

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

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 HAMERNIK, LLC AS FINANCIAL ADVISORS AND CONSULTANTS AND ESTABLISH INTERIM COMPENSATION PROCEDURES

Madison Park Church of God, Inc. d/b/a Madison Park Church of God, as debtor and debtor-in-possession (the “Debtor”), by counsel, hereby makes this application pursuant to 11 U.S.C. §§ 327(a) and 331, Federal Rule of Bankruptcy Procedure 2014 and Southern District of Indiana Local Rule B-2014-1 for authority to employ Hamernik, LLC (“Hamernik”) to be the Debtor’s financial advisors and consultants *nunc pro tunc* to July 12, 2013. In support of its application, the Debtor incorporates the Declaration of Disinterestedness of David J. Hamernik (the “Declaration”), and Hamernik’s engagement letter (the “Engagement Letter”), attached as **Exhibits A** and **B**, respectively, and states as follows:

I. General Background

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

2. The Debtor is a not-for-profit corporation which operates a church and related ministries in Anderson, Indiana.

3. Hamernik is a consulting firm which has extensive experience in reorganizing and restructuring proceedings and advising debtors in bankruptcy engagements.

4. In order to stabilize the Debtor's organization and effect a successful reorganization, the Debtor needs the assistance of a financial advisor to oversee operations and financial reporting and to assist with debt restructuring, identifying any financial and management problems of the Debtors, and finding solutions to any such problems.

5. David Hamernik of Hamernik is a certified public accountant, and he and his associates have extensive experience in reorganization, restructuring, complex commercial transactions, and bankruptcy engagements. Hamernik maintains an office at One Indiana Square Suite 1550, Indianapolis, IN 46204. The Debtor submits that Hamernik is well qualified to render the services required in this case.

6. David J. Hamernik is a Certified Insolvency and Restructuring Advisor and Certified Public Accountant and is a fellow of The American College of Bankruptcy. Other members and associates of Hamernik are CPAs and MBAs.

7. David Hamernik's hourly rate is \$400, and the rates of other staff members who may assist him range from \$85 to \$250 per hour. In addition to compensation for professional services that are rendered, Hamernik will seek reimbursement of reasonable and necessary expenses incurred in connection with its employment. At this time it is not possible to estimate the amount of time that will be required to perform the services or the total costs. Hamernik understands that all fees and expenses and procedures for interim payments are subject to review and approval of this Court.

8. Hamernik received a retainer of \$25,000.00 prior to the petition date for services to be rendered after July 12, 2013. The balance of any retainer remaining after all final fees and

expenses have been reviewed and approved by this Court will be refunded to the Debtor. Should the final approved fees and expenses exceed the retainer balance, Hamernik shall be entitled to payment pursuant to an order of this Court.

9. Pursuant to Hamernik's engagement with the Debtor, the retainer will be placed in Hamernik's trust account and will be drawn upon only if a monthly statement is not paid pursuant to the terms of Hamernik's engagement and this application.

10. The Debtor and Hamernik 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. Hamernik, on or before the seventh (7th) business day of the month, will provide the Debtor with a statement of Hamernik'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 Hamernik 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, Hamernik 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. Hamernik 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 Hamernik 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, Hamernik 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 Hamernik 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 Hamernik.

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 Hamernik 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 Hamernik'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).

13. To the best of the Debtor's knowledge, Hamernik and the individuals involved with Hamernik who will provide the services involved herein, have no connection with the Debtor, with any of the creditors or any other party-in-interest in this case or any of the respective attorneys or accountants and hold or represent no interest adverse to the interests of the estate with respect to the matters for which Hamernik is to be employed except as set forth in the Declaration.

14. Employment of Hamernik by the Debtor is necessary and will be in the best interest of the Debtor and the estate.

15. Hamernik is uniquely situated to assist the Debtor in identifying solutions for recovery and a successful reorganization, and to maximize the value of the Debtor for the benefit

of all with an interest in the Debtor's estate. Hamernik possesses significant accounting, financial and reorganization expertise and has been part of numerous successful bankruptcy cases in this court.

WHEREFORE, the Debtor requests the entry of an Order: (1) authorizing the employment of Hamernik as the Debtor's financial advisors and consultants *nunc pro tunc* to the Petition Date; (2) finding Hamernik 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 all other relief just and proper in the premises.

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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