

RONALD F. GREENSPAN
FTI CONSULTING, INC.
633 WEST 5TH STREET, 16TH FLOOR
LOS ANGELES, CALIFORNIA 90071
Telephone: (213) 452-6006
Facsimile: (213) 452-6099

Financial Advisors for Debtors
and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION

In re

JAMES C. GIANULIAS
and
CAMEO HOMES

Debtors and Debtors-in-Possession

) Case No.: 8:08- 13150 RK
) Substantively Consolidated with
) Case No.: 8:08- 13151 RK

) Chapter 11

) **THIRD INTERIM AND FINAL**
) **APPLICATION FOR ALLOWANCE OF**
) **FEES AND REIMBURSEMENT OF**
) **EXPENSES FOR FTI CONSULTING,**
) **INC. AS FINANCIAL ADVISORS FOR**
) **DEBTORS AND DEBTORS-IN-**
) **POSSESSION FOR THE PERIOD FROM**
) **JULY 9, 2008 THROUGH SEPTEMBER**
) **7, 2010**

) Hearing:

) Date: November 3, 2010
) Time: 2:00 p.m.
) Place: Courtroom 5D
411 West Fourth Street.
Santa Ana, CA 92701

) Judge: Hon. Robert N. Kwan

TO THE HONORABLE ROBERT N. KWAN, UNITED STATES BANKRUPTCY
JUDGE, THE UNITED STATES TRUSTEE, AND PARTIES IN INTEREST:

FTI Consulting, Inc. ("FTI"), financial advisors to James C. Gianulias and Cameo Homes,
Debtors and Debtors-in-Possession ("Debtors"), hereby submits its third interim and final
application for approval and payment of fees and reimbursement of related expenses for services

1 rendered during the Debtors' chapter 11 case (the "Final Fee Application") covering the period
2 July 9, 2008 through September 7, 2010 and shortly thereafter.¹
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25 ¹ FTI incurred additional fees after the Effective Date (September 7, 2010) of the Debtors' Fourth
26 Amended Plan of Reorganization (Dated May 27, 2010), as Modified relating to the preparation of
27 this Final Fee Application. Such fees total \$6,702.00, and are included in the amounts requested
28 in this Final Fee Application and in the exhibits attached hereto.

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I.

INTRODUCTION

FTI submits its Final Fee Application in accordance with 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"), Rule 2016-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Central District of California (the "Local Bankruptcy Rules") and the Guide to Applications for Professional Compensation promulgated by the Office of the United States Trustee for the Central District of California (the "Compensation Guide"). Through this Final Fee Application, FTI seeks: (i) final approval and payment of \$856,821.00 in fees accrued and \$47,461.13 of expenses incurred for services rendered by FTI on behalf of and at the request of the Debtors during the period from July 9, 2008 through November 30, 2008 (the "First Application Period"), which were previously allowed by the Court and awarded to FTI on an interim basis pursuant to the Order approving FTI's First Interim Fee Application; (ii) final approval and payment of \$350,864.50 in fees accrued and \$4,916.31 of expenses incurred for services rendered by FTI on behalf of and at the request of the Debtors during the period from December 1, 2008 through May 31, 2009 (the "Second Application Period"), which were previously allowed by the Court and awarded to FTI on an interim basis pursuant to the Order approving FTI's Second Interim Fee Application; and (iii) final approval and payment of \$158,245.50 in fees accrued and \$165.26 of expenses incurred for services rendered by FTI on behalf of and at the request of the Debtors during the period from June 1, 2009 through September 7, 2010 and shortly thereafter (the "Third Application Period").² The collective time period covered by the First Application Period, Second Application Period and Third Application Period

² Expenses incurred are inclusive of \$36,897.59 in costs that FTI paid to third party appraisers (which were retained by FTI on behalf of the Debtors), in compensation of services these appraisers rendered during the period from July 9, 2008 through May 31, 2009 (the "First and Second Application Periods").

1 is from July 9, 2008 through September 7, 2010 and shortly thereafter (the "Final Application
2 Period").

