

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In Re:)	
)	In Proceedings Under Chapter 11
U. S FIDELIS, INC.,)	
)	Case No. 10-41902-705
)	
Debtor.)	Hon. Charles E. Rendlen, III

**AMENDED FIRST AND FINAL APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF GALLOP, JOHNSON &
NEUMAN, L.C. AS SPECIAL COUNSEL TO DEBTOR**

(Summary of Request)

Name of Applicant	Gallop, Johnson & Neuman, L.C.
Date of Approval of Employment	December 13, 2011
Identity of Party Represented	Special Counsel to Debtor
Time Period Requested	January 1, 2012 through April 30, 2012
Amount of Fees Requested	\$59,115.50
Amount of Expenses Requested	\$17.40
Interim or Final Application	Final Application

COMES NOW Gallop, Johnson & Neuman, L.C.. ("Applicant"), as special counsel for U.S Fidelis, Inc. ("Debtor"), pursuant to 11 U.S.C. §§ 328, 330 and 331, and files this *Amended First and Final Application for Compensation and Reimbursement of Expenses of Gallop, Johnson & Neuman, L.C. as Special Counsel to Debtor*. In support of this Application, Applicant states the following:

I. JURISDICTION

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and E.D. Mo. L.R. 81-9.02(B)(1).

II. BACKGROUND

2. On December 13, 2011, this Court entered its Order authorizing the employment of Gallop, Johnson & Neuman, L.C. as special counsel to the Debtor. [Docket No. 954]

3. On February 22, 2012, this Court entered its Order approving the expanded scope of employment of Gallop, Johnson & Neuman, L.C. as special counsel to the Debtor. [Docket No. 1022]

4. On or about April 30, 2012, the firm of Gallop, Johnson & Neuman, L.C. dissolved and David A. Lander and Eric C. Peterson became officers of Greensfelder, Hemker & Gale, P.C.

5. Pursuant to the provisions of 11 U.S.C. §331 and Bankruptcy Rule 2016, Applicant seeks final approval of fees totaling \$59,115.50 and expenses totaling \$17.40, which were incurred during the period of January 1, 2012 through April 30, 2012 (the “Application Period”) on behalf of the Debtor.

6. This Court entered its Order Granting Motion for Approval of Procedures for Interim Compensation of Professionals (the “Professional Fees Order”), pursuant to which the Court authorized: (a) Applicant to submit a monthly Notice of Submission of Fees (the “Monthly Fee Notice”) setting forth Applicant’s statement for services rendered and expenses incurred during the immediately preceding month; (b) Applicant to serve each Monthly Fee Notice upon the Master Service List as defined in Standing Order No. 1 Relating to Service, Notices, and Filing (collectively, the “Service Parties”); and (c) Debtor to pay an amount equal to the lesser of

(i) 80% of the fees and 100% of the expenses set forth in Applicant's Monthly Fee Notice, or (ii) 80% of the fees and 100% of the expenses set forth in Applicant's Monthly Fee Notice that are not subject to an objection.

7. In accordance with the Professional Fees Order, Applicant has submitted four Monthly Fee Notices to the Debtor for the Final Application Period. Debtor has paid to Applicant a total of \$47,309.80 during the Final Application Period, consisting of \$47,292.40 in fees and \$17.40 in expenses.

8. The following are the names and hourly billing rates of all attorneys and paraprofessionals employed by Applicant for which Applicant is seeking compensation for the Final Application Period:

<u>ATTORNEYS</u>	<u>HOURLY RATES</u>
David A. Lander	\$410.00
Eric C. Peterson	\$335.00
Mark Weisman	\$335.00

9. The foregoing hourly rates are consistent with the hourly rates that Applicant charges its non-bankruptcy clients for similar services.

III. PROJECT SUMMARIES FOR FINAL APPLICATION PERIOD

10. During the Application Period, Applicant has performed actual and necessary services on behalf of and for the benefit of the Debtor in the project categories described below:

- (a) Administration
- (b) Asset Analysis and Recovery
- (c) Avoidance Action Analysis
- (d) Other Contested Matters (excluding assumption/rejection motions)
- (e) Employee Benefits/Pensions
- (f) Claims Administration and Objections
- (g) Plan and Disclosure Statement

11. A detailed statement of the services performed by Applicant in each of the foregoing project categories (identifying each of the persons who provided such services, the number of hours spent on the project, and the amount of compensation sought for such services) is attached hereto at Exhibit A and is expressly incorporated herein by reference.

IV. TOTAL FEES FOR FINAL APPLICATION PERIOD

12. As more fully reflected on the invoices attached hereto as Exhibit B and expressly incorporated herein by reference, during the Application period, Applicant performed a total of 145.3 hours of professional services on behalf of the Debtor.

13. Applicant's fees for the services it performed on behalf of the Debtor during the Application Period are \$59,115.50. This sum represents a reasonable fee for the services performed by Applicant based on the nature, the extent, and value of such services; the time spent on such services; the rates charged for such services; the necessity of such services to the administration of the case; the reasonableness of the time spent performing the services given the complexity, importance, and nature of the problems, issues, and/or tasks addressed; and the cost of comparable services other than in a bankruptcy case.

