

UNITED STATES BANKRUPTCY COURT
 MIDDLE DISTRICT OF FLORIDA
 JACKSONVILLE DIVISION
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| <p>In re:</p> <p>TAYLOR, BEAN & WHITAKER MORTGAGE CORP., REO SPECIALISTS, LLC, and HOME AMERICA MORTGAGE, INC.,</p> <p style="text-align: center;">Debtors.</p> | <p>Chapter 11</p> <p>Case No. 3:09-bk-07047-JAF Case No. 3:09-bk-10022-JAF Case No. 3:09-bk-10023-JAF</p> <p>Jointly Administered Under Case No. 3:09-bk-07047-JAF</p> |
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**FOURTH INTERIM APPLICATION OF
 STICHTER, RIEDEL, BLAIN & PROSSER, P.A., FOR
 ALLOWANCE AND PAYMENT OF COMPENSATION FOR
 SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES
 INCURRED AS ATTORNEYS FOR DEBTORS AND DEBTORS IN POSSESSION**

SUMMARY OF REQUESTED ALLOWANCE

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| <i>Name of Applicant:</i> | Stichter, Riedel, Blain & Prosser, P.A. 110 East Madison Street, Suite 200 Tampa, Florida 33602 Telephone: (813) 229-0144 Facsimile: (813) 229-1811 |
| <i>Professional position in case:</i> | Attorneys for Debtors and Debtors in Possession |
| <i>Date of retention:</i> | August 24, 2009 |
| <i>Date of application for employment:</i> | August 24, 2009 (Doc. No. 7) |
| <i>Date of final order approving employment:</i> | October 27, 2009 (Doc. No. 525) |
| <i>Time period covered by this Application:</i> | September 1, 2010 through December 31, 2010 |
| <i>Total hours of professional services performed:</i> | 675.4 |

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| <i>Blended hourly rate:</i> | \$301.04 | |
| <i>Total compensation for services requested for this period:</i> | | \$203,320.00 |
| <i>Total expense reimbursement requested for this period:</i> | | \$8,619.68 |
| <i>Total allowance requested:</i> | | \$211,939.68 |
| <i>Monthly statement amounts paid pursuant to Interim Compensation Order:</i> | (\$128,528.60) | |
| <i>Monthly statement amount pending:</i> | (\$42,747.08) | |
| <i>Total amount to be applied toward allowance:</i> | | (\$171,275.68) |
| <i>Net amount requested to be paid:</i> | | <u>\$ 40,664.00</u> |

**TO: THE HONORABLE JERRY A. FUNK
UNITED STATES BANKRUPTCY JUDGE**

STICHTER, RIEDEL, BLAIN & PROSSER, P.A. (“**Stichter Riedel**”) respectfully applies to this Court for its fourth interim allowance of compensation for services rendered in the amount of **\$203,320.00** and reimbursement of expenses incurred in the amount of **\$8,619.68**, for a total requested allowance of **\$211,939.68**, for the period beginning September 1, 2010, and ending December 31, 2010 (the “**Fourth Application Period**”). Pursuant to the Order Establishing Procedures for Payments to Professionals of Interim Compensation for Services and Reimbursement of Expenses (Doc. No. 620) (the “**Interim Compensation Procedures Order**”), prior to the filing of this Fourth Application, Stichter Riedel received eighty percent (80%) of its fees and one hundred percent (100%) if its costs for a portion of such amounts for the period beginning September 1, 2010, and ending November 30, 2010. As of the filing of this Fourth Application, eighty percent (80%) of Stichter Riedel’s fees and (100%) of its costs for

the period beginning December 1, 2010 and ending December 31, 2010, including some fees and costs previously incurred but not previously invoiced, were pending payment. The remaining twenty percent (20%) of Stichter Riedel's fees for the period beginning September 1, 2010, and ending December 31, 2010, have been held back pursuant to the Interim Compensation Procedures Order. Stichter Riedel, therefore, requests that the Court allow an administrative expense of **\$40,664.00** and authorize payment of the holdback amount. In support of its request, Stichter Riedel states the following:

Background

1. On August 24, 2009 (the "**Petition Date**"), Taylor, Bean & Whitaker Mortgage Corp. (the "**Debtor**" or "**TBW**") filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "**Bankruptcy Code**"). Subsequently, on November 25, 2009, REO Specialists, LLC ("**REO**") and Home America Mortgage, Inc. ("**HAM**") (REO and HAM, together with TBW, collectively, the "**Debtors**"), two subsidiaries of TBW, filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

2. The Debtors have continued to operate their businesses and to manage their properties as debtors in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

3. On September 8, 2009, the Office of the United States Trustee appointed the Official Committee of Unsecured Creditors (the "**Committee**") for the TBW case.