3 The services that FTI provided to the Debtor and the actual and necessary out-of-pocket
4 expenses incurred by FTI in providing such services during the Final Application Period are
5 described below.

6 **A. FTI'S EMPLOYMENT**

7 On September 10, 2008, the Court entered an order authorizing FTI's employment as the
8 Debtors' financial advisors effective as of July 9, 2008 (the "Employment Order") [Docket No.
9 121]. In accordance with the Employment Order, FTI, subject to Court approval, was authorized
10 to obtain monthly compensation of its fees and expenses from the Debtors as requested in its
11 monthly professional fee statements that were served on interested parties, as long as no objections
12 were received from interested parties within 10 days of the professional fee statements having
13 been served.

14 On January 16, 2009, FTI filed its First Interim Application for Allowance of Fees and
15 Reimbursement of Expenses ("First Interim Fee Application") [Docket No. 268], covering the
16 period July 9, 2008 through November 30, 2008, or the First Application Period. By the First
17 Interim Fee Application, FTI sought an interim award of compensation in the amount of
18 \$856,821.00 for fees and \$14,961.44 in expenses, in addition to \$32,499.69 in costs paid to third
19 party appraisers.

20 On March 18, 2009, this Court entered its order (the "Professional Compensation Order")
21 [Docket No. 339] allowing the fees and expenses requested by FTI's First Interim Fee Application
22 on an interim basis, and further providing that the Debtors were authorized to make payments of
23 up to 75% of allowed accrued fees and 100% of allowed accrued costs.

24 On July 22, 2009, FTI filed its Second Interim Application for Allowance of Fees and
25 Reimbursement of Expenses ("Second Interim Fee Application") [Docket No. 467], covering the
26 period December 1, 2008 through May 31, 2009, or the Second Application Period. By the
27 Second Interim Fee Application, FTI sought an award of compensation in the amount of
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1 \$350,864.50 for fees and \$518.41 in expenses, in addition to \$4,397.90 in costs paid to third party
2 appraisers.

3 On August 31, 2010 this Court entered its order (the "Second Interim Order") [Docket No.
4 775] allowing the fees and expenses requested by FTI's Second Interim Fee Application on an
5 interim basis, and further providing that the Debtors were authorized to make payments up to 75%
6 of allowed accrued fees and 100% of allowed accrued costs.

7 On July 19, 2010, the Debtors' Fourth Amended Plan of Reorganization (Dated May 27,
8 2010), as Modified (the "Plan") [Docket No. 713] was confirmed by this Court. The Plan
9 provides that all professionals are required to file no later than thirty (30) days after the Effective
10 Date of the Plan, a final application for services rendered and expenses incurred on or before the
11 Effective Date. The Effective Date of the Plan is September 7, 2010. Accordingly, FTI hereby
12 files this Final Fee Application for final approval of its fees and expenses from FTI's retention in
13 this case, July 9, 2008, through and including the Effective Date, September 7, 2010.

14 This is FTI's third and final fee application. During the Third Application Period, FTI
15 incurred \$158,245.50 in fees and \$165.26 in expenses in rendering services on behalf of and at the
16 request of the Debtors. FTI has previously submitted seven professional fee statements (attached
17 hereto as Exhibits "I", "J", "K", "L", "M", "N" and "O") which covered the first ten months, (the
18 period June 1, 2009 through March 31, 2010),³ of the fifteen-month Third Application Period.
19 FTI provided notice of these professional fee statements to the Office of the United States Trustee,
20 the Debtors, counsel to the Debtors, counsel to the Official Committee of Unsecured Creditors
21 (the "Committee"), and any party who had filed and served a request for special notice. FTI did
22 not receive any objections to these fee statements. A summary of the submitted professional fee
23 statements during the Third Application Period is presented in the following table:

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27 ³ The last professional fee statement filed by FTI on May 24, 2010 covered a 4-month period.