14. The services for which Applicant seeks compensation were reasonably likely to benefit the Debtor and were necessary to the administration of the case. None of the foregoing services were unnecessarily duplicative.

V. REIMBURSEMENT OF EXPENSES FOR FINAL APPLICATION PERIOD

15. As is more fully reflected on the invoices attached as Exhibit B and expressly incorporated herein by reference, Applicant incurred \$17.40 in expenses in connection with its performance of professional services on behalf of the Debtor during the Application Period. A breakdown of the expenses incurred by Applicant is attached as Exhibit C,

16. The foregoing expenses were actually and necessarily incurred by Applicant.

17. All expenses for which Applicant seeks reimbursement were incurred in the most economical method available under the circumstances and are the kind of expenses that Applicant customarily charges its non-bankruptcy clients.

VI. SUMMARY OF FEE REQUEST

18. Applicant was retained for the purpose of providing advise and counsel to the Debtor in respect to those situations and issues that arose or could arise in the case and for which Debtor's lead counsel or counsel for the committee of unsecured creditors had or may have had a conflict of interest, the appearance of a conflict, or out of an abundance of caution indicated the need for separate counsel. Such matters included the pursuit, negotiation, and settlement of certain preference or other avoidance claims, and providing counsel to the Debtor's court-approved responsible executives in performing duties, advice and counsel regarding issues pertaining to WARN Act notices and requirements incumbent upon them in connection with the plan confirmation process. Applicant successfully and efficiently completed its assigned tasks at a modest cost to the estate.

VII. FINAL FEE APPLICATION FOR ALL PERIODS

19. This Application shall constitute the amended first and final application for compensation and reimbursement of expenses of Applicant for work relating to the representation assigned it from January 1, 2012 through April 30, 2012 and Applicant hereby submits all previous fees and expenses paid by the Debtor's estate to the Applicant pursuant to this and previous interim applications and orders for the Court's final review and approval.

20. Including this Application, Applicant has requested approval for the payment of \$59,115.50 for fees and \$17.40 for expenses, totaling \$59,132.90, for work relating to the representation of the Debtor, including this Application,

21. The fees charged to date were reasonable for the services performed by Applicant based on the nature, the extent, and value of such services; the time spent on such services; the rates charged for such services; the necessity of such services to the administration of the case; the reasonableness of the time spent performing the services given the complexity, importance, and nature of the problems, issues, and tasks addressed; and the cost of comparable services other than in a bankruptcy case. The services for which Applicant seeks compensation to date were reasonably likely to benefit the Debtor and were necessary to the administration of the case. None of the services were unnecessarily duplicative.

22. The expenses reimbursed and to be reimbursed for the Final Application Period and all prior periods were actually and necessarily incurred by Applicant. All expenses incurred by Applicant on behalf of the Debtor were incurred in the most economical method available under the circumstances and are the kind of expenses that Applicant customarily charges its non-bankruptcy clients.

23. Contemporaneously with the filing and service of this Application, Applicant shall forward a copy of this Application to the Service Parties for their review and approval.

VIII. INFORMATION REQUIRED BY LOCAL RULES

24. L.B.R. 2016-1.B requires that all professional fee applications analyze the twelve factors (the “*Johnson Factors*”) for allowance of compensation set forth in *Johnson v. Georgia Highway Express*, 388 F.2d 714 (5th Cir. 1974). See also *P.A. Novelly v. Palans (In re Apex Oil*

Co.), 960 F.2d 728 (8th Cir. 1992); *Chamberlain v. Kula (In re Kula)*, 213 B.R. 729, 736-39 (B.A. 8th Cir. 1997); *In re Grimes*, 115 B.R. 639, 642-43 (Bankr. D.S.D. 1990).

25. The Johnson Factors are as follows:

- A. *The time and labor required.* Applicant has described in detail the time spent and has included a complete description of the tasks performed.
- B. *The novelty and difficulty of the questions.* This case involves novel and difficult issues of law and fact arising from the activities of Debtor's principals in the operations of Debtor, the use by Debtor's principals of Debtor's assets, and the ongoing investigations into and lawsuits against Debtor and Debtor's principals by the attorneys general of various states. The issues assigned to Applicant were sensitive and complex.
- C. *The skill required to perform legal services properly.* The Court is certainly the best judge of the skill demonstrated by Applicant in this engagement. The Debtor, however, believes that Applicant has demonstrated consistently the skill levels necessary for engagement of this type and complexity.
- D. *The preclusion of employment due to acceptance of the case.* Acceptance of this assignment precluded other employment in this case.
- E. *The customary fee.* The rates charged by Applicant in this case are commensurate with rates it charges similar clients in similar matters.
- F. *Whether the fee is fixed or contingent.* The fees requested herein are not based on contingent fee.

- G. Time limitations imposed by the client or the circumstances. This case poses the normal time pressures inherent in any Chapter 11 case.
- H. The amount involved and the results obtained. Applicant submits that the fees requested are appropriate.
- I. The experience, reputation and ability of the attorneys. Applicant is a well known and respected law firm, and Mr. Peterson and Mr. Lander are well respected attorneys.
- J. The undesirability of the case. This is not an undesirable case.
- K. The nature and length of the professional relationship with the client. The Debtor selected Applicant as its special counsel.
- L. Awards in similar cases. The fees requested in this case are in line with awards made in other Chapter 11 cases.

