

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

IN RE:) Chapter 11
)
EASTERN LIVESTOCK CO., LLC,) Case No. 10-93904-BHL-11
)
Debtor.) Hon. Basil H. Lorch III

**FIRST INTERIM APPLICATION OF BAKER & DANIELS LLP FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES
AS COUNSEL FOR JAMES A. KNAUER, CHAPTER 11 TRUSTEE**

Baker & Daniels LLP ("B&D") hereby makes its first interim application ("Application") for the allowance and payment of its attorneys' fees as counsel for James A. Knauer, the chapter 11 trustee appointed in this case (the "Trustee") and for reimbursement of out-of-pocket expenses advanced on behalf of the Trustee. In support of this Application, B&D states as follows:

1. Petitioning creditors commenced the above-captioned chapter 11 case ("Chapter 11 Case") against Debtor on December 6, 2010 ("Petition Date") by filing an involuntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. ("Bankruptcy Code"). This Court entered its *Order For Relief In An Involuntary Case And Order To Complete Filing* [Docket #110] on December 28, 2010.

2. On December 27, 2010, the Court entered its *Order Approving The Appointment Of James A. Knauer As Chapter 11 Trustee* [Docket #102] ("Trustee Order"), approving the United States Trustee's *Notice Of Appointment And Application for Order Approving Appointment of Trustee* [Docket #98] pursuant to 11 U.S.C. § 1104.

3. This Court, by order dated February 1, 2011 [Docket #248], approved the Trustee's retention of B&D as the Trustee's counsel.

4. This Application is the first interim application filed by B&D seeking compensation and reimbursement of out-of-pocket expenses advanced by counsel for the Trustee for the period December 27, 2010 through and including April 30, 2011.

5. In the course of its representation of the Trustee, B&D has performed a variety of services, all of which are described in detail in the billing statements attached as Exhibit A. The services performed by B&D for and on behalf of the Trustee include, but are not limited to the following categories:

- a. Asset Analysis and Recovery [B001]. B&D assisted the Trustee with identification, assessment, and review of potential assets including causes of action and non-litigation recoveries.
- b. Asset Disposition [B002]. B&D assisted the Trustee with identification, strategy, and analysis of business components in determining the benefits of asset disposition.
- c. Business Operations [B003]. B&D assisted the Trustee with matters generally related to the Debtor's operations, including settlement of forward purchase contracts and establishment of procedures for selling cattle inventory.
- d. Case Administration [B004]. This category consists primarily of work discharged by paralegals, and includes the accumulation, organization, retention and distribution of information for reporting purposes, the preparation of pleadings and notices, preparation for hearings, as well as for parties in interest, assembly of, filing, and maintenance of files concerning the pleadings filed in the case, communications with attorneys regarding appearance and interventions to make sure that all counsel were properly included upon the service list, review and calendaring of orders and notices, and communications with the Court regarding the entry and distribution of same. At times this category also includes work discharged by attorneys interacting with the Court and the Clerk's office to ensure that matters are handled efficiently and within the applicable rules.

- e. Claims Administration And Objections [B005]. B&D assisted and advised the Trustee with respect to developing means to identify and address emergency and emerging issues related to prepetition claims and administrative claims as well as determining insurance issues related to the assertion of such claims and responded to creditor inquiries.
 - f. Fee/Employment Applications [B007]. B&D assisted the Trustee with the preparation of employment applications and responded to objections to same.
 - g. Financing [B009]. B&D represented the Trustee in negotiating a cash use and Trustee financing arrangement with Fifth Third Bank and other parties in interest, and assisted Development Specialists, Inc. ("DSI") with preparation of 13 week budgets. Arranging such financing involved numerous conferences, conversations and meetings with the Trustee as well as Fifth Third Bank and various parties in interest, preparation of pleadings, and presentation of a motion to the Bankruptcy Court.
 - h. Litigation [B010]. B&D assisted the Trustee with matters relating to various interpleader actions, including legal research of jurisdictional issues, fact gathering and strategy discussions.
 - i. Relief from Stay Proceedings [B013]. B&D assisted the Trustee with matters relating to termination, continuation and enforcement of the automatic stay and prepared pleadings regarding same.
 - j. Litigation Consulting [B018]. B&D represented the Trustee in locating and interfacing with local counsel related to various interpleader actions, working with DSI concerning computer forensic investigation, seizure warrant issues, and a variety of other litigation matters.
 - k. Travel [B022]. Time spent traveling to attend hearings and meetings.
6. B&D has reviewed its detailed summary of time, and has attempted to

eliminate double billing for conference time between B&D's timekeepers, except where the participation of the timekeepers has demonstrable benefit to the estate. The designation of "NC" or "\$0.00" after a description of services means that no time has been charged for those services. Where possible and efficient, B&D encourages the use of lesser billing rate attorneys to perform labor intensive tasks, with oversight and review by more experienced attorneys.

