

Bruce A. Anderson
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U.S. DISTRICT COURT
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CAMERON S. BURKE, CLERK, IDAHO

Attorneys for: Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF IDAHO

In Re:) Case No. 02-20218
)
FRANK L. CHAPIN and SYDNEY L.) APPLICATION FOR INTERIM
GUTIERREZ-CHAPIN,) COMPENSATION
)
Debtors-in-possession.)
_____)

TO THE HONORABLE TERRY L. MYERS, U.S. BANKRUPTCY JUDGE:

The application of Bruce A. Anderson, of the firm ELSAESSER JARZABEK ANDERSON MARKS ELLIOTT & McHUGH, CHTD., respectfully provides the following narrative summary:

I. NARRATIVE SUMMARY.

- A. The bankruptcy petition herein was filed on February 22, 2002.
- B. The Order Appointing Attorney was signed by the Court on March 29, 2002.
- C. Services are being provided on behalf of Frank L. Chapin and Sydney L. Gutierrez-Chapin, the Debtors-in-possession.
- D. Services in this case commenced on February 21, 2002.

APPLICATION FOR
INTERIM COMPENSATION

ORIGINAL 54

Applicant is now seeking interim compensation pursuant to 11 U.S.C. §§327, 331 and 503(b).

E. The terms and conditions of employment and compensation including all payments made or promised to be made are as follows:

1. An amount of \$2,500.00 was paid to the Bruce A. Anderson on February 22, 2002, to cover all consultations and work done prior to the filing of the petition in bankruptcy. These amounts were billed and used pre-petition. The amount of \$830.00 for the filing fee was also paid on February 22, 2002.

2. The source of all payments made to the applicant thus far is the Debtors-in-possession, Frank L. Chapin and Sydney L. Gutierrez-Chapin. No cap or limitation has been placed on the applicant's representation herein. Hourly rates are listed below.

F. Applicant charges its nonbankruptcy clients comparable rates for similar services.

G. Applicant is now seeking interim compensation pursuant to 11 U.S.C. §§327, 331 and 503(b), as follows:

Name	Position	Hourly Rate	Total Time	Amount Requested
Bruce A. Anderson	Attorney	\$175.00	66.65	\$11,663.75
Barry McHugh	Attorney	\$150.00	1.2	\$180.00
Lisa Powell	Assistant	\$40.00	4	\$160.00
Total Fees				\$12,003.75
Total Expenses				\$601.13
Total Requested				\$12,604.88

H. The time period covered by this application is from July 1, 2002, to October 30, 2002.

I. This is the second application for interim compensation and the following is a summary of previous orders signed, amounts paid, or approved fees and expenses remaining unpaid.

Date Order Approved & Amount Approved	Date of Previous Payments	Amount of Fees & Expenses Remaining unpaid
July 30, 2002 \$13,989.33 \$682.50 not approved	August 7, 2002 \$13,989.33	\$682.50

J. This application has not been filed less than 120 days after the order for relief or after a prior application to the Court.

II. CASE STATUS. ONLY FOR DEBTOR'S ATTORNEY APPLICATIONS.

A. The amount of cash on hand was estimated to be \$250.00, and the amount of funds available to be drawn from related entities was \$31,848 as of June 30, 2002. All of these funds are unencumbered.

B. The amount and nature of accrued unpaid administrative expenses (including Trustee fees and expenses, if applicable):

\$500.00 to Trustee for fees (estimated)

C. Operating profit or loss: Roughly \$31,000 profit (estimated).

D. Current Status: Most work at the present time is in working on the adversary cases.

E. Counsel will supplement this application if there are any changes in the status of the case by the date of hearing on this application.

III. PROJECT SUMMARY.

Compensation and reimbursement are being sought for the following:

CASE ADMINISTRATION:

Substantial time was spent in assisting debtors with their monthly operating statements, miscellaneous matters, correspondence and telephone conferences with the U.S. Trustee, and in supplemental disclosures in the hiring of co-counsel.

CLAIMS ADMINISTRATION:

Minimal time was spent in reviewing proofs of claim.

FEE APPLICATION/EMPLOYMENT:

Time was spent in preparing the first interim fee application as well as in filing appropriate schedules for the hiring of co-counsel. In addition, time was spent in working the immediate fee application.