IX. LOCAL COMPENSATION RULES AND U.S. TRUSTEE GUIDELINES

26. On January 30, 1996, the Office of the United States Trustee promulgated guidelines for compensation and reimbursement of expenses from a Bankruptcy estate (the "U.S. Trustee Guidelines"). *Reprinted* at 28 C.F.R. Part 58, Appendix. The information requested under the U.S. Trustee Guidelines not otherwise disclosed herein is as follows:

Review of Application	This application will be sent to the Committee, the Debtor and other parties.
Status of Plan	The Court confirmed the Committee's Plan on August 28, 2012. September 12, 2012 is the Effective Date of the Plan.
Monthly Operating Reports	Debtor is current in filing its Monthly Operating Reports.
Quarterly Fees	Debtor has made all quarterly fee payments due to the Office of the U.S. Trustee
Unpaid Administrative Expenses	None, other than professional fees and ordinary course of business liabilities

Cash on Hand	Applicant holds no retainer. The Liquidating Trust has over \$2.5 million in cash
Unencumbered Funds	All of the cash on hand is unencumbered

X. CONCLUSION

WHEREFORE, Gallop Johnson & Neuman, L.C. respectfully requests that this Honorable Court enter an order:

(A) Approving this Amended First and Final Application of Gallop, Johnson & Neuman, L.C. for Compensation and Reimbursement of Fees and Expenses;

(B) Authorizing and directing the Debtor to pay the remaining unpaid balance of fees and/or expenses incurred by Applicant during the Final Application Period; and

(C) Providing such other and further relief as the Court deems just and appropriate.

Respectfully submitted,

GREENSFELDER, HEMKER & GALE, P.C.

By: /s/David A. Lander

David A. Lander, #20828
Eric C. Peterson, #62429
10 South Broadway, Suite 2000
St. Louis, Missouri 63102
(314) 241-9090
(314) 241-8624
dal@greensfelder.com
ecp@greensfelder.com

Special Counsel to the Debtor

CERTIFICATE OF SERVICE

The undersigned certifies that on October 17, 2012, a true and accurate copy of the foregoing *Amended First and Final Application for Compensation and Reimbursement of Expenses of Gallop, Johnson & Neuman, L.C. as Special Counsel to the Debtor* was served on all parties receiving notice through the Court's CM/ECF system.

/s/ David A. Lander

EXHIBIT A

EXHIBIT A

SUMMARY OF SERVICES PERFORMED BY
GALLOP, JOHNSON & NEUMAN, L.C. FOR THE
FIRST AND FINAL COMPENSATION PERIOD OF
JANUARY 1, 2012 THROUGH APRIL 30, 2012

<u>Attorney</u>	<u>Project Code</u>	<u>Hours</u>	<u>Total Compensation</u>
David Lander	Administration	9.2	\$3,772.00
David Lander	Asset Analysis and Recovery	7.9	\$3,239.00
David Lander	Avoidance Action Analysis	81.6	\$33,456.00
Eric Peterson	Avoidance Action Analysis	2.9	\$971.50
David Lander	Other Contested Matters	20.6	\$8,446.00
Mark Weisman	Other Contested Matters	3.2	\$1,072.00
David Lander	Employee Benefits/Pensions	2.2	\$902.00
David Lander	Claims Administration & Objections	9.4	\$3,854.00
David Lander	Plan and Disclosure Statement	8.3	\$3,403.00

EXHIBIT B

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

February 20, 2012

CLIENT #: 111432

BILLING ATTORNEY:
DAVID A. LANDER

US FIDELIS
C/O BRIAN FENIMORE
LATHROP & GAGE LLP
2345 GRAND BLVD., SUITE 2200
KANSAS CITY, MO 64108

Balance Due from Previous Statements	\$.00
Less Payments Received	(\$.00)
Amount This Invoice	\$30,990.14
Total Balance Due	<hr/> \$30,990.14 =====

Payment due upon receipt

Please return blue REMITTANCE PAGE with payment

Statement of Account attached

Interco Corporate Tower 101 S. Hanley, Suite 1700 St. Louis MO 63105
Telephone 314-615-6000 Federal ID #43-1085159

February 21, 2012

CLIENT #: 111432

BILLING ATTORNEY:
DAVID A. LANDER

US FIDELIS
C/O BRIAN FENIMORE
LATHROP & GAGE LLP
2345 GRAND BLVD., SUITE 2200
KANSAS CITY, MO 64108

=====

STATEMENT OF ACCOUNT

-----BILL SUMMARY-----

DATE	NUMBER	ORG AMT	PMT/ADJ	BALANCE DUE
111432-0002 SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION				
02/20/12	347271	30,990.14	.00	30,990.14
Matter Total				30,990.14
Grand Total.....				\$30,990.14

=====

The above statement outlines all previously rendered invoices which remain outstanding as of Feb 21, 2012. Payments received after that date have not been reflected on this statement.

