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8 Special Counsel to the Debtor

9
10 **UNITED STATES BANKRUPTCY COURT**
11 **NORTHERN DISTRICT OF CALIFORNIA**
12 **SAN FRANCISCO DIVISION**

13 In re:) Case No.: 08-32514
14 Heller Ehrman LLP,)
15 Debtor.) Chapter 11
16) **SUPPLEMENTAL FIRST INTERIM FEE**
17) **APPLICATION OF LOVITT & HANNAN,**
18) **INC. FOR APPROVAL OF**
19) **COMPENSATION AND**
20) **REIMBURSEMENT OF EXPENSES FOR**
21) **THE PERIOD ENDED APRIL 30, 2009**
22) **(FOR THE INVESTIGATION OF**
23) **POTENTIAL CLAIMS)**
24)
Date: June 26, 2009
Time: 9:30 a.m.
Place: United States Bankruptcy Court
235 Pine Street, 22nd Floor
San Francisco, CA
Judge: The Hon. Dennis Montali

25 Lovitt & Hannan, Inc., (the "Firm"), hereby submits this Supplemental First Interim
26 Application (the "Application") for Allowance and Payment of Compensation and

1 Reimbursement of Expenses (for the Investigation of Potential Claims) for the period ending
2 April 30, 2009, (the “Application Period”) in accordance with the *Order Establishing Interim Fee*
3 *Application And Expense Reimbursement Procedures and Limiting Notice* entered by the Court
4 on May 7, 2009 (the “Order Establishing Interim Fee Procedures”), and pursuant to sections 330
5 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal
6 Rules of Bankruptcy Procedure (“Bankruptcy Rules”), the *Guidelines for Compensation and*
7 *Expense Reimbursement of Professionals and Trustees* (“Guidelines”), and the *United States*
8 *Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of*
9 *Expenses Filed Under 11 U.S.C. § 330* (“UST Guidelines”), and the Local Bankruptcy Rules for
10 the Northern District of California.

11 The Firm seeks interim approval of compensation and reimbursement for the investigation
12 of potential claims totaling \$125,076.02 which sum represents compensation for legal services
13 rendered in the amount of \$122,512.50 and reimbursement for expenses incurred in the amount of
14 \$2,563.52 for the Application Period.

15 The Application is based upon the Firm’s *First Interim Fee Application Of Lovitt &*
16 *Hannan, Inc. For Approval Of Compensation And Reimbursement Of Expenses For The Period*
17 *Ended April 30, 2009 (For The Investigation Of Potential Claims)* (“First Interim Application”),
18 the attached exhibits, and the declaration of J. Thomas Hannan, which documents were filed
19 concurrently with this Court on May 29, 2009, the pleadings on file in the Debtor’s case, and any
20 evidence and oral argument that the Court may have entertained at the time of the hearing on the
21 Application.
22

23 In support of the Application, the Firm respectfully represents as follows:

24 The Firm is Special Counsel to Heller Ehrman, LLP, the Debtor in the above captioned
25 case (the “Debtor”). The Firm hereby applies to the Court for allowance and payment of interim
26 compensation for services rendered and reimbursement of expenses incurred for the investigation
of potential claims during the Application Period.

I. INTRODUCTION

At the June 26, 2009 hearing on Interim Fee Applications, the Court observed the Lovitt & Hannan, Inc. First Interim Application narrative description was lacking in detail, though the Court was also aware the investigation being conducted by Lovitt & Hannan, Inc. involved confidential matters. This supplemental filing is intended to balance the Court's desire for additional narrative and the interests of confidentiality.

II. PROJECT BILLING AND NARRATIVE STATEMENT OF SERVICES RENDERED

In accordance with the Northern District Guidelines and UST Guidelines, the Firm has re-classified on its billing detail all services for which compensation is sought into categories. These bills are attached hereto as **Exhibit A**. After review of the time records that support the billing, the Firm has eliminated or reduced certain time previously billed for this billing period. The total reduction for this period is \$1,992.50. The revised Fee Summary for the Firm is as follows:

FEE SUMMARY

Names of Professionals and Paraprofessionals	Hours Billed this Period	Rate	Total for Application
Henry I. Bornstein	50.0	\$ 475	\$23,750.00
Laura J. Davies	3.1	\$ 125	\$387.50
J. Thomas Hannan	72.5	\$ 650	\$47,125.00
Ronald Lovitt	38.1	\$ 650	\$24,765.00
Damien O. Morrison	15.5	\$ 250	\$3,875.00
Terence F. Young	53.2	\$ 425	\$22,610.00
Total	232.4		\$122,512.50

A list of categories into which the detailed time entries have been separated for this purpose and the amounts calculated for each category during the time period covered by this Application are as follows:

Category	Hours	Fees
Advice to Debtor, or Debtor and Creditors' Committee	99.0	\$ 56,530.00