4. On January 19, 2010, the Court entered the Order Granting Debtors' Emergency Motion for Order Directing Joint Administration of Chapter 11 Cases

Pursuant to Bankruptcy Rule 1015(b), pursuant to which the cases are being jointly administered for procedural purposes.

Summary of Stichter Riedel's Retention and Previous Compensation

5. On August 24, 2009, the Debtor filed an application to employ Stichter Riedel as general bankruptcy counsel (Doc. No. 7). On October 27, 2009, the Court entered an order approving the application and authorizing the Debtor to employ Stichter Riedel as its general bankruptcy counsel (Doc. No. 525) (the "**Retention Order**").

6. On November 9, 2009, the Court entered the Interim Compensation Procedures Order, which authorizes professionals holding a retainer to apply one hundred percent (100%) of the retainer to fees and costs until the retainer has been exhausted. See Interim Compensation Procedures Order, ¶ 8. It also authorizes certain professionals employed pursuant to Section 327 of the Bankruptcy Code to seek monthly compensation by serving an invoice upon certain parties on or before the 15th day of the month following the month for which payment is sought. If no objection to the invoice is received within ten (10) days of service of the invoice, the Debtor is authorized to immediately pay eighty percent (80%) of the fees and reimburse one hundred percent (100%) of the costs listed in the invoice. See Interim Compensation Procedures Order, ¶¶ 3, 7, 10.

7. On February 25, 2010, the Court entered an Order Approving First Interim Application and Allowing Compensation and Expenses to Stichter, Riedel, Blain & Prosser, P.A. as Attorneys for Debtors and Debtors in Possession (Doc. No. 1088) (the "**First Fee Order**"). The First Fee Order approved the First Application, allowed

Stichter Riedel compensation in the amount of \$634,659.50 and reimbursement for expenses incurred in the amount of \$19,767.67 for a total administrative expense allowance of \$654,427.17 for the period beginning August 24, 2009, and ending December 31, 2009. After credit for application of the retainer balance in the amount of \$430,550.75, credit for compensation paid prior to the filing of the First Application in the amount of \$56,318.74, and credit for compensation paid following the filing of the First Application in the amount of \$85,035.80, the Court allowed and authorized payment to Stichter Riedel of the balance of \$82,521.88.

8. On June 21, 2010, the Court entered an Order Approving Second Interim Application and Allowing Compensation and Expenses to Stichter, Riedel, Blain & Prosser, P.A. as Attorneys for Debtors and Debtors in Possession (Doc. No. 1590) (the “**Second Fee Order**”). The Second Fee Order approved the Second Application, allowed Stichter Riedel compensation in the amount of \$270,603.50 and reimbursement for expenses incurred in the amount of \$8,417.98 for a total administrative expense allowance of \$279,021.48 for the period beginning January 1, 2010, and ending April 30, 2010. After credit for compensation paid prior to the filing of the Second Application in the amount of \$176,038.99, and credit for compensation paid following the filing of the Second Application in the amount of \$48,861.79, the Court allowed and authorized payment to Stichter Riedel of the balance of \$54,120.70.

9. On October 18, 2010, the Court entered an Order Approving Third Interim Application and Allowing Compensation and Expenses to Stichter, Riedel, Blain & Prosser, P.A. as Attorneys for Debtors and Debtors in Possession (Doc. No. 2062) (the

“**Third Fee Order**”). The Third Fee Order approved the Third Application, allowed Stichter Riedel compensation in the amount of \$204,532.50 and reimbursement for expenses incurred in the amount of \$7,556.76, for a total administrative expense allowance of \$212,089.26 for the period beginning May 1, 2010, and ending August 31, 2010. After credit for compensation paid prior to the filing of the Third Application in the amount of \$95,173.38, the Court allowed and authorized payment to Stichter Riedel of the balance of \$116,915.88.

10. With respect to the Fourth Application Period, Stichter Riedel submitted an invoice for services rendered during September and October 2010 (the “**September/October Invoice**”), November 2010 (the “**November Invoice**”), and a December 2010 invoice (the “**December Invoice**”) pursuant to the Interim Compensation Procedures Order. The September/October Invoice sought compensation for services rendered in the amount of \$111,109.00 and reimbursement of expenses incurred in the amount of \$5,784.22, for a total of \$116,893.22. No objection to the September/October Invoice was received. In accordance with the Interim Compensation Order, Stichter Riedel received eighty percent (80%), or \$88,887.20, of its fees and one hundred percent (100%), or \$5,784.22, of its costs, for a total of \$94,671.42.