GALLOP, JOHNSON & NEUMAN, L.C.
ATTORNEYS AT LAW

February 20, 2012

US FIDELIS
C/O BRIAN FENIMORE
LATHROP & GAGE LLP
2345 GRAND BLVD., SUITE 2200
KANSAS CITY, MO 64108

INVOICE #: 347271

CLIENT #: 111432

BILLING ATTORNEY:
DAVID A. LANDER

Invoice For Period Through January 31, 2012

Legal Services Regarding: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION

Matter Number: 111432-0002

Date	Tkpr	Description	Hours	Rate	Amount
11/29/11	DAL	Conference with client and B. Fenimore to understand the assignment; begin to review the materials provided by D. Warfield. (B180)	1.40	410.00	574.00
11/30/11	DAL	Analyze material provided by D. Warfield regarding engagement of Ashcroft entities. (B180)	2.40	410.00	984.00
12/01/11	DAL	Commence inquiry into Ashcroft information by reviewing various materials (.9) (B180); legal research regarding standings and remedies in the face of excessive fees pre-petition (1.9) (B180).	2.80	410.00	1,148.00
12/05/11	DAL	Analyze claims of estate against Fleishman Hillard and Coleman Consulting (1.1) (B180); telephone conference with D. Warfield, B. Fenimore and L. Toledo regarding process for investigation and decision regarding Ashcroft law firm (.2) (B180).	1.30	410.00	533.00

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Telephone 314-615-6000 Federal ID #43-1085159

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

Re: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION

February 20, 2012

Page 3

Invoice #: 347271

Date	Tkpr	Description	Hours	Rate	Amount
12/06/11	DAL	Analyze information on relationship with Ashcroft law firm and other services to determine whether the estate has a cause of action or an objection to claim (2.3) (B180); telephone conference with M. Kahn who previously represented Debtor on this issue to obtain additional insight and information (.3) (B180).	2.60	410.00	1,066.00
12/07/11	DAL	Analyze further data on the Ashcroft Law Firm. (B180)	2.10	410.00	861.00
12/08/11	DAL	Re: Ashcroft - legal research regarding Sections 502(b)(4) and .548; develop letter to The Ashcroft Law Firm (2.3); Re: Fleishman-Hillard and Coleman Consulting - draft demand letters; review all supportive information before sending demand letters (1.1).	3.40	410.00	1,394.00
12/09/11	DAL	Revise letters to parties against whom US Fidelis may have claims; develop material for dealing with Ashcroft claim and reasonably equivalent value. (B180)	2.30	410.00	943.00
12/12/11	DAL	Analyze memoranda and information regarding Ashcroft firm; finalize letter to Ashcroft Law Firm; legal research regarding claim objection standard and standards for filing action under Section 548. (B310)	2.90	410.00	1,189.00
12/14/11	DAL	Conference with counsel for Fleishman-Hillard; review payment history of Fleishman-Hillard. (B180)	1.10	410.00	451.00

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

Re: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION

February 20, 2012

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Invoice #: 347271

Date	Tkpr	Description	Hours	Rate	Amount
12/15/11	DAL	Analyze transactions with the Ashcroft Law Firm, Fleishman-Hillard and Coleman Consultants. (B180)	2.30	410.00	943.00
12/20/11	DAL	Analyze activities by the Ashcroft Law Firm and Group in anticipation of conference with them. (B180)	1.90	410.00	779.00
12/21/11	DAL	Conference with C. Hanaway regarding demand letter; analyze monitoring agreement provided by the Ashcroft Law Firm. (B180)	2.90	410.00	1,189.00
12/27/11	DAL	Analyze claims filed by the Ashcroft Group and Law Firm for August and September; develop issues and questions regarding claims. (B310)	2.30	410.00	943.00
12/28/11	DAL	Prepare for telephone conference with The Ashcroft Group by reviewing documents and reading cases on reasonably equivalent value and the benefit to the estate. (B310)	1.70	410.00	697.00
01/03/12	DAL	Prepare for telephone conference with representatives of Ashcroft law firm (1.7) (B180); review situation with Coleman Consulting (.4) (B180); and with Fleishman-Hillard (.9) (B180).	3.00	410.00	1,230.00
01/04/12	DAL	Prepare for and participate in call with C. Hannaway and L.S. Day; conference with D. Warfield and with A. Graves regarding settlement procedures and other issues; follow-up from call with C. Hannaway and L.S. Day. (B180)	3.10	410.00	1,271.00

