

UNITED STATES BANKRUPTCY COURT
 NORTHERN DISTRICT OF OHIO
 EASTERN DIVISION

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In re	:	Case Nos. 06-51848 (Jointly Administered)
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CEP HOLDINGS, LLC, <i>et al.</i> ,	:	Chapter 11
	:	Honorable Marilyn Shea-Stonum
Debtors.	:	
	:	
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**SUMMARY COVER SHEET ON THE SECOND 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 FEBRUARY 1, 2007 THROUGH MAY 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:	February 1, 2007 through May 31, 2007
Amount of Compensation for Services Sought as Actual, Reasonable and Necessary:	\$261,026.50
Amount of Expenses Sought to be Reimbursed as Actual, Reasonable and Necessary:	\$5,626.88
Total Amount of Fees and Expenses Sought to be Reimbursed As Actual, Reasonable and Necessary:	\$266,653.38

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

UNITED STATES BANKRUPTCY COURT
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In re : Case Nos. 06-51848
 : (Jointly Administered)
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CEP HOLDINGS, LLC, *et al.*, : Chapter 11
 : Honorable Marilyn Shea-Stonum
Debtors. :
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**SECOND 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
FEBRUARY 1, 2007 THROUGH MAY 31, 2007**

McGuireWoods LLP ("McGuireWoods" or "Applicant"), counsel to the Official Committee of Unsecured Creditors, pursuant to §§330(a) and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, and the Administrative Order entered October 13, 2006, submits its Second Interim Fee Application Request for Allowance of Compensation and Reimbursement of Expenses for the Period from February 1, 2007 through May 31, 2007 (the "Application"), and states as follows:

I. INTRODUCTION

1. On September 20, 2006 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue in possession of their respective properties and management of their respective businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. The Debtors' chapter 11 cases are being jointly administered for procedural purposes only.

2. On October 6, 2006, the Official Committee of Unsecured Creditors (the "Committee") filed an Application for Entry of Order Pursuant to 11 U.S.C. §§ 105 and 1103(a) of the Bankruptcy Code Authorizing and Approving the Employment and Retention of

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 February 1, 2007 through and including May 31, 2007 (the "Second 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 Second Interim Fee Period is \$261,026.50, with a blended hourly rate for such work performed of approximately \$361.88 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 Second Interim Fee Period is as follows:

Date of Monthly Statement	Period Covered	Requested Fees/Expenses	Fees/Expenses Paid
March 14, 2007	February 1, 2007 – February 28, 2007	\$57,867.51	\$46,302.41
April 11, 2007	March 1, 2007 – March 31, 2007	\$101,137.04	\$84,875.34
May 14, 2007	April 1, 2007 – April 30, 2007	\$51,733.94	\$41,625.64
June 19, 2007	May 1, 2007 – May 31, 2007	\$51,914.89	\$0.00
	Total Paid Fees/Expenses		\$172,803.39
	Total Unpaid 90% Fees/100% Expenses		\$67,747.34
	Remaining Unpaid 10% Fees		\$26,102.65
	Total 100% Fees/100% Expenses		\$266,653.38

8. By Application and pursuant to the Administrative Order, McGuireWoods seeks allowance of compensation in the amount of \$261,026.50 for legal services rendered on behalf of the Committee during the Second Interim Fee Period, and the reimbursement of expenses incurred in the sum of \$5,626.88 during the Second Interim Fee Period, and requests payment of \$67,747.34, which represents ninety percent (90%) of fees and one hundred percent (100%) of expenses due and payable under the Administrative Order that have not been paid to date.

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

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

11. During the Second Interim Fee Period, McGuireWoods provided a total of 721.3 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 Second Interim Fee Period. Set forth in **Exhibit B** is a chronological listing of services provided for each category for the Second Interim Fee Period. Set forth in **Exhibit C** is a chart showing

the actual and necessary expenses in the amount of \$5,626.88 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, general research relating to posture of case, preparation of case status report, 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 **136.1** and the total amount of compensation sought in this category is **\$50,799.50**.

02 **Petition, Schedules and Financial Reports.** Services rendered in this category include review and analysis of Debtors' schedules and statements, and communications with Grant Thornton regarding vendor overpayments. The total hours expended in this category are **.4** and the total amount of compensation sought in this category is **\$115.00**.

03 **Investigation of Prepetition Transactions.** Services rendered in this category include communications with counsel to Reserve Group regarding due diligence issues relating to potential claims against Reserve Group, communications with Huron Consulting and Grant Thornton regarding preference analysis and related claim issues, review of pre-petition sale transaction documents, review of case correspondence regarding status of reconciliation of Carlisle claim and collection of A/R, research potential causes of action against Parker Hannifin, review of case law relating to PBGC issues and preparation of memorandum regarding same, revisions to Reserve Group claims memorandum and pension plan resolution memorandum, research regarding standard for seller liability relating to Parker Hannifin transactions and preparation of related memorandum, draft response to Washington Penn information request and review of related information, communications with case professionals regarding avoidance action analysis relating to Parker Hannifin and Carlisle and Washington Penn allegations relating to equity withdrawals, communications with Grant Thornton regarding post-petition overpayment reimbursements, and correspondence to Carlisle counsel regarding litigation claim refund. The total hours expended in this category are **57.6** and the total amount of compensation sought in this category is **\$23,218.50**.

04 **Debtor-in-Possession Financing.** Services rendered in this category include drafting of revisions to DIP amendment and Order, communications with case professionals regarding DIP release stipulation and draft revisions to same, communications with counsel to Wachovia regarding release of collateral proceeds to Debtors and Wachovia request for release by Committee, communications with Debtors' counsel regarding position on Wachovia revisions to cash collateral Order, revise cash collateral Order and review correspondence from case professionals regarding revisions, communications with counsel to General Motors regarding participating customers demand for payment of subordinated secured participation, and review and analysis of Order amending final DIP Order. The total hours expended in this category are **16.3** and the total amount of compensation sought is **\$7,202.50**.

