

1 John D. Fiero (CA Bar No. 136557)
PACHULSKI STANG ZIEHL YOUNG JONES
2 & WEINTRAUB LLP
150 California Street, 15th Floor
3 San Francisco, California 94111-4500
Telephone: 415/263-7000
4 Facsimile: 415/263-7010

5 Attorneys for the Official Committee of Unsecured
Creditors

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8 **UNITED STATES BANKRUPTCY COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**
10 **OAKLAND DIVISION**

11 In re

12 **PREDI WAVE CORPORATION,**
a California Corporation,

13 Debtor.

14
15 Fed. Tax I.D. No. 77-0494328
16

Case No.: 06-40547 (RJN)

Chapter 11

**FIRST MONTHLY APPLICATION
FOR INTERIM COMPENSATION
AND REIMBURSEMENT OF
EXPENSES BY PACHULSKI STANG
ZIEHL YOUNG JONES &
WEINTRAUB LLP AS COMMITTEE
COUNSEL TO THE OFFICIAL
COMMITTEE OF UNSECURED
CREDITORS (MAY 5, 2006
THROUGH JULY 31, 2006)**

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20 **TO THE HONORABLE RANDALL J. NEWSOME, UNITED STATES BANKRUPTCY**
21 **JUDGE; THE OFFICE OF THE UNITED STATES TRUSTEE; COUNSEL TO THE**
22 **DEBTOR; AND OTHER PARTIES IN INTEREST:**

23 **PLEASE TAKE NOTICE THAT** Pachulski Stang Ziehl Young Jones & Weintraub LLP
24 (“PSZYJW” or the “Firm”), counsel to the Official Committee of Unsecured Creditors (the
25 “Committee”) of Prediwave Corporation, the debtor and debtor-in-possession in the above-captioned
26 case (the “Debtor”), hereby requests payment of interim compensation and reimbursement of
27 expenses for unpaid amounts (the “Monthly Application”) incurred during the period of May 5, 2006
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1 through July 31, 2006 (the “Application Period”) in the amount of \$36,429.44, made up of
2 \$32,869.00 in attorneys’ fees and \$3,560.44 in reimbursable costs and expenses.

3 **PLEASE TAKE FURTHER NOTICE THAT** the payment requested is made pursuant to
4 the *Order Granting Motion for Authority to Establish Procedures for Interim Payment of Fees and*
5 *Reimbursement of Expenses* [Docket No. 248] (the “Interim Fee Procedure Order”) and therefore
6 includes a narrative discussion of the various projects undertaken and tasks performed by PSZYJW
7 during the Application Period, categorized by subject matter, as contemplated by Paragraph 3 of the
8 *Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees* (the
9 “Guidelines”).

10 **PLEASE TAKE FURTHER NOTICE THAT,** in accordance with the Interim Fee
11 Procedures Order, PSZYJW is serving a copy of this Monthly Application (with time descriptions)
12 on the Office of the United States Trustee (the “U.S. Trustee”). In addition, PSZYJW is serving a
13 copy of this Monthly Application (without time descriptions), which shall constitute the “Notice of
14 Monthly Statement” described in the Interim Fee Procedures Order, on the Debtor, counsel for the
15 Debtor, and all other parties in interest that have requested special notice. The time descriptions are
16 available upon written request to Pachulski Stang Ziehl Young Jones & Weintraub LLP, Attn: John
17 D. Fiero, Esq., 150 California Street, 15th Floor, San Francisco, CA 94111-4500, or by facsimile to
18 (415) 263-7010.

19 **PLEASE TAKE FURTHER NOTICE THAT** Prediwave will be authorized, in the
20 ordinary course of business and on an interim basis, to pay the amounts requested herein in
21 accordance with the terms and conditions of the Interim Fee Procedures Order, unless a party in
22 interest files an objection to the requested payment within fifteen (15) days following the service of
23 this Monthly Application, requests a hearing on its objection, and serves its objection on the
24 following parties: the Office of the United States Trustee, Attn: Minnie Loo, Esq., 1301 Clay
25 Street, Suite 690N, Oakland, CA 94612-5217, Fax: (510) 637-3220, counsel for Debtor, Klee,
26 Tuchin, Bogdanoff & Stern, LLP, Attn: Thomas E. Patterson, Esq. and Jonathan S. She nson, Esq.
27 2121 Avenue of the Stars, 33rd Floor, Los Angeles, CA 90067, Fax (310) 407-9090; and counsel for
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1 the Committee, Pachulski Stang Ziehl Young Jones & Weintraub LLP, Attn: John D. Fiero, Esq.,
2 150 California Street, 15th Floor, San Francisco, CA 94111-4500.

3 **Narrative**

4 **PROJECT BILLING OF SERVICES RENDERED FOR THE COMMITTEE**

5 In accordance with the Guidelines, PSZYJW classifies all services performed for which
6 compensation is sought into task-based categories. PSZYJW has attempted to place the services
7 performed in the category that best relates to the service provided. However, because certain
8 services may relate to more than one category, services pertaining to one category may occasionally
9 be included in another category. During the Application Period, PSZYJW billed time to the
10 following billing categories:

- 11 • Bankruptcy Litigation
- 12 • Case Administration
- 13 • Claims Administration/Objections
- 14 • Compensation of Professionals
- 15 • Executory Contracts
- 16 • Plan and Disclosure Statement
- 17 • Retention of Professionals
- 18 • Stay Litigation

16 ***Bankruptcy Litigation***

17 The Firm's time devoted to this category related to assessment of the New World motions,
18 including the motion to appoint a trustee and the substantive consolidation motion, and follow up
19 stipulations seeking to extend hearing dates on the motions.

20 **Total Hours 6.0/ Total Fees \$2,370.00**

21 ***Case Administration***

22 Time billed to this category primarily relates to preparing for and conducting meetings with
23 the Committee, as well as communication with Committee members and creditors, and other general
24 tasks arising from the Firm's representation of the Committee.

25 **Total Hours 40.10/ Total Fees \$17,580.00**

26 ***Claims Administration/Objections***

27 After a Committee vote, the Firm drafted a motion to advance the claims bar date and a
28 motion for order shortening time on that motion. The reason for this was to give the parties enough

1 knowledge of the claims universe before the expiration of the exclusivity period to allow a quick
2 negotiation and plan filing. When the Court declined to grant the motion for order shortening time,
3 the underlying motion lost its relevance and was not pursued further.

4 **Total Hours 17.30/ Total Fees \$4,997.50**

5 ***Compensation of Professionals***

6 This time was de minimis.

7 **Total Hours 0.20/ Total Fees \$90.00**

8 ***Executory Contracts***

9 This time was de minimis.

10 **Total Hours 0.70/ Total Fees \$315.00**

11 ***Plan and Disclosure Statement***

12 This time was de minimis.

13 **Total Hours 0.30/ Total Fees \$135.00**

14 ***Retention of Professionals***

15 Time allotted to this category primarily relates to the Firm's employment application, and
16 review and analysis of other professionals' employment applications.

17 **Total Hours 7.60/ Total Fees \$2,614.00**

18 ***Stay Litigation***

19 Time allotted to this category primarily relates to the review and analysis of New World's
20 relief from stay pleadings, opposition to the motion for relief from stay and review of various
21 iterations of the order granting relief from stay.

22 **Total Hours 10.90/ Total Fees \$4,767.50**

23 Dated: August 18, 2006

PACHULSKI STANG ZIEHL YOUNG JONES
& WEINTRAUB LLP

24 By /s/ John D. Fiero
25 John D. Fiero
26 Attorneys for the Official Committee of
27 Unsecured Creditors
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