

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

IN RE:) In Proceedings Under Chapter 11
)
 US FIDELIS, INC.,) Case No. 10-41902-705
)
)
 Debtor.)

**FINAL APPLICATION FOR ALLOWANCE OF
FEES AND EXPENSES FILED BY RADDATZ LAW FIRM, PLLC,
AS SPECIAL COUNSEL FOR DEBTOR US FIDELIS, INC.**

(Summary of Request)

Name of Applicant	Raddatz Law Firm, PLLC
Date of Approval of Employment	December 10, 2010
Identity of Party Represented	Debtor
Time Period Requested	August 1, 2010 through September 12, 2012
Amount of Fees Requested	\$4,550.00
Amount of Expenses Requested	\$0.00
Previous Fee Orders	First Interim, entered 2/18/2011 (Dkt. #614)
Interim or Final Application	Final Application

COMES NOW Debtor US Fidelis, Inc. (“Debtor”), by and through its undersigned counsel, on behalf of the Raddatz Law Firm, PLLC (“Raddatz”), special counsel for Debtor, and, pursuant to 11 U.S.C. §§ 328, 330 and 331, files this *Final Application for Allowance of Fees and Expenses Filed by Raddatz Law Firm, PLLC, as Special Counsel Debtor US Fidelis, Inc.* (the “Raddatz Final Application”). In support thereof, Debtor states as follows:

JURISDICTION

1. This Court has jurisdiction over this matter pursuant to U.S.C. §§ 1334 and 157 and E.D. Mo. L.R. 81-9.01(B)(1).

BACKGROUND

2. On March 1, 2010 (the “Petition Date”), Debtor filed its Voluntary Petition for Relief under Chapter 11 of Title 11, United States Code (the “Bankruptcy Code”). The Debtor continued managing its affairs as a debtor-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code until the Effective Date (defined below).

3. On November 12, 2010, the Debtor filed its *Application for Employment of Mark R. Raddatz and the Raddatz Law Firm PLLC, as Special Counsel for Debtor* (the “Raddatz Employment Application”). On December 10, 2010, the Bankruptcy Court granted the Raddatz Employment Application.

4. On August 28, 2012, the Court confirmed the First Amended Plan of Liquidation as Modified on July 13, 2012 (the “Plan”). September 12, 2012 is the “Effective Date” under the Plan.

RADDATZ ATTORNEYS’ FEES AND EXPENSES

5. On January 14, 2011, Raddatz filed its First Interim Fee Application for Allowance of Fees and Expenses Filed by Raddatz Law Firm, PLLC (the “First Interim Application”) (Dkt. # 552). On February 18, 2011, the Court entered its Order Granting First Interim Application for Allowance of Fees and Expenses Filed by Raddatz Law Firm, PLLC (the “First Interim Order”) (Dkt. #614) approving and allowing Raddatz its request for fees totaling \$4,550.00 for the first interim compensation period from August 1, 2010 through November 30, 2010.

6. Raddatz maintained detailed records in the ordinary course of its business. These time records were prepared contemporaneously with the rendition of services to the client.

These time records described the services performed, the date services were rendered, and the length of time spent delivering those services.

7. The services provided by Raddatz during the First Interim Compensation Period were actual and necessary. Reasonable compensation for such services based on the time, the nature, the extent and value of such services, and the costs of such services, other than in a case under Title 11 of the United States Code, was \$4,550.00. Because supporting documentation was submitted with the First Interim Application and is now part of the Court's record in this case, the Debtor, in the interest of brevity and conservation (a) is not attaching that supporting documentation to this Final Application and (b) hereby incorporates that supporting documentation into this Final Application.

8. Raddatz did not incur any expenses in its representation of the Debtor.

9. Debtor paid Raddatz in full pursuant to the First Interim Order, and no remaining payments are due Raddatz.

STATUS OF CASE

10. During the First Interim Compensation Period, Raddatz's representation focused on the following projects:

A. **State of Maryland:** Despite the fact that 42 States Attorneys General agreed to a "standstill" of litigation against the Debtor and the Atkinsons and were working with the Debtor and the Committee in an effort to settle their claims through a consensual plan of liquidation that would benefit all creditors, the State of Maryland filed a lawsuit against the Debtor and the Atkinsons seeking injunctive and monetary relief in excess of \$30 million. During the First Interim Fee Period, Raddatz advised the Debtor with respect to the Maryland action, assisted in the removal of the Maryland

action to Federal Court in Maryland and attended court appearances on behalf of the Debtor in Maryland courts.

INFORMATION REQUIRED BY LOCAL RULES

11. 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.P. 8th Cir. 1997); *In re Grimes*, 115 B.R. 639, 642-43 (Bankr. D.S.D. 1990).

12. The Johnson Factors are as follows:

- A. The time and labor required. Raddatz described in detail the time spent and included a complete description of the tasks performed.
- B. The novelty and difficulty of the questions. This case involved 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.
- C. The skill required to perform legal services properly. The Court is certainly the best judge of the skill demonstrated by Raddatz lawyers in this engagement. Debtor, however, believes that Raddatz’s lawyers demonstrated consistently the skill levels necessary for the vigorous representation of the Debtor and the estate.
- D. The preclusion of employment due to acceptance of the case. Acceptance of this case did not preclude other employment.

- E. The customary fee. The rates charged by Raddatz in this case were commensurate with rates it charges similar clients in similar matters.
- F. Whether the fee is fixed or contingent. The fees requested herein were based on neither a fixed nor contingent fee basis.
- G. Time limitations imposed by the client or the circumstances. This case poses the normal time pressures inherent in any Chapter 11 case, as well as extreme time pressures with respect to recovering the obligations owed by Debtor's principals to Debtor prior to the attorneys general or other entities obtaining judgments against the same.
- H. The amount involved and the results obtained. Raddatz submits that the fees requested were appropriate.
- I. The experience, reputation and ability of the attorneys. Raddatz is a well known business and commercial law firm located in Washington DC who specializes in litigation and trial matters related to financial services.
- 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 Raddatz as its counsel on September 1, 2010.
- L. Awards in similar cases. The fees requested in this case are in line with awards made in other chapter 11 cases.

LOCAL COMPENSATION RULES AND U.S. TRUSTEE GUIDELINES

13. 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 filings 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	Raddatz holds no retainer. The Liquidating Trustee has over \$2.5 million in cash.
Unencumbered Funds	All of the cash on hand is unencumbered.

WHEREFORE, Debtor US Fidelis, Inc., on behalf of the Raddatz Law Firm, PLLC, respectfully requests this Court to allow the Raddatz Law Firm, PLLC professional fees on a final basis in the amount of \$4,550.00, and for such other and further relief as is just and equitable.

Dated: October 8, 2012

Respectfully submitted,

Lathrop & Gage LLP

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Attorneys for Debtor US Fidelis, Inc.

CERTIFICATE OF SERVICE

The undersigned certifies that on October 8, 2012, a true and accurate copy of the foregoing *Final Application for Allowance of Fees and Expenses Filed by Raddatz Law Firm, PLLC, as Special Counsel for Debtor US Fidelis, Inc.* was served on all parties receiving notice through the Court's CM/ECF system. Service of the Notice of Hearing on the Application will be served later in conjunction with the other professionals.

/s/ Laura Toledo

Attorneys for Debtor US Fidelis, Inc.