

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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 In re: : Chapter 11  
 : Case No. 08-12229 (MFW)  
 Washington Mutual, Inc., et al., : Jointly Administered  
 :  
 :  
 Debtor. : **Objection Date: 12/7/2009 @ 4:00 PM**  
 : **Hearing Only if Objections are Filed**  
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**SIXTH MONTHLY APPLICATION OF QUINN EMANUEL URQUHART OLIVER & HEDGES, LLP, AS SPECIAL LITIGATION AND CONFLICTS COUNSEL TO THE DEBTORS FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND FOR REIMBURSEMENT OF EXPENSES DURING THE PERIOD FROM SEPTEMBER 1, 2009 THROUGH SEPTEMBER 30, 2009**

Name of applicant: Quinn Emanuel Urquhart Oliver & Hedges, LLP

Authorized to provide professional services to: Debtors

Date of retention: May 18, 2009 (nunc pro tunc to April 3, 2009)

Period for which compensation and reimbursement is sought: September 1, 2009 – September 30, 2009

Amount of compensation requested: \$937,415.00

Amount of expense reimbursement requested: \$22,854.62

This is a: X monthly \_\_\_\_\_ quarterly application.

This is the sixth monthly fee application filed by Quinn Emanuel Urquhart Oliver & Hedges, LLP in this case.



**Prior Applications:**

		Requested		Approved	
Date Filed/ Docket No.	Period Covered	Fees	Expenses	Fees	Expenses
June 8, 2009 Docket No. 1116	April 3, 2009- April 30, 2009	\$853,305.50	\$17,755.31	\$853,305.50	\$17,755.31
July 15, 2009 Docket No. 1315	May 1, 2009- May 31, 2009	\$775,675.00	\$12,281.80	\$772,162.50	\$12,281.80
August 31, 2009 Docket No. 1562	June 1, 2009- June 30, 2009	\$859,224.50	\$30,691.71	\$687,379.60	\$30,691.71
September 24, 2009 Docket No. 1653	July 1, 2009 – July 31, 2009	\$605,336.00	\$24,354.81	\$484,268.80	\$24,354.81
November 11, 2009 Docket No. 1869	August 1, 2009 – August 31, 2009	\$686,114.50	\$25,676.62		

**ATTACHMENT TO SIXTH MONTHLY FEE APPLICATION OF QUINN  
EMANUEL URQUHART OLIVER & HEDGES, LLP, SPECIAL LITIGATION AND  
CONFLICTS COUNSEL TO THE DEBTORS**

**(SEPTEMBER 1, 2009 TO SEPTEMBER 30, 2009)**

<b>NAME</b>	<b>POSITION; EXPERIENCE</b>	<b>HOURLY RATE</b>	<b>TOTAL HOURS</b>	<b>TOTAL COMPENSATION</b>
Peter Calamari	Partner for 33 years; admitted in 1974	\$970	101.4	\$98,358.00
Michael B. Carlinsky	Partner for 12 years; admitted in 1990	\$970	5.9	\$5,723.00
Robert Feldman	Partner for 15 years; admitted in 1976	\$970	48.90	\$47,433.00
Robert L. Raskopf	Partner for 14 years, admitted in 1977	\$930	7.60	\$7,068.00
Susheel Kirpalani	Partner for 8 years; admitted in 1995	\$860	27.00	\$23,220.00
David L. Elsberg	Partner for 5 years; admitted in 1997	\$810	92.40	\$74,844.00
Sandy Weisburst	Partner for 1 year; admitted in 1999	\$810	1.40	\$1,134.00
Eric D. Winston	Partner for 5 years; admitted in 1999	\$805	3.50	\$2,817.50
Erica Taggart	Partner effective Jan. 1, 2009; admitted in 2001	\$730	78.10	\$57,013.00
Alan Blum	Partner for 3 years; admitted in 1982	\$730	1.90	\$1,387.00
Deborah Brown	Partner effective Jan 1, 2009; admitted in 2003	\$730	77.30	\$56,429.00
Adam M. Abensohn	Of Counsel for 2 years; admitted in 1995	\$680	30.50	\$20,740.00
Joseph Milowic III	Associate for 8 years; admitted in 2002	\$640	33.00	\$21,120.00
Jessica Rose	Associate for 6 years; admitted in 2004	\$550	79.80	\$46,284.00
Adam B. Wolfson	Associate for 4 years, admitted in 2006	\$520	14.50	\$7,540.00
Benjamin Finestone	Associate for 4 years; admitted in 2005	\$520	219.60	\$120,780.00
David Ruderman	Associate for 3 years, admitted in 2006	\$480	38.20	\$18,336.00
Lori Weiss	Associate for 5 years; admitted in 2005	\$480	25.60	\$14,080.00
Jolie Apicella	Associate for 4 years; admitted in 2006	\$480	42.10	\$21,892.00
Thomas O'Brien	Associate for 3 years, admitted in 2007	\$450	141.80	\$68,064.00
Igor Piryazev	Associate for 2 years, admitted in 2007	\$450	0.50	\$225.00

