

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

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| IN RE: |) | |
| |) | |
| MADISON PARK CHURCH OF GOD, INC. |) | Case No. 13-07430-RLM-11 |
| D/B/A MADISON PARK CHURCH OF GOD, |) | |
| |) | |
| Debtor. |) | |
| _____ |) | |

APPLICATION TO EMPLOY TAFT STETTINIUS & HOLLISTER LLP AS DEBTOR’S COUNSEL AND ESTABLISH INTERIM COMPENSATION PROCEDURES

Madison Park Church of God, Inc. d/b/a Madison Park Church of God (“Debtor), as debtor and debtor-in-possession, by counsel, hereby requests the entry of an Order pursuant to 11 U.S.C. § 327, Federal Rule of Bankruptcy Procedure 2014 and Southern District of Indiana L.R. B-2014-1 authorizing the Debtor to employ Taft Stettinius & Hollister LLP (“Taft”) as counsel for the Debtor, *nunc pro tunc*, to July 12, 2013, as defined below. In support of its application, the Debtor incorporates the Declaration of Jerald I. Ancel (the “Declaration”), Taft’s engagement letter (the “Engagement Letter”), attached as **Exhibits A** and **B**, respectively,¹ and states as follows:

1. On July 12, 2013 (the “Petition Date”), the Debtor filed its voluntary petition under Chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtor continues to operate its business and manage its properties as a debtor-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

¹ The Firm filed a compensation statement on July 22, 2013 (CM/ECF Docket No. 33).

2. No trustee or examiner has been appointed in this Chapter 11 case. No official unsecured creditors' committee has yet been appointed in this case.

3. The Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). The relief requested flows from the statutory scheme codified by the Bankruptcy Code addresses an area of law long determined by Bankruptcy Courts, and is purely a creature of federal law. Accordingly, the Court has jurisdiction and authority to hear this matter under *Stern v. Marshall*, 131 S.Ct. 2594, 180 L.Ed.2d 475 (U.S. 2011) and *In re Ortiz*, 665 F.3d 906 (7th Cir. 2011).

4. In connection with this Chapter 11 case, the Debtor will require legal services, including but not limited to the following:

(a) Preparation of filings and conducting examinations incidental to the administration of a Chapter 11 case;

(b) Advice regarding its legal rights, duties, and obligations a debtor-in-possession;

(c) Performance of legal services incidental and necessary to the day-to-day operations of its business, including but not limited to institution and prosecution of necessary legal matters and proceedings, loan restructuring, and general business and corporate legal advice and assistance, all of which are necessary to the proper preservation and administration of the estates

(d) Negotiation, preparation, confirmation and consummation of a plan; and

(e) Taking any and all other necessary action incident to the proper preservation and administration of the estate in the conduct of the Debtor's business.

5. The Debtor wishes to engage Taft as its counsel in this case. The attorneys of Taft's Indianapolis office are admitted to practice in this Court, and the attorneys of Taft are familiar with the Debtor's legal, financial and operational issues, have knowledge and experience in bankruptcy practice, and are well qualified to represent the Debtor.

6. To the best of the Debtor's knowledge, Taft does not have any relevant connection with the Debtor, its creditors, any other party-in-interest, their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee other than as set forth in the Declaration. The Declaration also includes the information and disclosures required by S.D. Ind. L.R. B-2014-1.

7. Taft, prior to the filing of this Chapter 11 case and pursuant to the Engagement Letter, has been engaged to represent the Debtor in connection with its case.

