

1 THOMAS E. PATTERSON (State Bar No. 130723)
MICHAEL L. TUCHIN (State Bar No. 150375)
2 JONATHAN S. SHENSON (State Bar No. 184250)
COURTNEY E. POZMANTIER (State Bar No. 242103)
3 KLEE, TUCHIN, BOGDANOFF & STERN LLP
2121 Avenue of the Stars, 33rd Floor
4 Los Angeles, California 90067-5061
Telephone: (310) 407-4000
5 Facsimile: (310) 407-9090
tpatterson@ktbslaw.com
6 mtuchin@ktbslaw.com
jshenson@ktbslaw.com
7 cpozmantier@ktbslaw.com

8 Reorganization Counsel for Debtor and
Debtor in Possession

9 Debtor's Mailing Address
10 48341 Milmont Drive
Fremont, CA 94538

11 **UNITED STATES BANKRUPTCY COURT**
12 **NORTHERN DISTRICT OF CALIFORNIA**
13 **OAKLAND DIVISION**

14 In re
15 PREDIWAVE CORPORATION,
16 a California Corporation,
17 Debtor.

19 Fed. Tax. I.D. No. 77-0494382

Case No.: 06-40547 (RJN)

Chapter 11

**MOTION FOR AUTHORITY TO
EMPLOY AND COMPENSATE CERTAIN
FOREIGN NON-RESTRUCTURING
PROFESSIONALS IN THE ORDINARY
COURSE NUNC PRO TUNC (AS OF THE
PETITION DATE) AND TO ESTABLISH
GUIDELINES AND PROCEDURES WITH
RESPECT THERETO**

Hearing

Date: July 27, 2006
Time: 10:00 a.m.
Place: Courtroom 220
1300 Clay Street
Oakland, CA 94612

1 PrediWave Corporation, a California corporation, the debtor and debtor in possession in
2 the above-captioned chapter 11 case ("PrediWave," or the "Debtor"), hereby moves the Court for
3 entry of an order (i) authorizing the Debtor to employ and compensate certain foreign non-
4 restructuring professionals (the "Non-Restructuring Foreign Professionals" and each, a "Non-
5 Restructuring Foreign Professional") in the ordinary course nunc pro tunc (as of the petition
6 date) and (ii) establishing procedures and guidelines with respect thereto (the "Motion").

7 This Motion is supported by the Memorandum of Points and Authorities in Support
8 thereof and the "Declaration of Vincent Lin in Support of the July 27 Motions" filed
9 concurrently with the Motion, the record in the case, including the pleadings and documents
10 filed on behalf of the parties, the arguments and representations of counsel, and any oral or
11 documentary evidence presented at or prior to the time of the hearing.

12 **RELIEF REQUESTED**

13 By this Motion, PrediWave seeks entry of an order, pursuant to Bankruptcy Code section
14 363(c)(1), providing the following relief with respect to the Non-Restructuring Foreign
15 Professionals:

16 1. Authorizing PrediWave, nunc pro tunc as of April 14, 2006 (the "Petition Date"),
17 in its business discretion, to continue to employ and compensate the Non-Restructuring Foreign
18 Professionals listed on Exhibit 1 attached hereto, without separate application to or further order
19 of this Court; provided, with respect to each Non-Restructuring Foreign Professional, PrediWave
20 shall not be authorized to pay an amount in excess of \$2,000 (the "Monthly Ceiling") for
21 services rendered and expenses incurred by such professional in a single month, provided,
22 however, any unused portion of a Monthly Ceiling for a given month may be carried forward or
23 back to pay unpaid billings of a Non-Restructuring Foreign Professional in a subsequent or
24 previous month where the billings are or were in excess of \$2,000.