11. The November Invoice sought compensation for services rendered in the amount of \$40,253.50 and reimbursement of expenses incurred in the amount of \$1,654.38 for a total of \$41,907.88. No objection to the November Invoice was received. In accordance with the Interim Compensation Order, Stichter Riedel received eighty percent (80%), or \$32,202.80, of its fees and one hundred percent (100%), or \$1,654.38,

of its costs, for a total of \$33,857.18.

12. Concurrently with the filing of this Fourth Application, Stichter Riedel submitted the December Invoice. The December Invoice seeks compensation for services rendered in the amount of \$51,957.50 and reimbursement of expenses incurred in the amount of \$1,181.08, for a total of \$53,138.58. Payment to Stichter Riedel in the amount of \$41,566.00 for eighty percent (80%) of its fees and \$1,181.08 for its costs, for a total of \$42,747.08, is pending as of the date of this Fourth Application.

Summary of Requested Compensation

13. This Fourth Application is filed pursuant to Section 330 of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, and the Local Rules of this Court, and meets all of the requirements set forth in the guidelines promulgated by the Executive Office for the United States Trustee.

14. For the Fourth Application Period, Stichter Riedel seeks allowance and payment of compensation for services rendered for and on behalf of the Debtors in the amount of **\$203,320.00** and reimbursement of its actual, reasonable, and necessary out-of-pocket expenses incurred in the amount of **\$8,619.68**, for a total allowance in the amount of **\$211,939.68**.

15. All services described in this Fourth Application for which compensation is requested were performed for or on behalf of the Debtors and not on behalf of any committee, creditor, or any other person.

16. Although there may be some overlap in the time periods covered to capture entries inadvertently omitted from the prior Applications, none of the entries in

those prior Applications are duplicated in this Fourth Application. Great care has been taken to prevent duplicate entries for services or costs, and if duplicates appear, they are inadvertent.

17. The exhibits attached to this Fourth Application are as follows:

Exhibit 1 Summary of Professional and Paraprofessional Time by Activity [Task] Code Category

Exhibit 2 Detail of Professional and Paraprofessional Time by Activity [Task] Code Category

Exhibit 3 Summary of Expenses

Exhibit 4 Detail of Expenses

Narrative Description of Services Performed

18. During the Fourth Application Period, Stichter Riedel categorized its services into five broad task groups: case administration, asset recovery and disposition, operations, claims and plan, and litigation and reconciliation. Each task group contains distinct task categories. These task categories were created to align to the greatest extent possible with the categories suggested by the guidelines promulgated by the Executive Office for the United States Trustees and the categories suggested by the American Bar Association. A breakdown of the task groups, as well as a brief description of the services rendered in that task group, is described below. Detail regarding the services rendered in each individual task category is listed in Exhibit 2 attached hereto.

Case Administration and Asset Recovery and Disposition

19. Stichter Riedel expended 550.3 hours in providing administration-related services under the following categories: creditors' committee; case administration; asset analysis and recovery; asset disposition; relief from stay; court appearances; professionals' employment applications and compensation; assumption and rejection of leases and contracts; other contested matters; customer/purchaser issues; general bankruptcy advice; investor issues; and borrower issues. Services provided by Stichter Riedel in these categories include (a) reviewing and filing with the Court amendments to the Debtor's Schedules; (b) reviewing and filing with the Court the monthly debtor in possession operating reports; (c) preparing applications, affidavits, motions, notices, orders, and other pleadings and legal documents necessary in the general administration of these Chapter 11 cases; (d) reviewing and responding to correspondence (electronic and paper), applications, motions, notices, and other pleadings and legal documents filed, prepared, or served by creditors, the Committee, borrowers, or other third parties; (e) monitoring the voluminous case docket maintained by the Clerk; (f) preparing for and attending all court hearings; and (g) generally advising the Debtors on numerous legal and business issues with creditors, the Committee, investors, borrowers, and other third parties.

Claims and Plan

20. Stichter Riedel expended 55.8 hours analyzing claims; negotiating with administrative expense claimants; and work in anticipation and contemplation of the filing of a plan of reorganization and disclosure statement.

Litigation and Reconciliation

21. Stichter Riedel expended 69.3 hours in providing litigation and reconciliation-related services under the following categories: ~~research~~; other written motions and submissions; Rule 2004 issues; FDIC issues; issues with Federal Home Loan Mortgage Corporation; reconciliation; and adversary proceedings/litigation. Stichter Riedel's services in these task categories include interacting with counsel for various parties regarding Rule 2004 issues; performing legal research and preparing and filing an answer to a complaint to establish constructive trust; attending hearings on the global reconciliation and the settlement with the FDIC; and reviewing various papers with respect to litigation filed against the Debtors.

