

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

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In re : Case Nos. 06-51848
: (Jointly Administered)
: CEP HOLDINGS, LLC, *et al.*, :
: Chapter 11
: Debtors. : Honorable Marilyn Shea-Stonum
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**SUMMARY COVER SHEET ON THE FIRST INTERIM FEE APPLICATION
OF MCGUIREWOODS LLP FOR INTERIM ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES AS COUNSEL TO
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD
FROM SEPTEMBER 20, 2006 THROUGH JANUARY 31, 2007**

Name of Applicant:	McGuireWoods LLP
Authorized to provide Professional Services to:	Official Committee of Unsecured Creditors
Date of Retention:	November 8, 2006 (effective as of September 20, 2006)
Period for Which Compensation and Reimbursement is sought:	September 20, 2006 through January 31, 2007
Amount of Compensation for Services Sought as Actual, Reasonable and Necessary:	\$337,435.50
Amount of Expenses Sought to be Reimbursed as Actual, Reasonable and Necessary:	\$11,292.14
Total Amount of Fees and Expenses Sought to be Reimbursed As Actual, Reasonable and Necessary:	\$348,727.64

This is the first application for an allowance of compensation and reimbursement of expenses incurred pursuant to 11 U.S.C. §§ 330 and 331.

McGuireWoods LLP as Counsel for the Committee *Nunc Pro Tunc* as of September 20, 2006. McGuireWoods' retention was approved by Court Order entered on November 8, 2006.

II. **SUMMARY OF COMPENSATION AND EXPENSE REIMBURSEMENT REQUESTED**

3. McGuireWoods files this Application for approval and allowance of the compensation and reimbursement of expenses for the period from September 20, 2006 through and including January 31, 2007 (the "First Interim Fee Period").

4. Under the Administrative Order dated October 13, 2006, the Court authorized the submission of monthly fee statements to the Debtors and their attorneys, the secured lenders, the Customers, the Committee and the United States Trustee on or before the 20th day of each calendar month, and for payment of eighty percent (80%) of the uncontested fees and one hundred percent (100%) of the uncontested expenses requested in the monthly fee statement to be paid by the Debtors fifteen (15) days after service of the monthly fee statement.

5. The value of the services performed by McGuireWoods LLP on behalf of the Committee during the First Interim Fee Period is \$337,435.50, with a blended hourly rate for such work performed of approximately \$334.00 per hour.

6. McGuireWoods represented the pre-petition Unofficial Trade Committee formed prior to the Petition Date at the request of the Debtors. As a result of that pre-petition representation, McGuireWoods currently holds a general retainer of approximately \$18,532.29, which retainer was paid by the pre-petition Debtors prior to the Petition Date. McGuireWoods is authorized to hold this retainer during the pendency of these cases and will apply the retainer against McGuireWoods' final fee application.

7. A summary of the compensation and expense reimbursement requested and paid during the First Interim Fee Period is as follows:

Date of Monthly Statement	Period Covered	Requested Fees/Expenses	Fees/Expenses Paid
October 17, 2006	September 20, 2006 – September 30, 2006	\$33,584.05	\$27,096.95
November 14, 2006	October 1, 2006 – October 31, 2006	\$85,360.87	\$68,755.67
December 8, 2006	November 1, 2006 – November 30, 2006	\$90,037.43	\$72,812.23
January 11, 2007	December 1, 2006 – December 31, 2006	\$69,495.61	\$56,342.91
February 7, 2007	January 1, 2007 – January 31, 2007	\$70,249.68	\$0.00

8. By Application and pursuant to the Administrative Order, McGuireWoods seeks allowance of compensation in the amount of \$337,435.50 for legal services rendered on behalf of the Committee during the First Interim Fee Period, and the reimbursement of expenses incurred in the sum of \$11,292.14 during the First Interim Fee Period, and requests payment of \$123,719.88, which represents the total fees and expenses due and payable under the Administrative Order that have not been paid to date.

9. All services performed by McGuireWoods during the First Interim Fee Period were performed for and on behalf of the Committee.

10. This is the first interim fee application request filed by McGuireWoods in this case.

11. During the First Interim Fee Period, McGuireWoods provided a total of 1,010.30 hours of legal and paralegal services on behalf of the Committee. Set forth in **Exhibit A** is a listing of the name and position of each McGuireWoods professional, together with that person's hourly billing rate, and the amount billed for each professional who rendered services during the First Interim Fee Period. Set forth in **Exhibit B** is a chronological listing of services provided for each category for the First Interim Fee Period. Set forth in **Exhibit C** is a chart showing the actual and necessary expenses in the amount of \$11,292.14 incurred in the rendition of actual and necessary services by McGuireWoods during the Application Period.

