

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
RC SOONER HOLDINGS, LLC, <u>et al.</u> , <sup>1</sup>	)	Case No. 10-10528 (BLS)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	<b>Objection Deadline: June 16, 2010 at 4:00 p.m. (ET)</b>
	)	<b>Hearing Date: To be determined only if objections</b>
	)	<b>are filed</b>

**FIRST MONTHLY FEE APPLICATION OF BALLARD SPAHR  
LLP, COUNSEL TO THE DEBTORS, FOR COMPENSATION AND REIMBURSEMENT  
OF EXPENSES FOR THE PERIOD FEBRUARY 22, 2010 THROUGH MARCH 31, 2010**

Name of Applicant:	BALLARD SPAHR LLP
Authorized to Provide Professional Services to:	RC SOONER HOLDINGS, LLC, <i>et al.</i>
Date of Retention:	MARCH 22, 2010, <i>NUNC PRO TUNC</i> TO FEBRUARY 22, 2010
Period for which compensation and reimbursement is sought:	FEBRUARY 22, 2010 THROUGH MARCH 31, 2010
Amount of Compensation sought as actual, reasonable and necessary:	\$248,430.00
Amount of Expense Reimbursement sought as actual, reasonable and necessary:	\$32,538.95
This is a:	MONTHLY FEE APPLICATION
Prior Applications:	N/A. THIS IS THE FIRST APPLICATION.

The total time expended for fee application preparation is approximately 32.4 hours and the corresponding compensation requested is approximately \$14,401.50.

<sup>1</sup> The Debtors and the last four digits of their taxpayer identification numbers are: RC Sooner Holdings, LLC (7904); RC Brixton Square Owner, LLC (8002); RC Cedar Crest Owner, LLC (7914); RC Fulton Plaza Owner, LLC (8011); RC Magnolia Owner, LLC (7998); RC Pomeroy Park Owner, LLC (7939); RC Salida Owner, LLC (7947); RC Savannah South Owner, LLC (7983); RC Southern Hills Owner, LLC (7958); Brixton Square Apartments, LLC (1844); CC Apartments, LLC (1798); Fulton Plaza Apartments, LLC (4344); Magnolia Manor Apartments, LLC (4486); Pomeroy Park Apartments, LLC (1649); Salida Apartments, LLC (1915); Savannah South Apartments, LLC (8586); and Southern Hills Villa Apartments, LLC (1721). The business address for each of the Debtors where notices should be sent is 1515 Broadway, 11th Floor, New York, New York 10036-8901.

**BALLARD SPAHR'S SUMMARY OF PROFESSIONALS AND PARAPROFESSIONALS  
RENDERING SERVICES FROM FEBRUARY 22, 2010 THROUGH MARCH 31, 2010**

<b>Name of Professional Person</b>	<b>Position of the Applicant, Number of Years in that Position, Year of Obtaining License to Practice</b>	<b>Hourly Billing Rate (including changes)</b>	<b>Total Billed Hours</b>	<b>Total Compensation</b>
Tobey M. Daluz	Joined firm as Partner in 2002. Member DE bar since 2000. Member PA bar since 1990.	\$600.00	56.20	\$33,720.00
Sean J. Bellew	Joined firm as Of Counsel in 2008. Member of PA and NJ bars since 1997. Member of DE bar since 2001.	\$565.00	49.70	\$28,080.50
Christopher S. Chow	Joined firm as Of Counsel in 2010. Member of NY and MA bars since 2001. Member of DE bar since 2002.	\$525.00	231.60	\$121,590.00
Matthew G. Summers	Joined firm as Associate in 2005. Member of MD bar since 2001.	\$450.00	32.70	\$14,715.00
David A. Felice	Joined firm as Associate in 2008. Member of DE bar since 2001. Member of Alabama bar since 2002. Member of PA bar since 2005.	\$420.00	21.0	\$8,820.00
Joshua E. Zugeran	Joined firm as Associate in 2007. Member of PA bar since 2007. Member of DE bar since 2009.	\$300.00	54.60	\$16,380.00
David T. May	Joined the firm as Associate in 2008. Member of PA bar since 2008. Member of DE bar since 2009.	\$270.00	59.90	\$16,173.00
Nicholas H. Pennington	Joined firm as Associate in 2010. Member of NJ and PA bars since 2009.	\$245.00	3.20	\$784.00
Kelly G. Iffland	Joined firm as paralegal in 2002. Paralegal for ten years.	\$205.00	74.50	\$15,272.50
<b>Grand Total:</b>			<b>583.40</b>	<b>\$248,430.00<sup>2</sup></b>