Document Review, Processing and Analysis	38.0	\$18,580.00
Investigation	18.0	\$9,755.00
Legal Analysis and Research	77.4	\$ 36,647.50
TOTALS	232.4	\$122,512.50

In accordance with the Northern District Guidelines, the following are the narratives for each category of project billing, discussing projects and tasks, along with a breakdown of the professionals that performed the services:

A. Advice to Debtor, or Debtor and Creditors' Committee

Total Hours: 99.0 Total Fees: \$56,530.00

In March and April 2009, Special Counsel spent a significant portion of the total time billed so far. The first requirement was for counsel to obtain background of the Debtor's organization, recent history and current operational status. This involved hours of consultation with the Debtor's and Creditors' Committee Counsel, as well as the Dissolution Committee. During the early phase, counsel made an assessment of the staff requirements and made tentative assignments of responsibilities. Counsel also spent considerable time developing an overview of its assignment and responding to requests to produce an early estimated budget for the initial phase of the investigation. Counsel was also asked to analyze and report on the potential conflicts that might arise if and when potential claims were prosecuted. The Debtor and the Creditors' Committee wanted to share the responsibility, control, and benefits of a joint investigation. Significant time was devoted to preliminary negotiations and drafting of a joint investigation agreement.

A breakdown of the professionals who billed time to the **Advice to Debtor, or Debtor and Creditors' Committee** category and the number of hours billed by each is as follows:

Professional	Hours	Fees
Henry I. Bornstein	11.3	\$ 5,367.50
J. Thomas Hannan	44.1	\$ 28,665.00
Ronald Lovitt	21.6	\$ 14,040.00
Damien O. Morrison	5.1	\$ 1,275.00
Terence F. Young	16.9	\$ 7,182.50
TOTALS	99.0	\$ 56,530.00

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B. Document Review, Processing and Analysis

Total Hours: 38.0 Total Fees: \$ 18,580.00

In March and April 2009, Special Counsel began the process of management and control of the Debtor’s documents, including electronically stored information (“ESI”). There have been numerous meetings with the Debtor’s current personnel and meetings at the Debtor’s document depositories to determine the extent and location of the Debtor’s documents and the identities of the various document custodians. Surveys have been made to assess the magnitude and expense that will be involved in the document management and review process. Initial steps have been taken to address the technical requirements for the collection and organization of ESI. Counsel have determined that document management, in particular ESI management, will be a large contributor to the overall cost of the investigation. In our attempt to minimize this exposure, Counsel have assigned the responsibility for the ESI management to attorneys who have extensive and current experience in ESI management and control. These lawyers have devoted significant time in this category and will be required to do so in the following months.

A breakdown of the professionals who billed time to the **Document Review, Processing and Analysis** category and the number of hours billed by each is as follows:

Professional	Hours	Fees
Henry I. Bornstein	26.4	\$ 12,540.00
Laura J. Davies	1.1	\$ 137.50
J. Thomas Hannan	4.4	\$ 2,860.00
Ronald Lovitt	2.0	\$ 1,300.00
Terence F. Young	4.1	\$ 1,742.50
TOTALS	38.0	\$ 18,580.00

C. Investigation

Total Hours: 18.0 Total Fees: \$ 9,755.00

In March and April 2009, Special Counsel commenced the process of planning and investigation through meetings about the course of events leading to the bankruptcy. There were

1 several potential claims under investigation, for convenience, matters A, B, C, & D. During this
 2 time frame, the early results were being reported to the Debtor and pursuant to joint agreements,
 3 on some matters to Creditors' Committee, and each of their counsel. Much of the investigation
 4 will follow from the gathering and controlling of electronic documents and hard copy documents
 5 (see "Document Review, Processing and Analysis").

6 A breakdown of the professionals who billed time to the **Investigation** category and the
 7 number of hours billed by each is as follows:

Professional	Hours	Fees
Henry I. Bornstein	2.8	\$ 1,330.00
Laura J. Davies	2.0	\$ 250.00
J. Thomas Hannan	2.0	\$ 1,300.00
Ronald Lovitt	9.4	\$ 6,110.00
	1.8	\$ 765.00
TOTALS	18.0	\$ 9,755.00

13 **D. Legal Analysis and Research**

14 **Total Hours: 77.4 Total Fees: \$37,647.50**

15 In March and April 2009, Special Counsel engaged in legal research and analysis in
 16 connection with matters A, B, C, & D. It was determined after review that matter D should not be
 17 further pursued as part of this investigation. One additional matter, matter E was identified for
 18 possible later pursuit. As detailed in the supporting time entries, legal research and analysis
 19 spanned a broad category of tasks from preparation of memoranda on legal issues, research and
 20 analysis of complex privilege issues, and review of publicly available information and filings on
 21 the Brobeck Phleger and Harrison bankruptcy, to research regarding the retention of the
 22 Greenberg Traurig law firm to represent the Debtor on matters in the bankruptcy.

