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UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA

In re DEWEY RANCH HOCKEY, LLC, COYOTES HOLDINGS, LLC, COYOTES HOCKEY, LLC, and ARENA MANAGEMENT GROUP, LLC, Debtors.	Case No. 2:09-bk-_____ (Jointly Administered) Chapter 11 **MOTION FOR AN ADMINISTRATIVE ORDER UNDER 11 U.S.C. §§ 105(a) AND 331 ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR CERTAIN PROFESSIONALS** **Date of Hearing: TBD** **Time of Hearing: TBD**
This Filing Applies to: ■ All Debtors ❒ Specified Debtors	

DEWEY RANCH HOCKEY, LLC ("**Dewey**"), COYOTES HOLDINGS, LLC ("**Coyotes Holdings**"), COYOTES HOCKEY, LLC ("**Coyotes Hockey**"), and ARENA MANAGEMENT GROUP, LLC ("**Arena Management**", and together with Dewey, Coyotes Holdings, and Coyotes Hockey, the "**Debtors**"), debtors-in-possession in the above-captioned Chapter 11 cases (these "**Cases**"), move this Court for an **order under 11 U.S.C. §§ 105(a) and 331, establishing procedures for interim compensation and reimbursement of expenses for**

professionals retained in these cases. This Motion seeks immediate entry of an order granting the Motion and is brought on an emergency basis on expedited notice under Local Bankruptcy Rule 9013-1(h) to avoid immediate and irreparable harm to the Debtors' estates.

The relief requested in this Motion would **establish procedures for interim compensation and reimbursement of expenses for professionals retained in these Cases**. The basis for the relief requested in this Motion is set forth in paragraphs 11 through 14 below.

This Motion is supported by the entire record before the Court, the "Declaration of Michael Nealy in Support of Chapter 11 Petitions and First Day Motions" (the "**Nealy Declaration**") filed contemporaneously with this Motion, and by the following memorandum of points and authorities.

BACKGROUND

Jurisdiction and Venue

1. On May 5, 2009 (the "**Petition Date**"), the Debtors filed their voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the District of Arizona (the "**Court**").

2. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession in accordance with Bankruptcy Code §§ 1107 and 1108.

3. The Court has jurisdiction over the Cases under 28 U.S.C. §§ 157 and 1334. These matters constitute core proceedings under 28 U.S.C. § 157(b)(2).

4. Dewey is an Arizona limited liability company with its principal place of business located in Yavapai County, Arizona. The remaining Debtors are affiliates of Dewey. Accordingly, venue of the Cases is proper in the District of Arizona under 28 U.S.C. §§ 1408 and 1409.

5. The statutory predicates for the relief requested in this Motion are Bankruptcy

Code §§ 105(a) and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**").

6. No trustee or examiner has been appointed in the Cases, nor has an official committee of unsecured creditors been established.

Background Facts Concerning The Debtors

7. In support of this Motion, the Debtors incorporate by reference the statements set forth in the "Omnibus Statement of Facts in Support of Chapter 11 Petitions And First Day Motions," filed contemporaneously with this Motion, and the Nealy Declaration.

Professionals Retained By Debtors And The Committee

8. Contemporaneously with the filing of this Motion, the Debtors are seeking approval of the employment of: (a) Squire, Sanders & Dempsey L.L.P. ("**Squire Sanders**"), as restructuring and bankruptcy counsel; and (b) Bryan Cave LLP ("**Bryan Cave**"), as conflicts counsel.

9. If an official committee is appointed by the Office of the United States Trustee in the Cases (the "**Committee**"), then the Committee will also file a motion to retain counsel and perhaps additional restructuring professionals (**"Committee Counsel**" and, together with Squire Sanders, Bryan Cave, and other professionals that may be retained in the Cases, the "**Professionals**").

RELIEF REQUESTED

10. By this Motion, the Debtors request entry of an order authorizing and establishing procedures for the compensation and reimbursement of the Professionals on a monthly basis and on terms comparable to those procedures established in other large Chapter 11 cases filed in this and other Districts. This order will streamline the professional compensation process and enable

the Court and all other parties to monitor the professional fees incurred in the Cases more effectively.

