

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 JAMES A. KNAUER FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES
AS CHAPTER 11 TRUSTEE**

James A. Knauer, the chapter 11 trustee appointed in this case ("Trustee") hereby makes his first interim application ("Application") for the allowance and payment of his fees incurred as Trustee and for reimbursement of out-of-pocket expenses advanced by the Trustee. In support of this Application, the Trustee 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 Application is the first interim application filed by the Trustee seeking compensation for actual, necessary services rendered by the Trustee and

reimbursement of out-of-pocket expenses advanced by the Trustee for the period December 20, 2010 through and including April 30, 2011.

4. Following his appointment by the United States Trustee, the Trustee has performed a variety of services, all of which are described in detail in the billing statements attached as Exhibit A.

5. Exhibit A provides the detail of the time and hourly billing rate for the Trustee. A summary of the fees requested by the Trustee and the number of hours worked, the billing rate requested and the total fees claimed is set forth below:

Task Description	Hours	Value
<u>Asset Analysis and Recovery</u>	18.5	\$8,047.50
<u>Asset Disposition</u>	1.9	\$826.50
<u>Business Operations</u>	80.8	\$35,148.00
<u>Case Administration</u>	112.3	\$48,850.50
<u>Claims Administration And Objections</u>	3.6	\$1,566.00
<u>Fee/Employment Applications</u>	0	\$0.00
<u>Financing</u>	4.8	\$2,088.00
<u>Litigation</u>	32.9	\$14,311.50
<u>Relief from Stay Proceedings</u>	8	\$3,480.00
<u>Litigation Consulting</u>	0	\$0.00
<u>Travel</u>	33	\$14,355.00
<u>Total Hours</u>	295.8	

6. The Trustee has advanced the sum of \$3,903.90 for out-of-pocket expenses incurred in connection with this case during the period from December 20, 2010 through and including April 30, 2011. A summary of the out-of-pocket expenses incurred by the Trustee is set forth at the end of Exhibit A.

7. The Trustee has maintained a very large website which includes all of the pleadings filed in this case as well as all of the pleadings filed in the related cases of East West Trucking, Inc. and the Thomas and Patsy Gibson bankruptcy estates.

This website additionally contains hearing transcripts, a blog of case developments, the pleadings filed in significant adversary proceedings, including inter-pleader cases, a listing of current events, links to news articles and information on filing of claims, links to claim forms and filing deadlines. The site also contained information for the filing of bond claims related to the Debtor's USDA bond. Primary responsibility for maintenance and posting to the website rests with the Trustee's Paralegal whose normal hourly billing rate is \$115 per hour. Through April 30, 2011, the work of the Trustee's Paralegal in maintaining the Eastern Livestock website, based upon her normal hourly rates, equals \$27,703.50 as depicted on Exhibit B.¹ Recognizing that the website overlaps with certain ministerial functions that would ordinarily be required to be performed by the Trustee's Paralegal, the Trustee seeks to recover what he believes is a reasonable cost of providing the services related to the website of 50% of the Paralegal's time, or the sum of \$13,851.75 which approximates a cost of \$3,463 per month. Given the decrease in the initial momentum of case filings, it is likely this cost, on a monthly basis, will decrease in the future.

8. The Trustee has received no payment for his fees or out-of-pocket expenses. This Application is the first application of the Trustee and no prior fees have been awarded to the Trustee in this case.

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

¹ The Trustee's Paralegal has devoted many hours to assisting the Trustee which are not reflected on the entries related to the website in Exhibit "B" which is solely the website. The cost of the non-website time is subsumed in the Trustee's fee application.

10. All services rendered and all expenses incurred for which compensation or reimbursement is sought have been rendered or incurred exclusively by the Trustee and represent necessary and proper services rendered in the administration of this Chapter 11 Case.

THEREFORE, the Trustee requests (i) the Court award compensation to the Trustee on account of his actual and necessary fees in the amount of One Hundred Twenty-Nine Thousand One Hundred Fifty-One and 50/100 Dollars (\$128,673.00) plus order reimbursement for out-of-pocket and website expenses incurred in the amount of Twenty Thousand, Three Ninety-Eight Dollars and 40/100 Dollars (\$17,755.65) and (ii) grant the Trustee all other just and proper relief.