23 A breakdown of the professionals who billed time to the **Legal Analysis and Research**
 24 category and the number of hours billed by each is as follows:

Professional	Hours	Fees
Henry I. Bornstein	9.5	\$ 4,512.50
J. Thomas Hannan	22.0	\$ 14,300.00
Ronald Lovitt	5.1	\$ 3,315.00

Damien O. Morrison	10.4	\$	2,600.00
Terence F. Young	30.4	\$	12,920.00
TOTALS	77.4	\$	37,647.50

E. List of Expenses by Category

L&H advanced costs, including certain in-house charges, on behalf of the Debtor in connection with the performance of the services described in this Application. During the Application Period, L&H incurred a total of \$2,563.52 in expenses. L&H made every effort to keep the costs in this case to a minimum. A more detailed explanation of the Firm's expenses was listed in the Firm's First Interim Application.

F. Hourly Rates

The hourly rates of all professionals and paraprofessionals rendering services in this case are set forth on the Fee Summary Chart on page 3.

III. CONCLUSION

The compensation presently sought by L&H is interim. Neither L&H, nor any shareholders of the Firm, have any agreement or any understanding of any kind or nature to divide, pay over, or share any portion of the fees to be awarded L&H with any other person or attorney, except among shareholders and associates of the Firm.

L&H believes that the services rendered for which compensation is sought in this Application have been beneficial to the estate, that the costs incurred have been necessary and proper, and that the sums requested for the services rendered and the costs incurred are fair and reasonable.

WHEREFORE, L&H respectfully requests that this Court authorize allowance and direct immediate payment of fees and costs as follows:

1. Allow interim compensation to the Firm in the amount of \$125,076.02 inclusive of all fees and costs for the investigation of potential claims for the Application Period, consisting of \$122,512.50 of fees and \$2,563.52 of expenses;

1 2. Authorize and direct the Debtor to pay the Firm \$125,076.02 for the investigation
2 of potential claims less amounts previously paid to the Firm pursuant to the Interim Payment
3 Order; and

4 3. Grant such other and further relief as may be appropriate under the circumstances.

5 Dated: July 2, 2009

LOVITT & HANNAN, INC.

7 By /s/ J. Thomas Hannan

8 J. Thomas Hannan

EXHIBIT A

LOVITT & HANNAN, INC.

Of Counsel to: Bartko, Zankel, Tarrant & Miller PC

900 Front Street, Suite 300

San Francisco, CA 94111

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Invoice # 0080.0000-01-REV

TO: Heller Ehrman (in dissolution)
c/o John Fiero, counsel for Debtor
Pachulski Stang Ziehl & Jones LLP
150 California Street, 15th Floor
San Francisco, CA 94111-4500

July 2, 2009

In re: Heller Ehrman LLP, Debtor
U.S. Bankruptcy Court Case No. 08-32514, Chapter 11
Potential Claims Investigation
REVISED: Professional Services rendered from case inception through March 31,
2009

Description of services

			<u>Hours</u>	<u>Amt</u>
	<u>Advice to DR/CC</u>			
3/9/09	DOM	Meeting re investigation of claims on behalf of Heller Ehrman as debtor in Bankruptcy.	4.00	1,000.00
3/9/09	TFY	Meeting re planning for claims.	4.30	1,827.50
3/9/09	RL	Analysis and planning for investigation.	5.50	3,575.00
3/9/09	HIB	Conference with Hayden, Lovitt, Hannan re engagement; telephone conference with Fiero, Hayden, Lovitt, Hannan.	7.10	3,372.50
3/10/09	RL	Arrangements for document review of Dissolution Committee documents and retention.	0.50	325.00
3/10/09	JTH	Preparation and telephone conference with Fiero; meeting with Lovitt, Bornstein, T. Young, D. Morrison and Hayden re facts and Heller Ehrman structure and analysis of each.	6.40	4,160.00
3/11/09	TFY	Further research and review of factual materials re Jewel v. Boxer effect on potential claims; communications re notice to merger partners to preserve documents.	3.50	1,487.50
3/11/09	RL	Telephone conference with Creditors Committee, Fiero and Dissolution Committee re investigation.	0.80	520.00
3/11/09	JTH	Telephone conference with Lovitt, Fiero, Hayden, Willoughby re issues, assignments and joint interest agreements.	0.80	520.00

Heller Ehrman (in dissolution)

