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

15 In re
16 PREDIWAVE CORPORATION,
17 a California corporation,
18 Debtor.
19 Fed. Tax I.D. No. 77-0494328

Case No. 06-40547 (RJN)

Chapter 11

**SECOND MONTHLY APPLICATION FOR
INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES BY KLEE,
TUCHIN, BOGDANOFF & STERN LLP**

[FOR THE MONTH OF AUGUST 2006]

No Hearing Required

1 **TO THE HONORABLE RANDALL J. NEWSOME, UNITED STATES**
2 **BANKRUPTCY JUDGE; THE OFFICE OF THE UNITED STATES TRUSTEE;**
3 **COUNSEL TO THE OFFICIAL COMMITTEE OF CREDITORS HOLDING**
4 **UNSECURED CLAIMS; AND OTHER PARTIES IN INTEREST:**

5 **PLEASE TAKE NOTICE THAT** Klee, Tuchin, Bogdanoff & Stern, LLP
6 ("KTB&S"), reorganization counsel for PrediWave Corporation, a California corporation, the
7 debtor and debtor in possession in the above-captioned case ("PrediWave" and the "Debtor"),
8 hereby requests payment of interim compensation and reimbursement of expenses for unpaid
9 amounts (the "Monthly Application") incurred during the period from August 1, 2006 to and
10 through August 31, 2006 (the "Application Period"). Pursuant to the "Order Approving
11 Motion for Authority to Establish Procedures for Interim Payment of Fees and Reimbursement
12 of Expenses" [Docket # 248] (the "Interim Fee Procedures Order"), this Monthly Application
13 also includes a narrative discussion of the various projects undertaken and tasks performed by
14 KTB&S, categorized by subject matter, for which compensation is sought (the "Narrative"), as
15 contemplated in Paragraph 3 of the "Guidelines for Compensation and Expense Reimbursement
16 of Professionals and Trustees" (the "Guidelines").

17 **PLEASE TAKE FURTHER NOTICE THAT**, in accordance with the Interim Fee
18 Procedures Order, KTB&S hereby requests payment of \$152,115.02 as interim compensation
19 for services rendered and expenses incurred during the Application Period, with \$144,034.50
20 attributable to fees and \$8,080.52 attributable to expenses incurred.

21 The interim compensation and reimbursement of expenses sought herein is on account
22 and is not final. Upon conclusion of this case, KTB&S will seek final allowance and payment
23 of fees and expenses incurred for the totality of the services rendered in this case. Any
24 payment of interim fees or reimbursement of expenses received by KTB&S will be credited
25 against the final fees and expenses allowed by this Court.

26 **PLEASE TAKE FURTHER NOTICE THAT**, in accordance with the Interim Fee
27 Procedures Order, KTB&S is serving a copy of this Monthly Application (with Exhibit "1")
28 on the Office of the United States Trustee (the "U.S. Trustee") and a copy of this Monthly
Application (without Exhibit "1") on the Debtor, counsel for the Official Committee of Creditors

1 Holding Unsecured Claims (the "Committee"), and parties that have filed and served on the
2 Debtor requests for special notice (collectively, the "Core Parties"). A copy of this Monthly
3 Application (with Exhibit "1") is available upon written request to Klee, Tuchin, Bogdanoff &
4 Stern, LLP, Attn: Jonathan S. Shenson, 2121 Avenue of the Stars, 33rd Floor, Los Angeles,
5 California, 90067, by email to jshenson@ktbslaw.com, or by facsimile to (310) 407-9090.

6 **PLEASE TAKE FURTHER NOTICE THAT** a detailed list of all services rendered
7 and expenses incurred by KTB&S during the Application Period is attached as Exhibit "1" to
8 the version of the Monthly Application filed with the Court and served on the U.S. Trustee.
9 This list describes: (a) the services rendered; (b) the amounts so requested; (c) the total time
10 expended; (d) the names of the specific individuals who performed the services for which
11 compensation is requested; (e) the hourly billing rate for each such individual; (f) a detailed
12 listing of the time entries relating to all individuals who performed services, categorized by
13 subject matter in compliance with Paragraph 11 of the Guidelines and (g) a listing of all
14 expenses incurred.

15 **PLEASE TAKE FURTHER NOTICE THAT**, unless a party in interest files an
16 objection to the requested payment within fifteen (15) days following the service of this
17 Monthly Application, requests a hearing on its objection, and serves its objection on the
18 following parties, PrediWave will be authorized, in the ordinary course of business and on an
19 interim basis, to pay the amounts requested herein in accordance with the terms and conditions
20 of the Interim Fee Procedures Order: counsel for PrediWave, Klee, Tuchin, Bogdanoff &
21 Stern, LLP, Attn: Jonathan S. Shenson, Esq., 2121 Avenue of the Stars, 33rd Floor, Los
22 Angeles, CA 90067; the Office of the United States Trustee, Attn: Minnie Loo, Esq., 1301
23 Clay Street, Suite 690-N Oakland, CA 94612; and counsel to Committee, John D. Fiero, Esq.,
24 Pachulski, Stang, Ziehl, Young & Weintraub, LLP, 150 California Street, 15th Floor, San
25 Francisco, CA 94111.

26 **PLEASE TAKE FURTHER NOTICE THAT**, the Narrative is set forth below:
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1 **Project Billing and Narrative Statement of Services Rendered**

2 In accordance with the Interim Fee Procedures Order, KTB&S classified all services
3 performed for which compensation is being sought into categories, as contemplated in the
4 Guidelines. KTB&S attempted to place the services performed in the category that best
5 relates to the service provided. However, because certain services may relate to one or more
6 categories, services pertaining to one category may, in fact, be included in another category.
7 KTB&S has established the following billing categories:

8

<u>Matter Number</u>	<u>Description</u>
010	Case Administration
020	Meetings & Communications
030	General Business Operations
040	Fee/ Employment Applications
070	Claims Administration/Objections
100	Plan/ Disclosure Statement
120	Litigation
200	Real Property Leases

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14 **1. Case Administration - 010.**

15 As a chapter 11 debtor, PrediWave is subject to a myriad of administrative and
16 procedural requirements imposed on a debtor in possession by the Title 11 of the United
17 States Code (the "Bankruptcy Code"), the Bankruptcy Rules, the Bankruptcy Local Rules for
18 the Northern District of California (the "Bankruptcy Local Rules") and the Guidelines of the
19 Office of the United States Trustee for Region 17 (the "UST Guidelines"). KTB&S
20 coordinates PrediWave's efforts to fulfill all of these and other obligations in a timely manner.
21 This category also includes, among other things, KTB&S's discussions with the Court's staff
22 and numerous administrative tasks which do not clearly fit into one of the other seven activity
23 categories.

24 Case Administration - Total hours for August: 3.60
25 Total fees for August: \$930.00

26 **2. Meetings and Communications - 020.**

27 This category includes meetings, phones calls and other forms of communication which
28 do not clearly fit into one of the other seven activity categories, including an all-day meeting

1 with the Debtor and XRoads Solutions Group, LLC ("XRoads"), its restructuring and financial
2 advisor, where the agenda covered a variety of matters including, without limitation, company
3 operations, professional staffing, litigation and case strategy. Time billed in this category also
4 includes communications with third parties concerning the scheduling of and/or participation
5 in meetings and phone calls.

6 During the Application Period, time billed to this category also relates to services
7 rendered by KTB&S in connection with the negotiation and documentation of confidentiality
8 agreements with both New World TMT Limited ("New World") and the Committee, and
9 conferring with the Debtor on matters relating thereto. By way of brief background, as
10 discussed more fully below (in the General Business Operations section), the Debtor provided
11 New World and the Committee with a report containing certain "confidential" information,
12 necessitating these confidentiality agreements. With regard to the confidentiality agreement
13 with New World, KTB&S coordinated with Latham & Watkins ("Latham"), special litigation
14 counsel to the Debtor, to ensure that the information shared is not inappropriately introduced
15 in the Santa Clara Action (defined below).

16 Time billed to this category also included time spent by KTB&S in analyzing the
17 Committee's proposed form of Order Approving Information Access Protocol under Section
18 1102(b)(3) of the Bankruptcy Code, and negotiating certain provisions necessary to ensure a
19 baseline of protection for the Debtor and confidential information relating to it.

20 Meetings and Communications - Total hours for August : 42.50

21 Total fees for August: \$19,617.50

22 **3. General Business Operations - 030.**

23 Time billed to this category relates largely to analyzing, addressing and conferring with
24 the Debtor on issues relating to PrediWave's business and operations in chapter 11. Among
25 other matters, KTB&S's services in this category include consultation on issues relating to (a)
26 the Debtor's corporate governance, management, operations, technology, finances (including
27 the management of its cash), financial accounting and reporting, personnel matters, and
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1 litigation management and (b) the Debtor's compliance with the UST Guidelines, preparation
2 of amended Schedules and amended Statement of Financial Affairs, and filing of Monthly
3 Operating Reports and Verified Tax Statements.

