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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  
17

Case No.: 06-40547 (RJN)

Chapter 11

**THIRD MONTHLY APPLICATION  
FOR INTERIM COMPENSATION  
AND REIMBURSEMENT OF  
EXPENSES BY PACHULSKI STANG  
ZIEHL YOUNG JONES &  
WEINTRAUB LLP [SEPTEMBER 1,  
2006 THROUGH SEPTEMBER 30,  
2006]**

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

21 **PLEASE TAKE NOTICE THAT** Pachulski Stang Ziehl Young Jones & Weintraub LLP  
22 (“PSZYJW” or the “Firm”), counsel to the Official Committee of Unsecured Creditors (the  
23 “Committee”) of Prediwave Corporation, the debtor and debtor-in-possession in the above-captioned  
24 case (the “Debtor”), hereby requests payment of interim compensation and reimbursement of  
25 expenses for unpaid amounts (the “Monthly Application”) incurred during the period from  
26 September 1, 2006 through September 30, 2006 (the “Application Period”) in the amount of  
27 \$7,908.94, made up of \$7,335.00 in attorneys’ fees and \$573.94 in reimbursable costs and expenses.  
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1           **PLEASE TAKE FURTHER NOTICE THAT** the payment requested is made pursuant to  
2 the *Order Granting Motion for Authority to Establish Procedures for Interim Payment of Fees and*  
3 *Reimbursement of Expenses* [Docket No. 248] (the “Interim Fee Procedure Order”) and therefore  
4 includes a narrative discussion of the various projects undertaken and tasks performed by PSZYJW  
5 during the Application Period, categorized by subject matter, as contemplated by Paragraph 3 of the  
6 *Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees* (the  
7 “Guidelines”).

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

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

- Case Administration
- Compensation of Professionals

***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 12.50/ Total Fees \$4,635.00**

***Compensation of Professionals***

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

**Total Hours 6.00/ Total Fees \$2,700.00**

Dated: October 20, 2006

PACHULSKI STANG ZIEHL YOUNG JONES  
& WEINTRAUB LLP

By /s/ John D. Fiero  
John D. Fiero  
Attorneys for the Official Committee of  
Unsecured Creditors

# **EXHIBIT A**

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# PACHULSKI STANG ZIEHL YOUNG JONES & WEINTRAUB LLP

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

September 30, 2006

Invoice Number **70898**                      **70924 00001**                      **JDF**

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

Balance forward as of last invoice, dated: August 31, 2006	\$48,465.63
Payments received since last invoice, last payment received -- October 11, 2006	\$48,465.63
Net balance forward	\$0.00

Re: Creditors' Committee Representation

**Statement of Professional Services Rendered Through 09/30/2006**

			Hours	Rate	Amount
<b>Case Administration [B110]</b>					
09/01/06	LAF	Work on creditor website.	2.00	175.00	\$350.00
09/05/06	LAF	Work on creditor website.	0.50	175.00	\$87.50
09/05/06	JDF	Telephone conference with K. Rahman (left message) (.1); Send status report to committee re K. Rahman (.2); Review and analyze affiliate transfer data (.9)	1.20	450.00	\$540.00
09/06/06	LAF	Work on creditor website.	0.30	175.00	\$52.50
09/06/06	JDF	Work on website materials and text (2.2); Send email to Committee re website (.1); Prepare letter to creditor body re website (.3)	2.60	450.00	\$1,170.00
09/07/06	JDF	Review and respond to email from J. Shenson re K. Rahman and status on Committee.	0.20	450.00	\$90.00
09/11/06	JDF	Review and analyze information provided by Crossroads (3.5); Prepare for Committee meeting (.4).	3.90	450.00	\$1,755.00
09/12/06	LAF	Update creditor website.	0.50	175.00	\$87.50
09/12/06	JDF	Confer with L. Forrester re updating of web site (.2); Prepare for and conduct committee conference call (.5); Prepare email to M. Loo re status of committee member K. Rahman (.2).	0.90	450.00	\$405.00
09/13/06	JDF	Review email correspondence from K. Rahman and forward same to Committee for review and comment.	0.10	450.00	\$45.00
09/26/06	LAF	Update creditor website.	0.30	175.00	\$52.50
<b>Task Code Total</b>			<b>12.50</b>		<b>\$4,635.00</b>