7. Exhibit A provides the detail of the time and hourly billing rate for each attorney, law clerk or paralegal of B&D who has performed services in this case. A summary of the fees requested by B&D for each such attorney, law clerk or paralegal and the number of hours worked for each individual, the billing rate requested and the total fees claimed is set forth below, segregated into separate matters for accounting and billing purposes:

Attorney/Paralegal Name	Hours	Rate	Total Fee
RKStanley	212.2	\$585.00	\$124,137.00
	10.5	555.00	5,827.50
JMCarr	243.2	\$550.00	\$133,760.00
	5.2	525.00	2,730.00
SAClaffey	0.9	\$525.00	\$472.50
JJaffe	12.1	\$525.00	\$6,352.50
DPBennett	2.0	\$500.00	\$1,000.00
JPHanlon	17.6	\$440.00	\$7,744.00
KMToner	17.0	\$440.00	\$7,480.00
DAFoster	8.9	\$425.00	\$3,782.50
	4.5	410.00	1,845.00
WWPonader	97.9	\$415.00	\$40,628.50
ERLewis	17.7	\$400.00	\$7,080.00
TEHall	269.7	\$370.00	\$99,789.00
	13.8	350.00	4,830.00
SGhuman-O'Neill	29.5	\$355.00	\$10,472.50
SMEikenberry	81.6	\$340.00	\$27,744.00
JFWFleming	0.6	\$325.00	\$195.00
KMKimmerling	1.1	\$300.00	\$330.00
JAPearcy	4.6	\$295.00	\$1,357.00
HAMappes	95.7	\$255.00	\$24,403.50
	11.3	220.00	2,486.00
DRDeNeal	291.3	\$245.00	\$71,368.50
ZAMyers	0.2	\$245.00	\$49.00
GJBarberio	2.4	\$230.00	\$552.00
JMJohns	4.5	\$230.00	\$1,035.00
SBHerendeen	201.6	\$210.00	\$42,336.00
	17.6	200.00	3,520.00
AKCastor	1.4	\$200.00	\$280.00
KDBritton	5.0	\$195.00	\$975.00
OLNansen	0.3	\$175.00	\$52.50

TOTALS 1,681.9 \$634,614.50

8. B&D has advanced the sum of \$25,851.82 for out-of-pocket expenses incurred in connection with this case on behalf of the Trustee during the period from December 27, 2010 through and including April 30, 2011. A summary of the out-of-pocket expenses incurred by B&D is set forth in Exhibit A.

9. Within the "Eastern Livestock" matter, B&D established certain task codes that cause related time to be grouped together to facilitate the review of the firm's requested fees by the Court, the United States Trustee, and creditors. Set forth below is a summary of the aggregate billings under the established task codes for the period December 27, 2010 through and including April 30, 2011.

Task Description	Hours	Value
Asset Analysis and Recovery [B001]	290.9	\$126,472.50
Asset Disposition [B002]	202.3	\$77,327.00
Business Operations [B003]	48.8	\$18,472.50
Case Administration [B004]	469.1	\$140,494.00
Claims Administration and Objections [B005]	30.7	\$9,022.00
Fee/Employment Applications [B007]	39.9	\$14,879.00
Fee/Employment Objections [B008]	2.4	\$761.00
Financing [B009]	110.2	\$50,941.50
Litigation [B010]	229.2	\$84,924.00
Meetings of Creditors [B011]	7.3	\$2,054.50
Plan and Disclosure Statement [B012]	0.9	\$472.50
Relief from Stay Proceedings [B013]	175.9	\$78,816.00
Business Analysis [B015]	2.6	\$832.00
Data Analysis [B017]	4.5	\$1,035.00
Litigation Consulting [B018]	14.3	\$5,518.00
Tax Issues [B020]	3.5	\$1,825.00
Travel [B022]	49.4	\$20,768.00
TOTALS	1,681.9	\$634,614.50

10. B&D has received no payment for its fees or out-of-pocket expenses. This Application is the first application of B&D and no prior fees have been awarded to B&D as counsel for the Trustee in this case.

11. No agreement or understanding exists between B&D and any other person or entity for the sharing of compensation received for services rendered in connection with this case.

12. All services rendered and all expenses incurred for which compensation or reimbursement is sought have been rendered or incurred exclusively on behalf of the Trustee and represent necessary and proper legal assistance in the administration of this chapter 11 case.

WHEREFORE, B&D requests (i) the Court to award compensation by allowing attorneys' fees in the amount of Six Hundred Thirty-Four Thousand Six Hundred Fourteen and 50/100 Dollars (\$634,614.50) plus order reimbursement for out-of-pocket expenses incurred in the amount of Twenty-Five Thousand Eight Hundred Fifty-One and 82/100 Dollars (\$25,851.82), and (ii) grant B&D all other just and proper relief.

Respectfully submitted,

BAKER & DANIELS LLP

By: /s/ James M. Carr

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CERTIFICATE OF SERVICE

I hereby certify that on June 1, 2011, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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I further certify that on June 1, 2011, a copy of the foregoing pleading was served via electronic mail transmission on the following:

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