BASIS FOR RELIEF

11. The procedures requested in this Motion will permit each Professional to present to the Debtors and their counsel, the United States Trustee, the Committee, and the debtor-in-possession lender with a detailed statement of services rendered and expenses incurred by the Professional for the prior month. If there is no timely objection, the Debtors propose to pay 100% of each Professionals' expenses and 80% of each Professionals' fees incurred for the month. These payments will also be subject to the Court's subsequent approval as part of the normal interim fee application process approximately every 120 days and in any event subject to Bankruptcy Code § 331.

12. Specifically, the Debtors propose that the monthly payment of compensation and reimbursement of expenses of the Professionals be structured as follows:

a. On or before the 25th day of every month following the month for which compensation is sought (the "**Monthly Statement Date**"), each Professional will submit a monthly billing statement describing the services provided and the fees and expenses incurred (the "**Monthly Statement**") during the prior month (the "**Compensation Period**") to: (i) Squire, Sanders & Dempsey L.L.P., Two Renaissance Square, 40 North Central Avenue, Suite 2700, Phoenix, AZ 85004 (Attn: Kelly Singer, Esq.); (ii) the Office of the United States Trustee for the District of Arizona, 230 North First Avenue, Suite 204, Phoenix, AZ 85003; (iii) the entities listed on the Consolidated List of Creditors Holding the 40 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (iv) counsel for any statutory committee appointed under Bankruptcy Code § 1102; (v) counsel to the proposed buyer of the Coyotes Hockey's assets, Lewis and Roca LLP, 40 North Central Avenue, Suite 1900, Phoenix, AZ 85004 (Attn: Susan Freeman, Esq.); and (vi) counsel to the proposed debtor-in-possession lender (collectively, the "**Notice Parties**"). Each Notice Party receiving such a Monthly Statement will have 10 days after the Monthly Statement Date to review the Monthly Statement. The first Monthly Statement must be submitted and served by each of the Professionals by

June 25, 2009, and will cover the period from the Petition Date through May 31, 2009.

b. At the expiration of the 10-day period, the Debtors will promptly pay 100% of the expenses and 80% of the fees that each Professional requested in the Monthly Statement, except such fees or expenses as to which an objection has been served as provided in paragraph (c) below. Any Professional who fails to submit a Monthly Statement will be ineligible to receive further payments of fees and expenses until the Monthly Statement is submitted.

c. If any of the Notice Parties has an objection to the compensation or reimbursement sought in a particular Monthly Statement, that party must, within 10 days of the Monthly Statement Date, serve the respective Professional and the other Notice Parties, a written "Notice of Objection to Fee Statement" setting forth the precise nature of the objection and the amount at issue. The objecting party and the Professional whose Monthly Statement is objected to must then attempt to reach an agreement regarding the correct payment to be made. If the parties are unable to reach an agreement on the objection within 10 days after receipt of the objection, the objecting party must within 3 business days file their objection with the Court and serve the objection on the respective Professional and the other Notice Parties, and the Court will consider and dispose of the objection. If the objecting party fails to timely file its objection with the Court, the Debtors will promptly pay the amount requested in the previously disputed Monthly Statement and the objecting party will be deemed to have waived its right to object. In addition, the Debtors will be required to pay promptly those fees and expenses not subject to a Notice of Objection to Fee Statement without further action of the Court.

d. Every 120 days, each of the Professionals must file with the Court and serve on the Notice Parties an application for interim Court approval and allowance of compensation under Bankruptcy Code § 331 (the "**Interim Fee Applications**"). The first application must be filed on or before October 15, 2009, and will cover the period from the Petition Date through August 31, 2009.

e. Any objections to Interim Fee Applications must be filed with the Court and served on the affected Professional and the Notice Parties no later than 20 days after the date of service. If an objection is timely filed, served, and received and the objection is not otherwise resolved, or the Court otherwise determines that a hearing should be held regarding an Interim Fee Application, either the Court or the fee applicant may file a motion requesting a hearing on the objection to the Interim Fee Application (the "**Interim Compensation Hearing**"). Notice of the Interim

Compensation Hearing must be served on the affected Professional and the Notice Parties.

f. The pendency of an Interim Fee Application and the pendency of any Notice of Objection to Fee Statement or other objection will not disqualify a Professional from the future payment of compensation or reimbursement of expenses as set forth above. Neither the payment of, nor the failure to pay, in whole or in part, compensation and reimbursement as provided in these procedures, will bind any party in interest or this Court with respect to any Monthly Statement or the final allowance of compensation and reimbursement of Professionals in accordance with the foregoing procedures.