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

Re: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION

February 20, 2012

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Invoice #: 347271

Date	Tkpr	Description	Hours	Rate	Amount
01/05/12	DAL	Follow-up from call with Ashcroft Law Firm; analyze information provided in and for that call; telephone conference with D. Warfield and M. Kahn regarding Ashcroft issues. (B180)	2.30	410.00	943.00
01/06/12	DAL	Re: Ashcroft (2.1) - Analyze various defenses by Ashcroft Group and Ashcroft Law Firm. (B180)	2.10	410.00	861.00
01/06/12	DAL	Re: Coleman - Review responses of Coleman Consulting and perform due diligence on their claim, preference and defenses. (B180)	.80	410.00	328.00
01/09/12	DAL	Follow up investigation on Ashcroft September claim (1.4) (B310); review response letter from J. Hall for Fleishman-Hillard and outline response (1.1) (B180); develop settlement proposal response to D. Sosne for Coleman Consulting (.9) (B180).	3.40	410.00	1,394.00
01/10/12	DAL	Ashcroft Claim (2.3)--Follow up from telephone conference with representatives of Ashcroft Law firm and further analyze information (1.1) (B310); revise strategy and analyze possible objection to claim (1.2) (B180).	2.30	410.00	943.00
01/12/12	DAL	Ashcroft Law Firm (3.4) - Develop theory for fraudulent conveyance against Ashcroft (1.3) (B180); legal analysis of effort of a non-termination clause in the Ashcroft Law Firm contract (2.1) (B180).	3.40	410.00	1,394.00

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

Re: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION

February 20, 2012

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Invoice #: 347271

Date	Tkpr	Description	Hours	Rate	Amount
01/13/12	DAL	Ashcroft (2.3)--Review results of interviews on relationship between Ashcroft Law Firm and US Fidelis (1.7) (B180); develop settlement proposal (.6) (B180).	2.30	410.00	943.00
01/17/12	DAL	Fleishman-Hillard (1.1)--Develop ways of dealing with failure of Fleishman-Hillard to file claim. (B180)	1.10	410.00	451.00
01/19/12	DAL	Ashcroft (2.9)--Prepare for telephone conference with representatives of the Ashcroft Law Firm; participate in call; follow up factual research and strategy development. (B180)	2.90	410.00	1,189.00
01/20/12	ECP	Edit US Fidelis settlement letter authored by D. Lander. (B180)	.30	335.00	100.50
01/20/12	DAL	Draft demand letter to Ashcroft Group (1.1) (B180); revise letter (.2) (B180); send letter to client for review (.1) (B180); telephone conference with J. Hall, attorney for Fleishman-Hillard (.2) (B180); e-mail proposed settlement documents to D. Sosne, attorney for Coleman Consulting (.2) (B180).	1.80	410.00	738.00
01/23/12	DAL	Re: Coleman - E-mail exchange with D. Sosne (.2) (B180); revise documents (.2) (B180); e-mail exchange with A. Graves (.1) (B180); send final documents to D. Sosne (.1) (B180).	.60	410.00	246.00
01/23/12	DAL	Re: Ashcroft - Review strategy and settlement offer regarding Ashcroft (.4). (B180)	.40	410.00	164.00

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

Re: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION

February 20, 2012

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Invoice #: 347271

Date	Tkpr	Description	Hours	Rate	Amount
01/24/12	DAL	Fleishman-Hillard (1.8)--Prepare to move forward with preference action (.7) (B180); analyze various proposed defenses (1.1) (B180).	1.80	410.00	738.00
01/25/12	DAL	Fleishman-Hillard Claim (1.3)--Develop complaint to file against Fleishman-Hillard; develop possible settlement scenario and offers. (B180)	1.30	410.00	533.00
01/27/12	DAL	Fleishman-Hillard (1.8)--Revise complaint v. Fleishman-Hillard (B180). Ashcroft (1.1)--Work on settlement with The Ashcroft Group (B180).	2.90	410.00	1,189.00
01/30/12	DAL	Ashcroft Group (2.3)--Begin to prepare complaint against The Ashcroft Group in the event it does not settle in time (B180). Fleishman-Hillard (.9)--Research regarding tolling agreement effect on preference (B180).	3.20	410.00	1,312.00
01/31/12	ECP	Review and edit notice of motion and motion for approval of settlement. (B180)	.40	335.00	134.00
01/31/12	DAL	Coleman Consulting (.8)--Finalize settlement and file Motion and Notice (B180). Ashcroft (2.1)--Draft Motion, Notice and Settlement Agreement (B180).	2.90	410.00	1,189.00
Total Fees					\$30,984.50

FEE SUMMARY BY TIMEKEEPER

DAVID A. LANDER	75.00	30,750.00
ERIC C. PETERSON	.70	234.50

Interco Corporate Tower 101 S. Hanley, Suite 1700 St. Louis MO 63105
 Telephone 314-615-6000 Federal ID #43-1085159

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

Re: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION

February 20, 2012

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Invoice #: 347271

Total Fees	75.70	hrs	\$30,984.50
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Disbursements:

Date	Description	Amount
	Long Distance	2.04
	Photocopies	3.60
	Total Disbursements	\$5.64
Balance Due This Matter		\$30,990.14

GALLOP, JOHNSON & NEUMAN, L.C.
ATTORNEYS AT LAW

March 15, 2012

CLIENT #: 111432

BILLING ATTORNEY:
DAVID A. LANDER

US FIDELIS
C/O BRIAN FENIMORE
LATHROP & GAGE LLP
2345 GRAND BLVD., SUITE 2200
KANSAS CITY, MO 64108

Balance Due from Previous Statements	\$30,990.14
Less Payments Received	(\$24,793.24)
Amount This Invoice	\$15,471.27
<hr/>	
Total Balance Due	\$21,668.17 =====

