

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF LOUISIANA**

IN RE:

OCA, INC., et al,

DEBTORS

CHAPTER 11 CASE NO.
06-10179 (B)

(JOINTLY ADMINISTERED)

**UNITED STATES TRUSTEE'S LIMITED OBJECTION TO FIRST INTERIM
APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
FILED BY HELLER, DRAPER, HAYDEN, PATRICK & HORN, L.L.C.**

COMES NOW, the United States Trustee, Region 5, (hereinafter "UST") through the undersigned and files this limited objection to the first interim application for compensation and reimbursement of expenses (hereinafter "Application") filed by Heller, Draper, Hayden, Patrick & Horn, L.L.C. (hereinafter "Applicant") as counsel for the Chapter 11 Debtors and in support hereof, the UST respectfully submits:

1.

On August 8, 2006, a First Interim Application for Compensation for the Period March 14, 2006 through June 30, 2006 was filed by Applicant seeking fees in the amount of \$1,231,374.30 and expenses in the amount of \$108,230.09.¹

2.

Pursuant to 28 U.S.C. §586(a), the UST has a duty to monitor and, when deemed appropriate, may file objections or comments to applications for employment, compensation and

¹Under the procedures for interim compensation requested by the Debtors' counsel, the Applicant was to be paid 80% of its monthly billed fees and 100 % of its monthly expenses with only a 20% hold back until an interim application was filed.

reimbursements filed for under §327 or §330.

3.

Although the UST has forwarded comments regarding the pending Application to the Applicant and is anticipating the parties resolving certain billing and expense disputes², an issue that may not be resolved without Court intervention concerns the hourly rates charged for law clerks and paralegals. As noted by the Court in prior cases, the maximum hourly rate usually allowed for the aforementioned parties was \$80/hr. for bankruptcy practitioners in this district.³

4.

In this instance the Applicant has requested rates above the \$80/hr. ceiling rate set by the Court.

5.

In order for this Court to make an informed independent ruling on the pending fee application, the UST has filed this limited objection and calls to the Court's attention certain billing rates which were raised without prior Court authority.

6.

The UST requests that his objection and comments be deemed sufficient and considered

²The UST and Applicant are discussing the following items:

- staffing of legal assistants in this case appears excessive: (9) in total ranging from \$45-\$70/hr.;
- secretarial overtime may not be sufficiently explained or justified on *certain dates*;
- excessive inner office review of e-mails and other communications between counsel in the same office;
- the billing for meals for Heller/Draper personnel and others at extravagant restaurants;
- non-paralegal duties and/or secretarial work billed to the estate which may be considered overhead.

³The UST would assert that law clerks should not be paid any higher hourly rate than paralegals based on the description of services provided without further justification. The rate for Law Clerk listed is \$95/hr.

prior to the Court making a final ruling as to the allowance of compensation and request for reimbursement of expenses provided for in the pending Application.

7.

The UST reserves the right to amend and/or supplement this Limited Objection.

WHEREFORE, the United States Trustee prays that the Court consider the United States Trustee's filed objection and comments. The United States Trustee prays for all general and equitable relief to which entitled.

Respectfully Submitted,

R. MICHAEL BOLEN
United States Trustee
Region 5, Judicial Districts of
Louisiana and Mississippi

By: s/ Robert C. Gravolet
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CERTIFICATE OF SERVICE

I, Robert C. Gravolet, an attorney for the United States Trustee, do hereby certify that I have, this day, electronically filed and mailed, postage prepaid, a true and correct copy of the foregoing United States Trustee's Limited Objection to the below named individual(s):

This the 18th day of October 2006.

By: s/ Robert C. Gravolet
ROBERT C. GRAVOLET

Debtor's Counsel:
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