<sup>2</sup> Including a reduction in the amount of \$7,105.00 corresponding to a 50% reduced hourly rate for time billed in connection with non-working travel time in accordance with Del Bankr. LR 2016-2(d)(viii).

Blended Rate: \$397.78
Blended Rate (excluding paralegal and paraprofessional time): \$421.88

Dated: May 27, 2010

## COMPENSATION BY PROJECT CATEGORY

<b>Project Category (Examples)</b>	<b>Total Hours</b>	<b>Total Fees</b>
Case Administration - B110	132.70	\$52,656.50
Asset Analysis and Recovery - B120	45.60	\$21,614.00
Relief from Stay/ Adequate Protection Proceedings –B140	44.40	\$16,231.00
Meetings of and Communications with Creditors – B150	16.90	\$8,670.50
Fee/Employment Applications - B160	31.70	\$13,121.50
Avoidance Action Analysis – B180	0.80	\$420.00
Other Contested Matters – B190	85.10	\$33,628.00
Non-Working Travel – B195	25.70	\$7,105.00 <sup>3</sup>
Business Operations – B210	37.80	\$14,891.50
Financing/Cash Collateral – B230	96.10	\$47,447.50
Plan and Disclosure Statement - B320	10.60	\$5,655.00
Litigation / Hearings – B430	15.80	\$7,853.00
Schedules and Statements – B440	40.20	\$19,136.50
<b>Total:</b>	<b>583.40</b>	<b>\$248,430.00</b>

<sup>3</sup> In accordance with Del. Bankr. LR 2016-2(d)(viii), non-working travel time is billed at 50% of regular hourly rates.

### EXPENSE SUMMARY

<b>Expense Category (Examples)</b>	<b>Service Provider (if applicable)</b>	<b>Total Expenses</b>
Duplicating Services		\$3117.03
Long Distance Telephone		\$1.15
Delivery Services	Parcels, Inc.; FedEx	\$632.05
Westlaw Research	Westlaw	\$3,222.51
Lexis Research	Lexis Nexis	\$1,272.11
Filing Fees		\$18,188.00
Business Meals		\$427.25
Travel Expenses		\$4,981.60
Transcription Fees	Veritext Reporting Company	\$697.25
<b>Total</b>		<b>\$32,538.95</b>

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
RC SOONER HOLDINGS, LLC, <u>et al.</u> , <sup>4</sup>	)	Case No. 10-10528 (BLS)
	)	
Debtors.	)	(Jointly Administered)
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	)	<b>Objection Deadline: June 16, 2010 at 4:00 p.m. (ET)</b>
	)	<b>Hearing Date: To be determined only if objections</b>
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**FIRST MONTHLY FEE APPLICATION OF BALLARD SPAHR  
LLP, COUNSEL FOR THE DEBTORS, FOR COMPENSATION  
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD  
FEBRUARY 22, 2010 THROUGH MARCH 31, 2010**

Ballard Spahr LLP ("Ballard"), counsel to RC Sooner Holdings, LLC *et al.*, (collectively, the "Debtors"), hereby submits this First Monthly Fee Application for Allowance of Compensation and Reimbursement of Expenses for the Period February 22, 2010 through March 31, 2010 (the "First Monthly Application") pursuant to 11 U.S.C. §§ 330 and 331, Federal Rule of Bankruptcy Procedure 2016, Local Bankruptcy Rule 2016-2, this Court's Order Under 11 U.S.C. §§105(a) and 331 Establishing Procedures For Interim Compensation And Reimbursement Of Expenses For Professionals (the "Interim Compensation Order"), and the Guidelines for reviewing Applications for Compensation and Reimbursement of Expenses promulgated by the Executive Office of the United States Trustee pursuant to 28 U.S.C. §