Payment due upon receipt

Please return blue REMITTANCE PAGE with payment

Statement of Account attached

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

March 15, 2012

US FIDELIS
C/O BRIAN FENIMORE
LATHROP & GAGE LLP
2345 GRAND BLVD., SUITE 2200
KANSAS CITY, MO 64108

INVOICE #: 347684

CLIENT #: 111432

BILLING ATTORNEY:
DAVID A. LANDER

Invoice For Period Through February 29, 2012

Legal Services Regarding: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION

Matter Number: 111432-0002

Date	Tkpr	Description	Hours	Rate	Amount
02/01/12	DAL	Fleishman-Hillard (1.4)--Telephone conference with J. Hall, attorney for Fleishman-Hillard; research tolling agreement issues. Ashcroft(1.9)--Analyze tolling agreement issues; develop outline for pleadings in the event we sue. (B180)	3.30	410.00	1,353.00
02/02/12	ECP	Prepare Ashcroft tolling agreement and related e-mail correspondence and edits to same. (B180)	.70	335.00	234.50
02/03/12	ECP	Ashcroft settlement agreement review, approval and filing. (B180)	.70	335.00	234.50
02/03/12	DAL	Fleishman-Hillard (1.9)-- Finalize settlement and revise motion to approve and 9019 notice. Ashcroft (2.2)--Prepare motion for hearing on an expedited basis (.8); revise motion to approve settlement (.4) and 9019 notice (.3); prepare for filing (.7). (B180)	4.10	410.00	1,681.00

Interco Corporate Tower 101 S. Hanley, Suite 1700 St. Louis MO 63105
Telephone 314-615-6000 Federal ID #43-1085159

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

Re: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION

March 15, 2012

Page 3

Invoice #: 347684

Date	Tkpr	Description	Hours	Rate	Amount
02/06/12	ECP	Review, edit Fleishman-Hillard settlement. (B180)	.40	335.00	134.00
02/06/12	DAL	Fleishman-Hillard (1.1)--Finalize and file pleadings to settle this case. (B180)	1.10	410.00	451.00
02/07/12	ECP	Prepare tolling agreements, edits to same. (B180)	.40	335.00	134.00
02/07/12	DAL	Ashcroft (.7)--Review and revise tolling agreement. Fleishman-Hillard (.4)--Review and revise tolling agreement. (B180)	1.10	410.00	451.00
02/08/12	DAL	Fleishman-Hillard (.4)--E-mail exchange regarding tolling agreement. (B180)	.40	410.00	164.00
02/14/12	DAL	Coleman order. (B180)	.40	410.00	164.00
02/15/12	DAL	Telephone conferences with S. Eisenberg, D. Warfield and B. Fenimore regarding need for expanded representation on Plan and WARN Act and other issues. (B220)	2.20	410.00	902.00
02/16/12	MWW	Legal review regarding WARN issues. (B190)	.70	335.00	234.50
02/16/12	DAL	Fleishman-Hillard (.2)--Draft order for settlement approval. Coleman (.2)--Draft order for settlement approval. Ashcroft (.2)--Draft order for settlement approval. Draft application for expanded employment, order and affidavit (.4). (B180) Telephone conferences with S. Eisenberg, D. Warfield and B. Fenimore (3) regarding WARN Act settlement and Plan and other issues (1.3). (B190)	2.30	410.00	943.00

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GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

Re: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION

March 15, 2012

Page 4

Invoice #: 347684

Date	Tkpr	Description	Hours	Rate	Amount
02/17/12	MWW	Review and analyze WARN related settlement and related documents. (B190)	2.00	335.00	670.00
02/20/12	MWW	Legal review regarding WARN Act claim. (B190)	.50	335.00	167.50
02/20/12	DAL	Legal analysis of WARN Act claim; conference with M. Weisman regarding underlying WARN Act liability; review issues regarding incorrect class membership and Debtor's responsibility or right to challenge those errors. (B190)	2.20	410.00	902.00
02/21/12	DAL	Prepare for court appearance on preference cases: Coleman, Fleishman-Hillard and Ashcroft (B180); review list of issues of responsibility; conference with U.S. Trustee regarding increasing scope of authority. (B190)	2.10	410.00	861.00
02/22/12	DAL	Prepare for and attend court hearing on avoidance settlement (1.4); analyze proposed procedure for disclosure statement hearing (2.0); draft and submit orders to expedite the hearings on approval of the Fleishman-Hillard and Ashcroft settlement agreements (.2). (B180)	3.60	410.00	1,476.00
02/23/12	DAL	Analyze various issues under plan of liquidation to be filed by Creditors' Committee (.9); analyze Disclosure Statement and Plan confirmation procedures submitted by Debtor and approved by the Court (1.1). (B190)	2.00	410.00	820.00

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

Re: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION
 March 15, 2012
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 Invoice #: 347684