RELIEF FROM STAY PROCEEDINGS:

Substantial time was spent in opposing the Ford Motor Credit's stay relief matter. Time was somewhat compounded due to Ford Motor Credit's improper noticing of this motion and the associated stipulation arrived at between the debtor and Ford Motor Credit.

TAX ISSUES:

Substantial time was spent with debtor in dealing with the U.S. Tax Court cases now pending. At this time, the lion share of the time spent on the tax issues is being handled by the debtors

directly.

ADVERSARY PROCEEDING:

Substantially all of the time spent on this application was spent on discovery, correspondence and teleconferences, negotiations, meetings with the debtors, preparing answers and counterclaims to the three adversary proceedings and preparing for and attending a mediation regarding the adversary proceedings. These adversary proceedings are absolutely critical for purposes of filing a plan of reorganization in this case. It is believed that settlement has been close, but is stalled by the fact that a global settlement needs to be reached between all affected parties and the same has not yet occurred.

A detailed listing of all work performed and all expenses incurred between July 1, 2002, and October 30, 2002 is attached to this application.

DATED this 30 day of October, 2002.

ELSAESSER JARZABEK ANDERSON
MARKS ELLIOTT & MCHUGH, CHTD.



BRUCE A. ANDERSON
Attorney for Debtors-in-Possession

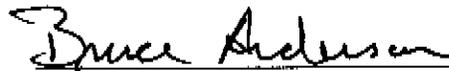
CERTIFICATION

The applicant certifies that the person on whose behalf the applicant is employed has received and reviewed the application for compensation and reimbursement for expenses. The applicant further certifies that the person on whose behalf the applicant is employed has:

[] approved the application.

[] not approved the application.

[x] not expressed any comments on the application.



Bruce A. Anderson
Attorney at Law

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 31 day of October, 2002, I caused to be served a true and correct copy of the foregoing by the method indicated below, and addressed to the following:

U.S. Trustee
P.O. Box 110
Boise, ID 83701

U.S. MAIL
 HAND DELIVERY
 OVERNIGHT MAIL
 FACSIMILE



BRUCE A. ANDERSON

Attorney for Debtors-in-Possession

Elsaesser Jarzabek Anderson
Marks Elliott & McHugh
P.O. Box 1049
Sandpoint, ID 83864

Client Number A08569 00001
Invoice Number 11331
Invoice Date 10/22/2002
Activity billed through 10/31/2002

Frank Chapin
Sydney Gutierrez-Chapin
P.O. Box 781
Sandpoint, ID 83864

Prior balance brought forward	\$13,667.50
Less payments received	\$12,897.50
Less adjustments applied	\$-87.50
Net balance forward	<u>\$682.50</u>

CHAPTER 11 FEES REGARDING: FRANK & SYDNEY CHAPIN 02-20218

Regarding:

ASSET ANALYSIS AND RECOVERY:

Identification and review of potential assets including causes of action and non-litigation recoveries.

For professional services rendered:

Hours Rate

Total fees for this matter:

\$0.00

EXHIBIT

A

Regarding:

CASE ADMINISTRATION:

Coordination and compliance activities, including preparation of statement of financial affairs; schedules; list of contacts; United States Trustee interim statements and operating reports; contacts with the United States Trustee; general creditor inquiries.

For professional services rendered:

Hours Rate

07/08/2002	BA	Work on assembly of documents for Supplemental Disclosure regarding Application of Attorney, Verified Statement of Barry McHugh for Court and 20 largest Creditors.	0.50	175	87.50
07/09/2002	BA	Review file; letter to Frank Chapin regarding	1.00	175	175.00

07/09/2002	BA	upcoming status conference. Receipt and review of motion to convert filed by U.S. Trustee's office.	0.50	175	87.50
07/16/2002	BA	Message from Gary McClendon regarding monthly reports and fees; letter to Gary McClendon; copy to client.	0.25	175	43.75
07/24/2002	BA	Teleconference with Sydney Chapin regarding monthly report.	0.25	175	43.75
07/26/2002	BA	Meeting with Frank and Sydney Chapin; work on operating statements for first five months; work on amendments to schedules.	1.50	175	262.50
07/29/2002	BA	Work on operating statements; teleconference with Frank Chapin; message to Frank Chapin and Sydney Chapin.	1.25	175	218.75
08/05/2002	BA	Letter to the Chapin regarding communicating with attorney.	0.30	175	52.50
08/27/2002	BA	Revise schedules and file.	0.50	175	87.50
10/16/2002	BA	Teleconference with Gary McClendon regarding monthly reports.	0.10	175	17.50

Total fees for this matter:

\$1,076.25

Regarding:

CLAIMS ADMINISTRATION AND OBJECTIONS:

Specific claim inquiries; bar date motions; analyses, objections and allowances of claims.