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<sup>4</sup> The Debtors and the last four digits of their taxpayer identification numbers are: RC Sooner Holdings, LLC (7904); RC Brixton Square Owner, LLC (8002); RC Cedar Crest Owner, LLC (7914); RC Fulton Plaza Owner, LLC (8011); RC Magnolia Owner, LLC (7998); RC Pomeroy Park Owner, LLC (7939); RC Salida Owner, LLC (7947); RC Savannah South Owner, LLC (7983); RC Southern Hills Owner, LLC (7958); Brixton Square Apartments, LLC (1844); CC Apartments, LLC (1798); Fulton Plaza Apartments, LLC (4344); Magnolia Manor Apartments, LLC (4486); Pomeroy Park Apartments, LLC (1649); Salida Apartments, LLC (1915); Savannah South Apartments, LLC (8586); and Southern Hills Villa Apartments, LLC (1721). The business address for each of the Debtors where notices should be sent is 1515 Broadway, 11th Floor, New York, New York 10036-8901.

586(a)(3)(A). By this First Monthly Application, Ballard, as counsel to the Debtors in these cases, seeks a monthly interim allowance of compensation for legal services performed and expenses incurred during the period commencing February 22, 2010 through and including March 31, 2010 the ("Compensation Period"), and payment according to the procedures set forth in the Interim Compensation Order. In support hereof, Ballard respectfully represents the following:

### **FACTUAL BACKGROUND**

1. On February 22, 2010 (the "Petition Date"), the Debtors filed their respective voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors have thereafter continued in possession of their property and have continued to manage their business and properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On February 24, 2010, the Court entered an order directing joint administration of these cases. No trustee or examiner has been appointed in any of the Debtors' chapter 11 cases.

2. As of the Petition Date, the Debtors owned, operated and maintained a portfolio of 796 multi-family residential units divided among eight (8) separate apartment complexes (collectively, the "Apartments") for lease in Tulsa, Oklahoma. RC Sooner is the direct parent of eight (8) Oklahoma limited liability companies (collectively, the "RC LLCs"<sup>5</sup>), and together with RC Sooner, the "Purchasers") that were formed in October 2009 for the

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<sup>5</sup> The RC LLCs consist of the following co-debtor subsidiaries of RC Sooner: Brixton Square Owner, LLC; RC Cedar Crest Owner, LLC; RC Fulton Plaza Owner, LLC; RC Magnolia Owner, LLC; RC Pomeroy Park Owner, LLC; RC Salida Owner, LLC; RC Savannah South Owner, LLC and RC Southern Hills Owner, LLC. RC Sooner is also the direct parent of non-filing entity RC Old South Owner, LLC, whose real estate assets are not subject to loans held by the Federal National Mortgage Association.

purpose of acquiring 100% of the membership interests of eight (8) existing Oklahoma limited liability companies that own the Apartments (collectively, the “Apartment LLCs”<sup>6</sup>). The purchase price of the acquisition included the assumption of approximately \$27 million in outstanding loans and mortgages (the “Loans and Mortgages”) currently held by the Federal National Mortgage Association (“Fannie Mae”).

3. On March 22, 2010, this Court approved (i) the retention application of Ballard as counsel to the Debtors, *nunc pro tunc* to the Petition Date (the “Retention Order”) (Docket No. 76) and (ii) the Interim Compensation Order (Docket No. 80). True and correct copies of the Retention Order and the Interim Retention Order are attached hereto as **Exhibit A** and **Exhibit B**, respectively.

4. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. Venue is proper under 28 U.S.C. §§ 1408 and 1409. This is a core proceeding under 28 U.S.C. § 157(b)(2).

5. The statutory predicates for the relief requested herein are Bankruptcy Code sections 330 and 331, Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 2016-2 of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the “Local Rules”).

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<sup>6</sup> The Apartment LLCs consist of the following co-debtor indirect subsidiaries of RC Sooner: Brixton Square Apartments, LLC; CC Apartments, LLC; Fulton Plaza Apartments, LLC; Magnolia Manor Apartments, LLC; Pomeroy Park Apartments, LLC; Salida Apartments, LLC; Savannah South Apartments, LLC and Southern Hills Villa Apartments, LLC. RC Sooner is also the ultimate parent of non-filing entity Old South Apartments, LLC, whose loan is not held by the Federal National Mortgage Association.