8. The standard hourly rates, effective January 1, 2013, charged by the attorneys and paraprofessionals in Taft's Indiana and Cincinnati based Bankruptcy, Business Restructuring and Creditor Rights' Practice Group are as follows:

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|--------------------|--------------|----------|
| Jerald I. Ancel | Partner | \$550.00 |
| Timothy J. Hurley | Partner | \$495.00 |
| Marlene Reich | Partner | \$495.00 |
| Michael P. O'Neil | Partner | \$495.00 |
| George D. Molinsky | Partner | \$470.00 |
| Jeffrey J. Graham | Partner | \$395.00 |
| John R. Humphrey | Partner | \$395.00 |
| Andrew T. Kight | Partner | \$390.00 |
| Sharon I. Shanley | Associate | \$365.00 |
| Casey C. Schwartz | Associate | \$295.00 |
| Erin C. Nave | Associate | \$250.00 |
| Celeste A. Brodnik | Paralegal | \$245.00 |
| Shawn D. Lantz | Filing Clerk | \$190.00 |

9. Taft has received a retainer of \$50,000.00 for its services in this Chapter 11 case. The retainer is in Taft's trust account to be drawn upon if a monthly statement is not paid pursuant to the terms of Taft's engagement and any compensation procedures approved by this Court.

10. The Debtor and Taft request that this Court adopt certain interim compensation procedures to ease the financial strain of quarterly or a single fee application places on the Debtor and the expense of filing interim fee applications. Those proposed procedures are as follows:

(a) Taft, on or before the seventh (7th) business day of the month, will provide the Debtor with a statement of Taft's services and expenses incurred during the previous month (a "Fee Statement"). The Debtor will have seven (7) days after receiving the Fee Statement to give Taft any notice of objection to the fees and/or expenses contained in such Fee Statement. If the Debtor does not object to the Fee Statement, Taft will file the Fee Statement and serve the Fee Statement on the Debtor's service list.

(b) After the filing of the Fee Statement, the Debtor will be authorized to pay from the cash from operations eighty percent (80%) of the fees and one hundred percent (100%) of the expenses set forth in the Fee Statement on an interim basis and subject to final allowance by the Court.

(c) Taft may file periodic interim fee applications in accordance with § 331 of the Bankruptcy Code which will incorporate any Fee Statement filed prior to such application, including those to which there may have been an objection, for which Taft may seek interim payment and allowance of the twenty percent (20%) of fees incurred but not yet paid (the "Holdback Amount").

(d) Should the Debtor have insufficient funds to pay a Fee Statement or Holdback Amount, Taft shall have the right, but not the obligation, to withdraw from its retainer an amount sufficient to pay the Fee Statement or Holdback Amount.

(e) Any funds held by Taft in its retainer after all fees and expenses have been paid on a final basis will be returned to the Debtor.

(f) Nothing in the proposed interim compensation procedures shall affect the rights of any party-in-interest to object to an interim or final fee application filed by Taft.

11. Entering an Order approving these interim compensation procedures ensures that the Court and parties-in-interest will be able to review all compensation paid to Taft pursuant to a Fee Statement or an interim or final fee application, while at the same time reducing the Debtor's outstanding administrative expenses, the Debtor's legal expenses and fees incurred in quarterly or monthly fee applications, and the undue financial burden on Taft's professionals and paraprofessionals whose services are required by the Debtor in this Chapter 11 case.

12. The same or similar interim compensation procedures have been approved in previous cases in this District (*see, e.g., IST Liquidating, Inc.*, No. 12-91512-BHL-11 and *In re R. L. Carter Trucking, Inc., et. al.*, No. 10-14458-AJM-11).

WHEREFORE, the Debtor respectfully request that the Court enter an Order: (1) authorizing and allowing them to employ Taft as its counsel in this Chapter 11 case, *nunc pro tunc* as of the Petition Date; (2) finding that Taft is disinterested and has no interest adverse to the Debtor and its estate; (3) approving the interim compensation procedures set forth herein; and (4) granting the Debtor such other and further relief as the Court deems proper.

DATED: July 25, 2013

MADISON PARK CHURCH OF GOD,
INC. D/B/A MADISON PARK CHURCH
OF GOD
as debtor and debtor-in-possession,

By: /s/ Jerald I. Ancel
Jerald I. Ancel, one of its proposed counsel

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