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			<u>Hours</u>	<u>Amt</u>
3/12/09	TFY	Research and prepare memorandum to dissolution committee re notices to preserve records; draft proposed letters to third parties and to Covington and Burling.	2.00	850.00
3/17/09	JTH	Preparation for 3/18 meeting with Creditors Committee.	0.90	585.00
3/18/09	RL	Prepare for and make presentation to Creditors Committee.	1.50	975.00
3/18/09	JTH	Preparation and attendance at meeting with Creditors Committee.	1.50	975.00
3/19/09	JTH	Review of drafts of various agreements, joint investigation, joint interest, confidentiality, Greenberg app.; document review.	4.20	2,730.00
3/20/09	JTH	E-mail traffic; further review of Greenberg Traurig app. and language for order; draft of budget format and initial estimates required by DR and CR committees.	5.20	3,380.00
3/21/09	JTH	Budgeting and e-mail re same.		No Charge
3/22/09	JTH	Draft Heller investigation budget, bottoms up, e-mail re same.	3.50	2,275.00
3/23/09	JTH	Various conferences with Lovitt re preparation of budget, documents; processing, edit and re-drafts.	2.80	1,820.00
3/27/09	JTH	Rework budget estimates.	1.20	780.00
3/28/09	JTH	Review budget with Lovitt; e-mail to Bornstein re needed added input on documents and electronic war room.	1.70	1,105.00
3/28/09	RL	Review budget.	1.20	780.00
3/30/09	RL	Planning investigation.	1.00	650.00
3/30/09	JTH	Review and refine budget; e-mail re same.	0.80	520.00
3/30/09	HIB	Budget for electronic document database.	0.50	237.50
3/31/09	JTH	Re-draft and edit budget; conference call with Lovitt and Bornstein.	2.10	1,365.00
3/31/09	HIB	Telephone conference with Hannan, Lovitt re electronic discovery budget; draft case budget.		No Charge
3/31/09	RL	Telephone conference with Hannan and Bornstein re budget.	0.70	455.00
		SUBTOTAL :[63.70	36,270.00]

Heller Ehrman (in dissolution)
July 2, 2009

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Hours **Amt**

Doc. Review

3/10/09	LJD	Coordinate document imaging of original Heller documents received for electronic database and review.	0.40	50.00
3/11/09	JTH	Review and analysis of documents; various telephone conference with Lovitt.	3.80	2,470.00
3/25/09	RL	Planning for ESI review.	0.50	325.00
3/25/09	HIB	Telephone conference with Lovitt, Hannan re document review protocol and scheduling.	0.20	95.00
3/25/09	RL	Telephone conference with Bornstein, Hannan re ESI.		No Charge
3/25/09	JTH	Telephone conference with Bornstein, Lovitt re document review.	0.20	130.00
		SUBTOTAL :[	5.10	3,070.00]

Investig/Plan

2/25/09	RL	Prepare for and attend meeting with Creditors and Client and follow-up after meeting re analysis.	2.50	1,625.00
3/2/09	RL	Planning for investigation; telephone conference with Hannan re same.	0.50	325.00
3/2/09	JTH	Telephone conference with Lovitt from El Paso re how to allocate work and budget.	0.40	260.00
3/3/09	RL	Planning for investigation.	0.50	325.00
3/4/09	RL	Preparation for staff meeting re investigation.	1.00	650.00
3/5/09	RL	Planning for investigation.	0.50	325.00
3/5/09	HIB	Review scope of engagement; telephone conference with Lovitt re timing and assignment of work projects.	1.10	522.50
3/31/09	RL	Planning investigation.	0.70	455.00
		SUBTOTAL :[	7.20	4,487.50]

Legal Analys/Rs

3/10/09	TFY	Review of factual material re Katz dispute; research re Jewel v. Boxer claims; begin drafting memorandum re Jewel v. Boxer potential claims and settlement with Katz and Covington and Burling.	4.80	2,040.00
		SUBTOTAL :[4.80	2,040.00]

Heller Ehrman (in dissolution)
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	<u>Hours</u>	<u>Amt</u>
For professional services rendered	80.80	\$45,867.50

Costs/Disbursements

	<u>Qty/Price</u>	
<u>Messenger</u>		
3/31/09 Messenger charges for investigation documents picked up at Heller Ehrman on 3/9/09, paid ck#22436.	1 @28.96	28.96
Total costs		\$28.96
Total time and expense charges		\$45,896.46

Balance Due	\$45,896.46
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Summary by Attorney

<u>Lawyer/Paragl</u>	<u>Hours</u>	<u>Rate</u>	<u>Amt</u>
DOM-Morrison	4.00	250.00	\$1,000.00
HIB-Bornstein	8.90	475.00	\$4,227.50
JTH-Hannan	35.50	650.00	\$23,075.00
LJD-Davies	0.40	125.00	\$50.00
RL -Lovitt	17.40	650.00	\$11,310.00
TFY-Young	14.60	425.00	\$6,205.00

LOVITT & HANNAN, INC.