## **II. COMPENSATION AND REIMBURSEMENT OF EXPENSES**

6. Ballard submits this First Monthly Application seeking a monthly interim allowance of reasonable compensation for actual and necessary professional services provided to the Debtors as their counsel in these chapter 11 cases, as well as for reimbursement for actual and necessary out-of-pocket expenses incurred during the Compensation Period, and payment according to the procedures set forth in the Interim Compensation Order. All included services and costs for which Ballard seeks compensation were performed for, or on behalf of, the Debtors during the Compensation Period.

7. Prior to the Petition Date, Ballard received \$100,000.00 in fees incurred prior to the Petition Date from the Debtors. The instant application is the first monthly application filed with the Bankruptcy Court.

8. By this First Monthly Application, Ballard thus seeks: (a) monthly interim allowance of compensation in the amount of \$248,430.00 for legal services rendered during the Compensation Period, and allowance of reimbursement in the amount of \$32,538.95 for expenses incurred and disbursed during the Compensation Period, and (b) payment of compensation in the amount of \$198,744.00 (80% of the compensation requested), and reimbursement of expenses incurred by Ballard during the Compensation Period in the amount of \$32,538.95 (100% of the expenses requested).

9. For the Bankruptcy Court's review, a summary containing the names of each Ballard professional and paraprofessional rendering services to the Debtors during the Compensation Period, their customary billing rates, the time expended by each professional and

paraprofessional, and the total value of time incurred by each professional and paraprofessional is attached hereto as **Exhibit C**.

10. In addition, **Exhibit C** contains computer-printouts reflecting the time recorded for services rendered on a daily basis during the Compensation Period and descriptions of the services provided, identified by project task categories.

11. **Exhibit D** contains a breakdown of expenses incurred and disbursed by Ballard during the Compensation Period. Ballard has incurred out-of-pocket expenses during the Compensation Period in the amount of \$32,538.95. This sum is broken down into categories of charges, including, *inter alia*, duplicating fees, filing fees, special or hand delivery charges, travel and business meal expenses, long distance telephone charges and electronic research charges. Ballard has not charged or sought reimbursement for incoming or outgoing facsimile transmissions.

### **III. ANALYSIS AND NARRATIVE DESCRIPTION OF SERVICES RENDERED AND TIME EXPENDED**

12. Section 330(a) of the Bankruptcy Code provides, in pertinent part, that bankruptcy courts may award "reasonable compensation for actual, necessary services rendered by the trustee, examiner, ombudsman, professional person, or attorney and by any paraprofessional person employed by any such person." 11 U.S.C. § 330(a)(1)(A). The attorneys requesting compensation from the bankruptcy estate bear the burden of demonstrating to the bankruptcy court that the services performed and fees incurred were reasonable.

13. In determining the amount of reasonable compensation to be awarded, the bankruptcy court shall consider, pursuant to 11 U.S.C. § 330(a)(3), the nature, extent, and the

value of such services, taking into account all relevant factors, including: (a) the time expended on such services, (b) the billing rates charged for such services, (c) whether such services were beneficial or necessary to the administration of the estate, (d) the complexity of the case or the nature of the task handled by the professional, and (e) the costs of comparable professional services. See 11 U.S.C. § 330(a)(3)(A)-(F).

14. With respect to the time and labor expended by Ballard in these cases, as set forth in **Exhibit C**, during the Compensation Period, Ballard rendered professional services in the amount of \$248,430.00. Ballard believes that it is appropriate for it to be compensated for the time spent in connection with these matters, and to that end, has set forth below a brief narrative description of the services rendered for or on behalf of the Debtors and the time expended, organized by project task categories. Ballard has attempted to place the services provided in the category that best relates to such services. Because certain services may relate to one or more categories, however, services pertaining to one category may be properly included in another category.

