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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
14 Debtor.

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

Case No.: 06-40547 (RJN)

Chapter 11

**SECOND MONTHLY APPLICATION
FOR INTERIM COMPENSATION
AND REIMBURSEMENT OF
EXPENSES BY PACHULSKI STANG
ZIEHL YOUNG JONES &
WEINTRAUB LLP [AUGUST 1, 2006
THROUGH AUGUST 31, 2006]**

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

20 **PLEASE TAKE NOTICE THAT** Pachulski Stang Ziehl Young Jones & Weintraub LLP
21 (“PSZYJW” or the “Firm”), counsel to the Official Committee of Unsecured Creditors (the
22 “Committee”) of Prediwave Corporation, the debtor and debtor-in-possession in the above-captioned
23 case (the “Debtor”), hereby requests payment of interim compensation and reimbursement of
24 expenses for unpaid amounts (the “Monthly Application”) incurred during the period from August 1,
25 2006 through August 31, 2006 (the “Application Period”) in the amount of \$12,036.19, made up of
26 \$10,930.00 in attorneys’ fees and \$1,106.19 in reimbursable costs and expenses.

27 **PLEASE TAKE FURTHER NOTICE THAT** the payment requested is made pursuant to
28 the *Order Granting Motion for Authority to Establish Procedures for Interim Payment of Fees and*

1 *Reimbursement of Expenses* [Docket No. 248] (the “Interim Fee Procedure Order”) and therefore
2 includes a narrative discussion of the various projects undertaken and tasks performed by PSZYJW
3 during the Application Period, categorized by subject matter, as contemplated by Paragraph 3 of the
4 *Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees* (the
5 “Guidelines”).

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

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

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Narrative

PROJECT BILLING OF SERVICES RENDERED FOR THE COMMITTEE

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

- Bankruptcy Litigation
- Case Administration
- Claims Administration/Objections
- Compensation of Professionals
- Stay Litigation

Bankruptcy Litigation

The Firm's time devoted to this category related to the continuance of New World's motion to appoint a trustee.

Total Hours 0.30/ Total Fees \$135.00

Case Administration

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

Total Hours 23.70/ Total Fees \$7,915.00

Claims Administration/Objections

A quick resolution of this case depends, in part, on certainty regarding the scope of non-New World unsecured claims. Accordingly, PSZYJW devoted time to reviewing the claims register..

Total Hours 2.50/ Total Fees \$1,125.00

Compensation of Professionals

Time in this category was used in preparation of PSZYJW's first interim fee application..

Total Hours 3.60/ Total Fees \$1,620.00

1 ***Stay Litigation***

2 This time was de minimis.

3 Total Hours 0.30/ Total Fees \$135.00

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5 Dated: September 20, 2006

PACHULSKI STANG ZIEHL YOUNG JONES
& WEINTRAUB LLP

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7 By /s/ John D. Fiero
8 John D. Fiero
9 Attorneys for the Official Committee of
10 Unsecured Creditors
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EXHIBIT A

PACHULSKI STANG ZIEHL YOUNG JONES & WEINTRAUB LLP

10100 Santa Monica Boulevard
11th Floor
Los Angeles, CA 90067

August 31, 2006

Invoice Number **70588** **70924 00001** **JDF**

Flash Electronics, Inc.
4050 Starboard Drive
Fremont, CA 94538
Attn: Jas Mundra

Balance forward as of last invoice, dated: July 31, 2006	\$36,429.44
Net balance forward	\$36,429.44

Re: Creditors' Committee Representation

Statement of Professional Services Rendered Through 08/31/2006

			Hours	Rate	Amount
Bankruptcy Litigation [L430]					
07/06/06	JDF	Consider Trustee motion continuance request.	0.30	450.00	\$135.00
Task Code Total			0.30		\$135.00
Case Administration [B110]					
08/07/06	JDF	Follow up on information protocol order with J. Shenson and K. Denniston.	0.30	450.00	\$135.00
08/08/06	JDF	Revise information protocol order to satisfy concerns of Debtor (.3); confer with J. Shenson and K. Denniston re revisions and further comments (.3).	0.60	450.00	\$270.00
08/23/06	LAF	Build creditor website.	1.30	175.00	\$227.50
08/24/06	LAF	Work on creditor information website.	1.30	175.00	\$227.50
08/28/06	LAF	Work on creditor information website.	1.00	175.00	\$175.00
08/29/06	LAF	Work on creditor information website.	0.80	175.00	\$140.00
08/30/06	LAF	Work on creditor information website.	0.80	175.00	\$140.00
08/31/06	LAF	Work on creditor information website.	4.80	175.00	\$840.00
07/06/06	JDF	Respond to creditor inquiry re: case status.	0.20	450.00	\$90.00
08/01/06	JDF	Confer with Committee member K. Rahman re status (.1); Confer with Committee member C. Hoffman re status (.1).	0.20	450.00	\$90.00
08/04/06	JDF	Confer with J. Shenson re proposed forms of order (.2); Telephone conference with K. Denniston re claim handling in the northern district (.2); Confer with Committee chair re filed unsecured claims (.2).	0.60	450.00	\$270.00
08/09/06	JDF	Telephone conference with J. Shenson re outcome of	0.50	450.00	\$225.00