Of Counsel to: Bartko, Zankel, Tarrant & Miller PC

900 Front Street, Suite 300

San Francisco, CA 94111

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Invoice # 0080.0000-02-REV

TO: Heller Ehrman (in dissolution)
c/o John Fiero, counsel for Debtor
Pachulski Stang Ziehl & Jones LLP
150 California Street, 15th Floor
San Francisco, CA 94111-4500

July 2, 2009

In re: Heller Ehrman LLP, Debtor
U.S. Bankruptcy Court Case No. 08-32514, Chapter 11
Potential Claims Investigation
REVISED: Professional Services rendered from April 1, 2009 through April 30, 2009

Description of services

			<u>Hours</u>	<u>Amt</u>
	<u>Advice to DR/CC</u>			
4/1/09	JTH	Review e-mail traffic re budget, analysis of projected cost issues.	0.90	585.00
4/2/09	JTH	Final budget memorandum preparation and final summary bottoms up.	1.30	845.00
4/2/09	HIB	Edit letter re conflicts issue.	0.70	332.50
4/3/09	JTH	Review of budget with Lovitt; telephone conference with Lovitt and John Fiero; e-mail of final budget.	0.80	520.00
4/3/09	RL	Budget review and telephone conference with J. Fiero re same.	0.80	520.00
4/3/09	RL	Telephone conference with Hannan, then Hannan and J. Fiero re budget.	0.80	520.00
4/6/09	JTH	Review of preservation language in draft re Greenberg Traurig; analysis and suggestions; e-mail traffic re same.	0.60	390.00
4/7/09	JTH	Prepare agenda for team conference call; review of joint investigation agreement and memorandum re privilege.	1.10	715.00
4/7/09	RL	Review joint investigation agreement draft.	0.60	390.00
4/7/09	DOM	Conference call re strategic organization of investigation on behalf of Heller as Debtor in possession.	1.10	275.00
4/8/09	JTH	Telephone conference with Lovitt; telephone conference with Lovitt and J. Fiero.	0.90	585.00
4/16/09	JTH	Telephone conference with Lovitt re pending issues; meeting tomorrow with Debtor and Creditor; call to T. Willoughby re Brobeck hearing.	0.80	520.00

Heller Ehrman (in dissolution)
July 2, 2009

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			<u>Hours</u>	<u>Amt</u>
4/16/09	RL	Telephone conference with Hannan and later T. Young re attorney client privilege and ESI and Jewel.	1.10	715.00
4/17/09	JTH	Conference with Lovitt re meeting with Debtor and Creditor; review, preparation and attendance at meeting with counsel for Debtor and Creditor, dissolution committee Rep, DSI rep, Lovitt, Bornstein, T. Young.	3.60	2,340.00
4/17/09	RL	Review status of documents and ESI production; telephone conferences re same.	0.50	325.00
4/17/09	RL	Participate in meeting with Creditors Committee and Debtor 's counsel re how to proceed.	2.90	1,885.00
4/17/09	TFY	Review memoranda from Bornstein re documents available; meeting with all at J. Fiero offices.	3.30	1,402.50
4/17/09	HIB	Conference with counsel for Debtor and Creditors Committee.	3.00	1,425.00
4/20/09	JTH	Editing and redrafting joint investigation agreement and declaration.	0.30	195.00
4/21/09	RL	Review and edit joint investigation agreement and declaration.	1.20	780.00
4/24/09	JTH	Telephone conference with Lovitt; telephone conference with T. Young and Lovitt re potential conflicts issues, analysis and research re same.	2.70	1,755.00
4/24/09	RL	Review and edit conflicts declaration and joint investigation report; related telephone conferences with T. Willoughby, Hannan and T. Young.	2.50	1,625.00
4/24/09	TFY	Telephone conference with Lovitt and Hannan, draft letter re potential conflicts of interest.	3.80	1,615.00
		SUBTOTAL :[	35.30	20,260.00]
		<u>Doc. Review</u>		
4/1/09	HIB	Budget for electronic document database.	3.60	1,710.00
4/7/09	HIB	Telephone conference with Lovitt, Hannan re scheduling and document collection.	0.30	142.50
4/8/09	RL	Telephone conferences with Hannan, J. Fiero re investigation, planning and ESI.	1.00	650.00
4/8/09	TFY	Telephone conference with Bornstein, call to Everett, further calls re document preservation.	0.30	127.50
4/8/09	HIB	Telephone conference with T. Young, Kyle Everett, re Heller documents and ESI retention; review document retention and collection issues.	1.00	475.00