**EVALUATION OF SERVICES RENDERED:
FIRST COLONIAL CONSIDERATIONS**

22. This Fourth Application has attempted to present in abbreviated form the nature and extent of the professional services Stichter Riedel has rendered in connection with its representation of the Debtors for which Stichter Riedel seeks compensation. The recitals set forth in the itemization attached as Exhibit 2 provide descriptions of the services provided and give some indication of the breadth and complexity of the issues and the pressures of time and performance which have been placed on Stichter Riedel in connection with these cases.

23. The twelve factors for consideration when awarding fees as enumerated in Johnson v. Georgia Highway Express, Inc., 488 F.2d 714 (5th Cir. 1974) and in In re First Colonial Corp. of America, 544 F.2d 1291 (5th Cir. 1977) are addressed as follows:

(a) **Time and Labor Required:** As set forth on the attached Exhibits, during the Fourth Application Period, Stichter Riedel has spent 675.4 hours rendering professional services to or on behalf of the Debtors in these cases. Stichter Riedel has maintained detailed records of the time devoted in rendering these services. A copy of these records is attached as Exhibit 2 and by reference incorporated herein. Stichter Riedel believes that its time entries will reflect no duplication of effort among lawyers within the firm. Although conferences between attorneys were necessary to staff the cases, to assign projects, and to communicate decisions and strategies, Stichter Riedel avoided extended lawyer conferences. Only the necessary number of attorneys from Stichter Riedel attended court hearings in these cases.

(b) **Novelty and Difficulty of Questions:** Chapter 11 cases of this size involve enormous amounts of money and issues that are complex and present difficult legal questions. This Court is generally aware of the matters presented to it throughout the cases. Stichter Riedel spent considerable time preparing for the hearings associated with these matters as well as drafting related pleadings and documentation.

(c) **Skill Requisite to Perform the Legal Services Properly:** Stichter Riedel specializes in the practice of bankruptcy law, and particularly in the representation of corporate debtors in Chapter 11 cases. It submits that it has performed the services for the Debtors economically but at a very high level of skill. Stichter Riedel's expertise has allowed it to spend far less time than would

have been required by counsel not having Stichter Riedel's level of skill. In rendering services to the Debtors, Stichter Riedel at all times emphasized the importance of economy of time and effort, thereby eliminating, where possible, the likelihood of duplicative expenditures of time and effort.

(d) **Preclusion of Other Employment:** Stichter Riedel's employment in these bankruptcy cases did not directly preclude other employment.

(e) **Customary Fee.** The hourly rates of the professionals and paraprofessionals of Stichter Riedel as set forth in the exhibits attached hereto are reasonable and fair. Other courts within and outside of this district have approved these rates in other bankruptcy matters in which Stichter Riedel and other counsel of like representation and experience have been involved. These hourly rates are well within the acceptable local standards.

(f) **Whether the Fee is Fixed or Contingent:** The fee is contingent in that it is subject to approval by the Court and to the availability of funds to pay any allowed amount.

(g) **The Limitations Imposed by Client or Other Circumstances:** These cases have, at times, imposed extraordinary time constraints on personnel at Stichter Riedel due to the necessity for rapid resolution of significant issues.

(h) **Experience, Reputation and Ability of Counsel:** Stichter Riedel has served as counsel for debtors in possession in hundreds of Chapter 11 cases, including many of the largest Chapter 11 cases ever filed in the Middle District of Florida (such as Hillsborough Holdings, Inc., Bicoastal Corporation, f/k/a The

Singer Company, Koger Properties, Inc., The Koger Partnership, Ltd., JumboSports, Inc., The American Shipbuilding Company, Tampa Shipyards, Inc., Lykes Bros. Steamship Co., Inc., and Provincetown-Boston Airlines, Inc.). Stichter Riedel has also represented debtors in possession in some of the largest cases ever filed in the Northern District of Florida and has represented debtors in possession in significant Southern District of Florida cases. Stichter Riedel's experience in representing large Chapter 11 debtors has permitted it to represent the Debtors in a cost-effective and skillful manner.

Attorneys at Stichter Riedel have frequently spoken on bankruptcy subjects, have served as officers and directors of the Tampa Bay Bankruptcy Bar Association, the Tampa Chapter of the Federal Bar Association, the Hillsborough County Bar Association, and the Business Law Section of the Florida Bar. Stichter Riedel's attorneys have spoken and written on bankruptcy-related topics on numerous occasions. All four of Stichter Riedel's "named partners" are listed in "Best Lawyers in America" under the category of "Bankruptcy Law," and Stichter Riedel is the only law firm in the Eleventh Circuit with four lawyers so designated. The firm and thirteen of its attorneys are rated "AV" by Martindale Hubbell. Stichter Riedel submits that the experience, reputation and ability of its attorneys justify the award requested.