Bradley A. Russi	Associate for 2 years; admitted in 2008	\$420	63.20	\$28,440.00
Justin Barnard	Associate for 1 year; admitted in 2008	\$420	4.80	\$2,016.00
Evan D. Parness	Associate for 2 years; admitted in 2008	\$420	209.80	\$94,410.00
Olga M. Urbietta	Associate for 1 year; admitted in 2008	\$390	26.20	\$11,004.00
Christopher Clark	Attorney	\$320	11.10	\$3,552.00
Austin D. Tarango	Law Clerk	\$310	6.60	\$2,046.00
Shawna M. Reeves	Law Clerk	\$310	2.30	\$713.00
Michelle G. Lee	Law Clerk	\$310	16.50	\$5,115.00
Jordan B. Kaericher	Law Clerk	\$310	12	\$3,720.00
Shawna M. Reeves	Law Clerk	\$310	21.1	\$6,541.00
Michelle G. Lee	Law Clerk	\$310	36.5	\$11,315.00
Nicoletta Malogioglio	Associate	\$275	48.80	\$13,420.00
Heather Nolan	Attorney	\$275	33.80	\$9,295.00
Irene Tokar	Attorney	\$275	13.50	\$3,712.50
SoYun Roe	Attorney	\$275	20.00	\$5,500.00
Joan Collopy	Paralegal	\$265	39.00	\$10,335.00
Martine Lacroix	Paralegal	\$265	38	\$10,070.00
Meredith Schorr	Trademark Paralegal	\$265	4.2	\$1,113.00
Jonathan Bandes	Lit Support	\$365	2.1	\$766.50
James Bandes	Lit Support	\$250	5.6	\$1,400.00
Joe Liao	Lit Support	\$150	1.1	\$165.00
Michael Lee	Lit Support	\$150	8.3	\$1,245.00
Jet Ma	Lit Support	\$150	1.4	\$210.00
Alan Davis	Lit Support	\$150	1.3	\$195.00
	<b>SUB-TOTAL</b>		<b>1,698.20</b>	<b>\$940,786.50</b>
	Non-Working Travel (50%)			(\$3,371.50)
	<b>TOTAL</b>	<b>\$552.01</b> <b>(Blended Rate)<sup>1</sup></b>		<b>\$937,415.00</b>

<sup>1</sup> The blended rate excluding paraprofessionals is \$616.05.

**SUMMARY TABLE OF SERVICES RENDERED DURING SIXTH MONTHLY FEE PERIOD OF QUINN EMANUEL URQUHART OLIVER & HEDGES, LLP, SPECIAL LITIGATION AND CONFLICTS COUNSEL TO THE DEBTORS**

**(SEPTEMBER 1, 2009 TO SEPTEMBER 30, 2009)**

<b>ACTIVITY</b>	<b>HOURS</b>	<b>FEES</b>
Case Administration	53.30	\$14,407.50
Court Hearings	5.10	\$3,961.00
Fee Application	63.70	\$21,768.00
Litigation	1,366.10	\$776,611.00
Non-Working Travel	8.90	\$6,743.00
White Collar Investigation	201.10	\$117,296.00
<b>SUB-TOTAL</b>	<b>1,698.20</b>	<b>\$940,786.50</b>
Non-Working Travel (50%)		(\$3,371.50)
<b>TOTAL</b>	<b>1,698.20</b>	<b>\$937,415.00</b>