Date	Tkpr	Description	Hours	Rate	Amount
02/24/12	DAL	Follow up from Court hearing (.8); go over list of open issues (.7); review Court records on various issues and legal research on WARN Act issues to support settlement (1.3). (B190)	2.80	410.00	1,148.00
02/27/12	DAL	One more review of WARN Act settlement. (B190)	.70	410.00	287.00
02/28/12	DAL	Internal call to prepare for weekly call with Creditors' Committee (.4); weekly call with Creditors' Committee (.3); follow up on tax issues and 1099 protection on WARN Act settlement (2.1). (B190)	2.80	410.00	1,148.00
02/29/12	DAL	Work on post-confirmation tax treatment issues (.9); analyze Plan treatment of post-confirmation tax demands from IRS (1.3). (B320)	2.20	410.00	902.00

Total Fees \$15,462.00

FEEES SUMMARY BY TIMEKEEPER

DAVID A. LANDER	33.30		13,653.00
ERIC C. PETERSON	2.20		737.00
MARK W. WEISMAN	3.20		1,072.00
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Total Fees	38.70	hrs	\$15,462.00

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

Re: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION

March 15, 2012

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Invoice #: 347684

Date	Description	Amount
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Disbursements:

Date	Description	Amount
	Long Distance	1.02
	Photocopies	8.25
	Total Disbursements	\$9.27
	Balance Due This Matter	\$15,471.27

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

March 16, 2012

CLIENT #: 111432

BILLING ATTORNEY:
DAVID A. LANDER

US FIDELIS
C/O BRIAN FENIMORE
LATHROP & GAGE LLP
2345 GRAND BLVD., SUITE 2200
KANSAS CITY, MO 64108

STATEMENT OF ACCOUNT

-----BILL SUMMARY-----

DATE	NUMBER	ORG AMT	PMT/ADJ	BALANCE DUE
111432-0002 SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION				
02/20/12	347271	30,990.14	(24,793.24)	6,196.90
03/15/12	347684	15,471.27	.00	15,471.27
Matter Total				21,668.17
Grand Total.....				\$21,668.17

The above statement outlines all previously rendered invoices which remain outstanding as of Mar 16, 2012. Payments received after that date have not been reflected on this statement.

GALLOP, JOHNSON & NEUMAN, L.C.
ATTORNEYS AT LAW

April 17, 2012

CLIENT #: 111432

BILLING ATTORNEY:
DAVID A. LANDER

US FIDELIS
C/O BRIAN FENIMORE
LATHROP & GAGE LLP
2345 GRAND BLVD., SUITE 2200
KANSAS CITY, MO 64108

Balance Due from Previous Statements	\$21,668.17
Less Payments Received	(\$12,378.87)
Amount This Invoice	\$8,448.49

Total Balance Due	\$17,737.79
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Payment due upon receipt

Please return blue REMITTANCE PAGE with payment

Statement of Account attached

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

INVOICE #: 347994

April 17, 2012

CLIENT #: 111432

BILLING ATTORNEY:
DAVID A. LANDER

US FIDELIS
C/O BRIAN FENIMORE
LATHROP & GAGE LLP
2345 GRAND BLVD., SUITE 2200
KANSAS CITY, MO 64108

Invoice For Period Through March 31, 2012

Legal Services Regarding: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION

Matter Number: 111432-0002

Date	Tkpr	Description	Hours	Rate	Amount
03/01/12	DAL	Prepare for and participate in conference call regarding tax treatment of WARN Act payments; legal research regarding 1099. (B190)	2.30	410.00	943.00
03/02/12	DAL	Telephone conference with B. Fenimore and others regarding problems with Plan language on various issues, including post-confirmation taxes and corporate issues. (B190)	2.30	410.00	943.00
03/05/12	DAL	Plan: Negotiate issues regarding indemnity for withholding issues. (B320)	1.20	410.00	492.00
03/06/12	DAL	Plan: Identify potential tax liability for not issuing W-2s to WARN Act claimants. (B100)	1.90	410.00	779.00
03/09/12	DAL	WARN Act Settlement: Prepare for and participate in conference call regarding WARN Act issues; follow up from call. (B190)	3.10	410.00	1,271.00

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GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

Re: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION
 April 17, 2012
 Page 3
 Invoice #: 347994

Date	Tkpr	Description	Hours	Rate	Amount
03/12/12	DAL	WARN Act Issues: Review concerns regarding dispute as to various WARN Act claimants and determine if any action is necessary; legal and factual research regarding W2 liability. (B100)	1.90	410.00	779.00
03/13/12	DAL	Review revisions to Plan to determine impact on WARN Act issues; review various materials to determine whether to participate in conference call. (B320)	1.40	410.00	574.00
03/14/12	DAL	Analyze tax consequences of using 1099 instead of W2 for WARN settlement payments. (B100)	1.90	410.00	779.00
03/21/12	DAL	WARN Act Issues: Monitor proceedings; work to settle issues regarding potential liability for not filing W-2s with WARN Act claimants. (B100)	1.70	410.00	697.00
03/26/12	DAL	Plan: Analyze e-mail from D. Warfield. (B320)	1.10	410.00	451.00
03/27/12	DAL	WARN Act: Analyze D. Warfield's list of open issues; e-mail exchange with client regarding WARN Act settlement unresolved issues. (B100)	1.80	410.00	738.00