(i) **Desirability of the Case:** Representation of these Debtors was not in any way undesirable.

(j) **Nature and Length of the Professional Relationship with the Client:** Stichter Riedel's professional relationship with the Debtors is limited to these Chapter 11 cases.

(k) **Awards in Similar Cases:** Stichter Riedel submits that the amount sought by it is well within the range (and, indeed, at the lower end of the range) of awards in similar cases. It appears that hourly rates charged by attorneys at Stichter Riedel may be less than the rates charged by comparable attorneys in the Middle District of Florida.

(l) **Amounts Involved and Results Obtained:** These are large cases by any standard. The Debtors' contractual and business arrangements were complex given the size and nature of these cases. Stichter Riedel has been called upon to review and analyze numerous documents and issues. Stichter Riedel submits that the results obtained from its representation have been excellent.

24. Stichter Riedel seeks reimbursement for out-of-pocket costs and expenses incurred by it in its representation of the Debtors during the Fourth Application Period. These costs and expenses total \$8,619.68 and are listed in detail in Exhibit 4 attached to this Fourth Application. The categories of expenses are briefly summarized as follows:

a. **Bankruptcy Court Filing Fees:** These amounts represent the actual cost of fees required to be paid for: (a) the filing of amendments to the Debtors' Schedules, (b) telephonic participation in court hearings, and (c) the filing of documents in the public records.

b. **In-house Photocopies:** It has been necessary for Stichter Riedel to make numerous photocopies on virtually a daily basis of documents produced both by the firm and by others when time limitations did not allow the utilization of outside services. The in-house photocopy costs have been calculated at Stichter Riedel's normal charge of 25 cents per page. This charge is significantly less than the charges for official copies imposed by the Court and reflects an approximation of Stichter Riedel's actual cost. Where possible and when time permitted, Stichter Riedel utilized an outside copying firm.

c. **Long Distance Telephone Charges:** Long-distance tolls represent the actual expense of long-distance telephone tolls for telephone calls, conference calls, and fax transmissions in these cases. There are no separate fax charges apart from long-distance tolls. Stichter Riedel kept careful records of the time and date of each telephone call and the person called. These records were then compared and verified with the monthly bills, and Stichter Riedel has charged only the actual toll of each such call. Stichter Riedel believes that the total telephone charges are reasonable in light of the fact that numerous counsel in these cases are located outside Tampa, Florida.

d. **Courier/Delivery Services:** These charges represent actual charges arising from the use of next day/courier/delivery services to transmit critical documents in these cases.

e. **Hearing Transcript:** These charges represent the cost of obtaining copies of official hearing transcripts for hearings conducted in these

cases.

f. **Computerized Research:** These charges represent actual charges arising from legal research through various electronic sources, including PACER and WestLaw.

g. **Postage:** These charges represent extraordinary postage charges. Included are postage costs for required mailings to creditors and attorneys of record of certain applications, motions, Court-directed mailings of notices, and orders. These extraordinary costs and expenses of postage would otherwise have been borne by the Debtors or the Court.

h. **Travel.** Travel charges comprise expenses for air fare, lodging, car rental, parking, and meals incurred in connection with travel to and from Jacksonville and Fort Myers for hearings.

WHEREFORE, Stichter Riedel respectfully requests the entry of an order (a) approving the Fourth Application; (b) allowing Stichter Riedel interim compensation in the amount of **\$203,320.00** and expense reimbursement in the amount of **\$8,619.68** for a total of **\$211,939.68**; for the period beginning September 1, 2010, through December 31, 2010; authorizing, upon entry of an order approving this Fourth Application, payment to

Stichter Riedel of amounts not previously paid in interim payments; and providing such other and further relief as is just and proper.

/s/ Russell M. Blain

Russell M. Blain (FBN 0236314)

Edward J. Peterson (FBN 0014612)

Amy Denton Harris (FBN 634506)

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**ATTORNEYS FOR TAYLOR, BEAN & WHITAKER
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EXHIBITS

- Exhibit 1 Summary of Professional and Paraprofessional Time by Activity Code Categories
- Exhibit 2 Detail of Professional and Paraprofessional Time by Activity Code Categories
- Exhibit 3 Summary of Expenses
- Exhibit 4 Detail of Expenses