III. SUMMARIES OF SERVICES RENDERED

12. McGuireWoods has accounted for its time by designating twenty-two (22) separate categories, standard for a case of this size and nature, to which time was billed as follows:

Exhibit 1	01 General (Administrative Matters)
Exhibit 2	02 Petition, Schedules and Financial Reports
Exhibit 3	03 Investigation of Prepetition Transactions
Exhibit 4	04 Debtor in Possession Financing
Exhibit 5	05 Monthly Reports
Exhibit 6	06 Cash Collateral
Exhibit 7	07 Creditors Inquiries
Exhibit 8	08 Docket Review
Exhibit 9	09 Employee Matters
Exhibit 10	10 Executory Contracts, Personalty Leases and Real Estate Leases
Exhibit 11	11 Reclamation
Exhibit 12	12 Client Conferences
Exhibit 13	13 Disclosure Statement and Plan of Reorganization
Exhibit 14	14 Insurance
Exhibit 15	15 Taxes
Exhibit 16	16 Utilities
Exhibit 17	17 Creditors' Committee
Exhibit 18	18 Claims Processing
Exhibit 19	19 Miscellaneous Motions and Adversary Proceedings
Exhibit 20	20 Sales
Exhibit 21	21 Motions for Relief from Stay
Exhibit 22	22 Retention of Professionals and Fee Applications

13. A narrative statement of the services rendered in each category and a summary of the time and charges of each professional who rendered services and the grand total of all time and charges for services rendered in each category is as follows:

- 01 General (Administrative Matters).** Services rendered in this category include review and analysis of case documentation, coordination of filing and service of miscellaneous pleadings, general research relating to posture of case, meetings and conferences with case professionals regarding case status and open issues, committee organizational matters, strategic planning and other general issues in the bankruptcy case. The total hours expended in this category are **218.5** and the total amount of compensation sought in this category is **\$62,154.50**.
- 02 Petition, Schedules and Financial Reports.** Services rendered in this category include review and analysis of Debtors' schedules and statements and review of financial documentation relating to wind down

budget. The total hours expended in this category are **9.6** and the total amount of compensation sought in this category is **\$2,765.50**.

- 03** **Investigation of Prepetition Transactions.** Services rendered in this category include review of information requests of independent contractors and the Reserve Group and communications with same. The total hours expended in this category are **3.3** and the total amount of compensation sought in this category is **\$1,542.50**.
- 04** **Debtor-in-Possession Financing.** Services rendered in this category include review and analysis of Debtors' postpetition financing motion, preparation of the Committee's objection to the Debtors' postpetition financing motion, preparation and attendance at debtor-in-possession financing hearings, communications with Debtors' counsel regarding case status, strategy and issues relating to debtor-in-possession financing, analysis of loan documents, and conferences with case professionals regarding wind down costs and liquidation analysis. The total hours expended in this category are **125.3** and the total amount of compensation sought is **\$48,401.50**.
- 05** **Monthly Reports.** There were no services rendered in this category.
- 06** **Cash Collateral.** There were no services rendered in this category.
- 07** **Creditors Inquiries.** Services rendered in this category include conference with creditor regarding case status. The total hours expended in this category are **.2** and the total amount of compensation sought is **\$70.00**.
- 08** **Docket Review.** Services rendered in this category include daily review of case docket. The total hours expended in this category are **13** and the total amount of compensation sought is **\$1,983.00**.
- 09** **Employee Matters.** Services rendered in this category include review and analysis of pleadings relating to employee incentive program and related interoffice conferences, and communications with case professionals regarding employee agreements and documentation. The total hours expended in this category are **9.7** and the total amount of compensation sought is **\$3,557.50**.
- 10** **Executory Contracts, Personalty Leases and Real Estate Leases.** Services rendered in this category include review and analysis of documentation regarding Debtors' lease issues and executory contracts and interoffice conferences relating to same. The total hours expended in this category are **4.4** and the total amount of compensation sought is **\$1,780.00**.
- 11** **Reclamation.** There were no services rendered in this category.
- 12** **Client Conferences.** Services rendered in this category include conference with creditors committee regarding case status. The total

hours expended in this category are .5 and the total amount of compensation sought is \$155.00.