**SUMMARY BY CATEGORY TYPE OF DISBURSEMENTS BILLED DURING SIXTH  
MONTHLY FEE PERIOD OF QUINN EMANUEL URQUHART OLIVER & HEDGES,  
LLP, SPECIAL LITIGATION AND CONFLICTS COUNSEL TO THE DEBTORS**

**(SEPTEMBER 1, 2009 TO SEPTEMBER 30, 2009)**

<b>Description</b>	<b>Amount</b>
Postage	\$9.68
Telephone	\$642.96
Meals during travel	\$54.85
Document Review Meal	\$18.05
Deposition Transcript	\$1,214.60
Express Mail	\$326.54
Local Travel	\$291.52
Messenger	\$13.00
Telecopier	\$39.00
Professional Services	\$30.00
Taxi	\$9.00
Air Travel	\$1,184.20
Outside Photocopy	\$1,444.33
Online Research	\$9,688.83
Photocopying	\$4,657.10
Color Photocopy	\$1.14
Printing	\$1,872.00
Color Printing	\$36.48
Litigation Support Services	\$1,313.24
Digital Prints	\$8.10
<b>Total Disbursements</b>	<b>\$22,854.62</b>

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FOR THE DISTRICT OF DELAWARE**

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: Case No. 08-12229 (MFW)  
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Debtors. : **Objection Date: 12/7/2009 @ 4:00 PM**  
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**SIXTH MONTHLY APPLICATION OF QUINN EMANUEL URQUHART OLIVER &  
HEDGES, LLP, AS SPECIAL LITIGATION AND CONFLICTS COUNSEL TO THE  
DEBTORS FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED  
AND FOR REIMBURSEMENT OF EXPENSES DURING THE PERIOD  
FROM SEPTEMBER 1, 2009 THROUGH SEPTEMBER 30, 2009**

Quinn Emanuel Urquhart Oliver & Hedges, LLP ("Quinn Emanuel"), special litigation and conflicts counsel to the debtors, Washington Mutual Inc. and WMI Investment Corp. (the "Debtors"), hereby submits its application (the "Application") to this Court pursuant to sections 330 and 331 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Local Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure For United States Bankruptcy Court For the District of Delaware ("Local Rule No. 2016-2"), and the Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals Pursuant To Sections 331 and 105(a) of the Bankruptcy Code, entered on October 31, 2008 (Docket No. 204) (the "Compensation Order"), seeking (i) interim allowance of compensation of \$937,415.00 for actual, reasonable and necessary professional services rendered, (ii) payment of 80% of such compensation in the amount \$749,932.00 and (iii) interim allowance and payment of \$22,854.62 for 100% of actual, reasonable and necessary expenses incurred

during the period from September 1, 2009 through September 30, 2009 (the "Sixth Monthly Fee Period"), and represents as follows:

## I. INTRODUCTION

### A. Background

1. Bankruptcy Filing. On September 26, 2008, (the "Petition Date"), the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their property as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. Jurisdiction. This Court has jurisdiction over this Application pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of the Debtors' chapter 11 cases and this Application is proper under 28 U.S.C. §§ 1408 and 1409. The predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code, Rule 2016 of the Bankruptcy Rules, Local Rule No. 2016-2, and the Compensation Order.

### B. Retention Of Quinn Emanuel And Billing History

3. On May 18, 2009, the Court authorized Quinn Emanuel's retention as special litigation and conflicts counsel to the Debtors nunc pro tunc to April 3, 2009, pursuant to the Order Under 11 U.S.C. 328 And 1103 And Fed. R. Bankr. P. 2014 And 5002 Authorizing Nunc Pro Tunc Retention And Employment Of Quinn Emanuel Urquhart Oliver & Hedges, LLP, As Special Litigation and Conflicts Counsel to the Debtors (Docket No. 1043) (the "Retention Order"). The Retention Order authorizes Quinn Emanuel to be compensated pursuant to the procedures set forth in the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and Orders of this Court, including the Compensation Order.



4. This Application is Quinn Emanuel's sixth monthly application for approval and allowance of compensation and reimbursement for expenses. Quinn Emanuel makes this monthly application for approval and allowance of compensation pursuant to sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, Local Rule No. 2016-2, and the Compensation Order. No prior application has been made to this or any other court for the relief requested herein, nor has payment been received by Quinn Emanuel for legal services provided to and on behalf of the Debtors, or for out-of-pocket expenses incurred in connection therewith.