APPLICABLE AUTHORITY

13. Bankruptcy Code § 105(a) provides that "[t]he Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Bankruptcy Code § 331 provides, in relevant part, as follows:

> A trustee, an examiner, a debtor's attorney, or any professional person employed under section 327 or 1103 of this title may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered before the date of such an application or reimbursement for expenses incurred before such date as is provided under section 330 of this title.

11 U.S.C. § 331.

14. The Debtors request that a procedure of compensating and reimbursing professionals on a monthly basis be established, comparable to those established in other large Chapter 11 cases. *See, e.g.*, *In re Knudsen Corp.*, 84 B.R. 668 (B.A.P. 9th Cir. 1988). In this way, the Court and all other parties can effectively monitor the fees incurred. The procedure requested would require interim fee applications to be filed every 120 days, but would allow payment on a monthly basis on monthly billing statements to be provided to, and reviewed by, the Debtors and other designated parties.

WHEREFORE, the Debtors respectfully request that the Court enter an order:

(a) authorizing and establishing procedures for the interim compensation and reimbursement of expenses for the Professionals on a monthly basis as set forth above; and (b) granting such other relief as is just and proper.

Dated this 5th day of May, 2009.

SQUIRE, SANDERS & DEMPSEY L.L.P.

By: *__/s/ Thomas J. Salerno_____*
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UNITED STATES BANKRUPTCY COURT
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In re DEWEY RANCH HOCKEY, LLC, COYOTES HOLDINGS, LLC, COYOTES HOCKEY, LLC, and ARENA MANAGEMENT GROUP, LLC, Debtors.	Case No. 2:09-bk-_____ (Jointly Administered) Chapter 11 **INTERIM ORDER UNDER 11 U.S.C. §§ 105(a) AND 331 ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR CERTAIN PROFESSIONALS**
This Filing Applies to: ■ All Debtors ❒ Specified Debtors	

This matter came before the Court on the "Motion for an Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Certain Professionals" dated May 5, 2009 (the "**Motion**")[1] of the above-captioned debtors-in-possession (the "**Debtors**") for entry of any order under Bankruptcy Code §§ 105(a) and 331 establishing procedures for interim compensation and reimbursement of expenses for Professionals retained in these Cases.

[1] Capitalized terms not defined in this Interim Order have the meanings given to them in the Motion.

Having reviewed the Motion and the entire record in these Cases, the Court finds and concludes that: (i) it has jurisdiction over the matters raised in the Motion under 28 U.S.C. §§ 157 and 1334; (ii) venue is proper under 28 U.S.C. §§ 1408 and 1409; (iii) this matter is a core proceeding under 28 U.S.C. § 157(b)(2); (iv) the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; (v) adequate and proper notice of the Motion and the hearing on it has been given and no other or further notice is necessary; and (vi) good and sufficient cause exists for granting the relief requested in the Motion as set forth in this Order. In light of the foregoing,

IT IS ORDERED THAT:

1. The Motion is GRANTED on an interim basis.

2. A final hearing on the Motion is scheduled for _____, 2009 at __:__ _.m. prevailing Arizona Time before this Court (the "**Final Hearing**"). Any party in interest may file an objection (an "**Objection**") to the relief sought in the Motion on or within 10 days from entry of this Interim Order (the "**Objection Deadline**"); provided, however, that such party shall file and serve written objections upon (i) Squire, Sanders & Dempsey L.L.P., Two Renaissance Square, 40 North Central Avenue, Suite 2700, Phoenix, AZ 85004 (Attn: Kelly Singer, Esq.); (ii) the Office of the United States Trustee for the District of Arizona, 230 North First Avenue, Suite 204, Phoenix, AZ 85003; (iii) the entities listed on the Consolidated List of Creditors Holding the 40 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (iv) counsel for any statutory committee appointed under Bankruptcy Code § 1102; (v) counsel to the proposed buyer of the Coyotes Hockey's assets, Lewis and Roca LLP, 40 North Central Avenue, Suite 1900, Phoenix, AZ 85004 (Attn: Susan Freeman, Esq.); and (vi) counsel to the proposed debtor-in-possession lender (collectively, the "**Notice Parties**"), and shall be filed with the Clerk of the

United States Bankruptcy Court, District of Arizona, in each case to allow actual receipt by the foregoing no later than ____, 2009, at noon prevailing Arizona Time.