Heller Ehrman (in dissolution)
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			<u>Hours</u>	<u>Amt</u>
4/9/09	JTH	E-mail traffic and analysis re Heller retained records, hard copies and digital.		No Charge
4/9/09	TFY	Telephone conferences re document preservation.	0.20	85.00
4/9/09	HIB	Review tasks and issues relevant to document collection from Heller law firm.	0.30	142.50
4/10/09	HIB	Telephone conferences with T. Young, Shelley Salinero re Heller document review project; correspondence re same.	1.10	522.50
4/12/09	HIB	Prepare for interview with Heller liquidation coordinator and IT staff.	1.00	475.00
4/14/09	JTH	Review and telephone discussion with Lovitt and Bornstein e-mail re current assignments.	0.20	130.00
4/14/09	RL	Planning investigation re location of documents and ESI.	0.50	325.00
4/14/09	TFY	Review meeting notes in preparation for meeting at Heller document repository.	0.40	170.00
4/14/09	HIB	Analyze Heller document collection issues; memorandum re potential claims and document collection issues; telephone conferences with Lovitt, Hannan.	6.70	3,182.50
4/15/09	TFY	Meeting at Heller document repository; memorandum to Bornstein re conclusions from meeting; review Bornstein memorandum to Salinero.	3.20	1,360.00
4/15/09	HIB	Draft IT survey; prepare for meeting re document review.	1.50	712.50
4/15/09	HIB	Conference with T. Young, Shelley Salinero, Kay Schultz re review of Heller documents; review Heller ESI retention policy.	2.40	1,140.00
4/16/09	HIB	Review Heller document filing system; memorandum re meeting with Heller personnel and plan for initial Heller document collection; memorandum to Heller staff re document collection protocol.	6.70	3,182.50
4/18/09	HIB	Review Heller document collection technical issues; correspondence with Heller staff.	0.60	285.00
4/21/09	LJD	Telephone conferences with Bornstein re document organization and chain of custody log.	0.70	87.50
4/22/09	JTH	Review memorandum re controlling Heller documents.	0.20	130.00
4/23/09	HIB	Correspondence re setting up document database.	0.70	332.50
4/29/09	HIB	Conference with Hayden re Heller documents.	0.30	142.50
		SUBTOTAL :[32.90	15,510.00]

Heller Ehrman (in dissolution)
July 2, 2009

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Invoice # 0080.0000-02-REV

Hours **Amt**

Investig/Plan

4/6/09	JTH	E-mail re scheduling assignment meeting on 4/7; call with Lovitt re same.	0.40	260.00
4/6/09	RL	Telephone conference with Hannan re assignments.	0.20	130.00
4/6/09	RL	Telephone conference with Hannan re team conference call.	0.20	130.00
4/7/09	JTH	Conference call re assignments and priorities with Lovitt, Bornstein, T. Young, Morrison and Davies.	1.20	780.00
4/7/09	RL	Plan for investigation.	1.00	650.00
4/7/09	RL	Team conference call for analysis and assignments.	1.20	780.00
4/7/09	TFY	Telephone conference with team re status and assignments, review of e-files already received.	1.80	765.00
4/7/09	HIB	Memorandum re document collection issues; telephone conference with Lovitt, Hannan, Davies, Morrison, T. Young re planning and assignments.	1.70	807.50
4/7/09	LJD	Telephone conference with Lovitt, Hannan, Bornstein, Morrison, T. Young re Heller bankruptcy investigation and assignments.	1.30	162.50
4/8/09	LJD	Preparation of memorandum re team meeting and assignments.	0.70	87.50
4/14/09	RL	Telephone conference with Hannan, Bornstein re assignments.	0.20	130.00
4/15/09	RL	Various calls and mail re investigation planning.	0.60	390.00
4/21/09	RL	Planning discovery for investigation.	0.30	195.00
		SUBTOTAL :[	10.80	5,267.50]

Legal Analys/Rs

4/7/09	RL	Consider attorney-client privilege issues.	0.40	260.00
4/7/09	RL	Voicemail to J. Fiero re various issues.	0.10	65.00
4/7/09	HIB	Review proposed order re Greenberg Traurig engagement as Debtor special counsel.	0.20	95.00
4/8/09	JTH	Legal research re Brobeck (Hanger) v. Clifford Chance claims settlement, and application to IP and Covington.	4.50	2,925.00
4/8/09	RL	Review Clifford Chance complaint and settlement.	0.50	325.00