4 During the Application Period, time billed to this category also relates to advising the
5 Debtor on matters relating to the Debtor and XRoads' preparation of a report to New World
6 and the Committee containing information regarding the Debtor's business operations and
7 financial condition (the "Report"). By way of brief background, the Debtor agreed to provide
8 this information in an effort to demonstrate to New World that the relief sought in its motion
9 for the appointment of chapter 11 trustee or conversion of the case (the "Trustee Motion") was
10 unnecessary. KTB&S advised the Debtor and XRoads on matters relating to the form,
11 substance and scope of the Report, and provided comments and proposed revisions to the
12 various drafts (including exhibits) prepared throughout the month of August. It is the Debtor's
13 understanding that New World has reviewed the Report and, based on that review, does not
14 intend to prosecute the Trustee Motion at this time.

15 Time billed to this category also relates to addressing matters relating to the Debtor's
16 relationship with its affiliated companies including, among other things, various inter-
17 company transactions and the inter-company allocations relating to the litigation expenses
18 incurred or to be incurred by the Debtor and certain of its affiliates in connection with the
19 pending litigation entitled *New World TMT Ltd v. PrediWave Corp. et. al.*, in the Santa Clara
20 Superior Court, case no. 04-CV020369 (the "Santa Clara Action").

21 During the Application Period, time billed to this category also relates to analyzing,
22 addressing and conferring with the Debtor, its affiliates and New World on matters relating to
23 a proposal to delay, if not eliminate, New World's interest in prosecuting the Substantive
24 Consolidation Motion (defined below in the Litigation section). To that end, and with New
25 World's encouragement, KTB&S worked with the Debtor (including XRoads) and its affiliates
26 in formulating the contours of a proposal wherein the affiliates would provide New World
27 with certain historical financial information, and, going forward, agree to have XRoads
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1 monitor and report on their affairs directly to New World (the "Affiliate Proposal"). On
2 August 29, 2006, however, New World changed its position, indicating that it was no longer
3 interested in pursuing the Affiliate Proposal and, as discussed more fully below (in the
4 Litigation section), that it intended to immediately pursue the relief sought in the Substantive
5 Consolidation Motion.

6 General Business Operations - Total hours for August: 95.00

7 Total fees for August: \$51,027.00

8 **4. Fee/Employment Applications - 040.**

9 During the Application Period, PrediWave, with assistance from KTB&S, prepared,
10 filed and served pleadings and a proposed form of order for PrediWave to employ Sun &
11 Company, as its tax accountant. These services also included coordinating issues involving
12 the application with PrediWave, its affiliates and the Court, and attending to any related
13 inquiries.

14 Time billed to this category also relates to analyzing, addressing and conferring with
15 the Debtor on matters relating to the Debtor's efforts to retain eight (8) foreign professionals.
16 By way of brief background, on July 27, 2006, the Court authorized the Debtor to employ
17 these professionals effective as of April 14, 2006, pursuant to section 328 of the Bankruptcy
18 Code and compensate each of them in an amount not to exceed \$24,000 per year without
19 further application to or order from the Court (the "Employment Terms"). Among other
20 things, KTB&S worked with the Debtor in preparing and transmitting letters to these
21 professionals explaining in detail the procedures and requirements for employing
22 professionals in a bankruptcy case, the proposed Employment Terms, and the various steps
23 they would need to take in order for the Debtor to prepare applications to retain them.

24 During the Application Period, KTB&S also advised PrediWave on certain matters
25 relating to the possibility of retaining Allen & Overy, as special litigation counsel, to represent
26 it in proceedings in Hong Kong arising out of the Santa Clara Action (the "Hong Kong
27 Proceedings"). This work required consultations and negotiations with certain affiliates of the
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1 Debtor due to their co-defendant status in the Santa Clara Action, and advising the Debtor on
2 matters relating thereto.

3 Time billed in this category also includes services performed by KTB&S in connection
4 with communicating with other estate professionals concerning the procedures set forth in the
5 Interim Fee Procedures Order and attending to any related inquiries.

6 During the Application Period, KTB&S also spent time preparing its first monthly fee
7 application for the period from May 29, 2006 to and through July 31, 2006 (the "First Monthly
8 Fee Application"). Different from most chapter 11 cases, here the estate's professionals are
9 required to spend a meaningful amount of time preparing monthly fee applications due to
10 certain provisions in the Interim Fee Procedures Order which require, among other things, that
11 applicants include in monthly fee applications (and not just in interim and final fee
12 applications) a narrative discussion of the various projects undertaken and tasks performed by
13 the applicant categorized by subject matter (as contemplated in the Guidelines). KTB&S filed
14 and served the First Monthly Fee Application (and notice thereof) and did not receive any
15 objections to the payment requested therein.

16 Fee/Employment Application - Total hours for August: 97.60

17 Total fees for August: \$41,308.50

18 **5. Claims Administration/Objections - 070.**

19 Time billed to this category is comprised primarily of services rendered in connection
20 with the Debtor's review and/or reconciliation of creditor claims.

21 Claims Administration/Objections - Total hours for August: 3.70

22 Total fees for August: \$2,142.50

23 **6. Plan/Disclosure Statement - 100.**

24 Time expended in this category relates to KTB&S advising the Debtor on matters
25 relating to plan related issues.

26 Plan/Disclosure Statement - Total hours for August: .5

27 Total fees for August: \$237.50

1 **7. Litigation - 120.**

2 This category contains services rendered by KTB&S in connection with analyzing,
3 addressing, and conferring with the Debtor, New World and the Committee on litigation
4 matters including, without limitation, the Trustee Motion, the Santa Clara Action and the
5 motion by New World to substantively consolidate the assets and liabilities of the Debtor's
6 affiliates with the assets and liabilities of the Debtor (the "Substantive Consolidation
7 Motion").

8 With regard to the Trustee Motion, this category also contains time for services
9 rendered by KTB&S in connection with analyzing, addressing, and conferring with the Debtor
10 and Latham on substantive and other matters relating to the Santa Clara Action. While
11 KTB&S is not counsel to the Debtor in the Santa Clara Action, many of the claims and
12 allegations raised by New World in the Trustee Motion are also the subject of the Santa Clara
13 Action and, accordingly, KTB&S needed to "get up to speed" on many substantive aspects of
14 the Santa Clara Action.

15 Independent of matters relating to the Trustee Motion, KTB&S advised the Debtor on
16 matters arising out of or otherwise relating to the Santa Clara Action insofar as they impact (or
17 could impact) the administration of its bankruptcy case. Among other things, KTB&S
18 conferred with the Debtor and Latham on matters relating to the retention and payment of
19 certain expert witnesses and the possibility of posting security in the Hong Kong Proceedings.

20 With regard to the Substantive Consolidation Motion, KTB&S's services also included
21 preparing for and attending a status conference relating to the subject motion. On August 29,
22 2006, with one day's notice to the Debtor and its affiliates, New World indicated that it would
23 seek (at the status conference scheduled for the next day) to proceed immediately with
24 discovery relating to the Substantive Consolidation Motion. Believing that discovery at this
25 time would be premature given, among other things, that the Santa Clara Action may moot out
26 the need for the relief sought by New World, KTB&S prepared for the status conference with
27 an eye toward making this argument and being prepared to discuss the scope and timing of
28

1 any discovery that might be requested.

2 Litigation - Total hours for August: 56.50

3 Total fees for August: \$28,391.50

4 **8. Real Property Leases - 200.**

5 This category serves as a "catch-all" for lease issues and includes services rendered by
6 KTB&S in connection with PrediWave's non-residential real property leases. Time expended
7 in this category relates mainly to KTB&S advising PrediWave on matters relating to
8 assumption, assumption and assignment, or rejection of its non-residential real property leases.