3. The Professionals may seek interim compensation in accordance with the procedures set forth below:

a. On or before the 25th day of every month following the month for which compensation is sought (the "**Monthly Statement Date**"), each Professional will submit a monthly billing statement describing the services provided and the fees and expenses incurred (the "**Monthly Statement**") during the prior month (the "**Compensation Period**") to: (i) Squire, Sanders & Dempsey L.L.P., Two Renaissance Square, 40 North Central Avenue, Suite 2700, Phoenix, AZ 85004 (Attn: Kelly Singer, Esq.); (ii) the Office of the United States Trustee for the District of Arizona, 230 North First Avenue, Suite 204, Phoenix, AZ 85003; (iii) the entities listed on the Consolidated List of Creditors Holding the 40 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (iv) counsel for any statutory committee appointed under Bankruptcy Code § 1102; (v) counsel to the proposed buyer of the Coyotes Hockey's assets, Lewis and Roca LLP, 40 North Central Avenue, Suite 1900, Phoenix, AZ 85004 (Attn: Susan Freeman, Esq.); and (vi) counsel to the proposed debtor-in-possession lender (collectively, the "**Notice Parties**"). Each Notice Party receiving such a Monthly Statement will have 10 days after the Monthly Statement Date to review the Monthly Statement. The first Monthly Statement must be submitted and served by each of the Professionals by June 25, 2009, and will cover the period from the Petition Date through May 31, 2009.

b. At the expiration of the 10-day period, the Debtors will promptly pay 100% of the expenses and 80% of the fees that each Professional requested in the Monthly Statement, except such fees or expenses as to which an objection has been served as provided in paragraph (c) below. Any Professional who fails to submit a Monthly Statement will be ineligible to receive further payments of fees and expenses until the Monthly Statement is submitted.

c. If any of the Notice Parties has an objection to the compensation or reimbursement sought in a particular Monthly Statement, that party must, within 10 days of the Monthly Statement Date, serve the respective Professional and the other Notice Parties, a written "Notice of Objection to Fee Statement" setting forth the precise nature of the objection and the amount at issue. The objecting party and the Professional whose Monthly Statement is objected to must then attempt to reach an agreement regarding the correct payment to be made. If the parties are unable to reach an agreement on the objection within 10 days after receipt of the

objection, the objecting party must within 3 business days file their objection with the Court and serve the objection on the respective Professional and the other Notice Parties, and the Court will consider and dispose of the objection. If the objecting party fails to timely file its objection with the Court, the Debtors will promptly pay the amount requested in the previously disputed Monthly Statement and the objecting party will be deemed to have waived its right to object. In addition, the Debtors will be required to pay promptly those fees and expenses not subject to a Notice of Objection to Fee Statement without further action of the Court.

d. Every 120 days, each of the Professionals must file with the Court and serve on the Notice Parties an application for interim Court approval and allowance of compensation under Bankruptcy Code § 331 (the "**Interim Fee Applications**"). The first application must be filed on or before October 15, 2009, and will cover the period from the Petition Date through August 31, 2009.

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f. The pendency of an Interim Fee Application and the pendency of any Notice of Objection to Fee Statement or other objection will not disqualify a Professional from the future payment of compensation or reimbursement of expenses as set forth above. Neither the payment of, nor the failure to pay, in whole or in part, compensation and reimbursement as provided in these procedures, will bind any party in interest or this Court with respect to any Monthly Statement or the final allowance of compensation and reimbursement of Professionals in accordance with the foregoing procedures.

4. All time periods set forth in this Interim Order will be determined in accordance with Bankruptcy Rule 9006(a).

5. Entry of this Interim Order is without prejudice to the rights of any party in interest to interpose an objection to the Motion at the Final Hearing.

6. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Interim Order.

DATED AND SIGNED ABOVE