		hearing and notes regarding same (.3); Review emailed document from Shenson and respond to email (.2).			
08/11/06	JDF	Draft status report for Committee (.3); Review email string re amendment and need for M. Loo to approve (.2); Send email to Committee re Chair's obligations in reviewing billing statements (.2); Review email (and attachment) re interim fee procedures (.3).	1.00	450.00	\$450.00
08/14/06	JDF	Confer with K. Rahman re upcoming claims bar date (.1); Confer with G. Ficks re Committee web site (.1).	0.20	450.00	\$90.00
08/15/06	JDF	Respond to inquiry from J. Cress re committee operations.	0.10	450.00	\$45.00
08/17/06	JDF	Review issues surrounding order entry (.3); Prepare joint stipulation for amendment of order (.7); correspond with UST re Computer Modules committee participation (.1).	1.10	450.00	\$495.00
08/21/06	JDF	Telephone conference with K. Denniston re case status (.2); Prepare status report to committee (.3); Review draft confidentiality agreement comments (.2); Confer with L. Bogdanoff re comments (.2); Send agreement to Committee for comments with cover (.2)	1.10	450.00	\$495.00
08/22/06	JDF	Follow up on amended stipulation.	0.20	450.00	\$90.00
08/28/06	JDF	Review and analyze XRoads report.	0.90	450.00	\$405.00
08/29/06	JDF	Prepare for committee call (.6); participate in committee call (.3).	0.90	450.00	\$405.00
08/30/06	JDF	Telephone conference with T. Patterson re upcoming status conference (.2); Prepare for status conference (.6); Participate in status conference (.3); Prepare report to committee re results of conference (.3); Work on website text to comply with Refco standards (1.9); Revise joint stipulated order (.3).	3.60	450.00	\$1,620.00
08/31/06	JDF	Attend to filing of revised joint stipulated order (.2); Review report from Xroads (2.0).	2.20	450.00	\$990.00
	Task Code Total		23.70		\$7,915.00
	Claims Admin/Objections[B310]				
08/04/06	JDF	Review and analyze filed unsecured claims.	0.90	450.00	\$405.00
08/17/06	JDF	Review filed proofs of claim and analyze same.	1.60	450.00	\$720.00
	Task Code Total		2.50		\$1,125.00
	Compensation Prof. [B160]				
08/03/06	JDF	Review and analyze draft orders prepared by J. Shenson (.3); Telephone conference with J. Shenson re same (.2).	0.50	450.00	\$225.00
08/15/06	JDF	Work on first period fee application.	3.10	450.00	\$1,395.00
	Task Code Total		3.60		\$1,620.00

Stay Litigation [B140]

07/05/06	JDF	Attend to approval of lift stay order as to form.	0.30	450.00	\$135.00
Task Code Total			<u>0.30</u>		<u>\$135.00</u>

Total professional services: 30.40 \$10,930.00

Costs Advanced:

05/16/2006	CC	Conference Call---AT&T Conference Call.(JDF) [E105]			\$17.24
07/13/2006	PAC	70924 - 001 PACER charges for 07/13/2006			\$3.43
07/21/2006	PAC	70924 - 001 PACER charges for 07/21/2006			\$0.84
07/25/2006	CC	Conference Call---At&t Teleconference Service.(JDF) [E105]			\$5.96
07/26/2006	PAC	70924 - 001 PACER charges for 07/26/2006			\$2.87
07/28/2006	PAC	70924 - 001 PACER charges for 07/28/2006			\$0.63
08/08/2006	IF	(D6 6 @1.00 PER PG)			\$6.00
08/18/2006	RE	(D5 CORR 692 @0.20 PER PG)			\$138.40
08/18/2006	RE	(D6 CORR 2046 @0.20 PER PG)			\$409.20
08/18/2006	RE	(D6 CORR 27 @0.20 PER PG)			\$5.40
08/18/2006	RE	(D5 CORR 550 @0.20 PER PG)			\$110.00
08/18/2006	RE	(D6 CORR 990 @0.20 PER PG)			\$198.00
08/18/2006	RE	(D5 CORR 160 @0.20 PER PG)			\$32.00
08/18/2006	RE	(D6 CORR 31 @0.20 PER PG)			\$6.20
08/21/2006	IF	(D6 3 @1.00 PER PG)			\$3.00
08/28/2006	IF	(D6 3 @1.00 PER PG)			\$3.00
08/28/2006	OR	Outside Reproduction Expense---Digital one Legal Solutions.Light litigation copies, Reg Tab, Custom tabs.(JDF) [E102]			\$162.82
08/30/2006	RE	(D5 CORR 6 @0.20 PER PG)			\$1.20

Total Expenses: \$1,106.19

Summary:

Total professional services	\$10,930.00
Total expenses	\$1,106.19
Net current charges	<u>\$12,036.19</u>
Net balance forward	\$36,429.44
Total balance now due	\$48,465.63

LAF	Forrester, Leslie A.	10.00	175.00	\$1,750.00
		<u>30.40</u>		<u>\$10,930.00</u>

Task Code Summary

		Hours	Amount
BL	Bankruptcy Litigation [L430]	0.30	\$135.00
CA	Case Administration [B110]	23.70	\$7,915.00
CO	Claims Admin/Objections[B310]	2.50	\$1,125.00
CP	Compensation Prof. [B160]	3.60	\$1,620.00
SL	Stay Litigation [B140]	0.30	\$135.00
		<u>30.40</u>	<u>\$10,930.00</u>

Expense Code Summary

Conference Call [E105]	\$23.20
Incoming Faxes [E104]	\$12.00
Outside Reproduction Expense	\$162.82
Pacer - Court Research	\$7.77
Reproduction Expense [E101]	\$900.40
	<u>\$1,106.19</u>