5. Quinn Emanuel has not entered into any agreement, express or implied, with any other party for the purpose of fixing or sharing fees or other compensation to be paid for professional services rendered in these cases.

6. No promises have been received by Quinn Emanuel or any member thereof as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code.

## **II. APPLICATION**

7. By this Application, Quinn Emanuel is seeking (a) allowance of reasonable compensation for actual and necessary professional services rendered by Quinn Emanuel, as special litigation and conflicts counsel to the Debtors during the Sixth Monthly Fee Period, and (b) reimbursement of actual, reasonable and necessary expenses incurred by Quinn Emanuel in connection with such services during the Sixth Monthly Fee Period.

8. Specifically, Quinn Emanuel seeks approval of compensation in the amount of \$937,415.00 for legal services rendered on behalf of the Debtors during the Sixth Monthly Fee Period, and \$22,854.62 for reimbursement of all actual, reasonable and necessary expenses incurred in connection with the rendition of such services. The fees sought by this Application

reflect an aggregate of 1,698.2 hours of attorney and other paraprofessional time spent and recorded in performing services for the Debtors during the Sixth Monthly Fee Period, at a blended average hourly rate of \$552.01 for both professionals and paraprofessionals. The blended hourly rate for professionals only is \$616.05.

9. Quinn Emanuel rendered to the Debtors all services for which compensation is sought solely in connection with these cases, in furtherance of the duties and functions of the Debtors.

10. Quinn Emanuel maintains written records of the time expended in the rendition of the professional services required by the Debtors. These records are maintained in the ordinary course of Quinn Emanuel's practice. In accordance with Local Rule 2016-2, attached hereto as part of the cover sheet is a billing summary for the Sixth Monthly Fee Period, setting forth the name of each attorney and paraprofessional for whose work on these cases compensation is sought, each attorney's year of bar admission, the aggregate of the time expended by each such attorney and paraprofessional, the hourly billing rate for each such attorney and paraprofessional at Quinn Emanuel's current billing rates, and an indication of the individual amounts requested as part of the total amount of compensation requested. Also set forth in the billing summary is additional information indicating whether each attorney is a partner or associate, and how many years each attorney has held such position. The compensation requested by Quinn Emanuel is based on the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code.

11. Attached hereto as **Exhibit "A"** are time entry records broken down in tenths of an hour by project category, in accordance with the U.S. Trustee Guidelines and Local Rule 2016-2, setting forth a detailed description of services performed by each attorney and paraprofessional on behalf of the Debtors.

12. Quinn Emanuel also maintains records of all actual and necessary expenses incurred in connection with the performance of professional services, a summary of which also is attached hereto as part of the cover sheet. The summary lists the amounts and categories of expenses for which reimbursement is sought. Attached hereto as **Exhibit "B"** is a summary of the expenses, including the date the expense was incurred and the charge.

### **III. SUMMARY OF PROFESSIONAL SERVICES RENDERED**

13. To provide an orderly and meaningful summary of the services rendered on behalf of the Debtors by Quinn Emanuel, in accordance with the U.S. Trustee Guidelines, Quinn Emanuel has established the following project billing categories in connection with these cases:

1. Fee Applications
2. Litigation
3. Case Administration
4. Court Hearings
5. Non-Working Travel
6. White Collar Matter

14. The following summary is intended to highlight a number of the services rendered by Quinn Emanuel where Quinn Emanuel expended a considerable number of hours on behalf of the Debtors. It is not meant to be a detailed description of all of the work performed by Quinn Emanuel during the Sixth Monthly Fee Period. Detailed descriptions of the day-to-day services provided by Quinn Emanuel and the time expended performing such services in each project billing category are fully set forth in **Exhibit "A"** hereto. Such detailed descriptions show that Quinn Emanuel was heavily involved in the performance of services for the Debtors on a

daily basis, including late night/early morning and weekend work, often under extreme time pressure to meet the needs of the Debtors in these cases.

