

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION**

In re:	:	Chapter 11
	:	
NIPPON ELECTRIC GLASS	:	Case No. 04-63851
OHIO, INC.,	:	
	:	Judge John E. Hoffman, Jr.
	:	
Debtor.	:	

**THIRD INTERIM FEE APPLICATION OF
KEGLER, BROWN, HILL & RITTER CO., LPA
FOR ALLOWANCE AND PAYMENT OF COMPENSATION
AND REIMBURSEMENT OF COSTS AND EXPENSES FOR THE
PERIOD APRIL 1, 2005 THROUGH JULY 31, 2005;
DECLARATION OF KENNETH R. COOKSON IN SUPPORT THEREOF**

Kegler, Brown, Hill & Ritter Co. LPA (“Kegler Brown”), counsel for 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”). Kegler Brown 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* (the “Fee Order”), the United States Trustee Chapter 11 Notices and Guides, and the Local Bankruptcy Rules for the Southern District of Ohio.

By the Application, Kegler Brown respectfully applies for an order of this Court (1) allowing and approving interim compensation to Kegler Brown in the amount of \$12,017.33 representing \$10,508.00 in professional services rendered and \$1,509.33 in expenses and costs incurred during the Third Interim Period; (2) approving the payments already received by Kegler Brown of \$6,515.40; (3) authorizing payment of the unpaid balance owed to Kegler Brown of \$5,501.93; and (4) granting to Kegler Brown such other and further relief that is consistent with

the foregoing that the Court deems necessary and appropriate. The Application is supported by the appended Declaration of Kenneth R. Cookson (the "Cookson Declaration") and the exhibits attached hereto. In further support of the Application, Kegler Brown respectfully represents and states as follows:

I. SUMMARY OF KEGLER BROWN'S ENGAGEMENT

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

On or about September 10, 2004, the Debtor filed its application to employ Kegler Brown to serve as local counsel in connection with this case. Kegler Brown's work is in coordination with legal representation by the San Francisco law firm of Morrison & Foerster. Kegler Brown's services in this interim period have included work in preparing motions and orders pertaining to pertinent issues in the case, attending hearings, participating in strategic planning for the issuance of a plan and disclosure statement. In addition, Kegler Brown has continued to monitor the cases of Techneglas and Nippon Electric Glass America, Inc., both pending before this Court. Kegler Brown, in coordination with Morrison Foerster, strove to avoid duplicative services.

II. SUMMARY OF COMPENSATION REQUEST

A. Professional and Hourly Rates.

The professionals who were principally responsible for rendering services to the Debtor during the Third Interim Period were Attorneys Kenneth R. Cookson, and Stephanie P. Union and Paralegals Robin Hayes and Sally Jeffrey. In general, tasks were allocated among the professionals based upon their comparative expertise and, whenever feasible, work was allocated to individuals with lower hourly rates. Kegler Brown endeavored to represent the Debtor as

effectively and efficiently as possible. Attached hereto as Exhibit 1 is the Declaration of Kenneth R. Cookson which summarizes the background and qualifications of the Kegler Brown professionals who rendered services to the Debtor during the Third Interim Period. Attached as Exhibit 2 is the billing rates for each of those individuals during the Third Interim Period and a summary of the hours billed and fees incurred on behalf of the Debtor by each of these individuals.

B. Fees and Expenses for the Third Interim Period.

The Fee Order authorizes professionals to serve an abbreviated monthly statement for interim compensation and reimbursement of expenses (the “Monthly Statement”) on the United States Trustee and other parties in interest. The amounts available pursuant to the Monthly Statements are limited to 80% of fees and 100% of expenses earned by such professional. The amounts requested in the Monthly Statements are payable if no objections are filed within 20 days of service of the Monthly Statement.

This Application is the third interim application that Kegler Brown has filed with the Court in accordance with the Fee Order. During the Third Interim Period, Kegler Brown submitted four (4) Monthly Statements covering the months of April, 2005, May, 2005, June, 2005 and July, 2005. No party objected to any of the Monthly Statements. Debtor paid Kegler Brown in accordance with the Fee Order on the first three monthly statements. Kegler Brown has received no payment for our July, 2005 Monthly Statement.

During the Third Interim Period, Kegler Brown professionals spent a total of 45.40 hours rendering services to the Debtor. Kegler Brown also incurred \$1,509.33 in costs and expenses in connection with those services. The following table summarizes the monthly fees and expenses incurred and payments made during the Third Interim Period pursuant to the Fee Order.