9 Real Property Leases - Total hours for August: .8

10 Total fees for August: \$380.00

11 DATED: September 8, 2006

12 /s/ Jonathan S. Shenson
13 JONATHAN S. SHENSON, a Member of
14 KLEE, TUCHIN, BOGDANOFF & STERN LLP
15 Reorganization Counsel for the Debtor
16 and Debtor in Possession

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Taxpayer I.D. No. 95-4744518

Prediwave Corporation

September 08, 2006

For Services Rendered Through August 31, 2006

In Reference To: Prediwave Corporation
File No.: 1629

Professional Services

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
<u>010 - Case Administration</u>				
8/1/2006	JSS	Revise and update contact list and circulate same	0.20	95.00
8/2/2006	SN	Prepare transcript request form	0.20	56.00
8/8/2006	SN	Telephone conference with court clerk re transcript request	0.10	28.00
	SN	Prepare transmittal re transcript request	0.10	28.00
8/9/2006	JSS	Review and respond to correspondence from E. Goldberg re special notice and creditor matrix	0.20	95.00
8/14/2006	SN	Telephone conference with court clerk re ECF entry	0.10	28.00
8/16/2006	JSS	Prepare correspondence to G. Brower re proofs of claim	0.10	47.50
8/17/2006	JSS	Prepare memo re service, notice and calendaring issues	0.30	142.50
	JSS	Phone call from/to P. Wang re Latham documents	0.20	95.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/18/2006	GMB	Prepare binder of claims filings and schedules, per J. Shenson	2.10	315.00
SUBTOTAL: 010 - Case Administration			3.60	930.00
<u>020 - Meetings and Communications</u>				
8/1/2006	JSS	Review correspondence from D. Ragan re agenda for standing call and agenda for Latham meeting (.5) and prepare response re same(.2)	0.70	332.50
8/2/2006	JSS	Review order re information protocol (.1); telephone conference with J. Fiero re same (.1)	0.20	95.00
	JSS	Telephone call from/to J. Fiero re protocol information and related issues	0.30	142.50
	JSS	Review D. Ragan/Latham revised agenda for meeting with Latham	0.20	95.00
8/3/2006	JSS	Telephone conference with J. Fiero re orders and website and confidentiality provision	0.40	190.00
8/7/2006	JSS	Review proposed form of order from committee re information protocol and prepare correspondence to committee re same (.4); review correspondence from J. Fiero (.1)	0.50	237.50
	JSS	Conversation with L. Bogdanoff re committee information protocol (.2); phone call with J. Fiero re same (.2); markup Fiero order (.5); correspondence to L. Bogdanoff re same (.1); correspondence from/to J. Fiero re same (.1); review correspondence from K. Denniston and J. Fiero re same (.2)	1.30	617.50
	LRB	Analyze issue re confidentiality and court order	0.50	325.00
	LRB	Analyze comments on confidentiality agreement and Refco order	0.60	390.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/8/2006	JSS	Review correspondence from K. Denniston and L. Bogdanoff re Santa Clara State Court confidentiality agreement (.1); review agreement (.4)	0.50	237.50
	JSS	Review revised order re committee protocol (.2) review and respond to correspondence from J. Fiero re same (.2)	0.40	190.00
	JSS	Conversation with D. Ragan re agenda for Latham meeting	0.30	142.50
8/9/2006	JSS	Review D. Ragan draft of Latham revised agenda meeting (.4); phone call with D. Ragan re same (.3); prepare correspondence to Latham re meeting (.2)	0.90	427.50
8/10/2006	JSS	Follow up discussion with D. Ragan regarding Latham meeting	0.20	95.00
8/11/2006	JSS	Review correspondence from D. Ragan re Latham meeting (.1); prepare correspondence to Latham re same (.1)	0.20	95.00
8/15/2006	LRB	Telephone conference with J. Fiero re confidentiality	0.20	130.00
	LRB	Analyze pleadings re draft confidentiality agreement (Committee)	0.60	390.00
	LRB	Prepare confidentiality stipulation (New World)	1.80	1,170.00
8/16/2006	JSS	Review committee information protocol order (.2); prepare correspondence to John Fiero re same (.2); review confidentiality agreement with committee (.2)	0.60	285.00
	JSS	Review draft confidentiality agreement sent to New World	0.30	142.50
	JSS	Phone call with M. Schwarzmann re meeting with Latham	0.20	95.00
	LRB	Analyze and revise draft Committee, New World confidentiality agreement	0.80	520.00
	LRB	Analyze emails from D. Ragan, K. Denniston re confidentiality, respond to same	0.30	195.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/17/2006	JSS	Review correspondence from J. Fiero re protocol order	0.10	47.50
	LRB	Analyze agenda letter for meeting Tuesday	0.70	455.00
8/18/2006	LRB	Analyze emails from D. Ragan, J. Shenson re confidentiality	0.20	130.00
8/21/2006	JSS	Review correspondence from K. Denniston re confidentiality agreement	0.20	95.00
	JSS	Telephone call with L. Bogdanoff re New World confidentiality agreement (.1); prepare correspondence and phone call to D. Friedman re same (.2)	0.30	142.50
	JSS	Telephone call with J. Fiero re committee matters	0.10	47.50
	LRB	Telephone conference with K. Denniston re confidentiality agreement	0.20	130.00
	LRB	Prepare additions to confidentiality agreement	0.30	195.00
	LRB	Telephone conference with J. Fiero re committee, confidentiality	0.20	130.00
8/23/2006	JSS	Review and respond to correspondence from J. Fiero re revise committee information protocol	0.20	95.00
	JSS	Review correspondence from L. Bogdanoff and J. Fiero re committee confidentiality agreement	0.10	47.50
	JSS	Review, edit and revise New World confidentiality agreement (.4) and prepare correspondence to K. Denniston re same (.1)	0.50	237.50
8/25/2006	JSS	Telephone call with K. Denniston re confidentiality agreement	0.20	95.00
	JSS	Review correspondence from T. Patterson and D. Ragan re meeting with D. Ragan	0.20	95.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/28/2006	JSS	Review and respond to correspondence with J. Fiero re confidentiality agreement	0.20	95.00
	JSS	Prepare correspondence to D. Ragan re confidentiality agreement with committee	0.10	47.50
	JSS	Prepare correspondence to K. Denniston re confidentiality agreement and related issues	0.10	47.50
	JSS	Review and respond to correspondence from D. Ragan re scheduling meeting	0.20	95.00
8/29/2006	JSS	Review correspondence from K. Denniston re confidentiality agreement (.1); finalize confidentiality agreement and prepare correspondence to K. Denniston re same (.2) and prepare draft order re same (.3)	0.60	285.00
	JSS	Various telephone calls and emails with T. Patterson and D. Ragan re scheduling meeting with client	0.20	95.00
	JSS	Prepare correspondence to D. Ragan re committee confidentiality (.1) and prepare and respond to correspondence with counsel for committee re confidentiality and review emails from J. Fiero re same (.2)	0.30	142.50
	JSS	Telephone call with D. Simon, D. Ragan and T. Patterson re meeting at company	0.20	95.00
8/30/2006	JSS	Travel from Burbank to San Jose (non working time, reduced by 50%)	1.70	807.50
	JSS	Travel from Burbank to San Jose (non working time, write off)	1.70	NO CHARGE
	JSS	Travel from San Jose to Burbank (non working time, reduced by 50%)	1.70	807.50
	JSS	Travel from San Jose to Burbank (non working time, write off)	1.70	NO CHARGE

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/30/2006	JSS	Meeting with client and XRoads re case strategy, substantive consolidation, operations of company, professional staffing and various administrative issues	5.20	2,470.00
	TEP	Travel from Burbank to San Jose (non working time, reduced by 50%)	1.70	1,105.00
	TEP	Travel from Burbank to San Jose (non working time, write off)	1.70	NO CHARGE
	TEP	Meet with XRoads and client re case strategy/options/company operations/strategy	5.20	3,380.00
	TEP	Travel from San Jose to Burbank (non working time, reduced by 50%)	1.70	1,105.00
	TEP	Travel from San Jose to Burbank (non working time, write off)	1.70	NO CHARGE
8/31/2006	JSS	Review email from J. Fiero re revised amended order re committee information protocol	0.10	47.50
	JSS	Review and respond to correspondence with J. Fiero re committee confidentiality agreement	0.30	142.50
	JSS	Prepare correspondence to K. Denniston re order approving confidentiality agreement and phone call from K. Denniston re same	0.10	47.50
	JSS	Review and respond to correspondence with D. Ragan and T. Patterson re meeting with Tony Qu (.2) and phone call with D. Ragan re same (.2)	0.40	190.00
	TEP	Follow-up email to D. Ragan re meeting	0.20	130.00
SUBTOTAL: 020 - Meetings and Communications			42.50	19,617.50