Respectfully submitted,

KROGER, GARDIS & REGAS, LLP

By: /s/ James A. Knauer

Chapter 11 Trustee

James A. Knauer
111 Monument Circle, Suite 900
Indianapolis, Indiana 46204-5125
Telephone: 317-692-9000
Facsimile: 317-777-7451
jak@kgrlaw.com

CERTIFICATE OF SERVICE

I hereby certify that on June 3, 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.

David L. Abt
davidabt@mwt.net

Mark A. Robinson
mrobinson@vhlaw.com

Randall D. LaTour
rdlatour@vorys.com

Daniel J. Donnellon
ddonnellon@ficlaw.com

John W. Ames
jwa@gdm.com

Jeremy S Rogers
Jeremy.Rogers@dinslaw.com

Meredith R. Thomas
mthomas@daleeke.com

Charles R. Wharton
Charles.R.Warton@usdoj.gov

David L. LeBas
dlebas@namanhowell.com

Jessica E. Yates
jyates@swlaw.com

Laura Day Delcotto
ldelcotto@dlgfir.com

Ross A. Plourde
ross.plourde@mcafeetaft.com

Todd J. Johnston
tjohnston@mcjllp.com

Karen L. Lobring
lobring@msn.com

Elliott D. Levin
robin@rubin-levin.net
edl@trustesolutions.com
Sean T. White
swhite@hooverhull.com

Michael W. McClain
mike@kentuckytrial.com

Christopher E. Baker
cbaker@hklawfirm.com

David A. Laird
david.laird@moyewwhite.com

C. R. Bowles, Jr
crb@gdm.com

Jesse Cook-Dubin
jcookdubin@vorys.com

John R. Carr, III
jrciii@acs-law.com

Stephen A. Weigand
sweigand@ficlaw.com

Robert Hughes Foree
robertforee@bellsouth.net

Ivana B. Shallcross
ibs@gdm.com

William Robert Meyer, II
rmeyer@stites.com

James Bryan Johnston
bjtexas59@hotmail.com

Judy Hamilton Morse
judy.morse@crowedunlevy.com

John Huffaker
john.huffaker@sprouselaw.com

Kelly Greene McConnell
lisahughes@givenspursley.com

Walter Scott Newbern
wsnewbern@msn.com

Timothy T. Pridmore
tpridmore@mcjllp.com

Sandra D. Freeburger
sfreeburger@dsf-atty.com

John M. Rogers
johnr@rubin-levin.net

Robert H. Foree
robertforee@bellsouth.net

William E Smith
wsmith@k-glaw.com

James Edwin McGhee
mcghee@derbycitylaw.com

John Hunt Lovell
john@lovell-law.net

Edward M King
tking@fbtlaw.com

Bret S. Clement
bclement@acs-law.com

John Frederick Massouh
john.massouh@sprouselaw.com

Kim Martin Lewis
kim.lewis@dinslaw.com

Deborah Caruso
dcaruso@daleeke.com

Allen Morris
amorris@stites.com

James T. Young
james@rubin-levin.net

John M. Thompson
john.thompson@crowedunlevy.com

Matthew J. Ochs
matt.ochs@moyewwhite.com

T. Kent Barber
kbarber@dlgfir.com

Kirk Crutcher
kcrutcher@mcs-law.com

Theodore A Konstantinopoulos
ndohbky@jbandr.com

Lisa Koch Bryant
courtmail@fbhlaw.net

John David Hoover
jdhoover@hooverhull.com

Sarah Stites Fanzini
sfanzini@hopperblackwell.com

Susan K. Roberts
skr@stuartlaw.com

Thomas C Scherer
tscherer@binghamchale.com

I further certify that on June 3, 2011, a copy of the foregoing pleading was served via electronic mail transmission on the following:

David A. Domina
ddomina@dominalaw.com

Ashley S. Rusher
asr@blancolaw.com

/s/ James A. Knauer