PERIOD	PROFESSIONAL FEES	EXPENSES	TOTAL
June 2009	\$7,977.00	\$0.00	\$7,977.00
July 2009	\$11,923.00	\$0.00	\$11,923.00
August 2009	\$34,380.00	\$0.00	\$34,380.00
September 2009	\$18,672.00	\$89.14	\$18,761.14
October 2009	\$6,859.00	\$9.12	\$6,868.12
November 2009	\$17,021.50	\$0.00	\$17,021.50
December 2009 – March 2010	\$8,402.50	\$37.00	\$8,439.50
TOTAL	\$105,235.00	\$135.26	\$105,370.26

FTI requests final allowance and payment of fees and expenses incurred on behalf of and at the request of the Debtors for these professional fee statements submitted during the Third Application period as detailed above.

Additionally, FTI requests final allowance and payment of fees and expenses incurred on behalf of and at the request of the Debtors for which, although incurred during the Third Application Period, monthly professional fee statements had not yet been submitted prior to the filing of this Final Fee Application. The amount of such fees and expenses total \$53,010.50 and \$30.00, respectively, and were incurred from April 1, 2010 through September 7, 2010 and shortly thereafter.

The Professional Compensation Order authorized the Debtors to make payments of up to seventy-five percent (75%) of accrued fees and one-hundred percent (100%) of accrued costs. As of the date of this Final Fee Application, FTI has received \$1,128.75 for services rendered and \$135.26 in expenses incurred during the Third Application Period. FTI seeks approval of all fees and expenses incurred in the Third Application Period in the aggregate amount of \$158,410.76, consisting of \$158,245.50 in compensation for services rendered and \$165.26 for reimbursement of expenses, and seeks payment of the remaining \$157,146.75 in fees and \$30.00 in expenses incurred in the Third Application Period.

1 As authorized by the Court in the Employment Order, FTI retained third party appraisers
2 on behalf of the Debtors to assist in valuing the Debtors' assets in an expeditious and cost efficient
3 manner during the Debtors' chapter 11 case. The Employment Order authorized the Debtors to
4 pay FTI a post-petition retainer in the amount of \$100,000.00 which was to be utilized solely for
5 the purposes of compensating these appraisers (the "Third Party Retainer"). This retainer was
6 received by FTI, and FTI sought and was granted interim allowance for reimbursement for
7 \$32,499.69 and \$4,397.90 in third party appraiser costs as described in the First Interim Fee
8 Application and Second Interim Fee Application, respectively. As a result, FTI applied the third
9 party appraiser costs incurred in the First and Second Application Periods against the \$100,000.00
10 retainer, leaving a remaining retainer balance of \$63,102.41. There were no third party appraiser
11 costs paid by FTI during the Third Application Period, therefore the Third Party Retainer balance
12 currently remains at \$63,102.41. FTI is in the process of remitting the remaining Third Party
13 Retainer balance to the Debtors and expect the Debtors to receive such remittance prior to the
14 hearing on this Final Fee Application on November 3, 2010.

15 In addition, by this Final Fee Application, FTI seeks an order confirming as final fees and
16 expenses and authorizing full payment thereof, the amount of fees and expenses previously
17 allowed by the Court and awarded to FTI on an interim basis pursuant to its First Interim Fee
18 Application and its Second Interim Fee Application. FTI has received payments to date of
19 \$674,623.08 in fees and \$14,961.44 in expenses incurred during the First Application Period and
20 seeks payment of the remaining \$182,197.92 owed for the First Application Period. FTI has
21 received payments to date of \$172,042.67 in fees and \$518.41 in expenses during the Second
22 Application Period and seeks payment of the remaining \$178,821.83 owed for the Second
23 Application Period. A summary of fees and expenses sought for the Final Application Period,
24 including costs related to third party appraisers which were applied to the Third Party Retainer, is
25 summarized in the following chart:

	Expenses Paid ⁴	Fees Paid	Remaining Sought	Total Incurred ⁴
<u>First Application Period</u>				
July 2008	\$758.88	\$56,301.50	\$0.00	\$57,060.38
August 2008	10,545.14	149,617.00	0.00	160,162.14
September 2008	20,712.84	406,941.00	0.00	427,653.84
October 2008	12,332.27	61,763.58	142,220.42	216,316.27
November 2008	3,112.00	0.00	39,977.50	43,089.50
<i>Sub-Total</i>	<i>47,461.13</i>	<i>674,623.08</i>	<i>182,197.92</i>	<i>904,282.13</i>
<u>Second Application Period</u>				
December 2008	0.00	0.00	17,482.00	17,482.00
January 2009	262.80	57,935.30	44,506.20	102,704.30
February 2009	4,452.15	73,587.73	24,529.27	102,569.15
March 2009	158.40	31,535.94	40,491.06	72,185.40
April 2009	3.36	4,693.00	25,781.00	30,477.36
May 2009	39.60	4,290.70	26,032.30	30,362.60
<i>Sub-Total</i>	<i>4,916.31</i>	<i>172,042.67</i>	<i>178,821.83</i>	<i>355,780.81</i>
<u>Third Application Period</u>				
June 2009	0.00	1,128.75	6,848.25	7,977.00
July 2009	0.00	0.00	11,923.00	11,923.00
August 2009	0.00	0.00	34,380.00	34,380.00
September 2009	89.14	0.00	18,672.00	18,761.14
October 2009	9.12	0.00	6,859.00	6,868.12
November 2009	0.00	0.00	17,021.50	17,021.50
December 2009 - March 2010	37.00	0.00	8,402.50	8,439.50
April 2010 - September 7, 2010	0.00	0.00	53,040.50	53,040.50
<i>Sub-Total</i>	<i>135.26</i>	<i>1,128.75</i>	<i>157,146.75</i>	<i>158,410.76</i>
<i>Total</i>	<i>\$52,512.70</i>	<i>\$847,794.50</i>	<i>\$518,166.50</i>	<i>\$1,418,473.70</i>

Per the terms of the Plan, all allowed professional claims will be paid over the 2-year period following the Effective Date. FTI understands and agrees that, if the aggregate interim payments made to FTI from property of the Debtors estate, inclusive of the Third Party Retainer,

⁴ The Expenses Paid and Total Incurred columns include \$32,499.69 and \$4,397.90 in the First and Second Application Periods, respectively, related to costs paid directly to third party appraisers.

1 exceeds the amount that is ultimately allowed by this Court, FTI will be required to, and will,
2 promptly repay to the estate such difference.

3 All services for which compensation is requested by FTI were performed for, or on behalf
4 of, the Debtors.

5 **B. POSTURE OF THE DEBTORS' CASE**

6 On June 6, 2008, an involuntary petition under chapter 7 of title 11 of the United States
7 Code was filed against the Debtors. On July 1, 2008, the Debtors filed its consent to Entry of
8 Order for Relief and Election to Convert Chapter 7 Case to a Case Under Chapter 11 of the
9 Bankruptcy Code, which was approved by the Court on July 2, 2008.

10 In order to avoid any additional expense likely to be incurred by expanding on this
11 description of the posture of the case and the Debtors' status, FTI incorporates by reference the
12 detailed narrative history of the present status of this case as set forth in the third and final fee
13 application of the Debtors' counsel, the law firm of Irell & Manella LLP ("Irell").

14 **II.**

15 **SUMMARY OF SERVICES RENDERED BY FTI**

16 During the Third Application Period, FTI has provided financial and strategic advisory
17 services to the Debtors on a regular basis with respect to financial and business matters in
18 connection with assisting the Debtors' in development of their Plan and with respect to all other
19 matters arising in the performance of their duties. Due to the comprehensive nature of the services
20 rendered by FTI during the Third Application Period, the full scope of the services rendered by
21 FTI is set forth in detail in Exhibit "E". Additionally, in order to assist the Court, the U.S. Trustee
22 and other parties in interest in reviewing this Final Fee Application, a summary of the services
23 rendered by FTI during the Third Application Period with regard to each activity category,
24 including certain undertakings within each category, is set forth below.