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
<u>030 - General Business Operations</u>				
8/1/2006	JSS	Review, edit and revise court orders for July 27th hearing (.9); review and respond to correspondence to/from L. Bogdanoff re same(.2); prepare correspondence to UST, committee and New World re same (.1)	1.20	570.00
	JSS	Office conference with S. Neeley re background of case	1.10	522.50
	JSS	Review and respond correspondence from/to L. Bogdanoff re XRoads information	0.10	47.50
	JSS	Telephone conference with D. Ragan re July 27th hearing	0.20	95.00
	JSS	Participate on standing call with L. Bogdanoff, S. Neeley and XRoads, re various operational and financing issues	1.30	617.50
	LRB	Analyze proposed orders from July 27 hearings, edits and comments thereon	0.50	325.00
	LRB	Analyze memos re call today, outstanding issues, comments	0.80	520.00
	LRB	Analyze and continue review of documents re background of case and outstanding issues, comments thereon	2.60	1,690.00
	LRB	Telephone conference with D. Ragan, J. Shenson, S. Neeley re issues, status, follow-up (standing call)	1.30	845.00
	SN	Review Lin declaration re background of case	0.20	56.00
	SN	Confer with J. Shenson re status of case, tasks outstanding	1.10	308.00
	SN	Conference call with J. Shenson, L. Bogdanoff, XRoads re status, issues, follow-up	1.30	NO CHARGE
8/2/2006	JSS	Review correspondence from D. Friedman re litigation allocation (.1); telephone conference with D. Friedman re same and meeting with XRoads (.1)	0.20	95.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/2/2006	JSS	Review correspondence from E. Goldberg of Stutman re New World and affiliate matters (.1); meeting with L. Bogdanoff re same (.2)	0.30	142.50
	JSS	Review and respond to correspondence from D. Ragan and L. Bogdanoff re Latham fee and allocation issues	0.30	142.50
	JSS	Telephone call from D. Ragan re business issues	0.50	237.50
	LRB	Telephone conference with E. Goldberg re non-debtor affiliates and issues	0.20	130.00
	LRB	Analyze and comment on email re investigation, litigation, related issues	0.80	520.00
8/3/2006	JSS	Standing conference call with XRoads (D. Ragan), L. Bogdanoff, and S. Neeley re business, and operational issues	0.50	237.50
	JSS	Revise orders for July 27th hearing (.2); draft correspondence to client re same (.1)	0.30	142.50
	LRB	Telephone conference with D. Ragan, J. Shenson and S. Neeley re business and operational issues	0.50	325.00
	LRB	Analyze revised orders for July 27th hearing, email re same	0.30	195.00
	LRB	Analyze email from D. Ragan re tasks, outstanding issues	1.30	845.00
	SN	Conference call with L. Bogdanoff, J. Shenson, D. Ragan re status, issues, etc.	0.50	NO CHARGE
8/4/2006	JSS	Prepare correspondence to J. Fiero re orders for July 27th hearing (.1); phone calls with J. Fiero re same (.2)	0.30	142.50
	JSS	Finalize orders re July 27th hearing	0.40	190.00
	JSS	Prepare memo re outstanding Latham issues (1.3) and prepare correspondence to D. Ragan, D. Simon, T. Patterson and L. Bogdanoff re same(.2)	1.50	712.50