<u>Period</u>	<u>Fees Incurred</u>	<u>Expenses Incurred</u>	<u>Total Fees and Expenses Incurred</u>	<u>Total Payments Received</u>
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April, 2005	\$ 4,417.00	\$ 419.74	\$ 4,836.74	\$ 3,953.34
May, 2005	1,163.00	10.48	1,173.48	940.88
June, 2005	1,973.00	42.78	2,015.78	1,621.18
July, 2005	2,955.00	1,036.33	3,991.33	0.00
Totals	\$ 10,508.00	\$ 1,509.33	\$ 12,017.33	\$ 6,515.40

Total Unpaid **\$ 5,501.93**

Kegler Brown 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 Employment Order, subject to review and approval of this Court. Furthermore, neither Kegler Brown, nor any member of Kegler Brown, has any agreement or understanding of any kind to divide, pay over, or share any portion of the fees to be awarded to Kegler Brown with any other person or attorney, except as among members and associates of Kegler Brown. Following entry of the Employment Order, Kegler Brown and its members have neither acquired nor received a transfer of a beneficial interest in claims against the Debtor or stock of the Debtor.

C. Holdbacks.

Pursuant to the Fee Order, the Debtor is required to withhold payment of at least 20% of the fees incurred by each professional on a monthly basis. The following table summarizes the amounts withheld as a holdback from payment to Kegler Brown during the Third Interim Period:

<u>Period</u>	<u>Total Amount Withheld From Payment</u>
April, 2005	\$ 883.40
May, 2005	232.60
June, 2005	394.60
July, 2005	N/A
Total Holdbacks	\$ 5,501.93

The total amount that was withheld from payment to Kegler Brown pursuant to the 20% holdback was \$1,510.60, plus the entire amount of the July, 2005 statement (as no payment has been made for that month). Therefore, the total still owed to Kegler Brown is \$5,501.93. Kegler Brown hereby seeks payment of this amount.

D. Project Billing.

Kegler Brown classified the services performed for which compensation is being sought into specified project categories. Kegler Brown created a separate category for services provided in the "Fee/Employment/Applications" category for which Kegler Brown billed \$1,952.50 for 10.30 hours of service.

III. SUMMARY OF COMPENSATION REQUEST

For purposes of providing a brief overview of those services, this section provides a narrative summary of the more significant services that Kegler Brown has provided to the Debtor during the Third Interim Period.

The Debtor filed its petition on September 1, 2004. The Debtor has spent a considerable amount of time and effort since the Petition Date evaluating its position and developing an appropriate business strategy. At the same time, the Debtor has been closely monitoring the cases of Techneglas and Nippon Electric Glass America, Inc. because the outcome of those cases will have a material effect on the Debtor and any plan of reorganization it proposes. During the Third Interim Period, Debtor focused on preparing a plan of reorganization.

IV. SUMMARY OF COSTS AND EXPENSES

Kegler Brown is seeking reimbursement of \$12,017.33 in costs and expenses that it incurred during the Third Interim Period. Attached hereto as Exhibit 4 is a summary of all expenses and costs by category and month. In addition, this section describes Kegler Brown's accounting procedures for the general categories of costs and expenses for which it is seeking reimbursement. These costs and expenses were billed to the Debtor at the rates that Kegler Brown customarily bills its client.

A. Duplicating.

Kegler Brown ordinarily logs internal duplicating and bills these projects to its clients at \$0.19 per page. During the Third Interim Period, Kegler Brown incurred \$1,129.40 in expenses in the Duplicating Category.

B. Postage.

Kegler Brown bills to the client the cost of transmitting mail. Postage is logged and billed to the client through a computer system, which calculates postage costs at the rate set by the postal service for the weight and class of a given mailing. The total expenses in the Postage category during the Third Interim Period were \$379.93.

VI. REQUEST FOR INTERIM COMPENSATION

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:

In determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;

- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and
- (E) whether the compensation is reasonable, based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.¹

As detailed in the Exhibits attached hereto and referenced in the Cookson Declaration, based on its normal guideline hourly rates, Kegler Brown seeks interim allowance of \$12,017.33 in fees and costs incurred during the Third Interim Period. Kegler Brown also seeks payment of \$5,501.93, the unpaid balance of the foregoing amounts.

VII. CONCLUSION

The interim compensation sought in this Application is on an interim basis and is not final. Upon the conclusion of these cases, Kegler Brown will seek fees and expenses for the totality of the services rendered as legal counsel to the Debtor based upon the standards applicable to cases such as these. Any interim fees approved by the Court and received by Kegler Brown will be credited against such final fees as this Court may allow.

Kegler Brown believes 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.