Total Fees \$8,446.00

FEE SUMMARY BY TIMEKEEPER

DAVID A. LANDER	20.60		8,446.00
Total Fees	20.60	hrs	\$8,446.00

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GALLOP, JOHNSON & NEUMAN, L.C.
ATTORNEYS AT LAW

Re: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION
April 17, 2012
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Invoice #: 347994

Disbursements:

Date	Description	Amount
03/30/12	Miscellaneous - - VENDOR: Big River Telephone Company (B100)	1.53
	Long Distance	0.96
	Total Disbursements	\$2.49
	Balance Due This Matter	\$8,448.49

April 18, 2012

CLIENT #: 111432

BILLING ATTORNEY:
DAVID A. LANDER

US FIDELIS
C/O BRIAN FENIMORE
LATHROP & GAGE LLP
2345 GRAND BLVD., SUITE 2200
KANSAS CITY, MO 64108

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STATEMENT OF ACCOUNT

-----BILL SUMMARY-----

DATE	NUMBER	ORG AMT	PMT/ADJ	BALANCE DUE
111432-0002 SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION				
02/20/12	347271	30,990.14	(24,793.24)	6,196.90
03/15/12	347684	15,471.27	(12,378.87)	3,092.40
04/17/12	347994	8,448.49	.00	8,448.49
Matter Total				17,737.79
Grand Total				\$17,737.79

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The above statement outlines all previously rendered invoices which remain outstanding as of Apr 18, 2012. Payments received after that date have not been reflected on this statement.

GALLOP, JOHNSON & NEUMAN, L.C.
ATTORNEYS AT LAW

May 23, 2012

CLIENT #: 111432

BILLING ATTORNEY:
DAVID A. LANDER

US FIDELIS
C/O BRIAN FENIMORE
LATHROP & GAGE LLP
2345 GRAND BLVD., SUITE 2200
KANSAS CITY, MO 64108

Balance Due from Previous Statements	\$17,737.79
Less Payments Received	(\$6,759.29)
Amount This Invoice	\$4,223.00
Total Balance Due	\$15,201.50 =====

Payment due upon receipt
Please return blue REMITTANCE PAGE with payment
Statement of Account attached

May 24, 2012

CLIENT #: 111432

BILLING ATTORNEY:
DAVID A. LANDER

US FIDELIS
C/O BRIAN FENIMORE
LATHROP & GAGE LLP
2345 GRAND BLVD., SUITE 2200
KANSAS CITY, MO 64108

STATEMENT OF ACCOUNT

-----BILL SUMMARY-----

DATE	NUMBER	ORG AMT	PMT/ADJ	BALANCE DUE
111432-0002	SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION			
03/15/12	347684	15,471.27	(12,941.26)	2,530.01
04/17/12	347994	8,448.49	.00	8,448.49
05/23/12	348571	4,223.00	.00	4,223.00

Matter Total 15,201.50

Grand Total..... \$15,201.50
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The above statement outlines all previously rendered invoices which remain outstanding as of May 24, 2012. Payments received after that date have not been reflected on this statement.

GALLOP, JOHNSON & NEUMAN, L.C.

ATTORNEYS AT LAW

INVOICE #: 348571

May 23, 2012

CLIENT #: 111432

BILLING ATTORNEY:
DAVID A. LANDER

US FIDELIS
C/O BRIAN FENIMORE
LATHROP & GAGE LLP
2345 GRAND BLVD., SUITE 2200
KANSAS CITY, MO 64108

Invoice For Period Through April 30, 2012

Legal Services Regarding: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION

Matter Number: 111432-0002

Date	Tkpr	Description	Hours	Rate	Amount
04/10/12	DAL	Review proposed global settlement and plan; prepare for final work on WARN Act claim issues. (B120)	3.40	410.00	1,394.00
04/17/12	DAL	Analyze various pleadings. (B120)	2.30	410.00	943.00
04/18/12	DAL	Prepare for and attend court hearing on approval of WARN Act settlement; follow up work after. (B120)	2.20	410.00	902.00
04/25/12	DAL	Analyze revised global settlement process. (B320)	2.40	410.00	984.00

Total Fees \$4,223.00

FEE SUMMARY BY TIMEKEEPER

DAVID A. LANDER	10.30		4,223.00
Total Fees	10.30	hrs	\$4,223.00

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GALLOR, JOHNSON & NEUMAN, L.L.C.
ATTORNEYS AT LAW

Re: SPECIAL COUNSEL TO DEBTOR-IN-POSSESSION
May 23, 2012
Page 3
Invoice #: 348571

Date	Description	Amount
	Balance Due This Matter	\$4,223.00

EXHIBIT C

EXHIBIT C

**SUMMARY OF EXPENSES INCURRED BY
GALLOP, JOHNSON & NEUMAN, L.C. FOR THE
FIRST AND FINAL COMPENSATION PERIOD OF
JANUARY 1, 2012 THROUGH APRIL 30, 2012**

<u>Expense</u>	<u>Amount</u>
Photocopies	\$11.85
Long Distance Telephone Charges	<u>\$5.55</u>
Total	\$17.40