For professional services rendered:

			Hours	Rate	
07/03/2002	BA	Receipt and review of proofs of claims for the Estate of Christina Leaf and beneficiaries.	0.50	175	87.50
07/23/2002	BA	Receipt and review of letter from Capital One Financial.	0.10	175	17.50

Total fees for this matter:

\$105.00

Regarding:

FEE/EMPLOYMENTS APPLICATIONS:

Preparation of employment and fee applications for self or others, motions to establish interim procedures.

For professional services rendered:

			Hours	Rate	
07/03/2002	BA	Teleconference with Barry McHugh regarding appointment as counsel; teleconference with Jeff Howe, U.S. Trustee's office regarding necessary disclosures for appointment of Barry McHugh; draft supplemental disclosure regarding appointment of Barry McHugh.	0.75	175	131.2
07/08/2002	BA	Draft and file amended application and verified statement of Barry McHugh.	0.50	175	87.5

07/16/2002	BA	Teleconference with Gary McClendon regarding Chapin fee application; letter to Gary McClendon resolving all issues in question.	0.50	175	87.50
07/30/2002	BA	Prepare for and attend hearing on interim compensation.	0.75	175	131.25
10/22/2002	BA	Work on fee application.	1.00	175	175.00

Total fees for this matter:

\$612.50

Regarding:

RELIEF FROM STAY PROCEEDINGS:

Matters relating to termination or continuance of automatic stay under Section 362.

For professional services rendered:

			Hours	Rate	
07/01/2002	BA	Teleconference with Frank Chapin regarding Ford Motor Credit matter; teleconference with Rick Hayden.	0.50	175	87.50
07/09/2002	BA	Teleconferences with clients; teleconference with Rick Hayden; prepare for and attend hearing on Ford Motor Credit Company motion for stay relief.	1.25	175	218.75
07/25/2002	BA	Receipt and review of letter from Rick Hayden on behalf of Ford Motor Credit; fax to clients.	0.30	175	52.50
07/26/2002	BA	Teleconference with Rick Hayden regarding pending Ford Motor Credit motion.	0.20	175	35.00
07/30/2002	BA	Meeting with Rick Hayden prior to hearing; Attend hearing on Ford Motor Credit Company's motion for stay relief.	0.50	175	87.50
08/06/2002	BA	Teleconference with Sydney Chapin regarding Ford Motor Credit Company matter.	0.25	175	43.75
08/07/2002	BA	Teleconference with Frank Chapin; teleconferences with Rick Hayden (2); letter to Frank Chapin with directions.	0.75	175	131.25
08/20/2002	LP	Work on Notice of Stipulated Order Granting Relief with Ford Motor Credit Company to Master Mailing List.	0.50	40	20.00
08/20/2002	BA	Work on Notice of Stipulated Order Granting Relief with Ford Motor Credit Company; mailed to master mailing list.	0.50	175	87.50
10/09/2002	BA	Teleconference with Rick Hayden; teleconference to Frank Chapin.	0.20	175	35.00
10/22/2002	BA	Prepare for and attend Ford Motor Credit Company's stay relief hearing in Coeur d'Alene.	0.50	175	87.50

Total fees for this matter:

\$886.25

Regarding:

TAX ISSUES:

Analysis of tax issues and preparation of state and federal tax returns.