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/4/2006	LRB	Analyze memo to Latham & Watkins re litigation, comments	0.80	520.00
8/7/2006	JSS	Review memo from L. Bogdanoff to D. Ragan re XRoads reports	0.20	95.00
	LRB	Analyze and comment on Latham & Watkins memo	0.90	585.00
	LRB	Analyze materials for report on finances; prepare email to D. Ragan re same	2.30	1,495.00
8/8/2006	JSS	Prepare for (.2) and participate in standing call with XRoads (1.00)	1.20	570.00
	LRB	Analyze proposal from New World re affiliate reports and prepare email to E. Goldberg re same	0.90	585.00
	LRB	Telephone conference with D. Ragan, J. Shenson, S. Neeley re issues, status, tasks	1.00	650.00
	LRB	Prepare and respond to email from E. Goldberg, D. Ragan re affiliate reporting	0.30	195.00
	LRB	Analyze and respond to emails from D. Ragan, E. Goldberg re affiliate reporting	0.60	390.00
	SN	Conference call with L. Bogdanoff, J. Shenson, XRoads re status, issues	1.00	NO CHARGE
8/9/2006	JSS	Review correspondence from D. Ragan re non-debtor affiliates	0.20	95.00
	LRB	Analyze and respond to email from D. Ragan re affiliate issues	0.30	195.00
8/10/2006	JSS	Prepare for standing call with XRoads (.2); participate on call with XRoads, L. Bogdanoff and S. Neeley re outstanding business issues (.4)	0.60	285.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/10/2006	JSS	Prepare correspondence to L. Bogdanoff re R&D Agreements	0.10	47.50
	JSS	Phone call with D. Friedman re employee issues	0.20	95.00
	JSS	Conference call with D. Ragan re case matters	0.50	237.50
	LRB	Telephone conference with J. Shenson, D. Ragan re business issues, follow-up	0.40	260.00
	LRB	Analyze emails from counsel, D. Ragan re fee procedures, company contracts and respond to same	0.70	455.00
8/11/2006	JSS	Telephone conference to/from D. Ragan re business issues	0.20	95.00
	LRB	Analyze affiliate comments on reporting, notes	0.70	455.00
	LRB	Analyze memo from J. Shenson re tasks, issues, follow-up	0.60	390.00
	LRB	Prepare email to D. Ragan, J. Shenson re work on Xroads report, follow-up	0.70	455.00
	LRB	Prepare response to J. Shenson re follow-up on issues	0.30	195.00
	LRB	Analyze memo from J. Shenson re tasks, issues, follow-up	0.80	520.00
8/13/2006	JSS	Review correspondence from D. Friedman re expert payments (.2); review and respond to correspondence from P. Wang re state court litigation allocation (.2)	0.40	190.00
8/14/2006	TEP	Review multiple pleadings/orders/emails to update	1.40	910.00
8/15/2006	LRB	Confer with T. Patterson re status, issues	0.50	325.00
	LRB	Telephone conference with D. Ragan, S. Neeley re update, status	0.30	195.00
	SN	Conference call with L. Bogdanoff, D. Ragan re status, issues	0.30	84.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/15/2006	TEP	Office conference with L. Bogdanoff re business updates and strategy	0.50	325.00
8/16/2006	JSS	Review court order email re foreign professionals, exclusivity, motion to extend time to assume/reject	0.10	47.50
	JSS	Review list of New World experts re payment	0.10	47.50
	JSS	Call with T. Patterson and XRoads re allocation and other business issues	0.80	380.00
	TEP	Analyze matters reflecting to ordinary course professionals, exclusivity, non-debtor affiliates and related issues	0.30	195.00
	TEP	Call with XRoads and J. Shenson re various business issues including XRoads retention issues, allocation issue	0.80	520.00
8/17/2006	JSS	Review court transcript of July 27th hearing	0.30	142.50
	JSS	Prepare correspondence to D. Ragan re allocation issues and XRoads report (.1) and conversation with M. Schwarzmann and L. Bogdanoff re same (.2) review L. Bogdanoff memo re same (.1)	0.40	190.00
	JSS	Prepare for standing call with XRoads (.2); participate on call (.5)	0.70	332.50
	JSS	Prepare and respond to correspondence from D. Ragan re veified tax statement and related issues	0.20	95.00
	LRB	Analyze July 27th hearing transcript	0.30	195.00
	LRB	Telephone conference with M. Schwarzmann, J. Shenson re allocation issues	0.20	130.00
	LRB	Prepare memo re allocation issues	1.10	715.00
	LRB	Analyze pleadings re allocation issues	0.70	455.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/18/2006	JSS	Phone call with D. Ragan re tax issues (.1); review U.S. Trustee guidelines re company verified tax statements (.2)	0.30	142.50
	JSS	Prepare stipulation with litigation expert re payment issues	0.80	380.00
	JSS	Review verified tax statement back-up (.2); draft verified tax statement pleading for July filing (.1)	0.30	142.50
	JSS	Review draft of monthly operating report for July (.8); phone calls to K. Faggerstrom re same (.3)	1.10	522.50
	LRB	Analyze monthly operating report, notes	0.20	130.00
8/19/2006	LRB	Analyze emails from XRoads re Xroads report	0.20	130.00
8/21/2006	JSS	Review several emails from D. Ragan re XRoads report	0.20	95.00
	JSS	Review revised monthly operating report (.2); prepare and report correspondence to D. Ragan and K. Faggerstrom re same (.2)	0.40	190.00
	JSS	Review part of draft XRoads report and prepare proposed comments and revisions re same (1.2) and office conference with T. Patterson re same (.1)	1.30	617.50
	LRB	Prepare comments on draft report (Part I)	1.30	845.00
	SN	Prepare correspondence to D. Ragan re monthly operating report	0.10	28.00
	SN	Telephone conference with D. Ragan re monthly operating report	0.10	28.00
	SN	Analyze and efile July monthly operating report	0.20	56.00
	SN	Analyze and efile tax statement	0.20	56.00
	SN	Revise correspondence to clerk re monthly operating report and tax statement	0.20	56.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/21/2006	TEP	Review and revise 1st draft of XRoads report (.8) and office conference with J. Shenson re same (.1)	0.90	585.00
8/22/2006	JSS	Review R&D and Shared Service Agreements	0.50	237.50
	TEP	Review draft report sections	1.10	715.00
8/23/2006	JSS	Meeting with L. Bogdanoff re various matters including status of XRoads report and meeting with company	0.20	95.00
	JSS	Review draft of XRoads report and L. Bogdanoff and T. Patterson comments thereto (.6) and prepare correspondence to XRoads re same (.2)	0.80	380.00
	JSS	Telephone conference with M. Schwarzmann re operational issues	0.10	47.50
	JSS	Review various emails re revised draft XRoads report , KTB&S and Latham; review draft report and various comments and revisions thereto re same and prepare comments and circulate same	4.60	2,185.00
	LRB	Analyze and revise draft report (financial section)	1.70	1,105.00
	LRB	Analyze draft statement from E. Goldberg	0.20	130.00
	LRB	Prepare additions, inserts to Xroads report, prepare emails to client re same and to counsel re confidentiality stipulation	2.80	1,820.00
	TEP	Review and revise additional parts of XRoads report and email to J Shenson re confidentiality; review disbursement schedule and email re same	2.10	1,365.00
8/24/2006	JSS	Meeting with L. Bogdanoff re XRoads report and Allen & Overy issue	0.20	95.00
	JSS	Review and respond to various emails, by and among Latham and XRoads and KTB&S re XRoads report	0.60	285.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/24/2006	JSS	Telephone conference with D. Ragan re XRoads report and related issues	0.80	380.00
	JSS	Review Latham comments to report (.3); prepare correspondence to L. Bogdanoff re same (.1)	0.40	190.00
	JSS	Review, edit and revise new version of report and exhibit; prepare correspondence re same	4.80	2,280.00
	LRB	Prepare emails to client re report issues, respond to same	0.30	195.00
	LRB	Analyze draft exhibits re XRoads report	0.30	195.00
	LRB	Prepare comments on exhibits, revisions to XRoads report; prepare email comments re same	1.70	1,105.00
	LRB	Analyze draft exhibits, inserts to XRoads report	0.60	390.00
	LRB	Prepare additions to XRoads report, comments	1.40	910.00
	LRB	Analyze XRoads report, exhibits	0.70	455.00
	TEP	Review revised report briefly	0.60	390.00
8/25/2006	JSS	Review and respond to correspondence from D. Ragan and L. Bogdanoff and others from Latham re various issues concerning the XRoads reports and exhibits	0.70	332.50
	JSS	Meeting with L. Bogdanoff re XRoads report, expert payment issues and Allen & Overy	0.20	95.00
	JSS	Review revised XRoads report (.4); phone call with M. Schwarzmann re same (.9); Review and respond to correspondence with M. Schwarzmann re same (.2)	1.50	712.50
	JSS	Prepare correspondence to K. Faggerstrom re exhibit issues (.2); coordinate internally and revisions to exhibits to report (.2)	0.40	190.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/25/2006	JSS	Telephone conference (.1) to and prepare correspondence to P. Wang re Latham comments to XRoads report (.4)	0.50	237.50
	JSS	Review, edit, comment and finalize XRoads report	5.70	2,707.50
	JSS	Meeting with T. Patterson re XRoads report and case status	0.30	142.50
	JSS	Review and respond to correspondence from L. Bogdanoff re supplement to report and exhibit issues	0.20	95.00
	LRB	Analyze revised reports, prepare emails to D. Ragan re same, work on report and issues	0.90	585.00
	TEP	Review report briefly	0.50	325.00
8/27/2006	JSS	Review correspondence from L. Bogdanoff re affiliate and allocation issues	0.10	47.50
	JSS	Prepare correspondence to XRoads, T. Patterson and L. Bogdanoff re supplement to XRoads report	0.10	47.50
8/28/2006	JSS	Prepare various correspondence and respond to V. Lin re XRoads report and other issues (.3); phone call with V. Lin re same (.3)	0.60	285.00
	JSS	Review certain affiliate information re disbursements re supplement to XRoads report (.8) and related financial information (.9)	1.70	807.50
	JSS	Phone call with D. Ragan re affiliate information (.2) prepare correspondence to T. Patterson re same (.2)	0.40	190.00
	JSS	Review correspondence from D. Ragan (.1); phone call with D. Ragan re disbursement information (.3)	0.40	190.00
	JSS	Conversation with K. Denniston re XRoads and report and meeting with T. Patterson re same	0.30	142.50
	TEP	Review affiliate disbursement schedules and emails re same	0.80	520.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/29/2006	JSS	Phone call to T. Patterson re affiliate disbursement issue (.2); prepare, review and respond to correspondence to D. Ragan re same (.4)	0.60	285.00
	JSS	Telephone call to D. Ragan re disbursement schedules	0.10	47.50
8/31/2006	JSS	Phone call with M. Schwarzmann re workers compensation and review letter from the State re same	0.20	95.00
SUBTOTAL: 030 - General Business Operations			95.00	51,027.00
<u>040 - Fee/Employment Applications</u>				
8/1/2006	JSS	Review and respond to correspondence re prebills for fee application	0.20	95.00
	SN	Analyze documents, pleadings, etc. re employment of professionals and other outstanding issues	1.60	448.00
8/2/2006	JSS	Draft correspondence to/from D. Ragan re foreign professional retention issues	0.20	95.00
	JSS	Telephone call from/to U.S. Trustee re interim fee and other orders	0.30	142.50
	JSS	Review and respond to correspondence from K. Denniston re orders	0.20	95.00
	JSS	Telephone conference with D. Ragan and meeting with S. Neeley re interim fee procedures	0.20	95.00
	JSS	Telephone conference with D. Ragan, J. Montgomery and S. Neeley re foreign non-restructuring professionals and employment application issues	0.70	332.50
	LRB	Analyze and respond to email from D. Ragan re professionals	0.20	130.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/2/2006	SN	Analyze UST guidelines re employment applications	0.10	28.00
	SN	Conference call with J. Shenson, D. Ragan, J. Montgomery re employment of professionals	0.70	196.00
	SN	Confer with J. Shenson re employment applications	0.20	56.00
	SN	Prepare employment application form for employment of foreign professionals	0.80	224.00
8/3/2006	JSS	Review and respond to correspondence from J. Montgomery re public relations firm	0.20	95.00
	SN	Research re disinterestedness of professionals	1.30	364.00
8/4/2006	JSS	Prepare correspondence to S. Neeley re interim compensation procedures letter to professionals	0.10	47.50
	SN	Prepare memo letter to foreign professionals re employment applications (2.8); Revise correspondence to professionals re employment applications (.9)	3.70	1,036.00
8/7/2006	JSS	Prepare correspondence to Latham re interim compensation procedures (.2); review response from D. Friedman re same (.1); review motion to file fee applications under seal and New World objection thereto (.4); prepare correspondence to Latham re same (.1); telephone call with D. Friedman re same, monthly fee application (.5)	1.30	617.50
	JSS	Review S. Neeley draft memo to foreign non-restructuring professionals re applications (.5); prepare correspondence to S. Neeley re same; office conference with S. Neeley re same (.5)	1.00	475.00
	JSS	Review and respond to correspondence from S. Neeley re interim fees	0.20	95.00
	JSS	Prepare correspondence to Allen & Overy re litigation retention (.1); phone call with A. Sachdeva re same (.2)	0.30	142.50