**Compensation Prof. [B160]**

09/12/06	JDF	Confer with J. Shenson re payment of fees.	0.10	450.00	\$45.00
09/14/06	JDF	Gather materials for fee application.	0.40	450.00	\$180.00
09/18/06	JDF	Work on monthly fee notice and narrative.	0.70	450.00	\$315.00
09/19/06	JDF	Work on monthly fee application.	0.50	450.00	\$225.00
09/20/06	JDF	Prepare monthly fee application.	0.70	450.00	\$315.00
09/29/06	JDF	Work on interim quarterly fee application.	1.70	450.00	\$765.00
09/30/06	JDF	Work on quarterly interim fee application.	1.90	450.00	\$855.00
<b>Task Code Total</b>			<b>6.00</b>		<b>\$2,700.00</b>

**Total professional services: 18.50 \$7,335.00**

**Costs Advanced:**

08/12/2006	PAC	70924 - 001 PACER charges for 08/12/2006			\$0.14
08/15/2006	PAC	70924 - 001 PACER charges for 08/15/2006			\$15.61
08/16/2006	PAC	70924 - 001 PACER charges for 08/16/2006			\$5.11
08/18/2006	DC	Delivery/ Courier Service---Western Messenger Service.(SF Office) [E107]			\$39.95
08/18/2006	PAC	70924 - 001 PACER charges for 08/18/2006			\$3.08
08/19/2006	PAC	70924 - 001 PACER charges for 08/19/2006			\$2.66
08/22/2006	PAC	70924 - 001 PACER charges for 08/22/2006			\$0.56
08/24/2006	PAC	70924 - 001 PACER charges for 08/24/2006			\$3.78
08/25/2006	PAC	70924 - 001 PACER charges for 08/25/2006			\$8.19
08/29/2006	PAC	70924 - 001 PACER charges for 08/29/2006			\$32.27
08/31/2006	PAC	70924 - 001 PACER charges for 08/31/2006			\$51.03
09/07/2006	RE	(D5 CORR 306 @0.20 PER PG)			\$61.20
09/08/2006	RE	(D5 CORR 483 @0.20 PER PG)			\$96.60
09/11/2006	RE	(D5 CORR 1 @0.20 PER PG)			\$0.20
09/13/2006	DC	Delivery/ Courier Service---Worldwide Express.(SF Office) [E107]			\$104.16
09/20/2006	RE	(D6 CORR 198 @0.20 PER PG)			\$39.60
09/20/2006	RE	(D5 CORR 410 @0.20 PER PG)			\$82.00
09/20/2006	RE	(D6 CORR 70 @0.20 PER PG)			\$14.00
09/20/2006	RE	(D6 CORR 27 @0.20 PER PG)			\$5.40
09/20/2006	RE	(D6 CORR 42 @0.20 PER PG)			\$8.40

**Total Expenses: \$573.94**

**Summary:**

Total professional services	\$7,335.00
Total expenses	\$573.94

**Net current charges** \$7,908.94

**Total balance now due** \$7,908.94

JDF	Fiero, John D.	14.90	450.00	\$6,705.00
LAF	Forrester, Leslie A.	3.60	175.00	\$630.00
		<u>18.50</u>		<u>\$7,335.00</u>

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**Task Code Summary**

			<b>Hours</b>	<b>Amount</b>
CA	Case Administration [B110]		12.50	\$4,635.00
CP	Compensation Prof. [B160]		6.00	\$2,700.00
			<u>18.50</u>	<u>\$7,335.00</u>

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**Expense Code Summary**

Delivery/Courier Service	\$144.11
Pacer - Court Research	\$122.43
Reproduction Expense [E101]	\$307.40
	<u>\$573.94</u>