**A. Litigation: (Total Hours: 1366.10; Total Fees: \$776,611.00)**

15. ***District Court Action:*** On March 20, 2009, the Debtors filed an action against the Federal Deposit Insurance Corporation ("FDIC") in the United States District Court for the District of Columbia, *Washington Mutual, Inc. et al. v. Federal Deposit Insurance Corporation*, Case No. 1:09-cv-00533 (the "District Court Action"), challenging the disallowance of their claims and also claiming ownership to certain assets purportedly sold to JP Morgan Chase Bank, N.A. ("JPMC") and seeking the avoidance of certain assets improperly transferred to Washington Mutual Bank ("WMB").

16. On September 4, 2009, the FDIC and JPMC both filed memorandums in opposition to the Debtors' motion to dismiss counterclaims and stay all proceedings. On the same day, JPMC filed its answer, crossclaims and counterclaims to the complaint. During the Sixth Monthly Fee Period, Quinn Emanuel attorneys spent time reviewing the FDIC's memorandum and JPMC's answer and memorandum. Quinn Emanuel attorneys also spent time researching and drafting a reply memorandum of law in further support of their motion to dismiss the amended counterclaims of the FDIC, and to stay the proceedings in their entirety. On September 25, 2009, Quinn Emanuel attorneys filed the reply memorandum.

17. Also on September 4, 2009, the Bank Bondholders filed a notice of supplemental authority to their motion to intervene. During this fee period, Quinn Emanuel attorneys spent time drafting a response to the Bank Bondholders' notice of supplemental authority which was filed on September 9, 2009.

18. ***Litigation with JPMC:*** Since Quinn Emanuel's retention on April 3, 2009, Quinn Emanuel lawyers have dedicated extensive time to performing services on behalf of the Debtors in connection with the Debtors' various litigations with JPMC. Specifically, Quinn Emanuel attorneys have conducted extensive interviews of persons familiar with the transactions comprising the various disputes with JPMC. Moreover, to avoid duplication and minimize the cost to the Debtors, Quinn Emanuel attorneys have been in constant contact with, and attended numerous strategy meetings with, the Debtors' primary bankruptcy counsel (Weil Gotshal & Manges LLP), as well as counsel for several key creditor constituencies, including the Official Committee of Unsecured Creditors.

19. ***JPMC Adversary Proceeding:*** On March 24, 2009, JP Morgan Chase Bank, N.A. ("JPMC") filed an adversary proceeding (the "JPMC Adversary Proceeding") against the Debtors captioned *JP Morgan Chase Bank, Nat'l Assoc. v. Washington Mutual, Inc. and WMI Investment Corp.*, Adv. No. 09-50551, concerning ownership of certain assets that JPMC alleges to have acquired from the FDIC.

20. During the Sixth Monthly Fee Period, Quinn Emanuel attorneys spent time amending and filing their counterclaims asserted in response to JPMC's complaint. Debtors' amended answer and counterclaims were filed on September 11, 2009.

21. On September 14, 2009, the Court issued an order denying JPMC's motion to dismiss the Debtors' counterclaims, which Quinn Emanuel attorneys had argued against at the August omnibus hearing. On September 18, 2009, JPMC purported to appeal the Court's decision and filed a statement in support of appeal under the collateral order doctrine or, in the alternative, motion for leave to appeal. During this fee period, Quinn Emanuel attorneys spent time reviewing JPMC's brief and drafting an opposition which was filed on September 28, 2009.

22. Separately, on September 18, 2009, JPMC filed a Notice of Divestiture asserting that the Court had been divested of jurisdiction over the Adversary Proceedings since the time of JPMC's purported appeals of this Court's July 6, 2009 orders. On September 24, 2009, Quinn Emanuel attorneys filed a Response to the Notice of Divestiture of Jurisdiction Pending Appeals of JPMC arguing *inter alia* that the Court was not divested of jurisdiction solely as a result of JPMC's filing of a notice of appeal purportedly under the collateral order doctrine and that Supreme Court case law holds that appeals such as JPMC's are not immediately appealable. On September 25, 2009, Quinn Emanuel attorneys argued successfully in opposition to JPMC's Notice of Divestiture before the Court.

