

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

In re)	Case No. 04-63851
)	
NIPPON ELECTRIC GLASS OHIO, INC.)	Federal I.D. No. 95-4658750
)	
Debtor.)	Chapter 11
)	
)	Judge John E. Hoffman, Jr.

**THIRD INTERIM FEE APPLICATION OF
MORRISON & FOERSTER, LLP
FOR ALLOWANCE AND PAYMENT OF COMPENSATION
AND REIMBURSEMENT OF COSTS AND EXPENSES FOR THE
PERIOD APRIL 1, 2005 THROUGH JULY 31, 2005**

Morrison & Foerster, LLP (“Morrison”), counsel for Nippon Electric Glass Ohio, Inc., the debtor and debtor in possession in the above-captioned Chapter 11 case (the “Debtor”), hereby submits its Third Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Costs and Expenses (the “Application”) covering the period from April 1, 2005 through July 31, 2005 (the “Third Interim Period”). Morrison submits the Application in accordance with the Bankruptcy Code, this Court’s *Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* entered on September 27, 2004 (the “Fee Order”), the United States Trustee Chapter 11 Notices and Guidelines, and the Local Bankruptcy Rules for the Southern District of Ohio.

By the Application, Morrison respectfully requests that the Court enter an order (1) allowing and approving interim compensation to Morrison in the amount of \$54,625.50 in fees for professional services rendered and \$209.73 in expenses and costs incurred during the Third Interim Period, for a total of \$54,835.23 in fees and expenses; (2) approving the payments already received by Morrison, or expected to be received by Morrison prior to the hearing on the Application, of \$43,700.40; (3) authorizing payment of the unpaid balance owed to Morrison of \$10,925.10; and (4) granting to Morrison such other and further relief that is consistent with the foregoing that the Court deems necessary and appropriate. The Application is supported by the Declaration of Patricia S. Mar (the “Mar Declaration”), filed contemporaneously and the exhibits attached thereto. In further support of the Application, Morrison respectfully represents and states as follows:

I. MORRISON’S ENGAGEMENT

1. Morrison is a law firm with substantial experience in business reorganizations, corporate insolvency, commercial litigation, corporate law, bankruptcy-related asset acquisition and bankruptcy litigation. Morrison routinely represents debtors, creditors, equity holders, committees, trustees, landlords, potential acquirers of assets, and other parties with interests in financially distressed businesses.

2. On September 1, 2004, the Debtor filed its voluntary Chapter 11 petition in this case. On or about September 10, 2004, the Debtor filed its application to employ Morrison to serve as counsel in this case. Attached hereto as Exhibit 1 is a copy of this Court’s Order entered September 27, 2004, authorizing the Debtor to employ Morrison. On the same date, the Court authorized the Debtor’s employment of the law firm of Kegler Brown Hill & Ritter, L.P.A. (“Kegler Brown”) as Ohio counsel for the Debtor.

II. SUMMARY OF PRIOR APPLICATIONS AND PAYMENTS

3. This Application is the third interim application filed by Morrison pursuant to the Fee Order.

4. Morrison filed its First Interim Fee Application on January 12, 2005, for services rendered from September 1, 2004, the date the petition was filed, through and including November 30, 2004 (the "First Interim Period"). The First Interim Fee Application was approved by order of the Court entered on February 10, 2005. Pursuant to the First Interim Fee Application, Morrison has received payment of \$144,989.00 for fees and \$4,096.76 for costs, for a total of \$149,085.76 for services rendered during the First Interim Period.

5. Morrison filed its Second Interim Fee Application on April 26, 2005, for services rendered from December 1, 2004 through and including March 31, 2005 (the "Second Interim Period"). The Second Interim Fee Application was approved by order of the Court entered on May 31, 2005. Pursuant to the Second Interim Fee Application, Morrison has received payment of \$54,937.00 for fees and \$111.75 for costs, for a total of \$55,048.75 for services rendered during the Second Interim Period.

III. SUMMARY OF COMPENSATION REQUEST

6. During the Third Interim Period, Morrison submitted four monthly statements for fees and expenses ("Monthly Fee Statements"), covering the months of April, May, June and July 2005. As provided by the Fee Order, the Debtor has paid Morrison 80% of the fees requested and 100% of the expense reimbursement requested in the Monthly Fee Statements for April, May and June. Upon expiration of the objection period for the Monthly Fee Statement for July 2005, and provided that no objection is filed to that Monthly Fee Statement, a similar payment will be made for the March fees and costs. Payments have been

and will be made from the retainer that the Debtor paid to Morrison prior to the filing of the petition.

7. Morrison has neither received nor been promised any compensation for the services it has rendered or the expenses that it has incurred in this Chapter 11 case except as authorized in the Fee Order, subject to review and approval of this Court. Neither Morrison, nor any member of Morrison, has any agreement or understanding of any kind to divide, pay over, or share any portion of the fees to be awarded to Morrison with any other person or attorney, except as among the partners and other attorneys employed by Morrison.

