

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.

**FINAL FEE APPLICATION OF
MORRISON & FOERSTER, LLP
FOR ALLOWANCE AND PAYMENT OF COMPENSATION
AND REIMBURSEMENT OF COSTS AND EXPENSES**

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 Final Fee Application for Allowance and Payment of Compensation and Reimbursement of Costs and Expenses (the “Final Application”). The Final Application is submitted 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 Final Application, Morrison respectfully requests that the Court enter an order for the following relief:

(1) Approving and allowing compensation to Morrison in the amount of \$58,301.00 in fees and \$3,999.55 in expenses and costs, for a total of \$62,300.55 in fees and costs, for services rendered during the period of August 1, 2005 through October 31, 2005 (the “Final Fee Period”), which fees and costs have not previously been approved in Interim Fee Applications submitted by Morrison; approving the partial payments received by Morrison for the Final Period pursuant to Monthly Fee Statements under the Fee Order; and authorizing payment of the fee “holdback” for the Final Fee Period; and

(2) Granting final approval and allowance of (a) all fees and costs previously approved, allowed and paid to Morrison as interim compensation pursuant to the Fee Order, and (b) all fees and costs approved and allowed pursuant to this Final Application for the Final Fee Period, such final approval and allowance to be in the amount of \$312,852.50 in fees and \$8,417.79 in costs, for total fees and costs of \$321,270.29, for services rendered by Morrison to the Debtor from the commencement of the case through October 31, 2005.¹

This Final 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 Final 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

¹ The Debtor’s Joint Plan of Reorganization provides for professionals to file final applications for fees for services rendered and reimbursement of expenses incurred on or before the Confirmation Date, defined in the Plan as the date of entry of the Confirmation Order. Although the Confirmation Order was entered on October 7, 2005, Morrison has included fees through October 31, 2005 in this Final Application. The Effective Date of the Plan was November 1, 2005.

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 FEE APPLICATIONS AND PAYMENTS

3. Morrison previously filed three Interim Fee Applications pursuant to the Fee Order, all of which were approved by the Court.

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 fees and expenses 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 fee and expenses for services rendered during the Second Interim Period.

6. Morrison filed its Third Interim Fee Application on September 12, 2005, for services rendered from April 1, 2005 through and including July 31, 2005 (the “Third Interim Period”). Pursuant to the Third Interim Fee Application, Morrison has received payment of \$54,625.50 for fees and \$209.73 for costs, for a total of \$54,835.23 for fees and expenses for services rendered during the Third Interim Period.

7. Morrison incorporates by reference the First, Second and Third Interim Fee Applications in this Final Application seeking final approval of all fees and expenses incurred in the course of Morrison’s representation of the Debtor during the Chapter 11 Case.

III. SUMMARY OF COMPENSATION REQUEST FOR FINAL FEE PERIOD

8. Morrison submitted Monthly Fee Statements for the Final Fee Period covering the months of August, September and October 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 August 2005. Upon expiration of the objection periods for the Monthly Fee Statement for September 2005 and October 2005, and provided that no objection is filed to the Monthly Fee Statement, a similar payment will be made for the September 2005 and October 2005 fees and costs. The payments have been made and will be made from the retainer that the Debtor paid to Morrison prior to the filing of the petition.

9. The following table summarizes the monthly fees and expenses incurred during the Final Fee Period of August, September and October 2005, and payments made to date pursuant to the Fee Order:

Period	Fees Incurred	Expenses Incurred	Total Fees and Expenses Incurred	Total Payments Received	Balance Unpaid
August 2005	\$26,914.50	\$173.25	\$27,087.75	\$21,704.85	\$5,382.90
September 2005	\$10,716.50	\$1,995.59	\$12,712.09	0	\$12,712.09
October 2005	\$20,670.00	\$1,830.71	\$22,500.71	0	\$22,500.71
Total	\$58,301.00	\$3,999.55	\$62,300.55	\$21,704.85	\$40,595.70

10. 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 (FINAL FEE PERIOD)

11. During the Final Fee Period, Morrison professionals spent a total of 112.80 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 invoices that are attached to the Mar Declaration.

12. Following is a narrative summary of the significant services that Morrison provided to the Debtor during the Final Fee Period, by project category:

13. Bankruptcy Administration (Total fees: \$2,205.00). 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.

14. The services performed by Morrison in the “Bankruptcy Administration” category during the Final Fee Period included conferring with and advising the Debtor on the monthly operating reports and reviewing the operating reports before they were filed. Morrison also prepared a motion to close the Chapter 11 case, which will be filed concurrently with this Final Application.