For professional services rendered:

Hours Rate

07/26/2002	BA	Meeting with Frank and Sydney Chapin.	1.50	175	262.50
07/31/2002	BA	Receipt and review of Internal Revenue Service's proof of Claim.	0.20	175	35.00

Total fees for this matter:

\$297.50

Regarding:

Adversary Proceedings:

American Lutheran Church et al./Estates of Wilbur and Christina Leaf

For professional services rendered:

			Hours	Rate	
07/03/2002	BA	Teleconference with Bonnie Charney regarding adversary proceeding matters and confidentiality agreement.	0.30	175	52.50
07/08/2002	BA	Extended teleconference with Maris Baltins regarding turnover of documents and confidentiality agreement.	0.50	175	87.50
07/10/2002	BA	Extended teleconference with Frank and Sydney Chapin regarding adversary proceedings.	0.50	175	87.50
07/11/2002	BA	Work on adversary proceeding answers.	0.50	175	87.50
07/18/2002	BA	Email to Maris Baltins and Mike Paukert regarding representation of non individual entities; work on answer to complaint.	1.00	175	175.00
07/23/2002	BA	Teleconference with Maris Baltins; receipt and review of mediation statement from Court.	0.50	175	87.50
07/24/2002	BA	Work on answers to adversary proceedings.	0.75	175	131.25
07/24/2002	BA	Work on answers to adversary proceedings.	0.75	175	131.25
07/25/2002	BA	Review adversary complaints 6135 and 6136; draft answers to same.	3.00	175	525.00
07/26/2002	BA	Meeting with Frank and Sydney Chapin.	1.50	175	262.50
07/26/2002	BM	Conference with clients and Bruce Anderson regarding answer to complaint; crossclaim and counterclaim.	1.20	150	180.00
07/30/2002	BA	Teleconference with Maris Baltins; work on answers to adversary complaints.	1.00	175	175.00
07/31/2002	LP	Assembling documents for request for additional discovery.	0.50	40	20.00
07/31/2002	BA	Teleconference with Bill Schroder.	0.20	175	35.00
08/05/2002	BA	Teleconference with Maris Baltins; letter to Chapins regarding documents needing to be produced pursuant to 2004 examination.	0.50	175	87.50
08/05/2002	BA	Receipt and review of package of documents regarding crossclaim; work on answers to adversary complaints.	1.00	175	175.00
08/06/2002	BA	Receipt and review of letter from Maris Baltins; reply letter to Maris Baltins and Mike Paukert after review of general ledgers.	0.50	175	87.50
08/07/2002	BA	Email from Lew Wilson.	0.10	175	17.50
08/09/2002	BA	Teleconference to Lew Wilson; teleconference from Lew Wilson; teleconference from Laura McAloon; teleconference with Maris Baltins all regarding scheduling mediation and proposed order.	1.25	175	218.75
08/11/2002	BA	Review of stipulation for mediation; make revisions; teleconferences with Laura McAloon.	1.00	175	175.00
08/12/2002	BA	Teleconference from Laura McAloon's office;	0.30	175	52.50