WHEREFORE, Kegler Brown respectfully requests that the Court enter an order:
(1) allowing and approving interim compensation to Kegler Brown in the amount of \$12,017.33

¹ 11 U.S.C. § 330(a)(3).

representing \$10,508.00 in professional services rendered and \$1,509.33 in expenses and costs incurred during the Third Interim Period; (2) approving the payments already received by Kegler Brown of \$6,515.40; (3) authorizing payment of the unpaid balance owed to Kegler Brown of \$5,501.93; and (4) granting to Kegler Brown such other and further relief that is consistent with the foregoing that the Court deems necessary and appropriate.

Dated: September 14, 2005

Respectfully submitted,

/s/ Kenneth R. Cookson

Kenneth R. Cookson (0020216)

Stephanie P. Union (0071092)

KEGLER, BROWN, HILL & RITTER CO., LPA

65 E. State Street, Suite 1800

Columbus, Ohio 43215

Telephone: (614) 462-5400

Facsimile: (614) 464-2634

Email: kcookson@keglerbrown.com

sunion@keglerbrown.com

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

In re: : Chapter 11
: :
NIPPON ELECTRIC GLASS : Case No. 04-63851
OHIO, INC., : :
: :
Debtor. : Judge John E. Hoffman, Jr.

NOTICE OF MOTION AND CERTIFICATE OF SERVICE

Morrison & Foerster, LLP and Kegler, Brown, Hill & Ritter Co., L.P.A. have filed the foregoing *Third Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Costs and Expenses for The Period April 1, 2005 through July 31, 2005*; the *Declaration of Kenneth R. Cookson in Support of Third Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Costs and Expenses for the Period April 1, 2005 through July 31, 2005*; the *Third Interim Fee Application of Kegler, Brown, Hill & Ritter Co., LPA for Allowance And Payment of Compensation And Reimbursement of Costs And Expenses for The April 1, 2005 through July 31, 2005*; and the *Declaration Of Kenneth R. Cookson In Support Thereof*.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.) If you do not want to Court to rule against you, or if you want the Court to consider your views on the Motion, then on or before October 10, 2005, you or your attorney must file with the Court a response explaining your position at:

United States Bankruptcy Court
170 North High Street
Columbus, Ohio 43215

If you mail your response to the Court for filing, you must mail it early enough so the Court will **receive** it on or before the deadline stated above. You must also serve a copy on the following:

United States Trustee	Kenneth R. Cookson	Adam Lewis
170 North High Street,	Kegler Brown Hill & Ritter	Patricia Mar
Suite 200	65 East State St., Suite 1800	Morrison & Foerster LLP
Columbus, Ohio 43215	Columbus, OH 43215	425 Market St., 33 rd Floor
		San Francisco, CA 94105-2482

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Application or objection and may enter an order granting that relief.

The undersigned hereby certifies that a copy of the foregoing *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*; the *Declaration of Patricia S. Mar in Support of First 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 March 31, 2005*; the *Third Interim Fee Application of Kegler, Brown, Hill & Ritter Co., LPA for Allowance And Payment of Compensation And Reimbursement of Costs And Expenses for The Period April 1, 2005 through July 31, 2005*; and the *Declaration Of Kenneth R. Cookson In Support Thereof* was served by regular U.S. Mail, postage prepaid, or by electronic filing, as indicated on the receipt of filing, on September 15, 2005, on the parties listed below.

/s/ Kenneth R. Cookson

Kenneth R. Cookson (0020216)
KEGLER, BROWN, HILL & RITTER CO., LPA
65 East State Street, Suite 1800
Columbus, Ohio 43215
614/462-5400
Facsimile: 614/464-2634
Local Counsel for Debtor and Debtor-in-Possession

PATRICIA S. MAR, ESQUIRE
MORRISON & FOERSTER LLP
425 MARKET STREET 33RD FLOOR
SAN FRANCISCO, CA 94105-2482

IMEX TRANSPORT, INC.
1616 KLOKE ROAD
CALEXICO, CA 92231

NIPPON ELECTRIC GLASS OHIO, INC.
PO BOX 220
EL CENTRO, CA 92444

INTERNAL REVENUE SERVICE
OGDEN, UT 84201-0012

ASST US TRUSTEE (COL)
OFFICE OF THE US TRUSTEE
170 NORTH HIGH STREET
SUITE 200
COLUMBUS, OH 43215

INTERNAL REVENUE SERVICE
PHILADELPHIA, PA 19255

DELOITTE & TOUCHE LLP
SUITE 1900
701 'B' STREET
SAN DIEGO, CA 92101-8198

JAPAN BANK FOR INTERNATIONAL
COOPERATION, OSAKA BRANCH
4-4, DOJIMAHAMA
1-CHOME, KITA-KU,
OSAKA, 530-0004, JAPAN
ATTN: MS. HIROKO MIYOSHI