15. Employment and Fees (Total fees: \$5,025.00). This category included the preparation of Morrison’s Monthly Fee Statements and its Third Interim Fee Application, review of the Monthly Fee Statements and interim fee application of its co-counsel, Kegler Brown, and preliminary work on this Final Application.

16. Creditor Claims and Objections (Total Fees: \$2,467.50). Services in this category include advice to and consultation with the Debtor regarding creditor claims, resolution of claims issues involving claims between the Debtor and Techneglas, preparation of a stipulation between the Debtor and Techneglas regarding their claims, and coordination with Techneglas’ counsel regarding filing of a motion for approval of the stipulation.

17. Plan Formulation and Confirmation (Total fees: \$31,605.00). The focus of Morrison’s services during the Final Fee Period was on the confirmation and implementation of the Debtor’s joint plan of reorganization, which the Debtor filed with its affiliates, Techneglas and Nippon Electric Glass America. The Plan was confirmed by order entered on October 7, 2005, and the Effective Date of the Plan was November 1, 2005.

18. During the Final Fee Period, Morrison worked with counsel for the other Debtors in resolving objections or issues relating to the Disclosure Statement and the Plan, reviewed and assisted with revisions to the Plan, prepared supplemental Plan materials, worked with counsel for the other Debtors and for the Debtor’s parent, NEG, on resolution of the PBGC claim and allocation of the PBGC liability among the three debtors; and provided

advice and consultation to the Debtor on Plan issues. Counsel from Morrison prepared for and attended the Disclosure Statement hearing on August 17, 2005 and the Confirmation Hearing on October 6, 2005. Following entry of the Confirmation Order on October 7, 2005, Morrison assisted and advised the Debtor with respect to implementation of the Plan, including advice on payment of creditors pursuant to the Plan, and coordinated with counsel for the other Debtors with respect to the Effective Date of the Plan.

19. Business Operations (Total fees: \$16,473.50). The major time in the category of “Business Operations” related to a settlement with the Debtor’s casualty insurers of the Debtor’s insurance claim arising out of the October 2004 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 Final Fee Period, Morrison assisted the Debtor in negotiations with the insurers on the settlement agreement, obtained execution of a final settlement agreement with the insurers, and finalized and filed a motion for approval of the insurance settlement and related settlement agreements with three of the Debtor’s customers who had claims against the Debtor for losses arising out of the fire. The insurance settlement was approved by the Court, and resulted in payment to the Debtor of over \$9 million for its fire loss.

20. Morrison’s services in the “Business Operations” category also included meeting with and advising the Debtor on corporate issues following the Debtor’s reorganization, and preparation and filing of an amendment to the Debtor’s Certificate of Incorporation, as required by the Plan of Reorganization, to prohibit the issuance of non-voting equity securities.

V. SUMMARY OF COSTS AND EXPENSES

21. Morrison is seeking reimbursement of \$3,999.55 in costs and expenses that it incurred during the Final Fee Period, which are described in detail in the monthly invoices. Such expenses were primarily for travel expenses and corporate filing fees.

VI. REQUEST FOR APPROVAL OF COMPENSATION

22. 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. 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.

23. Morrison submits that the services rendered for which compensation is sought in this Final 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

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

(1) Approving and allowing compensation to Morrison in the amount of \$58,301.00 in fees and \$3,999.55 in expenses and costs, for a total of \$62,300.55 in fees and costs, for services rendered during the period of August 1, 2005 through October 31, 2005

(the “Final Fee Period”), which fees and costs have not previously been approved in Interim Fee Applications submitted by Morrison; approving the partial payments received by Morrison for the Final Period pursuant to Monthly Fee Statements under the Fee Order; and authorizing payment of the fee “holdback” for the Final Fee Period; and

(2) Granting final approval and allowance of (a) all fees and costs previously approved, allowed and paid to Morrison as interim compensation pursuant to the Fee Order, and (b) all fees and costs approved and allowed pursuant to this Final Application for the Final Fee Period, such final approval and allowance to be in the amount of \$312,852.50 in fees and \$8,417.79 in costs, for total fees and costs of \$321,270.29, for services rendered by Morrison to the Debtor from the commencement of the case through October 31, 2005; and

(3) Granting such other and further relief consistent with the foregoing that the Court deems necessary and appropriate.

A proposed form of order is attached hereto as Exhibit 2.

Dated: November 11, 2005

/s/ Patricia S. Mar
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