25 The professional services rendered by FTI during the Third Application Period were led by
26 Ronald F. Greenspan, a Senior Managing Director with extensive bankruptcy experience, from
27 FTI's Los Angeles office.

Summary of Exhibits Regarding Services Rendered By FTI

Pursuant to its normal practice when advising debtors in bankruptcy cases, FTI has segregated the services it has rendered into separate and distinct activity categories.

Attached hereto as Exhibit "A", is a schedule showing the names of all professionals who rendered services during the Third Application Period and the sum of their hours and fees incurred.⁵

A summary of the amount of hours and fees incurred for each activity category by professional during the Third Application Period is attached hereto as Exhibit "B".

A summary of monthly fees incurred by activity category during the Third Application Period is attached hereto as Exhibit "C".

A summary of monthly expenses incurred by type during the Third Application Period is attached hereto as Exhibit "D".

Monthly professional fee statements during the Third Application Period through the month of March 2010 have been previously served to the Office of the United States Trustee, the Debtors, counsel to the Debtors, counsel to the Committee, and any party who had filed and served a request for special notice. No objections were received with respect to these professional fee statements. Professional fee statements that were previously submitted for the Third Application Period are attached hereto as Exhibits "I" through "O".

In addition, FTI did not file professional fee statements for the period from April 1, 2010 through September 7, 2010, which falls within the Third Application Period, and this Final Fee Application represents FTI's first request for reimbursement of fees and expenses incurred from April 1, 2010 through September 7, 2010. Exhibit "G" sets forth a chronological, detailed description of the services rendered by FTI professionals during the period from April 1, 2010

⁵ Certain professionals may be listed in the exhibits more than once with differing titles and/or hourly rates. This is due to periodic promotions and/or revisions to hourly rates (as disclosed in FTI's engagement letter with the Debtors). The titles and rates shown in the exhibits are reflective of the titles and rates in place at the time the work was performed by the professionals. The professional biographies included in Exhibit "P" display the current titles of FTI employees.

1 through September 7, 2010 and shortly thereafter on behalf of the Debtors. Exhibit "E" sets forth
2 a chronological, detailed description of the services rendered by FTI professionals on behalf of the
3 Debtors during the entire Third Application Period for each of the activity categories described
4 below.

5 Attached hereto as Exhibit "P" are professional biographies of each FTI professional who
6 provided significant hours of service to the Debtors during the Third Application Period.

7 **Narrative Summary of Services Provided By FTI**

8 The services rendered by FTI during the Third Application Period are segregated into the
9 categories set forth on Exhibits "B" and "C". The professionals who rendered services relating to
10 each category are identified, along with the number of hours for each individual, in Exhibit "B".
11 FTI segregated the tasks performed into the activity categories that it believes best relates to such
12 services. However, because certain tasks may relate to one or more activity categories, it is
13 possible that similar tasks may be assigned to more than one category. A summary of services
14 provided by activity category is provided below.

15 **1. Fee/Employment Application**

16 **Third Application Period: \$32,788.50 total fees; 64.8 total hours; \$506.00 blended**
17 **hourly rate.** This category includes time spent preparing FTI's monthly professional fee
18 statements and related exhibits which include both summary schedules and detailed time and
19 expense entries. This category also includes any time spent in preparation of FTI's Second
20 Interim and Final Fee Application in accordance with the requirements of this court.

21 **2. Bankruptcy Case Administration**

22 **Third Application Period: \$10,077.50 total fees; 17.2 total hours; \$585.90 blended**
23 **hourly rate.** This category includes time spent monitoring the court docket for this case, and in
24 reviewing and analyzing motions and orders filed with the Court to determine the impact of such
25 motions and orders on the Debtors' bankruptcy proceedings and restructuring efforts. Time spent
26 in this category also includes review of documents and analyses in preparation for hearings in this
27 Court. Additionally, this category includes time spent reviewing, analyzing and responding to

documents served on FTI by other parties in this case.