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/7/2006	JSS	Review, edit and revise prebills for monthly fee application	1.80	855.00
	SN	Analyze correspondence from J. Shenson re interim fee procedures order and reply re same	0.10	28.00
	SN	Analyze correspondence from J. Shenson re motion to file fee applications under seal	0.10	28.00
	SN	Confer with J. Shenson re employment applications and letter to foreign professionals	0.50	140.00
	SN	Telephone conference with J. Montgomery re Minato employment issues	0.10	28.00
	SN	Telephone conference with D. Ragan re Sun employment application (VM)	0.10	28.00
	SN	Analyze proposed interim fee order re interim compensation	0.20	56.00
	SN	Prepare correspondence to professionals re interim fee procedures	1.60	448.00
	SN	Revise letter to professionals re interim fee procedures	0.30	84.00
8/8/2006	JSS	Draft first monthly fee application	3.20	1,520.00
	JSS	Review and respond to correspondence from M. Schwarzmann re KTB&S fees and company financial projection	0.20	95.00
	SN	Telephone conference with J. Montgomery re W. Sun employment application (VM)	0.10	28.00
	SN	Revise correspondence to foreign professionals re employment and related issues	1.70	476.00
	SN	Analyze correspondence from J. Montgomery re Wendy Sun application and reply re same	0.10	28.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/9/2006	JSS	Draft first monthly fee statement	3.40	1,615.00
	JSS	Phone call with Wendy Sun, J. Montgomery, S. Neeley and M. Berman re retention of tax accountant	0.80	380.00
	JSS	Review correspondence from C. Greenwood re monthly fee procedures	0.10	47.50
	JSS	Telephone conference with J. Fiero re interim fee order	0.30	142.50
	JSS	Prepare correspondence to L. Bogdanoff and T. Patterson re interim fee order (.2); review correspondence from T. Patterson re same (.1); telephone conference with C. Greenwood re same (.3)	0.60	285.00
	JSS	Review proposed letters to foreign professionals prepared by S. Neeley	0.50	237.50
	JSS	Review correspondence from S. Neeley to W. Sun (.4); review, edit and revise supplemental correspondence to W. Sun (.3)	0.70	332.50
	JSS	Meeting with S. Neeley re retention of professionals	0.30	142.50
	JSS	Review, edit and revise interim fee procedures order (.3); review correspondence from J. Fiero and prepare correspondence to L. Bogdanoff re same (.1)	0.40	190.00
	LRB	Analyze emails re fee procedures, process, comment on same	0.30	195.00
	LRB	Analyze and respond to emails re confidentiality, fee procedures	0.30	195.00
	SN	Conference call with J. Shenson, J. Montgomery, Wendy Sun re Sun employment application	0.80	224.00
	SN	Prepare correspondence to W. Sun re information for employment application and revise same	0.30	84.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/9/2006	SN	Prepare correspondence to W. Sun re conflicts check	0.20	56.00
	SN	Prepare correspondence to and revise correspondence to W. Sun re employment application/conflict check (x2)	0.40	112.00
	SN	Revise correspondence to foreign professionals re employment applications	1.30	364.00
	SN	Prepare W. Sun employment application	0.70	196.00
	SN	Meeting with J. Shenson re retention of professionals	0.30	84.00
	TEP	Correspondence to J. Shenson re interim fee procedures	0.20	NO CHARGE
8/10/2006	JSS	Prepare correspondence to U.S. Trustee, Committee and New World re revised interim fee procedures order	0.20	95.00
	JSS	Review, edit and revise first monthly fee statement (4.5); prepare notice re same (.7)	5.20	2,470.00
	JSS	Review correspondence from J. Fiero, K. Denniston re new interim procedure and review fax from U.S. Trustee re new order (.3); phone calls with court re same and lodge new order with court (.3); prepare correspondence to Latham re same (.2)	0.80	380.00
	JSS	Review correspondence from Wendy Sun re retention issues (.1); discuss same with S. Neeley (.1)	0.20	95.00
	LRB	Analyze emails re fee procedures and court order	0.30	195.00
	SN	Analyze correspondence from W. Sun re employment application	0.10	28.00
	SN	Revise correspondence to professionals re interim fee procedures	0.40	112.00
	SN	Analyze redline re interim fee order	0.10	28.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/11/2006	JSS	Review, edit and revise monthly fee statement	2.80	1,330.00
	JSS	Finalize monthly fee statement and notice for filing and efile	0.80	380.00
	JSS	Draft correspondence to estate professionals and revise interim compensation order (.4); prepare correspondence to XRoads re same (.3)	0.70	332.50
	JSS	Review correspondence from W. Sun re retention application (.3); prepare correspondence to S. Neeley, J. Montgomery and D. Ragan re same (.3)	0.60	285.00
	JSS	Review correspondence from Allen & Overy re engagement and engagement letter (.4); phone conversation from/to D. Wang re same (.2); prepare correspondence to A. Sachdeva re same (.1)	0.70	332.50
	LRB	Prepare memo re additions to monthly narrative for first monthly fee application	0.80	520.00
	SN	Revise correspondence to estate professionals re interim fee procedures	0.20	56.00
	SN	Revise correspondence to professionals re section 327(e) employment applications	0.90	252.00
	SN	Revise correspondence to professionals re section 327(a) employment applications	0.70	196.00
	SN	Prepare W. Sun employment application	1.30	364.00
8/12/2006	SN	Prepare Wendy Sun application and exhibits	1.70	476.00
	SN	Revise Wendy Sun employment application	0.50	140.00
8/13/2006	JSS	Prepare memo to L. Bogdanoff, T. Patterson and S. Neeley re foreign professionals and Wendy Sun application	0.30	142.50

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/14/2006	JSS	Review correspondence from J. Montgomery (.1) and S. Neeley and L. Bogdanoff re letter to professionals (various emails) (.2); review correspondence from S. Neeley re correspondence to Wendy Sun (.4); prepare correspondence to S. Neeley and L. Bogdanoff re Sun (.2); and review correspondence from J. Montgomery re same (.1)	0.90	427.50
	LRB	Analyze and revise draft letter re foreign professionals	1.30	845.00
	LRB	Analyze client revisions to professional retention letter, respond to same	0.70	455.00
	LRB	Prepare email to counsel re interim fee applications and hearings thereon	0.30	195.00
	SN	Revise correspondence to foreign professionals re section 327(e) employment	0.20	56.00
	SN	Prepare correspondence to D. Ragan, J. Montgomery re 327(e) letter to foreign professionals	0.20	56.00
	SN	Revise correspondence to Minato re employment application	0.20	56.00
	SN	Prepare correspondence to D. Ragan, J. Montgomery re Minato letter	0.10	28.00
	SN	Prepare correspondence to M. Schwarzmman re KTBS fee application	0.10	28.00
8/15/2006	LRB	Analyze and edit, add to Sun application	0.60	390.00
	SN	Analyze correspondence from D. Ragan re letters to foreign professionals	0.10	28.00
	SN	Analyze correspondence from J. Montgomery re letters to foreign professionals (x2)	0.10	28.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/15/2006	SN	Revise correspondence to section 327(e) foreign professionals	0.50	140.00
	SN	Revise correspondence to Minato re employment application	0.30	84.00
	SN	Prepare correspondence to D. Ragan re letter to foreign professionals	0.10	28.00
	SN	Revise W. Sun employment application	0.40	112.00
	SN	Prepare correspondence to D. Ragan, J. Montgomery re Sun application	0.10	28.00
8/16/2006	JSS	Review letters to foreign professionals	0.30	142.50
	JSS	Prepare correspondence to L. Bogdanoff and S. Neeley re application to employ Wendy Sun (.1); review correspondence from L. Bogdanoff re same (.1); review draft employment application for Sun (.3); review correspondence from L. Bogdanoff re fee application issue (.1)	0.60	285.00
	JSS	Prepare correspondence to S. Neeley re Wendy Sun application	0.10	47.50
	JSS	Review correspondence from D. Ragan re Latham billings (.2); review Latham employment application and related documents re same (.5); prepare correspondence to D. Ragan re same (.3)	1.00	475.00
	JSS	Discussion with S. Neeley re professionals/employment issue	0.20	95.00
	JSS	Review, edit and revise Allen & Overy retention agreement (2.8); prepare correspondence to L. Bogdanoff and T. Patterson re same (.2); review same and respond to same (.1)	3.10	1,472.50