25 2. Authorizing PrediWave, in its business discretion, to compensate any Non-
26 Restructuring Foreign Professional in excess of the Monthly Ceiling for services provided in a
27 single month after taking into account any carry-forward or carry-back which may be available
28 where: (a) the Debtor provides notice of its intention to do so to the Office of the United States

1 Trustee, counsel for the Official Committee of Creditors Holding Unsecured Claims, Creditors,
2 and parties that have filed and served on the Debtor requests for special notice (collectively, the
3 "Notice Parties") and (b) the period of ten (10) days elapses following the service of such notice,
4 during which no objection is filed with the Court and served, such that it is received by
5 PrediWave and its reorganization counsel during that ten-day period. If such an objection is
6 timely filed and served, and the objection cannot promptly be resolved by PrediWave and the
7 objecting party, then the Court shall hold a hearing within thirty (30) days after the filing of the
8 objection in order to resolve any dispute with respect to the proposed excess payment.

9 3. Authorizing PrediWave, in its business discretion, to employ and compensate
10 other foreign attorneys, accountants and service providers that are not presently listed on Exhibit
11 1 but designated by the Debtor as a Non-Restructuring Foreign Professional subject to the
12 limitations and procedures set forth in Paragraphs 1 and 2 of this Motion where (a) PrediWave
13 provides notice to the Notice Parties of its designation of that party as a Non-Restructuring
14 Foreign Professional, including a description of the services to be rendered, and its intention to
15 employ and compensate such professional subject to the limitations and procedures set forth in
16 Paragraphs 1 and 2 of the Motion and (b) the period of ten (10) days elapses following the
17 service of such notice, during which no objection is filed with the Court and served, such that it
18 is received by PrediWave and its reorganization counsel during that ten-day period. If such an
19 objection is timely filed and served, and the objection cannot promptly be resolved by
20 PrediWave and the objecting party, then the Court shall hold a hearing within thirty (30) days
21 after the filing of the objection in order to resolve any dispute with respect to the proposed
22 designation, employment and compensation of such party as a Non-Restructuring Foreign
23 Professional.

24 By this Motion, PrediWave does not seek authority to pay any pre-petition debt that is
25 owed, or allegedly owed, to a Non-Restructuring Foreign Professional. PrediWave seeks
26 authority to pay only post-petition fees and expenses incurred by the Non-Restructuring Foreign
27 Professionals. Likewise, PrediWave does not seek an order directing it to pay any particular
28 invoice, fee, or expense. Nothing in this Motion or any order granting the relief sought in the

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Motion should be construed to waive PrediWave's right to object and/or withhold payment on any charge that is invoiced by a Non-Restructuring Foreign Professional in accordance with any contract between the parties and/or applicable law.

WHEREFORE, PrediWave requests that the Court grant the relief requested in this Motion, and such other and further relief as the Court deems necessary and appropriate.

DATED: July 7, 2006

/s/ Jonathan S. Shenson
Jonathan S. Shenson, a Member of
KLEE, TUCHIN, BOGDANOFF & STERN LLP
Reorganization Counsel for Debtor and Debtor in Possession

Exhibit "1"

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1. Meisei International Patent Firm, located in Nagoya, Japan (renders legal services to PrediWave in connection with its Japanese patents, including filing, monitoring and responding to rejections with regard to local patent applications and amendments, and taking action to protect PrediWave's local patents and patent rights).
2. East IP, located in Beijing, China (renders legal services to PrediWave in connection with its Chinese patents, including filing, monitoring and responding to rejections with regard to local patent applications and amendments, and taking action to protect PrediWave's local patents and patent rights).
3. NTD Patent & Trademark Agency, located in Hong Kong, China (renders legal services to PrediWave in connection with its Chinese patents, including filing, monitoring and responding to rejections with regard to local patent applications and amendments, and taking action to protect PrediWave's local patents and patent rights).
4. Semi IP International Patent & Trademark Law Firm, located in Hsinchu, Taiwan (renders legal services to PrediWave in connection with its Taiwan patents, including filing, monitoring and responding to rejections with regard to local patent applications and amendments, and taking action to protect PrediWave's local patents and patent rights).
5. Lee and Li, located in Taipei, Taiwan (renders legal services to PrediWave in connection with its Taiwan patents, including filing, monitoring and responding to rejections with regard to local patent applications and amendments, and taking action to protect PrediWave's local patents and patent rights).
6. Minato Accounting Office, located in Japan (preparation of foreign taxes).
7. Anderson Mori & Tomotsune located in Japan (renders legal services to PrediWave, including Japan-specific corporate matters and regulatory compliance for PrediWave's Japan office).