**A. CASE ADMINISTRATION (B110)**

15. During the Compensation Period, Ballard, *inter alia*, as counsel to the Debtors, communicated with the Debtors' management and other professionals with respect to various matters critical to the commencement of these cases, handled numerous creditor inquiries, and performed miscellaneous administrative tasks necessary to the initiation and continued maintenance of the Debtors' cases. Much of Ballard's time and effort in this regard was spent in preparation and submission of the numerous "first day" and "second day" pleadings necessary to ensure the continued operation of the Debtors' business without interruption following the Petition Date. Throughout the Compensation Period, Ballard also attended to

general case management issues; reviewed pleadings, the docket and entries of appearance; prepared service lists and case calendars; promptly obtained pleadings and other materials and information for the Debtors; and worked closely with the Debtors' claims and noticing agent to maintain and circulate such information upon request and as required by the Bankruptcy Code, Bankruptcy Rules and Local Rules. Ballard also performed multiple follow-up tasks with respect to the "first-day" and "second day" pleadings and hearings. Ballard accordingly seeks compensation for 132.70 hours of reasonable and necessary legal expenses incurred for Case Administration matters during the Compensation Period in the total amount of \$52,656.50.

**B. ASSET ANALYSIS AND RECOVERY (B120)**

16. A critical problem faced by the Debtors at the outset of these cases was the fact that much of the information, books, and records received at the close of the sale of the Apartment LLCs appears to have been incomplete or wholly inaccurate, rendering a complete analysis of the value and even the existence of the Debtors' total assets and liabilities difficult. In connection with assisting the Debtors in the preparation of their schedules and statements, Ballard professionals spent considerable time attempting to obtain accurate information from the sellers and their various representatives with respect to the past financial and operating conditions of the Apartments both preceding and after their acquisition by the Purchasers. These efforts initially included informal requests for information and subsequently involved the drafting, submission and prosecution of a formal motion seeking such information and examinations of knowledgeable parties under Bankruptcy Rule 2004. Ballard accordingly seeks compensation for 45.60 hours of reasonable and necessary legal expenses incurred for Asset Analysis and Recovery matters during the Compensation Period in the total amount of \$21,614.00.

**C. RELIEF FROM STAY/ADEQUATE PROTECTION PROCEEDINGS (B140)**

17. During the Compensation Period, Ballard, *inter alia*, assisted the Debtors in communicating with and responding to Fannie Mae, its representatives and professionals with respect to negotiations concerning the terms and conditions of a consensual agreement to lift the automatic stay. Ballard spent considerable time researching and analyzing the various options faced by the Debtors in connection with such negotiations and advising Debtors' management concerning the same. Ballard accordingly seeks compensation for 44.40 hours of reasonable and necessary legal expenses incurred for Relief from Stay/Adequate Protection Proceedings during the Compensation Period in the total amount of \$16,231.00.

**D. MEETINGS OF AND COMMUNICATIONS WITH CREDITORS (B150)**

18. During the Compensation Period, Ballard, *inter alia*, prepared for and attended the committee formation meeting, prepared for and attended the section 341 meeting of creditors, prepared the notice of such meeting, advised the Debtors with respect to their reporting requirements, and communicated with the United States Trustee's Office regarding the same. Ballard accordingly seeks compensation for 16.90 hours of reasonable and necessary legal expenses incurred for Meetings of and Communications with Creditors matters during the Compensation Period in the total amount of \$8,670.50.

**E. FEE/EMPLOYMENT APPLICATIONS (B160)**

19. During the Compensation Period, Ballard, *inter alia*, prepared, reviewed and revised various retention motions including motions to approve the retention of (i) Ballard; (ii) the Debtors' accountants, Palmetto, Mollo, Molinaro, & Sciacca, LLC; and (iii) the Debtors' ordinary course professionals. Ballard also prepared the Debtors' interim compensation motion and perfected the filing and service of same. In addition, Ballard communicated with the United

States Trustee's Office regarding Ballard's retention motion and affidavit and coordinated revisions to same. Ballard accordingly seeks compensation for 31.70 hours of reasonable and necessary legal expenses incurred for Fee/Employment Applications during the Compensation Period in the total amount of \$13,121.50.

