the Debtor’s initial proposed plan of reorganization and several subsequent iterations of it;

(ii) negotiated extensively with the Debtor to add protections to the Plan for general unsecured creditors, including a shorter payment timeframe and a guaranty of all of the Debtor's obligations under the Plan by its non-debtor subsidiaries; (iii) negotiated with the Debtor and its secured lenders to settle several plan issues, including the claim of John Hartley; (iv) reviewed the Court's order denying confirmation of the Plan; (v) worked closely with the Debtor to revise the Plan to ensure that the Court would confirm it; and (vi) reviewed the Court's order confirming the Plan and advised the Committee regarding same.

J. Committee and Creditor Communications

25. In connection with this project category, Kelley Drye: (i) prepared for and conducted regular calls with the Committee to update them on the case; (ii) drafted numerous email updates to the Committee on discrete matters where conference calls were unnecessary; (iii) arranged and participated in an in-person meeting in Kansas City among the Committee, the Debtor, and its secured lenders; and (iv) drafted and filed a motion to establish procedures for notice to general unsecured creditors who were not members of the Committee pursuant to section 1102 of the Bankruptcy Code.

K. Business Operations

26. In connection with this matter, Kelley Drye: (i) analyzed the Debtor's motions to pay employee wages and certain taxes, continue customer programs, maintain its cash management system, establish a system for adequate assurance for utility providers; (ii) review the results of the Debtor's business negotiations with certain of its landlords; and (iii) extensively analyzed and commented on several iterations of the Debtor's business projections and feasibility in conjunction with Protiviti.

L. Court Hearings

27. In connection with this project category, Kelley Drye prepared for and attended, either in person or by telephone, all of the hearings in this case.

NOTICE AND THE OPPORTUNITY TO OBJECT

28. This Application has been served on the following parties: (i) counsel to Dickinson Theatres, Inc., Stinson Morrison Hecker LLP, Attn: Sharon L. Stolte, Esq., 1201 Walnut Street, Suite 2900, Kansas City, Missouri 64106; and (ii) the Office of the United States Trustee, Attn: Joyce Owens, 301 North Main Street, Suite 1150, Wichita, Kansas 67202 (collectively, the "Notice Parties").

29. Objections to this Application, if any, must be served upon the Notice Parties and Kelley Drye (at the address listed below) no later than March 7, 2013, setting forth the nature of the objection and the specific amount of fees or expenses at issue.

WHEREFORE, Kelley Drye respectfully requests that this Court enter an Order, substantially in the form attached hereto as **Exhibit A**: (i) allowing, on a final basis, (a) compensation in the amount of \$189,785.50 for services rendered by Kelley Drye for and on behalf of the Committee for the Application Period, and (b) reimbursement of expenses in the amount of \$7,596.50 incurred by Kelley Drye for and on behalf of the Committee for the Application Period; (ii) authorizing and directing the Debtor to pay Kelley Drye all unpaid fees and expenses in accordance with the Plan; and (iii) granting such other and further relief as is just and proper.

Dated: February 14, 2013

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