IV. SUMMARY OF SERVICES PERFORMED

8. During the Third Interim Period, Morrison professionals spent a total of 104.10 hours rendering services to the Debtor. A detailed daily description of the services performed, by timekeeper, and the hourly rates applicable to each timekeeper is contained in the Monthly Fee Statements that are attached to the Mar Declaration.

9. Following is a narrative summary of the significant services that Morrison provided to the Debtor during the First Interim Period, by project category:

10. Bankruptcy Administration (Total fees: \$5,827.50). This category reflects the services performed by Morrison relating to the administration of the bankruptcy case. Secondly, “Bankruptcy Administration” includes activities that did not readily fit into any other category.

11. The services performed by Morrison in the “Bankruptcy Administration” category during the Third Interim Period included conferring with and advising the Debtor on the monthly operating reports and reviewing the operating reports before they were filed; preparing a supplement to the Debtor’s Schedules; participating by telephone in a court

hearing; and monitoring and reviewing filings in the Chapter 11 cases of the Debtor's affiliates, Techneglas, Inc. and Nippon Electric Glass America, Inc.

12. Employment and Fees (Total fees: \$6,588.00). This category included the preparation of Morrison's Monthly Fee Statements and its Second Interim Fee Application, and review of the Monthly Fee Statements and interim fee application of its co-counsel, Kegler Brown. Morrison also responded to inquiries of the U.S. Trustee and provided backup requested by the U.S. Trustee regarding its Second Interim Fee Application.

13. Plan Formulation and Confirmation (Total fees: \$ 32,235.00). During the Third Interim Period, the Debtor, together with its affiliates, Techneglas and NEG America, filed a Joint Plan of Reorganization and Disclosure Statement. Morrison spent substantial time working on the Plan, Disclosure Statement, solicitation materials, claims projections, and the Motion for approval of the Disclosure Statement and solicitation procedures. In addition to drafting and reviewing of Plan materials, Morrison spent substantial time in communications with counsel for Techneglas, NEG America and NEG Japan on plan issues.

14. Business Operations (Total fees: \$8,767.50). The major time in the category of "Business Operations" related to issues arising out of a fire at the manufacturing facilities of the Debtor's subsidiary, NEG Mexico, in Mexicali, Mexico, in which the Debtor's inventory and machinery were totally destroyed. During the Third Interim Period, Morrison drafted agreements for the Debtor and NEG Mexico for settlement of insurance claims arising out of the fire; finalized and obtained execution of agreements with the Debtor's customers for settlement of their claims against the Debtor arising out of the fire; drafted the motion for court approval of the insurance settlements and customer settlements, which was filed on August 30, 2005; communicated with attorneys and other representatives of the insurance

companies and customers; and provided advice and consultation to the Debtor regarding the insurance and customer agreements.

V. SUMMARY OF COSTS AND EXPENSES

15. Morrison is seeking reimbursement of \$209.73 in costs and expenses that it incurred during the First Interim Period. Such expenses were primarily for photocopying charges.

VI. REQUEST FOR APPROVAL OF INTERIM COMPENSATION

16. Bankruptcy Code Section 330(a)(1) authorizes the Court to award to professionals who have been employed under Bankruptcy Code Section 327 reasonable compensation for their services, as well as reimbursement for all actual and necessary expenses. Bankruptcy Code Section 331, in turn, provides for allowance of interim compensation and reimbursement. Section 330(a)(3) further states that the Court should consider the nature, extent, and value of the services provided, taking into account all relevant factors. These factors include the time spent on the services, the rates charged for the services, whether the services were necessary or beneficial, whether the services were performed in a reasonable amount of time, and whether the compensation is reasonable based on compensation customarily charged by comparable professionals.

17. Morrison submits that the services rendered for which compensation is sought in this Application have been beneficial to the estate of the Debtor, that the costs incurred have been necessary and proper, and that the sums requested for the services rendered and the costs incurred are fair and reasonable.

VII. CONCLUSION

18. The interim compensation sought in this Application is on an interim basis and is not final. Upon the conclusion of these cases, Morrison will seek fees and expenses for the

totality of the services rendered as counsel to the Debtor based upon the applicable standards. Any interim fees approved by the Court and received by Morrison will be credited against such final fees as the Court may allow.

WHEREFORE, Morrison respectfully requests that the Court enter an order:

(1) allowing and approving interim compensation to Morrison in the amount of \$54,625.50 in fees for professional services rendered and \$209.73 in expenses and costs incurred during the First Interim Period, for a total of \$54,835.23 in fees and expenses; (2) approving the payments already received by Morrison, or expected to be received by time of the Court's consideration of the Application, of \$43,700.40; (3) authorizing payment of the unpaid balance owed to Morrison of \$10,925.10; and (4) granting to Morrison such other and further relief that is consistent with the foregoing that the Court deems necessary and appropriate. A form of proposed order is attached hereto as Exhibit 2.

Dated: September 14, 2005

/s/ Patricia S. Mar
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