Heller Ehrman (in dissolution)
July 2, 2009

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			<u>Hours</u>	<u>Amt</u>
4/8/09	RL	Review Brobeck partial summary judgment motion in Jewel case.	0.50	325.00
4/9/09	JTH	Review and comments on Greenberg Traurig retention agreement.	0.40	260.00
4/9/09	JTH	Review of available (redacted) filings in Brobeck bankruptcy.	0.60	390.00
4/9/09	JTH	Research re client confidentiality and privilege issues.	0.80	520.00
4/12/09	DOM	Conference with Hayden re facts surrounding engagement of Greenberg Traurig.	0.90	225.00
4/13/09	TFY	Telephone conference with Hayden re insurance documentation; review briefs for Brobeck summary judgment motions on Jewel v. Boxer issues; attend hearing on Jewel v. Boxer issues in Brobeck bankruptcy.	5.70	2,422.50
4/15/09	JTH	Telephone conference with Lovitt and telephone conference with Lovitt and T. Willoughby re pending issues, Brobeck hearing; Jewel v. Boxer issues re IP and Covington.	0.70	455.00
4/15/09	JTH	Analysis of possible claims and investigation responsibilities and assignments; research re same.	1.00	650.00
4/15/09	JTH	Review and analysis of outline of issues for Heller document review.	0.40	260.00
4/15/09	DOM	Memorandum re potential claim against Greenberg Traurig.	3.50	875.00
4/16/09	JTH	Review, analysis and research re privilege memorandum by T. Young; review of three document memoranda by Bornstein.	1.20	780.00
4/16/09	DOM	Review and analysis of California law re elements of a cause of action for attorney malpractice.	2.10	525.00
4/18/09	JTH	Research, draft and edit declaration re possible and potential conflict disclosures.	1.90	1,235.00
4/20/09	JTH	Review and analysis of Vinson matter.		No Charge
4/20/09	TFY	Telephone with Sugarman re insurance policies, review of memoranda re coverage.	0.70	297.50
4/21/09	JTH	Review Bank of America opposition to file destruction by Debtor; analysis and research re same.	0.50	325.00
4/21/09	TFY	Review insurance policies, review document collection processes, e-mails to all re changes in policies.	2.20	935.00

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July 2, 2009

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Invoice # 0080.0000-02-REV

			<u>Hours</u>	<u>Amt</u>
4/21/09	HIB	Review and edit joint investigation agreement; edit Hannan declaration in support of approval of joint investigation agreement; review Lovitt declaration; telephone conferences with Davies, Lovitt; correspondence.	3.60	1,710.00
4/22/09	JTH	Redraft and edit Heller joint investigation agreement; research re same; telephone conference with T. Willoughby and Lovitt.	0.90	585.00
4/22/09	RL	Continue editing declaration; telephone conferences with T. Willoughby and Hannan re same.	0.50	325.00
4/22/09	HIB	Correspondence re preservation of client files and joint investigation agreement language.	0.30	142.50
4/23/09	JTH	Review and analysis of 2008 Greenberg Traurig engagement letter with Heller, and billings for services.	0.40	260.00
4/23/09	JTH	Review and edit Skymedi proposed form of release per T. Willoughby request; e-mail re same.	0.30	195.00
4/23/09	TFY	Review and analyze insurance policies.	4.20	1,785.00
4/24/09	TFY	Further review of insurance policies and memorandum re such coverage.	1.80	765.00
4/25/09	TFY	E-mails and communications re conflict waiver letter.	0.40	170.00
4/26/09	RL	Review and edit conflicts letter.	0.40	260.00
4/27/09	JTH	Redraft and edit disclosure letter to debtor and creditors committee; research re joint representation issues; review re agreements re Business and Professions §6147 issues; various telephone conferences with Lovitt; review of draft letters re documents and document preservation.	4.70	3,055.00
4/27/09	JTH	Review and analysis of Katz moving papers re filing \$50 million claim under seal; consider insurance implications.	0.70	455.00
4/27/09	RL	Review and edit conflicts letter and Lovitt declaration.	0.40	260.00
4/27/09	TFY	Edit versions of conflict of interest letter, prepare letter to committee re letters demanding preservation of documents; draft letters (3) demanding preservation of documents.	3.70	1,572.50
4/27/09	HIB	Analysis of conflict issues; review draft letter re potential conflicts.	1.60	760.00
4/28/09	JTH	Review analysis, research, and editing of draft document retention letters to be sent by debtor to former Heller lawyers, successor firms and third parties.	0.90	585.00

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July 2, 2009

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Invoice # 0080.0000-02-REV

			<u>Hours</u>	<u>Amt</u>
4/28/09	RL	Review Katz claim and comment.	0.60	390.00
4/28/09	RL	Review litigation hold letters.	0.20	130.00
4/28/09	RL	Review and edit conflicts letter.	0.20	130.00
4/28/09	TFY	Communications re conflict waiver letter.	0.40	170.00
4/29/09	TFY	Further changes to conflict letter; work on issue of joint representation and attorney duties to Debtor and the Committee without representing the Committee, communications re same.	2.30	977.50
4/29/09	HIB	Edit disclosure letter re possible conflicts.	1.50	712.50
4/30/09	JTH	Preparation, research and telephone conference with Lovitt, Bornstein and T. Young re client privilege issues; telephone conference with Lovitt, J. Fiero and T. Willoughby.	2.10	1,365.00
4/30/09	RL	Planning for ESI document collection; telephone conference with Bornstein.	0.20	130.00
4/30/09	RL	Edit and review conflicts letter and calls to Hannan, T. Willoughby, J. Fiero.	0.30	195.00
4/30/09	RL	Telephone conference with Hannan, Bornstein, T. Young all re analysis of conflict issues.	0.80	520.00
4/30/09	TFY	Telephone conference with Bornstein re joint investigation agreement; telephone conference with team attorney-client issues and joint investigation agreement; review insurance policies and prepare memorandum re coverage and possible claims.	4.20	1,785.00
4/30/09	HIB	Review draft disclosure letter re possible conflicts; review draft joint investigation agreement; telephone conferences with Lovitt, Hannan, T. Young.	2.30	1,092.50
4/30/09	DOM	Continued work on memo re potential claim against Greenberg Traurig.	3.90	975.00
		SUBTOTAL :[	72.60	35,607.50]
		For professional services rendered	<hr/> 151.60	<hr/> \$76,645.00