- 13 **Disclosure Statement and Plan of Reorganization.** Services rendered in this category include review and analysis of case documentation in connection with preparation of joint plan of liquidation, disclosure statement, and trust agreement, legal research regarding substantive consolidation and preparation of memo relating to same, revise plan of liquidation, disclosure statement and trust agreement, communications with case professionals regarding plan and trust issues, review of Debtors' motion to extend period of exclusivity and preparation of response to the same. The total hours expended in this category are **161.5** and the total amount of compensation sought is **\$59,956.00**.
- 14 **Insurance.** There were no services rendered in this category.
- 15 **Taxes.** There were no services rendered in this category.
- 16 **Utilities.** There were no services rendered in this category.
- 17 **Creditors' Committee.** Services rendered in this category include preparation of Committee by-laws, interoffice conferences regarding status of Committee organizational issues, and communications with Committee regarding case status and strategy. The total hours expended in this category are **32.2** and the total amount of compensation sought is **\$11,731.00**.
- 18 **Claims Processing.** Services rendered in this category include communications with Debtors' counsel regarding claims issues, research regarding setoff case law in connection with rejection damages and security deposits, conferences with case professionals regarding independent contractor claims and general claim issues, and review of claims filed to date. The total hours expended in this category are **18.8** and the total amount of compensation sought is **\$6,942.50**.
- 19 **Miscellaneous Motions and Adversary Proceedings.** Services rendered in this category include review of pleadings filed of record, meetings and conferences with case professionals regarding miscellaneous motions filed and relief requested, research regarding substantive consolidation, preparation and attendance at omnibus hearings, preparation of miscellaneous pleadings, update of critical dates calendar, and coordination of filing of pleadings with Court. The total hours expended in this category are **175.3** and the total amount of compensation sought is **\$53,524.50**.
- 20 **Sales.** Services rendered in this category include review and analysis of appraisals received from Debtors' counsel, draft list of issues relating to asset liquidation, conferences with case professionals regarding case status, strategy, and sale issues, review and analysis of sale procedures motion, address sale issues relating to various facilities, conferences with case professionals relating to auctioneer selection process, review

transactional documents relating to sale of real property, preparation and attendance at sale hearings and auctions, and communications with auctioneer regarding asset liquidation and facility exit issues. The total hours expended in this category are **218.3** and the total amount of compensation sought is **\$78,871.00**.

21 **Motions for Relief from Stay.** Services rendered in this category include review and analysis of motion for relief from stay filed by Ford Motor Company. The total hours expended in this category are **.3** and the total amount of compensation sought is **\$43.50**.

22 **Retention of Professionals and Fee Applications.** Services rendered in this category include preparation of retention application, coordination of filing of application and related documentation, communications with Court regarding status of application, and communications with financial advisors regarding invoice submittal procedures. The total hours expended in this category are **19.4** and the total amount of compensation sought is **\$3,957.50**.

14. A summary of expenses incurred during the First Interim Fee Period is set forth in **Exhibit C**.

IV. ALLOWANCE OF COMPENSATION

15. The fees and expenses requested for this First Interim Fee Period by McGuireWoods LLP are based on the firm's usual and customary hourly rates and expenses charged for work performed for other clients on both bankruptcy and non-bankruptcy related matters.

16. As set forth in the attached Affidavit of Mark E. Freedlander, McGuireWoods LLP has not represented or held an interest adverse to the estate, and is a disinterested person within the meaning established by § 327(a) of the Bankruptcy Code. Additionally, no division of fees prohibited by Section 504 of the Bankruptcy Code and no agreement prohibited by 18 U.S.C. § 155 has been or will be made by McGuireWoods LLP or any of its employees.

WHEREFORE, McGuireWoods LLP respectfully requests that this Honorable Court enter an Order allowing it interim compensation in the amount of \$337,435.50 for legal services rendered on behalf of the Committee during the First Interim Fee Period, and allowing reimbursement of expenses incurred in the sum of \$11,292.14 during the First Interim Fee Period, and directing the Debtors to immediately pay \$123,719.88 which represents the total fee and expenses due and payable pursuant to the Administrative Order but unpaid to date.

Dated: February 28, 2007

Respectfully submitted,

McGUIREWOODS LLP

By: /s/ Mark E. Freedlander

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