3. Meetings / Information Requests – Debtors

Third Application Period: \$608.00 total fees; 1.6 total hours; \$380.00 blended hourly rate. To the extent possible, any time incurred for meetings and correspondence with the Debtors and their employees has been classified to those activity categories that best reflect the nature of those communications. Time included in this category includes time spent communicating with the Debtors to discuss work plans, progress updates, and general case issues.

4. Meetings / Information Requests – UCC and Professionals

Third Application Period: \$66,978.50 total fees; 127.7 total hours; \$524.50 blended hourly rate. Time in this category includes time spent preparing for and participating in meetings and/or conference calls with counsel and other advisors to the Committee. During the Third Application Period, time in this category primarily included participating in meetings and preparing analyses for continuing settlement negotiations between the Committee and the Debtors. Time in this category also reflects time spent assisting the Debtors in researching, gathering and preparing information requested by the Committee or other creditors.

5. Plan/Disclosure Statement

Third Application Period: \$21,607.00 total fees; 37.9 total hours; \$570.11 blended hourly rate. Time spent in this category includes time spent assisting the Debtors prepare their Plan of Reorganization and accompanying Disclosure Statement, and subsequent amendments, as well as participating in meetings and/or conference calls with the Debtors and Debtors' counsel regarding the same.

6. Plan/Disclosure Statement – Financial Analysis

Third Application Period: \$25,578.00 total fees; 50.9 total hours; \$502.51 blended hourly rate. Time in this category includes time spent constructing financial analyses and projections that support the figures, schedules, tables and exhibits included in the Debtors' Plan of Reorganization and Disclosure Statement, and subsequent amendments. This included the development of multi-year cash flow projections for each income-producing property that the

Debtors hold ownership interest in (approximately 20 currently income-producing properties including, apartments, office buildings, and retail centers), which in turn required developing detailed receipt and disbursement projections at the individual property level. In addition, FTI analyzed creditor claims to determine the treatment of creditors under the Debtors' Plan of Reorganization, as well as calculated the estimated recoveries of each creditor class based upon the Debtors' projected cash flows and treatment under the Debtors' Plan of Reorganization. Lastly, time spent in this category includes the analysis of projected creditor recoveries under a hypothetical liquidation scenario in demonstration that the Debtors' Plan of Reorganization satisfies the "best interest of creditors" test.

7. Valuation – Market Research

Third Application Period: \$608.00 total fees; 1.6 total hours; \$380.00 blended hourly rate. Time in this category includes conducting research on real estate markets local to each property that the Debtors' hold interest in, in order to determine reasonable assumptions to use in FTI's property valuations and cash flow projections. Time in this category represents continued monitoring and assessment of issues and trends affecting each real estate market by reviewing and analyzing local real estate market reports and historical market sales transactions. This research was important and necessary in determining the appropriate discount rates, sales metrics, and operating forecast assumptions to use when valuing the properties owned by the Debtors and preparing cash flow projections.

III.

SUMMARY OF ACTUAL AND NECESSARY EXPENSES INCURRED BY FTI

FTI maintains records of all actual and necessary out-of-pocket expenses incurred and typically charged in connection with rendering professional services to its clients in the ordinary course of its business practice. As is typical of FTI's practice when representing debtors, FTI has charged out-of-pocket expenses to the Debtors in accordance with the Compensation Guide. There is no mark-up of the costs incurred by FTI – the amounts sought for reimbursement represent the actual costs incurred by FTI. This disbursement sum is separated into categories of

1 charges, and primarily includes court fees associated with telephonic attendance to hearings and
2 mileage reimbursement.

3 The total costs FTI is requesting for allowance in the Third Application Period are
4 \$165.26. There were no third party appraiser costs paid by FTI on behalf of the Debtors during
5 the Third Application Period. Attached hereto as Exhibit "D" is a summary of expenses incurred
6 during the Third Application Period. A detailed description of the expenses incurred by FTI
7 professionals during the Third Application Period, categorized by expense type, is provided in
8 Exhibit "F" attached hereto. A detailed description of the expenses incurred by FTI professionals
9 during the period April 1, 2010 through September 7, 2010 and shortly thereafter, for which
10 professional fee statements were not previously submitted, is provided in Exhibit "H" attached
11 hereto.

