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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,**
13 a California Corporation,
14 Debtor.

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

Case No.: 06-40547 (RJN)

Chapter 11

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

[No hearing requested]

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19 **TO THE HONORABLE RANDALL J. NEWSOME, UNITED STATES BANKRUPTCY
20 JUDGE; THE OFFICE OF THE UNITED STATES TRUSTEE; COUNSEL TO THE
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 or billed during the period from
26 December 1, 2006 through December 31, 2006 (the “Application Period”) in the amount of
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1 \$11,715.58, consisting of \$11,295.00 in attorneys' fees and \$420.58 in reimbursable costs and
2 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: (1) 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, (2) counsel for Debtor, Klee,
26 Tuchin, Bogdanoff & Stern, LLP, Attn: Thomas E. Patterson, Esq. and Jonathan S. Shenson, Esq.
27 2121 Avenue of the Stars, 33rd Floor, Los Angeles, CA 90067, Fax (310) 407-9090; and (3) counsel
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1 for 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.

4 **Narrative**

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

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

- 12 • Asset Analysis
- 13 • Case Administration
- 14 • Claims Administration/Objections
- 15 • Compensation of Professionals
- 16 • Plan and Disclosure Statement

15 ***Asset Analysis***

16 Time billed to this category relates to the review and analysis of the preference report
17 prepared by XRoads.

18 **Total Hours 1.30/ Total Fees \$585.00**

19 ***Case Administration***

20 Time billed to this category primarily relates to preparing for and conducting meetings with
21 the Committee, as well as communication with Committee members and creditors, and other general
22 tasks arising from the Firm's representation of the Committee. Also, in December, such fees related
23 to the review and analysis of the stipulation for dismissal of the bankruptcy case drafted by counsel
24 for the Debtor at the suggestion of counsel for New World.

25 **Total Hours 15.00/ Total Fees \$6,750.00**

26 ***Claims Administration/Objections***

27 The Firm spent minimal time in this category reviewing and discussing the need for further
28 claims analysis with XRoads.

1 **Total Hours 2.10/ Total Fees \$945.00**

2 ***Compensation of Professionals***

3 Time billed to this category relates to the preparation of the firm's monthly fee notice, review
4 of interim applications prepared by other professionals employed in the case and attendance at the
5 December 13, 2006 hearing on the first interim fee applications.

6 **Total Hours 5.10/ Total Fees \$2,295.00**

7 ***Plan and Disclosure Statement***

8 Time billed to this category relates to the review, analysis and execution of the stipulation to
9 extend exclusivity.

10 **Total Hours 1.60/ Total Fees \$720.00**

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12 Dated: January 18, 2006

PACHULSKI STANG ZIEHL YOUNG JONES
& WEINTRAUB LLP

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14 By /s/ John D. Fiero
15 John D. Fiero
16 Attorneys for the Official Committee of
17 Unsecured Creditors

EXHIBIT A

PACHULSKI STANG ZIEHL YOUNG JONES & WEINTRAUB LLP

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

January 12, 2007

Invoice Number **71785** **70924 00001** **JDF**

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

Balance forward as of last invoice, dated: November 30, 2006	\$6,826.80
Payments received since last invoice, last payment received -- January 10, 2007	\$6,826.80
Net balance forward	<u>\$0.00</u>

Re: Creditors' Committee Representation

Statement of Professional Services Rendered Through

12/31/2006

			Hours	Rate	Amount
Asset Analysis/Recovery[B120]					
12/28/06	JDF	Review and analyze preference payment report from XRoads.	1.30	450.00	\$585.00
Task Code Total			<u>1.30</u>		<u>\$585.00</u>
Case Administration [B110]					
12/01/06	JDF	Telephone call with New World and Debtor (.6); Assemble information for M. Loo regarding committee participation by K. Rahman (.2); Send email to Committee regarding next meeting (.1); Review article in the Recorder and forward same to Committee (.2); Confer with J. Shenson regarding litigation developments (.2); Review and analyze transcript of November 21 hearing from state court (.6); Consider issues presented by potential stipulation to judgment (.4); Telephone call with L. Bogdanoff regarding stipulation to judgment (.2); Send email to Latham regarding stipulation to judgment (.3); Review email from L. Bogdanoff regarding stipulation to judgment (.1)	2.90	450.00	\$1,305.00
12/05/06	JDF	Email to L. Bogdanoff regarding status (.1); Prepare for and participate in committee meeting (.2); Review and respond to email from J. Shenson regarding litigation (.3);	0.60	450.00	\$270.00
12/11/06	JDF	Review email from K. Rahman re Committee membership (.1); Confer with M. Loo re same (.1); Review and analyze amendment to stipulation sent by J. Shenson (.2)	0.40	450.00	\$180.00
12/12/06	JDF	Follow up with M. Loo regarding payment made to K.	0.20	450.00	\$90.00

		Rahman.			
12/14/06	JDF	Review modified stipulation and attend to execution of same (.3); Confer with K. Denniston regarding identity of insiders (.1);	0.40	450.00	\$180.00
12/18/06	JDF	Prepare for and participate in committee meeting (.3); review notice removing K. Rahman from Committee (.1);	0.40	450.00	\$180.00
12/27/06	JDF	Send email to J. Shenson regarding stipulation for dismissal (.1); Review and analyze exchange of letters between Bogdanoff and New World (.3)	0.40	450.00	\$180.00
12/28/06	JDF	Review and analyze dismissal stipulation (1.6); revise stipulation with comments (4.6); Send status report to Committee regarding default judgment (.3); review email from J. Shenson regarding shutting down of Japan office (.2); Send email to Committee reporting on same (.1);	6.80	450.00	\$3,060.00
12/29/06	JDF	Review email correspondence from L. Bogdanoff regarding press reports (.1); Review press report (.1); Review email from D. Ragan reporting on levy of bank accounts and analyze same (.2); Work on updates to creditor website (.7); Follow up on issues raised by employee payment schedule (.6); Review transcript of "first day" hearing to learn extent of priority claims against the debtor (.3); Telephone call with J. Shenson regarding status (.2);	2.20	450.00	\$990.00
12/30/06	JDF	Review and analyze spreadsheet on RIF expenses.	0.30	450.00	\$135.00
12/31/06	JDF	Review email string regarding phased shutdown and layoffs.	0.40	450.00	\$180.00
Task Code Total			15.00		\$6,750.00