GALAZ, YAMAZAKI, RUIZ URQUIZ, S.C.
AVENIDA ALEJANDRO VON
HUMBOLDT 17617
COL. GARITA DE OTAY, MESA DE OTAY
22509 TIJUANA, BC MEXICO

MAQSA, INC.
7505 ALAMEDA AVENUE
EL PASO, TX 79915

HITACHI TRANSPORT SYSTEM
(AMERICA), LTD.
17777 STERGIOS ROAD, SUITE 1
CALEXICO, CA 92231

NEXTEL COMMUNICATIONS
P.O. BOX 54977
LOS ANGELES, CA 90054-0977

NIPPON ELECTRIC GLASS (FUJIAN) CO.,
LTD.
NO. 29 MAWEI TECHNOLOGY
DEVELOPMENT ZONE, RUZHOU
FUJIAN, 350015, CHINA

NIPPON ELECTRIC GLASS (MALAYSIA)
SDN.BHD
LOT 1-7, LION INDUSTRIAL PARK

PERSIARAN JUBIL PERAK
P.O. BOX 7216, 40706
SHAH ALAM, SELANGOR, MALAYSIA

NIPPON ELECTRIC GLASS AMERICA,
INC.
650 EAST DEVON, SUITE 110
ITASCA, IL 60143

NIPPON ELECTRIC GLASS CO., LTD.
7-1 SEIRAN 2-CHOME, OTSU
OTSU, SHIGA 520-8539 JAPAN

NIPPON ELECTRIC GLASS MEXICO, S.A.
DE CV
CALZ. ROBLEDO INDUSTRIAL #338,
COL. COLORADO DOS
MEXICALI, BC 21384 MEXICO

NYK LINE (NA) INC.
300 LIGHTING WAY, 5TH FLOOR
SECAUCUS, NJ 07094

PENSION BENEFIT GUARANTY CORP.
1200 K STREET, N.W.
WASHINGTON, DC 20000-4026

RPM MATERIAL HANDLING CO.
619 EAST ROSS AVENUE
EL CENTRO, CA 92243-9797

SUMITOMO CORPORATION
HARUMI ISLAND TRITON SQ., OFFICE
TOWER Y
8-11 HARUMI 1-CHROME, CHOU-KU
TOKYO 104-8610, JAPAN

TECHNEGLAS, INC.
707 EAST JENKINS AVENUE
COLUMBUS, OH 43207

THOMSON, INC.
P.O. BOX 972630
EL PASO, TX 79997

TRANSPORTES JUAN CARLOS DE
MEXICALI,
SADECV BL
BLVD. HECTOR TERAN TERAN 2382
FRACC. LAGUNA XOCHIMILCO
MEXICALI, B.C., MEXICO

U.S. ATTORNEY GENERAL
SOUTHERN DISTRICT OF OHIO
303 MARCONI BLVD., SUITE 200
COLUMBUS, OH 43215

YUSEN AIR & SEA SERVICE (USA) INC.
19001 HARBORGATE WAY
TORRANCE, CA 90501

ROBERT J. SIDMAN, ESQ.
BRENDA K. BOWERS, ESQ.
VORYS, SATER, SEYMOUR
AND PEASE LLP
52 EAST GAY STREET
COLUMBUS, OH 43216-1008

DANIEL A. DEMARCO, ESQ.
CHRISTOPHER B. WICK, ESQ.
HAHN LOESER & PARKS LLP
3300 BP TOWER
200 PUBLIC SQUARE
CLEVELAND, OH 44114-2301

TIM J. ROBINSON
KRISTIN E. RICHNER
SQUIRE SANDERS & DEMPSEY, LLP
1300 HUNTINGTON CENTER
41 SOUTH HIGH STREET
COLUMBUS, OH 43215-6197

U.S. ATTORNEY GENERAL
UNITED STATES
WASHINGTON, DC 20530

YASKAWA ELECTRIC AMERICA, INC.
3355 PAYSPIRE CIRCLE
CHICAGO, IL 60674

STUART E. BERNSEN, ESQ.
PENSION BENEFIT GUARANTY CORP.
OFFICE OF THE GENERAL COUNSEL
1200 K STREET, N.W., STE. 340
WASHINGTON, D.C. 20005-4026

DAVID L. EATON, ESQ.
MARC J. CARMEL, ESQ.
KIRKLAND & ELLIS, LLP
200 E. RANDOLPH DRIVE
CHICAGO, IL 60601