12
13 **IV.**

14 **CONCLUSION**

15 For the reasons set forth above and pursuant to Bankruptcy Code sections 330 and 331,
16 Bankruptcy Rule 2016, Local Bankruptcy Rule 2016-1(2) and the standards adopted by courts in
17 awarding attorneys' fees and costs, FTI submits that the fees for services rendered and costs and
18 expenses incurred on behalf of the Debtors during the Third Application Period in the total amount
19 of \$158,410.76 are reasonable and should be allowed on a final basis and paid in full.
20 Additionally, FTI submits that the amount of compensation sought by FTI for services rendered
21 and actual and necessary costs incurred on behalf of the Debtors during the First and Second
22 Application Periods in the aggregate amount of \$1,260,062.94 are reasonable and should be
23 allowed on a final basis and all outstanding amounts paid in full.

24 No agreement or understanding of any kind or nature exists between FTI and any other
25 person or entity for the sharing, division, or payment of any portion of the compensation awarded
26 to FTI for services rendered or expenses incurred in connection with FTI's services to the Debtors
27 in the bankruptcy case.

1 WHEREFORE, FTI respectfully requests that this Court enter an order:

2 1. Awarding FTI, on a final basis, compensation for fees incurred on behalf of the
3 Debtors for the Third Application Period, in the amount of \$158,245.50, of which \$1,128.75 has
4 been paid;

5 2. Awarding FTI, on a final basis, reimbursement for out-of-pocket expenses incurred
6 on behalf of the Debtors for the Third Application Period, in the amount of \$165.26, of which
7 \$135.26 has been paid;

8 3. Confirming as final, the amount of fees and expenses previously allowed by the
9 Court and awarded to FTI pursuant to its First Interim Fee Application, in the amount of
10 \$904,282.13, inclusive of \$32,499.69 in costs paid to third party appraisers, of which \$722,084.21
11 has been paid;

12 4. Confirming as final, the amount of fees and expenses previously allowed by the
13 Court and awarded to FTI pursuant to its Second Interim Fee Application, in the amount of
14 \$355,780.81, inclusive of \$4,397.90 in costs paid to third party appraisers, of which \$176,958.98
15 has been paid;

16 5. Authorizing and directing the Debtors to pay to FTI any outstanding balance of fees
17 and costs owed to FTI as requested by this Final Fee Application in accordance with the Court's
18 ruling on this Final Fee Application and in accordance with the terms of the Debtors' confirmed
19 Plan; and

20 6. Granting to FTI such other and further relief as the Court deems just and proper.
21

22 DATED: October 5, 2010

Respectfully submitted,

23 FTI CONSULTING, INC.

24
25 By: Ronald F. Greenspan
26 Ronald F. Greenspan
27 Senior Managing Director
28 Financial Advisors to the
Debtors and Debtors-In-Possession

DECLARATION OF RONALD F. GREENSPAN

I, Ronald F. Greenspan, declare as follows:

1. I am over eighteen years of age. Except as otherwise indicated, if called as a witness, I could and would competently testify to the matters set forth in this document from my own personal knowledge.

2. I am a Senior Managing Director with FTI Consulting, Inc. ("FTI"). I am one of the individuals primarily responsible for FTI's advisory services to James C. Gianulias and Cameo Homes, the Debtors and Debtors-in-Possession (the "Debtors"). In preparing this declaration, I have relied on my personal knowledge and on my review of the billing records and files maintained by FTI in the ordinary course of business and made by FTI professionals and professional assistants substantially contemporaneously with that person's performance of services or incurrence of costs on behalf of the Debtors.