**F. AVOIDANCE ACTION ANALYSIS (B180)**

20. During the Compensation Period, Ballard spent time examining the existence and validity of certain potential causes of action that could be asserted by the Debtors under chapter 5 of the Bankruptcy Code. Ballard accordingly seeks compensation for 0.80 hours of reasonable and necessary legal expenses incurred for Avoidance Action Analysis during the Compensation Period in the total amount of \$420.00.

**G. OTHER CONTESTED MATTERS (B190)**

21. Ballard, *inter alia*, spent considerable time during the Compensation Period addressing issues in connection with the Debtors' critical assertion that the sellers of the Apartment LLCs and their brokers had engaged in a pattern of intentional misconduct and fraudulent misrepresentation from the very outset of negotiations for the sale of the Apartments and the Apartment LLCs, which misrepresentations included the failure to inform the Purchasers that the Loans and Mortgages had been in default since approximately September 2, 2009 and remained in default as of the closing on or about October 29, 2009. During the Compensation Period, Ballard professionals devoted significant efforts to the research, analysis, drafting, revision, submission and prosecution of two adversary proceedings (Adv. Proc. Nos. 10-50719 and 10-50723) (together, the "Adversary Proceedings") seeking to prosecute numerous causes of action against the sellers and other third parties in light of the apparent misconduct and other improper acts engaged in by such defendants in connection with the sale and operation of the

Apartments. Ballard accordingly seeks 85.10 hours of reasonable and necessary legal expenses incurred with respect to Other Contested Matters in the total amount of \$33,628.00.

**H. NON-WORKING TRAVEL (B195)**

22. Ballard seeks compensation for 25.70 hours of reasonable and necessary expenses incurred for Non-Working Travel during the Compensation Period in the total amount of \$7,105.00. Pursuant to Del. Bankr. LR 2016-2(d)(viii), the hours charged reflect non-working travel time billed at only 50% of regular hourly rates.

**I. BUSINESS OPERATIONS (B210)**

23. During the Compensation Period, Ballard, *inter alia*, spent considerable time communicating and negotiating with the Debtors' various utility providers and their representatives concerning, among other things (i) formal and informal objections raised by such entities to the Debtors' Utility Motion and Interim Utility Order and (ii) the terms of conditions of such providers' continued service to the Debtors after the Petition Date. In connection with such negotiations, Ballard professionals drafted, revised, amended and submitted for Court approval various pleadings including the Final Utility Order and stipulations with individual utility providers American Electric Power and Oklahoma Energy Source, LLC. Ballard also spent time during the Compensation Period communicating with the Debtors' bank and its representatives regarding certain operating requirements to be followed in accordance with the directives of the Office of the United States Trustee. Ballard accordingly seeks compensation for 37.80 hours of reasonable and necessary expenses incurred for Business Operations matters during the Compensation Period in the total amount of \$14,891.50.

**J. FINANCING/CASH COLLATERAL (B230)**

24. During the Compensation Period, Ballard, *inter alia*, spent substantial time communicating with Fannie Mae, its representatives and professionals with respect to the continued use of cash collateral and devoted considerable efforts toward advising the Debtors with respect to extended negotiations concerning a potential global resolution of numerous issues related to the Loans and Mortgages. In connection with the foregoing communications and negotiations, Ballard professionals drafted, revised and amended the motion for interim use of cash collateral, as well as three subsequent agreed orders extending the time period for the consensual use of cash collateral. Throughout the Compensation Period, Ballard professionals participated in numerous telephone conferences and an in-person meeting with counsel and other representatives of Fannie Mae with respect to the use of cash collateral and negotiations concerning the Loans and Mortgages. Ballard accordingly seeks compensation for 96.10 hours of reasonable and necessary legal expenses incurred for Financing/Cash Collateral matters during the Compensation Period, in the total amount of \$47,447.50.

**K. PLAN AND DISCLOSURE STATEMENT (B320)**

25. During the Compensation Period, Ballard, *inter alia*, spent time researching and analyzing various issues with respect to possible plan of reorganization structures. Ballard accordingly seeks compensation for 10.60 hours of reasonable and necessary legal expenses incurred for Plan and Disclosure Statement matters during the Compensation Period in the total amount of \$5,655.00.