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/16/2006	SN	Analyze correspondence from L. Bogdanoff re Sun employment application	0.10	28.00
	SN	Prepare conflict list re employment applications	0.90	252.00
	SN	Confer with J. Shenson re outstanding employment issues	0.20	56.00
	SN	Prepare correspondence to J. Shenson re interim fee procedures	0.10	28.00
	SN	Prepare correspondence to J. Montgomery re correspondence to foreign professionals	0.10	28.00
8/17/2006	JSS	Prepare correspondence to D. Ragan and J. Montgomery re Wendy Sun application issues	0.30	142.50
	JSS	Review, edit and revise Wendy Sun application (1.8); prepare correspondence to client re same (.1)	1.90	902.50
	JSS	Review, edit and revise Allen & Overy letter re retention	0.80	380.00
	JSS	Prepare memo for Allen & Overy re retention application requirements; draft correspondence to client re same	2.30	1,092.50
	JSS	Phone call with D. Ragan re XRoads monthly fee notice and filing issues	0.20	95.00
	JSS	Prepare correspondence to W. Sun re employment application and related issues	0.20	95.00
	LRB	Analyze and respond to emails re Hong Kong litigation, professionals	0.20	130.00
8/18/2006	JSS	Review correspondence from V. Lin re Allen & Overy retention	0.10	47.50
	JSS	Review correspondence from J. Montgomery re Sun application (.1); review correspondence from W. Sun re same (.2); phone calls with W. Sun re application changes (.9); review, edit and revise same (1.4)	2.60	1,235.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/18/2006	JSS	Discussion with T. Patterson and conversation with D. Ragan re XRoads monthly fee notice and related issues (.1); phone call with M. Schwarzmann re same (.1)	0.20	95.00
	JSS	Review committee counsel's fee application and notice	0.20	95.00
	JSS	Research re employment/conflict issues	1.10	522.50
	SN	Analyze correspondence from W. Sun re tax work	0.10	28.00
	TEP	Review committee fee application briefly	0.30	195.00
	TEP	Telephone conferences with D. Ragan re XRoads fees and office conference with J. Shenson (.1) re timing	0.60	390.00
8/21/2006	JSS	Revise letters re foreign non-restructuring professionals	0.10	47.50
	JSS	Review correspondence from L. Bogdanoff re Allen & Overy	0.10	47.50
	JSS	Revise Sun employment application and draft order (.8); prepare correspondence to Sun and client re same (.2); review comments from J. Montgomery re same (.1); review and respond to correspondence from W. Sun and V. Lin re same (.1)	1.20	570.00
	JSS	Prepare correspondence to J. Montgomery, D. Ragan and S. Neeley re ordinary course professionals (.1); review same from J. Montgomery (.1)	0.20	95.00
	JSS	Telephone call with W. Sun re retention	0.20	95.00
	JSS	Review XRoads monthly fee submission	0.20	95.00
	SN	Analyze correspondence from J. Shenson re Sun application and reply re same	0.10	28.00
	TEP	Review XRoads fee statement	0.60	390.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/21/2006	TEP	Telephone conference with D. Ragan re fee statement	0.60	390.00
	TEP	Review additional XRoads fee material	0.40	260.00
8/22/2006	JSS	Review and respond to correspondence from S. Neeley re W. Sun employment application and related issues	0.30	142.50
	SN	Revise Sun retention agreement	0.10	28.00
	SN	Prepare correspondence to W. Sun re retention letter	0.10	28.00
	SN	Revise Sun employment application and order	0.60	168.00
	SN	Prepare correspondence to W. Sun re employment application	0.10	28.00
	SN	Analyze correspondence from W. Sun re engagement letter and employment application (x2)	0.20	56.00
	SN	Prepare correspondence to V. Lin re Sun engagement letter	0.10	28.00
	SN	Prepare correspondence to V. Lin re Sun employment application	0.10	28.00
	SN	Prepare correspondence to D. Ragan, J. Montgomery re Sun application	0.10	28.00
	TEP	Email to L. Bogdanoff re XRoads fees	0.20	130.00
	TEP	Telephone conference with D. Ragan re XRoads fee request and going forward	0.40	260.00
8/23/2006	JSS	Prepare correspondence and respond to L. Bogdanoff re Allen & Overy employment (.2); review and respond to correspondence from/to P. Wang re same (.2); telephone conference with P. Wang re same (.3)	0.70	332.50
	JSS	Discussion with S. Neeley re W. Sun application (.2) and foreign nonrestructuring professionals send application re same (.1)	0.30	142.50

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/23/2006	JSS	Review materials re Allen & Overy retention and prepare for call on retention (.2); revise letter to Allen & Overy re same (.1); telephone conference with P. Wang re same (.1); participate on call (.3)	0.70	332.50
	SN	Prepare correspondence to V. Lin re Sun application	0.10	28.00
8/24/2006	JSS	Review and respond to correspondence from S. Neeley re finalizing the W. Sun employment application (.1) and discussion with S. Neeley re same (.1)	0.20	95.00
	JSS	Review and respond to correspondence from A. Sachdeva (.1) and call with A. Sachdeva re same (.3); phone call with P. Wang re same (.2)	0.60	285.00
	SN	Prepare correspondence to W. Sun re Sun application	0.10	28.00
	SN	Revise and lodge Sun employment order	0.20	56.00
	SN	Revise and efile Sun employment application with exhibits	0.80	224.00
	SN	Revise correspondence to clerk re Sun application	0.10	28.00
	SN	Revise Sun order per court comments and re-lodge	0.20	NO CHARGE
	SN	Revise correspondence to foreign professionals re employment applications (x2)	0.30	84.00
8/27/2006	JSS	Review, edit and revise letter to Allen & Overy re retention issues; review, edit and revise proposed engagement letter and send same	2.90	1,377.50
8/28/2006	JSS	Prepare correspondence to S. Neeley re foreign professionals (.1) and review same from S. Neeley and D. Ragan (.1); phone call to S. Neeley (.1), review and respond to correspondence from/to S. Neeley and D. Ragan re finalizing letter (.1)	0.40	190.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/28/2006	JSS	Review and revise letter to K. Denniston re Allen & Overy retention and related issues (.2); prepare correspondence to Allen & Overy re same (.1)	0.30	142.50
	SN	Prepare correspondence to J. Montgomery re foreign professionals	0.10	28.00
	SN	Prepare correspondence to D. Ragan, J. Montgomery re foreign professionals	0.10	28.00
	SN	Revise correspondence to Minato re employment application	0.30	84.00
	SN	Revise letters to foreign professionals re employment applications under 327(e)	1.20	336.00
8/29/2006	JSS	Review docket re objections to fee notice (.1); prepare correspondence to client re same (.1)	0.20	95.00
	JSS	Review and respond to correspondence from A. Sachdeva re Allen & Overy retention issues and markup of engagement letter (.3) and review mark-up of engagement letter and prepare correspondence to client re same (.1); phone call with A. Sachdeva re same (.4)	0.80	380.00
	JSS	Review entered employment order re same	0.10	47.50
	SN	Analyze entered Sun employment order	0.10	28.00
	SN	Prepare correspondence to W. Sun re entered order	0.20	56.00
8/31/2006	JSS	Research re employment application issues	1.60	760.00
	JSS	Prepare correspondence to A. Sachdeva re retention issues	0.20	95.00
SUBTOTAL: 040 - Fee/Employment Applications			97.60	41,308.50

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
<u>070 - Claims Administration & Objections</u>				
8/3/2006	JSS	Draft correspondence to XRoads re ADP claim issues	0.10	47.50
8/4/2006	JSS	Review and respond to correspondence from J. Montgomery re ADP claim	0.10	47.50
8/18/2006	JSS	Conversation with G. Brower re proofs of claim	0.10	47.50
8/22/2006	JSS	Review correspondence re ADT and prepare correspondence to J. Montgomery re same	0.20	95.00
8/23/2006	JSS	Review correspondence from J. Montgomery (.1) and phone call to ADP re same (.2)	0.30	142.50
	JSS	Review correspondence from D. Friedman re New World claim	0.10	47.50
	TEP	Multiple email exchange with M. Schwarzmann, D. Ragan, Latham & Watkins, L. Bogdanoff and J. Shenson re report to New World; review draft	1.60	1,040.00
8/24/2006	TEP	Review exhibit list and emails re same	0.60	390.00
8/28/2006	JSS	Prepare correspondence to D. Ragan and J. Montgommery re creditor issues	0.10	47.50
8/29/2006	JSS	Review correspondence from L. Hameed re creditor information	0.10	47.50
8/31/2006	JSS	Review certain proofs of claim	0.40	190.00
SUBTOTAL: 070 - Claims Administration & Objections			3.70	2,142.50
<u>100 - Plan/Disclosure Statement</u>				
8/10/2006	JSS	Phone call with M. Schwarzmann re business issues, plan matters	0.50	237.50

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
SUBTOTAL: 100 - Plan/Disclosure Statement			0.50	237.50
<u>120 - Litigation</u>				
8/1/2006	JSS	Email and phone call to J. Feldman re state court status conference statement (.1); prepare correspondence to client re same (.3)	0.40	190.00
	LRB	Telephone conference with E. Goldberg re status conference, email re same	0.20	130.00
8/2/2006	JSS	Review and respond to correspondence from L. Bogdanoff re expert retention payment issues	0.40	190.00
	JSS	Review correspondence from D. Ragan re May mediation regarding State Court litigation	0.10	47.50
	JSS	Prepare correspondence to D. Ragan re litigation experts	0.10	47.50
	LRB	Analyze and respond to emails re litigation expert retention issues	0.30	195.00
	LRB	Analyze materials re expert retention	0.80	520.00
8/3/2006	JSS	Review and revise correspondence to/from D. Ragan re trial expert retention (.2); phone call with D. Ragan re same (.1)	0.30	142.50
	JSS	Telephone conference with D. Friedman re litigation expert issues (.2) and call with D. Ragan (.3)	0.50	237.50
	LRB	Telephone conference with P. Warden re expert issues	0.30	195.00
8/4/2006	JSS	Review and respond to correspondence with D. Friedman re payments to litigation experts (.1); call with D. Friedman re same (.1); phone call with D. Ragan re same (.1)	0.30	142.50