		refax stipulation.			
08/13/2002	BA	Receipt and review of fax from Lew Wilson; email to Lew Wilson; teleconference with Lew Wilson, all regarding adversary proceedings.	0.50	175	87.50
08/19/2002	BA	Work on answers to adversary complaints.	0.50	175	87.50
08/20/2002	BA	Receipt and review of final mediation order from Bill Schroeder; send to clients with letter.	0.50	175	87.50
08/26/2002	BA	Teleconference with Bill Schroeder regarding upcoming mediations.	0.25	175	43.75
08/29/2002	BA	Prepare for mediation.	0.75	175	131.25
08/30/2002	BA	Prepare for mediation; receipt and review of binder from Frank Chapin; conference call with Frank Chapin.	2.50	175	437.50
08/30/2002	BA	Work on Answers to adversary complaints; teleconference to Max Etter, mediator; discussing issues before mediator.	2.50	175	437.50
09/03/2002	BA	Prepare for and attend mediation in Spokane; travel time.	9.00	175	1,575.00
09/04/2002	BA	Complete review of all documents produced in Carl Chapin deposition; complete review of the file produced by Frank Chapin.	2.00	175	350.00
09/05/2002	BA	Teleconference to Mike Paukert's office.	0.20	175	35.00
09/09/2002	BA	Extended teleconference with Mike Paukert; work on answer to adversary proceedings.	1.00	175	175.00
09/12/2002	BA	Teleconference to Bill Edder regarding settlement; email from Lew Wilson regarding state court matter.	0.25	175	43.75
09/17/2002	BA	Letter to Mike Paukert regarding potential for settlement.	0.40	175	70.00
09/24/2002	BA	Teleconferences with Joe Delay regarding settlement of dispute with estates.	0.20	175	35.00
10/01/2002	BA	Continued preparation for and attend argument before State Supreme Court.	0.40	175	70.00
10/04/2002	BA	Letters to all counsel regarding adversary proceeding and answers forthcoming.	0.50	175	87.50
10/08/2002	BA	Work on answers to complaints; teleconference to Frank Chapin.	0.50	175	87.50
10/09/2002	BA	Continued work on answers to all three adversaries; teleconference to Lew Wilson requesting information regarding state court action and claims made therein.	3.00	175	525.00
10/10/2002	BA	Continued work on answers to adversary complaints; email to Lew Wilson again requesting documentation in order to answer complaints.	0.50	175	87.50
10/11/2002	BA	Teleconference to Lew Wilson; receive and review state court pleadings; finish and file answers and counterclaims.	6.00	175	1,050.00
10/11/2002	LP	Work on and file answers and third-party complaints.	3.00	40	120.00
10/15/2002	BA	File answers to complaints; teleconference to Frank Chapin (left message to call back); letter to Frank Chapin.	0.75	175	131.25
10/16/2002	BA	Extended teleconference with Maris Baltins; teleconference with Grace from Maris Baltins' office; revise answer on Case No. 02-6137.	1.75	175	306.25
10/17/2002	BA	Extended teleconference with Tim Graham regarding potential settlement.	0.25	175	43.75
10/21/2002	BA	Teleconference with Bill Schroeder regarding Maris Baltins representations regarding settlement.	0.20	175	35.00
10/22/2002	BA	Receive and review proposed complaint in Bonner County Court and other pleadings.	0.20	175	35.00

Total fees for this matter:

\$9,026.25

Billing Summary:

Anderson, Bruce	66.65 hrs	175	11,663.75
McHugh, Barry	1.20 hrs	150	180.00
Powell, Lisa	<u>4.00 hrs</u>	40	<u>160.00</u>
Total fees	71.85		\$12,003.75
Total professional services		12,003.75	
Total charges for this invoice		\$12,003.75	
Net balance forward		682.50	
BALANCE DUE		\$12,686.25	

08/20/2002	APC	Copying charges: Notice of Stipulated Order Granting Relief with Ford Motor Credit Company to Master Mailing List.	11.85
08/27/2002	AFAX	FAX: Letter regarding mediation faxed to Frank & Sydney Chapin.	8.00
08/27/2002	AOPO	Postage: Amended Schedule B.	2.72
08/27/2002	APC	Copying charge Amended Schedule B.	3.60
09/03/2002	AMS	Miscellaneous Expense: Check No. 30131 for parking at Mediation.	5.00
09/17/2002	AFAX	FAX: Letter to Mike Paukert.	2.00
10/01/2002	AFAX	FAX: Letter regarding adversary proceedings faxed to Mike Paukert.	3.00
10/01/2002	AFAX	FAX: Letter regarding adversary proceedings faxed to Maris Baltins.	3.00
10/01/2002	AFAX	FAX: Letter regarding adversary proceedings faxed to Joe Delay.	3.00
10/04/2002	AFAX	FAX: Letter faxed to Frank Chapin.	2.00
10/09/2002	AFAX	FAX: Letter regarding Ford Motor Credit Company faxed to Frank Chapin.	4.00
10/22/2002	AFAX	FAX: Letter regarding Answers to Adversary Complaints faxed to Mike Paukert.	2.00
10/22/2002	AFAX	FAX: Letter regarding Answers to Adversary Complaints faxed to Maris Baltins.	2.00
10/22/2002	AFAX	FAX: Letter regarding Answers to Adversary Complaints faxed to Tim Graham.	2.00
10/22/2002	AFAX	FAX: Letter regarding Answers to Adversary Complaints faxed to John Murray.	<u>2.00</u>

Total disbursements for this matter:

\$601.13

Total disbursements advanced	601.13
Total charges for this matter	\$601.13
Net balance forward	<u>0.00</u>
BALANCE DUE	\$601.13