23. ***Rule 2004 Motion And Motion To Enlarge Time To Assert***

***Counterclaims:*** In April 2009, Quinn Emanuel attorneys diligently researched and prepared a motion pursuant to Bankruptcy Rule 2004 (the "2004 Motion") seeking a court order permitting the Debtors to conduct an examination of JPMC to investigate potential claims against JPMC based on alleged misconduct that is the subject of a recently filed lawsuit pending in Texas federal court captioned, *American Nat'l Ins. Co., et al. v. JPMorgan Chase & Co., et al.* 3:09-cv-00044, (S.D. Tex. Feb. 16, 2009) (the "Texas Action"). On May 1, 2009, Quinn Emanuel attorneys, on the Debtors' behalf, filed the 2004 Motion seeking discovery to assess whether fraudulent transfer or other avoidance claims exist against JPMC. The requested examination would permit the Debtors – as estate fiduciaries – to determine the validity and ownership of potentially significant estate claims. On June 24, 2009, the Court granted the Debtors' 2004 Motion over the objection of JPMC.

24. Quinn Emanuel' attorneys have pursued discovery aggressively in this matter. During the Sixth Monthly Fee Period, Quinn Emanuel attorneys have spent significant time reviewing documents produced in response to the 2004 Motion.

25. **Turnover Action:** On April 27, 2009, Quinn Emanuel attorneys, on the Debtors' behalf, commenced a separate adversary proceeding against JPMC seeking an order requiring JPMC to turnover the \$4 billion in deposits that JPMC owes the Debtors but refuses to pay (the "Deposits"), which action is captioned *Washington Mutual, Inc. et al.v. JPMorgan Chase Bank, N.A.*, Adv. No. 09-50934, concerning (the "Turnover Action"). On August 10, 2009, JPMC filed an Answering Brief to the Debtors' first motion to dismiss JPMC's counterclaims that were filed on July 6, 2009. On the same day, JPMC filed amended counterclaims.

26. Throughout the Sixth Monthly Fee Period, Quinn Emanuel attorneys spent a considerable amount of time researching, drafting and revising various pleadings in the Turnover Action. On September 15, 2009, Quinn Emanuel attorneys filed a reply brief in support of their motion to dismiss the amended counterclaims in the Turnover Action arguing in part that JPMC failed to state a claim with respect to certain counts and that JPMC's assertions regarding divestiture of jurisdiction should be disregarded as there has been no permission granted to appeal the interlocutory orders that cannot qualify for immediate appeal under the collateral order doctrine.

27. Separately, Quinn Emanuel attorneys reviewed JPMC's and the FDIC's supplemental opposition papers in connection with Debtors' motion for summary judgment with respect to their deposits as well as JPMC's amended motion to strike the affidavit of Doreen Logan. Quinn Emanuel continued to research and draft Debtors' reply brief in support of their motion for summary judgment. On September 18, 2009, Quinn Emanuel attorneys filed that reply

brief, arguing *inter alia* that there is no real dispute as to the ownership of the deposits, and that JPMC has no basis to setoff against the deposits; thus, JPMC cannot continue to unlawfully retain the deposits.

**B. White Collar Matter: (Total Hours: 201.10; Total Fees: \$117,296.00)**

28. Throughout the Sixth Monthly Fee Period, Quinn Emanuel attorneys have continued to be involved in the Seattle U.S. Attorney's investigation into certain attorney-client privilege issues regarding the Debtors. During this period, Quinn Emanuel attorneys have engaged in numerous telephone conferences with the U.S. Attorney's office. Furthermore, Quinn Emanuel attorneys have spent time reviewing documents relating to the matter, researching and drafting a memorandum of law regarding attorney-client issues. Quinn Emanuel attorneys have also conducted research and drafted memoranda on waiver issues.

**IV. FACTORS TO BE CONSIDERED IN AWARDING ATTORNEYS' FEES**

29. The factors to be considered in awarding attorneys' fees have been enumerated in In re First Colonial Corporation of America, 544 F.2d 1291, 1298-99 (5th Cir. 1977), cert. denied, 431 U.S. 904, which standards have been adopted by most courts. See, e.g., In re Lan Assoc., 192 F.3d 109, 123 n.8 (3d Cir. 1999) (suggesting First Colonial factors apply to § 330 compensation requests); In re Busy Beaver Building Centers, Inc., 19 F.3d 833, 850 (3d Cir. 1994). Quinn Emanuel respectfully submits that a consideration of these factors should result in this Court's allowance of the full compensation sought.