Heller Ehrman (in dissolution)
July 2, 2009

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Costs/Disbursements

		<u>Qty/Price</u>	<u>Amt</u>
	<u>Doc Org.</u>		
4/30/09	Docment imaging for initial Heller documents, paid ck#22480 to Document Technologies, Inc.	1 @2512.15	2,512.15
	SUBTOTAL :[		2,512.15]
	<u>Messenger</u>		
4/30/09	Messenger charges for April 2009, paid ck#22482.	1 @9.85	9.85
	SUBTOTAL :[		9.85]
	<u>Telephone</u>		
4/15/09	Conference call charges for 2/26/09 conference call, paid ck#22469.	1 @12.56	12.56
	SUBTOTAL :[		12.56]
	Total costs		<hr/> \$2,534.56
	Total time and expense charges		<hr/> \$79,179.56
	Balance Due		<hr/> \$79,179.56 <hr/>

Summary by Attorney

<u>Lawyer/Paralgl</u>	<u>Hours</u>	<u>Rate</u>	<u>Amt</u>
DOM-Morrison	11.50	250.00	\$2,875.00
HIB-Bornstein	41.10	475.00	\$19,522.50
JTH-Hannan	37.00	650.00	\$24,050.00
LJD-Davies	2.70	125.00	\$337.50
RL -Lovitt	20.70	650.00	\$13,455.00
TFY-Young	38.60	425.00	\$16,405.00

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Kenneth H. Brown (CA Bar No. 100396)
2 Miriam P. Khatiblou (CA Bar No. 178584)
Teddy M. Kapur (CA Bar No. 242486)
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8
9 Attorneys for Heller Ehrman LLP,
Debtor and Debtor in Possession

10 **UNITED STATES BANKRUPTCY COURT**
11 **NORTHERN DISTRICT OF CALIFORNIA**
12 **SAN FRANCISCO DIVISION**

13 In re:
14 Heller Ehrman LLP,
15 Debtor.

Case No.: 08-32514
Chapter 11

CERTIFICATE OF SERVICE

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PROOF OF SERVICE

STATE OF CALIFORNIA)
)
CITY OF SAN FRANCISCO)

I, Katherine Suk, am employed in the city and county of San Francisco, State of California. I am over the age of 18 and not a party to the within action; my business address is 150 California Street, 15th Floor, San Francisco, California 94111-4500.

On July 2, 2009, I caused to be served the

SUPPLEMENTAL FIRST INTERIM FEE APPLICATION OF LOVITT & HANNAN, INC. FOR APPROVAL OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD ENDED APRIL 30, 2009 (FOR THE INVESTIGATION OF POTENTIAL CLAIMS)

in this action by email or by placing a true and correct copy of said document(s) in sealed envelopes addressed as follows:

Please see attached Service List

- (BY EMAIL) I caused to be served the above-described document by email to the parties indicated on the attached service list at the indicated email address.
- (BY MAIL) I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at San Francisco, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I declare under penalty of perjury, under the laws of the State of California and the United States of America that the foregoing is true and correct.

Executed on July 2, 2009, at San Francisco, California.

/s/ Katherine Suk
Katherine Suk

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SERVICE LIST

<p><u>United States Trustee</u> Donna S. Tamanaha Assistant U.S. Trustee 235 Pine Street, Suite 700 San Francisco, CA 94104 Donna.S.Tamanaha@usdoj.gov</p>	<p><u>Counsel to BofA</u> David Minnick, Esq. Leo Crowley, Esq. PILLSBURY WINTHROP SHAW PITTMAN LLP 50 Fremont Street San Francisco, CA 94105-2228 Tdminnick@pillsburylaw.com Leo.crowley@pillsburylaw.com</p>	<p><u>Counsel to Citibank, N.A.</u> Larry Peitzman, Esq. Louis E. Kempinsky, Esq. PEITZMAN, WEG & KEMPINSKY LLP 10100 Santa Monica Blvd., Suite 1450 Los Angeles, CA 90067 lpeitzman@pwkllp.com lkempinsky@pwkllp.com</p>
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PARTIES REQUESTING SPECIAL NOTICE

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