**L. LITIGATION/HEARINGS (B430)**

26. During the Compensation Period, Ballard, *inter alia*, spent time preparing for and attending various hearings with respect to the “first day” and “second day” relief sought



in connection with the commencement of the Debtors' chapter 11 cases, as well as preparing for and attending a status conference held in connection with the Debtors' motion for discovery pursuant to Bankruptcy Rule 2004. Ballard accordingly seeks compensation for 15.80 hours of reasonable and necessary legal expenses incurred in connection with Litigation/Hearings held during the Compensation Period in the total amount of \$7,853.00.

**M. SCHEDULES AND STATEMENTS (B440)**

27. During the Compensation Period, Ballard reviewed and revised the Debtors' schedules and statements, participated in numerous telephone conferences and drafted and reviewed multiple correspondence regarding such schedules and statements. The preparation of the schedules and statements in these cases required significant efforts, primarily due to the prevalence of missing and possibly inaccurate information conveyed to the Purchasers by the sellers and their representatives in connection with the sale of the Apartment LLCs and the initial operation of the Apartments by certain of the sellers' affiliates subsequent to the sale. Ballard professionals also spent substantial time advising the Debtors and communicating with the Office of the United States Trustee concerning the Debtors' reporting requirements, as well as reviewing and revising initial monthly operating reports prepared for each of the Debtors and a non-Debtor affiliate. Ballard accordingly seeks compensation for 40.20 hours of reasonable and necessary legal expenses incurred for Schedules and Statements in the total amount of \$19,136.50.

28. Ballard charged and now requests those fees that are reasonable and customary and charged by most counsel in this marketplace for similar chapter 11 cases. The billing rates set forth in Ballard's Summary of Professionals and Paraprofessionals Rendering Services From February 22, 2010 Through March 31, 2010 represent customary rates that are

routinely billed to the firm's many clients. (See **Exhibit C**). Moreover, Ballard stated in its Retention Application and accompanying Affidavit that it would be compensated on an hourly basis, plus reimbursement of actual, reasonable and necessary out-of-pocket expenses incurred by the firm. Here, the compensation requested does not exceed the reasonable value of the services rendered. Ballard's standard hourly rates for work of this nature are set at a level designed to fairly compensate Ballard for the work of its attorneys and paraprofessionals and to cover fixed and routine overhead expenses.

29. Further, the Debtors sought to retain Ballard as their counsel due to its extensive experience and knowledge in the field of debtors' and creditors' rights, and because of its expertise, experience and knowledge practicing before the Bankruptcy Court in matters that were likely to arise in these cases before this Court.

30. This First Monthly Application covers the period from February 22, 2010 through and including March 31, 2010. Further, although every effort was made to include all fees and expenses from the Compensation Period in this First Monthly Application, some fees and/or expenses from the Compensation Period might not be included in this First Monthly Application due to delays in processing time and receipt of invoices for expenses and/or for preparation of the instant First Monthly Application subsequent to the Compensation Period. Accordingly, Ballard reserves the right make further application to the Bankruptcy Court for allowance of fees and expenses not included herein.

31. Ballard believes that the instant application and the description of services set forth herein of work performed are in compliance with the requirements of Delaware Local Rule 2016-2, the Interim Compensation Order, and the applicable guidelines and requirements of

the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, and the Executive Office for the United States Trustee. A true and correct copy of the Verification of Tobey M. Daluz is attached hereto as **Exhibit E**.

[INTENTIONALLY LEFT BLANK]

**WHEREFORE**, Ballard respectfully requests that it be awarded the monthly interim allowance of (a) compensation for professional services rendered in the amount of \$248,430.00 and for (b) reimbursement of expenses incurred in the amount of \$32,538.95, for the period commencing February 22, 2010 through March 31, 2010, and payment according to the procedures set forth in the Interim Compensation Order.

Dated: May 27, 2010  
Wilmington, Delaware

Respectfully Submitted,

BALLARD SPAHR LLP

By: /s/ Christopher S. Chow

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- and -

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Possession

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<sup>7</sup> Admitted *pro hac vice*.