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 communications with creditors regarding case status. The total hours

expended in this category are **2** and the total amount of compensation sought is **\$746.00**.

- 08** **Docket Review**. Services rendered in this category include daily review and distribution of case docket. The total hours expended in this category are **11.7** and the total amount of compensation sought is **\$2,047.50**.
- 09** **Employee Matters**. Services rendered in this category include review and analysis of collective bargaining agreements and pension plans and meeting with case professionals relating to same, communications with case professionals regarding status of effects bargaining with USWA and WARN claim issues, meeting with Debtors and Reserve Group regarding pension claims, communications with Huron Consulting regarding pension plan document review, and examine correspondence from Debtors' counsel regarding workers' compensation issues. The total hours expended in this category are **7.3** and the total amount of compensation sought is **\$2,905.00**.
- 10** **Executory Contracts, Personalty Leases and Real Estate Leases**. Services rendered in this category include review and analysis of Debtors' Motions to assume employment agreement and lease, communications with counsel to Carlisle regarding equipment lease issues and claims, examine joint stipulated facts relating to NL Ventures, and review of proposed Middlefield facility rejection Order. The total hours expended in this category are **4** and the total amount of compensation sought is **\$1,519.00**.
- 11** **Reclamation**. There were no services rendered in this category.
- 12** **Client Conferences**. There were no services rendered in this category.
- 13** **Disclosure Statement and Plan of Reorganization**. Services rendered in this category include drafting of revisions to Plan/Disclosure Statement and Liquidating Trust Agreement, communications with Grant Thornton regarding revisions to liquidation analysis and office conference relating to same, review and revise liquidation analysis, conference with Committee regarding Plan revisions, review of Motion to approve Disclosure Statement and interoffice meeting regarding same, review and analysis of Objections to Disclosure Statement, draft Responses to Objections to Disclosure Statement, draft additional amendments to Disclosure Statement, coordinate filing of Amended Plan/Disclosure Statement, communications with Debtors' counsel and PBGC representatives relating to pension plan assumption and confirmation issues, and preparation of memorandum relating to First Amended Plan/Disclosure Statement filed. The total hours expended in this category are **91.7** and the total amount of compensation sought is **\$38,114.00**.
- 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 communications and meeting with Committee regarding case status and strategy, preparation of case status memorandum to Committee, review of pre-petition Committee materials relating to Washington Penn information request and communications with Committee co-chairs regarding same, prepare for and participate in Committee conference calls regarding Reserve Group release and pension plans and Parker Hannifin issues, draft and circulate Committee meeting minutes, prepare memorandum to Committee regarding approval of Amended Plan/Disclosure Statement and participating Customer/Wachovia settlement, and review and analysis of interoffice correspondence regarding committee approval of releases. The total hours expended in this category are **22.3** and the total amount of compensation sought is **\$9,715.00.**
- 18 **Claims Processing.** Services rendered in this category include drafting of revisions to proposed stipulation of facts for independent contractor claims litigation and office conferences regarding same, review of Carlisle memorandum relating to lease claims and analysis of related documentation, review of Carlisle claims reconciliation, communications with claims team regarding claims reconciliation strategy, review and analysis of claims filed to date, review claims reconciliation reports, prepare for and participate in weekly claims reconciliation calls, and review and analysis of Reserve Group resolution. The total hours expended in this category are **111.1** and the total amount of compensation sought is **\$39,391.00.**
- 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, prepare case files for omnibus hearings, preparation and participation in omnibus hearings, research relating to current posture of case, 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 **218.9** and the total amount of compensation sought is **\$75,173.00.**
- 20 **Sales.** Services rendered in this category include communications with Debtors' counsel regarding status of sale of Lapeer facility, participate in sale hearings, communications with auctioneer regarding facility exit dates and auction reconciliation, review correspondence from case professionals regarding Lapeer mechanics lien issues and closing statements for auction sales, review of auction closing reports, and review and analysis of asset purchase agreements between Debtors, Parker Hannifin and Carlisle. The total hours expended in this category are **6.1** and the total amount of compensation sought is **\$2,563.00.**

- 21 **Motions for Relief from Stay.** Services rendered in this category include review of correspondence from case professionals regarding response to Motion for Relief from Stay filed by Parker-Hannifin. The total hours expended in this category are .4 and the total amount of compensation sought is **\$160.00**.
- 22 **Retention of Professionals and Fee Applications.** Services rendered in this category include communications with court and case professionals regarding first interim fee application timeline and filing procedures, review of local rules regarding court procedures, preparation of first interim fee application and communications with Grant Thornton regarding same, communications with Debtors' counsel regarding fee application notice process, coordinate filing and service of interim fee applications and monthly invoices to case professionals, review and analysis of Objection of Washington Penn to interim fee applications of McGuireWoods and Grant Thornton, and address related issues. The total hours expended in this category are **35.4** and the total amount of compensation sought is **\$7,357.50**.

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

IV. ALLOWANCE OF COMPENSATION

15. The fees and expenses requested for this Second 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 \$261,026.50 for legal services rendered on behalf of the Committee during the Second Interim Fee Period, and allowing reimbursement of expenses incurred in the sum of \$5,626.88 during the Second Interim Fee Period, and directing the Debtors to immediately pay \$67,747.34 which represents ninety percent (90%) of fees and one hundred percent (100%) of expenses due and payable pursuant to the Administrative Order but unpaid to date.

Dated: June 29, 2007

Respectfully submitted,

McGUIREWOODS LLP

By: /s/ Mark E. Freedlander

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