- (1) The Time and Labor Required. The professional services rendered by Quinn Emanuel on behalf of the Debtors has required the continuous expenditure of substantial time and effort, under time pressures which routinely required the performance of services into the late evening/early morning and weekends. The services rendered required a high degree of professional competence and expertise.
- (2) The Novelty and Difficulty of Questions. Novel and complex issues have already arisen in the course of the Chapter 11 Cases, and it can be anticipated that other such issues will be encountered. In these cases, as in many others in which the



firm is involved, Quinn Emanuel's advocacy and methodology have helped clarify and resolve difficult issues.

- (3) The Skill Requisite to Perform the Legal Services Properly. Quinn Emanuel believes that its recognized expertise in the area of bankruptcy related litigation and its methodology employed in these cases is beneficial to the Debtors.
- (4) The Preclusion of Other Employment by Applicant Due to Acceptance of the Case. The matters in which Quinn Emanuel's bankruptcy litigation practice group are involved need attention on a continuous basis and require many of Quinn Emanuel's attorneys to commit significant portions of their time to these cases.
- (5) The Customary Fee. The compensation sought herein is based upon Quinn Emanuel's normal hourly rates for services of this kind. Quinn Emanuel respectfully submits that the compensation sought herein is not unusual given the magnitude and complexity of these cases and the time dedicated to the representation of the Debtors. Such compensation is commensurate with fees charged by other attorneys of comparable experience.
- (6) Whether the Fee is Fixed or Contingent. Quinn Emanuel charges customary hourly rates for the time expended by its attorneys and paraprofessionals in representing the Debtors and Quinn Emanuel's fee is not outcome dependent. Pursuant to sections 330 and 331 of the Bankruptcy Code, all fees sought by professionals retained under sections 327 or 1103 of the Bankruptcy Code are contingent pending final approval by the Court.
- (7) Time Limitation Imposed by Client or Other Circumstances. As stated above, Quinn Emanuel has been required to attend to various issues as they have arisen in these cases. Quinn Emanuel has had to routinely perform those services under significant time constraints requiring attorneys and other professionals assigned to these cases to work late evenings/early mornings, and on the weekends.
- (8) The Amount Involved and Results Obtained. The amount of time spent on various tasks has been judicious, and Quinn Emanuel believes that its efforts are benefiting the Debtors.
- (9) The Experience, Reputation and Ability of the Attorneys. Quinn Emanuel's attorneys involved in this representation have played a major role in numerous complex restructurings including, for example, the chapter 11 cases of Sem Group, L.P. et al., Solutia Inc. et al., Refco Inc., et al., and Enron Corp., et al. Quinn Emanuel's experience enables it to perform the services described herein competently and expeditiously.
- (10) The "Undesirability" of the Case. Although not undesirable, these cases have required a significant commitment of time from several of Quinn Emanuel's attorneys and other professionals.

- (11) Nature and Length of Professional Relationship. Quinn Emanuel was selected as special litigation and conflicts counsel to the Debtors on April 3, 2009, and was retained nunc pro tunc to that date pursuant to an order of this Court dated May 19, 2009.

**V. ALLOWANCE OF COMPENSATION**

30. The professional services rendered by Quinn Emanuel have required a high degree of professional competence and expertise so that the numerous issues requiring evaluation and action by the Debtors could be addressed with skill and dispatch. It is respectfully submitted that the services rendered to the Debtors were performed efficiently, effectively and economically, and the actions taken to date have been in furtherance of the Debtors' interests.

31. The allowance of interim compensation for services rendered and reimbursement of expenses in bankruptcy cases is expressly provided for in section 331 of the Bankruptcy Code:

Any professional person . . . may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered . . . as is provided under section 330 of this title.

11 U.S.C. § 331. This Court has authorized the filing of this Application in the Compensation Order.

32. With respect to the level of compensation, section 330(a)(1) of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person: "reasonable compensation for actual, necessary services rendered." Section 330(a)(3)(A), in turn, provides that:

[i]n determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including -

- (A) the time spent on such services;

- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issues or task addressed; and
- (E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a) (3) (A).