3. This declaration is submitted in support of the Final Fee Application of FTI for final allowance and payment of fees and reimbursement of expenses (the "Final Fee Application"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Final Fee Application. The Final Fee Application covers the period from July 9, 2008 through the Effective Date of the Debtors' confirmed Fourth Amended Plan of Reorganization (Dated May 27, 2010), as Modified (the "Plan"), September 7, 2010 and shortly thereafter (the "Final Application Period").⁶ I have read the Final Fee Application and reviewed the exhibits attached hereto, and each of the facts contained therein is true and correct to the best of my information, knowledge, and belief.

4. Exhibit "E" attached hereto provides a true and correct copy of records maintained by FTI in the ordinary course of FTI's business operations and reflects entries that were made substantially contemporaneously with the rendering of those services.

⁶ FTI incurred additional fees after the Effective Date of the Plan (September 7, 2010) relating to the preparation of this Final Fee Application. Such fees total \$6,702.00, and are included in the amounts requested in the Final Fee Application and in the exhibits attached thereto.

1 5. Pursuant to the Final Fee Application, FTI seeks allowance of compensation
2 covering 301.7 hours of professional time devoted to providing financial advisory services to the
3 Debtors during the period June 1, 2009 through the occurrence of the Effective Date of the
4 Debtors' Plan, September 7, 2010 and shortly thereafter (the "Third Application Period"),
5 resulting in the accumulation of \$158,245.50 in fees for professional services rendered and
6 \$165.26 for expenses incurred, for a total amount of \$158,410.76.

7 6. FTI has previously submitted seven professional fee statements (attached
8 hereto as Exhibits "I", "J", "K", "L", "M", "N" and "O") which cover the first ten months, the
9 period June 2009 through March 2010),⁷ of the fifteen-month Third Application Period in
10 accordance with the procedures that were established by the Court. FTI did not receive any
11 objections to these fee statements. FTI did not file professional fee statements for the period from
12 April 1, 2010 through September 7, 2010, which falls within the Third Application Period, and
13 this Final Fee Application represents FTI's first request for reimbursement of fees and expenses
14 incurred from April 1, 2010 through September 7, 2010 and shortly thereafter.

15 7. As of the date of this Final Fee Application, FTI has received payments of
16 \$1,128.75 for fees and \$135.26 for expenses FTI incurred during the Third Application Period, for
17 a total of \$1,264.01. As of the date of the hearing on this Final Fee Application, it is likely that the
18 Debtors will not have made additional payments to FTI. Thus, FTI requests payment for any
19 unpaid fees and expenses incurred during the Third Application Period.

20 8. In addition, FTI has previously filed two interim fee applications, for
21 interim payment of fees and reimbursement of costs incurred on behalf of the Debtors. Each of the
22 interim fee applications was approved on an interim basis. Pursuant to the Final Fee Application,
23 FTI seeks an order confirming as final fees and expenses and authorizing full payment thereof, the
24 amount of fees and expenses previously allowed by the Court and awarded to FTI pursuant to its
25 First Interim Fee Application and its Second Interim Fee Application.

26
27 ⁷ The last professional fee statement filed by FTI on May 24, 2010 covered a 4-month period.

1 9. No agreement or understanding of any kind or nature exists between FTI
2 and any other person or entity for the sharing, division, or payment of any portion of the
3 compensation awarded to FTI for services rendered or expenses incurred in connection with FTI's
4 financial advisory services to the Debtors in this chapter 11 proceeding.

5 10. I am one of the designated professionals responsible for overseeing the
6 billing in this matter and for assuring compliance with the Guide to Applications for Professional
7 Compensation promulgated by the Office of the United States Trustee for the Central District of
8 California (the "Compensation Guide"). Based upon my review of the Final Fee Application
9 submitted by FTI for the Final Application Period, I believe that the Final Fee Application
10 complies with the Compensation Guide.

11 I declare under penalty of perjury under the laws of the United States of America that the
12 foregoing is true and correct to the best of my information, knowledge and belief.

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15 Executed this 5th day of October, 2010, at Los Angeles, California.

16
17 *Ronald F. Greenspan*

18 Ronald F. Greenspan
19 Senior Managing Director, FTI Consulting, Inc.
20 As Financial Advisors to the Debtors and
21 Debtors-in-Possession
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