Claims Admin/Objections[B310]

12/04/06	JDF	Follow up with Xroads on payment of priority claims	0.20	450.00	\$90.00
12/05/06	JDF	Telephone call with J. Shenson regarding claims analysis (.2); Forward claims analysis to J. Shenson with comments (.1); Review claims (.3)	0.60	450.00	\$270.00
12/07/06	JDF	Telephone call with J. Shenson regarding claims issues (.2); Conference call with XRoads regarding claims analysis and needs for further reconciliation (.5); Review and analyze claims schedule (.6);	1.30	450.00	\$585.00
Task Code Total			2.10		\$945.00

Compensation Prof. [B160]

12/11/06	JDF	Review draft form of order sent by J. Shenson and comment on same.	0.20	450.00	\$90.00
12/12/06	JDF	Review other professionals' fee applications in advance of hearing.	0.90	450.00	\$405.00
12/13/06	JDF	Prepare for hearing (.6); Attend hearing on fee application and confer with counsel for debtor and with Xroads (1.5)	3.30	450.00	\$1,485.00

		Travel to and from hearing (1.2);			
12/20/06	JDF	Finalize monthly fee application and notice.	0.70	450.00	\$315.00
Task Code Total			5.10		\$2,295.00

Plan & Disclosure Stmt. [B320]

12/07/06	JDF	Attend to execution of exclusivity stipulation.	0.10	450.00	\$45.00
12/05/06	JDF	Review and comment upon exclusivity stipulation.	0.90	450.00	\$405.00
12/06/06	JDF	Review exclusivity stipulation and arrange for execution of same.	0.60	450.00	\$270.00
Task Code Total			1.60		\$720.00

Total professional services: 25.10 \$11,295.00

Costs Advanced:

10/03/2006	PAC	70924 - 001 PACER charges for 10/03/2006			\$2.88
10/10/2006	CC	Conference Call---At&t Teleconference Service.(JDF) [E105]			\$5.53
10/10/2006	PAC	70924 - 001 PACER charges for 10/10/2006			\$2.48
10/13/2006	CC	Conference Call---At&t Teleconference Service.(JDF) [E105]			\$6.99
10/17/2006	PAC	70924 - 001 PACER charges for 10/17/2006			\$2.48
10/18/2006	CC	Conference Call---At&t Teleconference Service.(JDF) [E105]			\$5.20
10/21/2006	PAC	70924 - 001 PACER charges for 10/21/2006			\$0.96
10/24/2006	PAC	70924 - 001 PACER charges for 10/24/2006			\$2.48
10/28/2006	PAC	70924 - 001 PACER charges for 10/28/2006			\$5.60
10/31/2006	PAC	70924 - 001 PACER charges for 10/31/2006			\$2.48
11/07/2006	PAC	70924 - 001 PACER charges for 11/07/2006			\$27.92
11/14/2006	CC	Conference Call---At&t Teleconference Service.(JDF) [E105]			\$5.81
11/14/2006	PAC	70924 - 001 PACER charges for 11/14/2006			\$2.48
11/21/2006	PAC	70924 - 001 PACER charges for 11/21/2006			\$5.04
11/28/2006	PAC	70924 - 001 PACER charges for 11/28/2006			\$4.24
11/30/2006	CC	Conference Call---At&t Teleconference Service.(JDF) [E105]			\$6.33
11/30/2006	PAC	70924 - 001 PACER charges for 11/30/2006			\$0.16
12/05/2006	WL	Westlaw - Legal Research [E106]			\$170.12
12/07/2006	RE	(D5 DOC 7 @0.20 PER PG)			\$1.40
12/20/2006	RE	(D5 DOC 19 @0.20 PER PG)			\$3.80
12/20/2006	RE	(D5 CORR 684 @0.20 PER PG)			\$136.80
12/20/2006	RE	(D5 CORR 97 @0.20 PER PG)			\$19.40

Total Expenses: \$420.58

Summary:

Total professional services	\$11,295.00
Total expenses	\$420.58
Net current charges	\$11,715.58
Total balance now due	\$11,715.58

JDF	Fiero, John D.	25.10	450.00	\$11,295.00
		<u>25.10</u>		<u>\$11,295.00</u>

Task Code Summary

		Hours	Amount
AA	Asset Analysis/Recovery[B120]	1.30	\$585.00
CA	Case Administration [B110]	15.00	\$6,750.00
CO	Claims Admin/Objections[B310]	2.10	\$945.00
CP	Compensation Prof. [B160]	5.10	\$2,295.00
PD	Plan & Disclosure Stmt. [B320]	1.60	\$720.00
		<u>25.10</u>	<u>\$11,295.00</u>

Expense Code Summary

Conference Call [E105]	\$29.86
Pacer - Court Research	\$59.20
Reproduction Expense [E101]	\$161.40
Westlaw - Legal Research [E106]	\$170.12
	<u>\$420.58</u>