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/7/2006	LRB	Analyze memo re litigation work, notes and comments	0.70	455.00
	SN	Analyze correspondence from D. Schechter re Santa Clara trial schedule	0.10	28.00
8/10/2006	JSS	Phone call to/from D. Schechter re substantive consolidation and related issues	0.20	95.00
	JSS	Phone call to/from David Friedman re state litigation, Latham fees and agenda (.4); review correspondence from D. Friedman re fees for experts for State Court litigation (.2)	0.60	285.00
	JSS	Prepare memo to D. Ragan re state court litigation/ Latham issues	0.40	190.00
	LRB	Analyze and respond to emails re Latham & Watkins meeting	0.40	260.00
8/11/2006	LRB	Analyze emails from Latham & Watkins, D. Ragan re meeting, comments	0.20	130.00
8/14/2006	LRB	Analyze and respond to email from D. Ragan re experts	0.20	130.00
8/16/2006	JSS	Review correspondence from L. Bogdanoff re certain issues relating to confidential expert matter (.1); review underlying contract (.1); phone call with D. Friedman re same (.2); review correspondence from D. Friedman re same (.1)	0.50	237.50
	LRB	Analyze emails from D. Ragan, J. Shenson re items for meeting Tuesday	0.30	195.00
	LRB	Analyze email from P. Warden re experts, prepare email to client, counsel re same	0.80	520.00
	LRB	Analyze email from Hong Kong counsel, notes, follow-up	0.60	390.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/17/2006	JSS	Review correspondence from A. Sachdeva re Hong Kong decision and review notice from Hong Kong court(.2); review correspondence from P. Wang re same (.1)	0.30	142.50
	JSS	Meeting with L. Bogdanoff re payment issues re expert witnesses in state court case	0.20	95.00
	JSS	Draft stipulation re payment of fees to certain expert witnesses	0.20	95.00
	LRB	Telephone conference with D. Ragan, J. Shenson re tasks, follow-up	0.50	325.00
	LRB	Prepare emails to R. Warden re experts, E. Goldberg re New World confidentiality	0.20	130.00
8/18/2006	JSS	Prepare and respond to correspondence to/from P. Wang re Hong Kong proceedings and circulate same to client	0.20	95.00
	LRB	Analyze emails re Hong Kong litigation, issues	0.30	195.00
8/21/2006	JSS	Travel from Burbank to San Francisco for meeting with Latham & Watkins (non working time, reduced by 50%)	1.60	760.00
	JSS	Travel from Burbank to San Francisco (non working time, write off)	1.60	NO CHARGE
	LRB	Review and prepare for meeting in San Francisco and travel from Los Angeles to San Francisco (non working time, reduced by 50%)	1.70	1,105.00
	LRB	Travel to San Francisco (non working time, write off)	1.70	NO CHARGE
	LRB	Analyze documents re litigation and prepare for Latham & Watkins meeting	2.60	1,690.00
8/22/2006	JSS	Prepare and attend meeting with XRoads and Latham	6.80	3,230.00
	JSS	Travel to Burbank from San Francisco (non working time, write off)	1.70	NO CHARGE

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/22/2006	JSS	Travel from San Francisco to Burbank (non working time, reduced by 50%)	1.70	807.50
	LRB	Meet with XRoads, then Latham & Watkins re litigation issues related to case, meet with D. Ragan after	6.80	4,420.00
	LRB	Travel from San Francisco to Los Angeles, review notes and follow-up re meeting (non working time, reduced by 50%)	1.70	1,105.00
	LRB	Travel from San Francisco to Los Angeles (non working time, write off)	1.70	NO CHARGE
	LRB	Prepare email to T. Patterson re meeting and follow-up	0.30	195.00
	LRB	Analyze emails from Latham & Watkins re follow-up	0.50	325.00
	TEP	Telephone conference with L. Bogdanoff re litigation issues proceedings	0.30	195.00
	TEP	Review K. Denniston letter re Hong Kong	0.30	195.00
8/23/2006	JSS	Review correspondence from K. Denniston re A&O retention and filing procedures (.2); review correspondence from/to L. Bogdanoff and P. Wang re same (.1)	0.30	142.50
	JSS	Review and respond to correspondence from D. Ragan re payments to New World experts for deposition	0.10	47.50
	JSS	Phone call to K. Denniston (.3); prepare correspondence re New World issues (.2)	0.50	237.50
	LRB	Prepare email to D. Friedman re litigation and professionals	0.20	130.00
	LRB	Analyze letter from K. Denniston re litigation closing	0.30	195.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/24/2006	JSS	Review and respond to correspondence from L. Bogdanoff and D. Friedman re expert witness payments and related issues (.2); phone call with D. Friedman re same and New World report (.3)	0.50	237.50
8/25/2006	JSS	Review correspondence from A. Sachdeva re Hong Kong judgment and review decision	0.40	190.00
	LRB	Email to P. Warden re expert issues	0.20	130.00
8/28/2006	JSS	Review and respond to correspondence from D. Friedman re payment of expert witnesses issues in bankruptcy	0.20	95.00
	JSS	Review State Court litigation file re stay and and property of the estate issues	0.80	380.00
	LRB	Analyze and respond to emails from J. Shenson, T. Patterson and client re status conference and follow up	0.50	325.00
8/29/2006	DMS	Discussion re discovery and stay issues	0.30	208.50
	JSS	Telephone call from E. Goldberg and T. Patterson re substantive consolidation and related issues for upcoming hearing	0.20	95.00
	JSS	Telephone call with court deputy re change in hearing and related scheduling issues and correspondence re same	0.20	95.00
	JSS	Review, edit and revise letter to K. Denniston re Hong Kong litigation	0.20	95.00
	JSS	Telephone call with K. Denniston re upcoming hearing (.2); meeting with T. Patterson and call with E. Goldberg re same (.3)	0.50	237.50
	JSS	Research re substantive consolidation (.9); review New World pleadings re same (1.1)	2.00	950.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
8/29/2006	JSS	Review T. Patterson correspondence to client re substantive consolidation issue (.1) and review correspondence from client re same (.1)	0.20	95.00
	JSS	Review and respond to correspondence with L. Bogdanoff re discovery and substantive consolidation issue (.2); conversation with D. Stern re same (.3)	0.50	237.50
	JSS	Review notice and letter from Paul Hastings re appeal and security for costs	0.20	95.00
	LRB	Analyze and respond to emails from J. Shenson re New World motion and strategy	0.80	520.00
	LRB	Analyze emails re Hong Kong litigation, issues	0.30	195.00
	TEP	Telephone conference with E. Goldberg (.2); office conference with J. Shenson re New World position (.3); review substantive consolidation motion and key cases in preparing for hearing (2.8); email to V. Lin and response (.3)	3.60	2,340.00
8/30/2006	JSS	Attend hearing re status conference on substantive consolidation (.3); follow up phone call with E. Goldberg and T. Patterson re same (.2)	0.50	237.50
	TEP	Telephone conference with J. Fiero (.2), E. Goldberg (.2) re substantative consolidation; attend hearing (.3); follow-up telephone conference call to E. Goldberg (.2)	0.90	585.00
8/31/2006	JSS	Review correspondence from P. Wang re security issues (.1) and Hong Kong proceedings; review correspondence from A. Sachdeva re appeal (.1); review and respond to correspondence with D. Ragan re same (.1)	0.30	142.50
	JSS	Review and respond to correspondence from V. Lin re substantive consolidation status conference (.1); prepare correspondence (.1)	0.20	95.00

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
SUBTOTAL: 120 - Litigation			56.50	28,391.50
<u>200 - Matters Involving Real Property Leases</u>				
8/11/2006	JSS	Telephone conference with counsel for Sutter landlord	0.20	95.00
8/18/2006	JSS	Research re non-residential real property leases (.3); prepare correspondence to XRoads re same (.1)	0.40	190.00
8/29/2006	JSS	Prepare correspondence to M. Schwarzmann and D. Ragan re non-residential real property lease	0.10	47.50
8/31/2006	JSS	Review and respond to correspondence with M. Schwarzmann re non-residential real property leases	0.10	47.50
SUBTOTAL: 200 - Matters Involving Real Property Leases			0.80	380.00
Professional Services Rendered			300.20	\$144,034.50
Costs and Disbursements				
Duplicating (at \$.20 per page)				2,187.60
Incoming Faxes (at \$0.20 per page)				4.60
Messenger Services and Overnight Mail				348.03
Online Research				285.92
Outgoing Fax (at \$.50 per page)				7.00
Outside Duplicating				2,988.35
Parking				60.00
Postage				433.45
Telephone				39.48
Travel				1,726.09
Total Costs and Disbursements				\$8,080.52
Total Current Charges				\$152,115.02
Previous Balance Forward				\$241,766.61

8/31/2006 Payment - thank you. Check No. 5797	(\$241,766.61)
	<hr/>
Payments and Credits	(\$241,766.61)
	<hr/>
Current Balance Due	\$152,115.02
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Timekeeper Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>
Lee R. Bogdanoff - Partner	68.10	650.00
Lee R. Bogdanoff - Partner	3.40	0.00
David M. Stern - Partner	0.30	695.00
Thomas E. Patterson - Partner	28.20	650.00
Thomas E. Patterson - Partner	3.60	0.00
Stacia A. Neeley - Associate	35.20	280.00
Stacia A. Neeley - Associate	3.00	0.00
Gideon M. Brower - Paralegal	2.10	150.00
Jonathan S. Shenson - Partner	149.60	475.00
Jonathan S. Shenson - Partner	6.70	0.00