33. The congressional policy expressed in this statute is to provide for adequate compensation in order to continue to attract qualified and competent professionals to bankruptcy cases. See In re Busy Beaver Building Centers, Inc., 19 F.3d 833, 850 (3d Cir. 1994) ("Congress rather clearly intended to provide sufficient economic incentive to lure competent bankruptcy specialists to practice in the bankruptcy courts") (citation and internal quotation marks omitted).

34. The total time spent by Quinn Emanuel attorneys and paraprofessionals during the Sixth Monthly Fee Period was 1,698.2 hours, which services have a fair market value of \$937,415.00. As shown by this Application and supporting exhibits, Quinn Emanuel spent its time economically and without unnecessary duplication of time (or duplication of the efforts of the Debtors' other retained professionals). In addition, the work involved, and thus the time expended, was carefully assigned in light of the experience and expertise required for a particular task.

## VI. EXPENSES

35. Quinn Emanuel has expended the total amount \$22,854.62 in actual, reasonable and necessary expenses in connection with representing the Debtors during the Sixth Monthly Fee Period. Quinn Emanuel maintains records of all actual and necessary expenses incurred in connection with the performance of professional services. A breakdown of expenses, including the date the expense was incurred and the charge, is annexed hereto as **Exhibit "B."**

36. In connection with the reimbursement of actual, reasonable and necessary expenses, it is Quinn Emanuel's policy to charge its clients in all areas of practice for expenses, other than fixed and routine overhead expenses, incurred in connection with representing its clients. The expenses charged to Quinn Emanuel's clients include, among other things, telephone and telecopier toll and other charges, mail and express mail charges, document word-processing charges, photocopying charges, out-of-town travel expenses, local transportation expenses, expenses for working meals, computerized research, transcription costs, as well as non-ordinary overhead expenses particularly attributable to an individual client or cases such as secretarial and other overtime.

37. Quinn Emanuel charges the Debtors' estates for these expenses at rates consistent with those charged to Quinn Emanuel's other bankruptcy clients, which rates are equal to or less than the rates charged by Quinn Emanuel to its non-bankruptcy clients. Quinn Emanuel seeks reimbursement from the estate at the following rates for the following expenses: (a) ten cents per page for photocopying; and (b) one dollar per page for out-going facsimiles. In accordance with section 330 of the Bankruptcy Code and with the U.S. Trustee Guidelines, Quinn Emanuel will seek reimbursement only for the actual cost of such expenses to Quinn Emanuel.

38. In providing or obtaining from third parties services which are reimbursable by clients, Quinn Emanuel does not include in such reimbursable amount any costs of investment, equipment or capital outlay, except that the reimbursable cost of photocopying and faxes includes a factor for the cost of equipment.

39. Quinn Emanuel regularly charges its non-bankruptcy clients for ordinary business hour fees and expenses for secretarial, library, word processing, and other staff services because such items are not included in the firm's overhead for the purpose of setting the billing rates. Quinn Emanuel has incurred, but has not charged, the Debtors' estate for any word processing or secretarial overtime charges.

40. Attorneys at Quinn Emanuel have not incurred expenses for luxury accommodations, deluxe meals or air travel in excess of coach fares. Throughout the Sixth Monthly Fee Period, Quinn Emanuel has been keenly aware of cost considerations and has tried to minimize the expenses charged to the Debtors' estate.

## **VII. NOTICE**

41. Notice of this Application has been given to the following in accordance with the Compensation Order: (a) the United States Trustee, (b) the Debtors, and (c) the Creditors' Committee. In addition, all parties eligible to receive electronic notice will receive notice of this Application. Quinn Emanuel submits that no further notice need be given in accordance with the Compensation Order.

**VIII. CONCLUSION**

**WHEREFORE**, Quinn Emanuel respectfully requests an award of compensation for professional services rendered as special litigation and conflicts counsel during the Sixth Monthly Fee Period in the amount of \$937,415.00, together with reimbursement of \$22,854.62 for all actual, reasonable and necessary expenses incurred, and such other and further relief as is just.

Dated: Wilmington, Delaware  
November 16, 2009

**QUINN EMANUEL URQUHART OLIVER &  
HEDGES, LLP**

By



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