

Jed W. Manwaring  
 EVANS, KEANE LLP  
 1101 W. River Street, Suite 200  
 P. O. Box 959  
 Boise, Idaho 83701-0959  
 Telephone: (208) 384-1800  
 Facsimile: (208) 345-3514

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Attorneys for Trustee, Bernie R. Rakozy

IN THE UNITED STATES BANKRUPTCY COURT  
 FOR THE DISTRICT OF IDAHO

In re:  
 COMMUNITY HOME HEALTH, INC.,  
 Debtor.

Case No. 98-02141

APPLICATION FOR INTERIM  
 COMPENSATION FOR  
 ATTORNEY OF TRUSTEE

Pursuant to Rule 2016 and Section 330(a) of the Bankruptcy Code, the law firm of EVANS, KEANE LLP, as attorney for Trustee, by and through its partner, Jed W. Manwaring, moves this Court for approval of compensation and reimbursement for fees and costs in the total amount of \$25,469.33 EVANS, KEANE LLP, respectfully represents as follows:

<b>I. INFORMATION ABOUT THE APPLICANT AND APPLICATION.</b>	
The following information must be provided on all applicants for compensation and reimbursement of expenses:	
1. Date the bankruptcy petition was filed.	June 25, 1998
Date the application requesting approval of employment was filed.	June 25, 1998
Date the order approving employment of applicant was signed.	June 26, 1998
Identity of the party represented in this case.	Bernie Rakozy
Date services were first commenced.	June 25, 1998

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If applicant seeking compensation under a provision of the Bankruptcy Code other than Section 330, state which section.	
2. Terms and conditions of employment and compensation.	Hourly rates plus costs subject to court approval.
Source of compensation.	
Identify the existence and terms controlling the use of any retainer received from any party for providing services in this case.	
Identify any budgetary or other limitations on fees.	
3. Names and hourly rates of applicant's professionals and paraprofessionals who are requesting compensation.	Jed W. Manwaring, partner/ attorney - \$125/hr; Thomas B. Humphrey, attorney - \$95/hr; Monica Moen, attorney - \$95/hr; Karen L. Silva - associate/ paralegal - \$55/hr
Explanation of any changes in hourly rates.	
Is the requested compensation based on the customary compensation charged by comparably skilled practitioners in cases other than cases under Title 11?	Yes
4. Applications is for interim or final compensation	Interim
Dates of previous orders concerning interim compensation or expenses for this applicant.	N/A
Amount of compensation previously requested.	\$ -0-
Amount of compensation previously allowed by the Court.	\$ -0-
Amount of compensation and expenses paid to date.	\$ -0-
Amount of allowed compensation remaining unpaid to date	None
5. Has the person on whose behalf the applicant is employed been given an opportunity to review the pending application.	Yes
Has the person employing the applicant approved the requested amount.	Trustee to Review
6. If the application filed less than 120 days after the order of relief or after a prior application was filed with the Court please state the date and terms of the order allowing the shortened period.	N/A

7.	State time period of the services or expenses covered by the application.	June 25, 1998 through November 25, 1998.
<b>II. CASE STATUS.</b>		
The following information should be provided to the extent that it is known or can reasonably be ascertained by the applicant.		
1.	If a Chapter 7 case, then	
	All funds received by the trustee to date.	\$217,382.00
	All funds disbursed by the trustee to date.	\$ 83,021.00
	Date a final accounting is expected to be filed by the trustee	Unknown
	If the application is seeking an interim award, are there any other administrative expenses of equal or higher rank which are or will be prejudiced by payment of this claim.	No
2.	If a Chapter 11 case, then	
	Has a plan and disclosure statement been filed?	
	If your answer to 2a is no, then state date when disclosure statement and plan is expected to be filed.	
	Have all of the monthly operating reports been filed?	
	Have all Chapter 11 Quarterly Fees been paid current to the United States Trustee?	
3.	For All Chapters:	
	List the total amount of cash on hand or on deposit which belongs to the estate.	\$134,361.76
	List the amount and nature of accrued unpaid administrative expenses.	None other than the Trustee's fees and expenses which are unknown to attorneys.
	State the amount of unencumbered funds in the estate.	\$130,801.32

**III. PROJECT SUMMARY.**

All time and service entries should be arranged by project categories. Separate project categories should be used for administrative matters and fee application preparation.

- a. Description of the project, its necessity and benefit to the estate and the status of the project including all pending litigation for which compensation and reimbursement are requested.
- b. Identification of each person providing billable services on the project.
- c. A statement of the number of hours spent and the amount of compensation requested for each professional and paraprofessional for each project; and
- d. Itemized time and service entries, as appropriate.

**LIST OF PROJECTS CATEGORIES.**

- 1. Fee\Employment Applications
- 2. Operation, Collection of Accounts Receivable, and Medicare issues.
- 3. Asset Analysis, Recovery and Disposition.
- 4. Leased property issues, Claims Administration, Objections, and Stay Proceedings.

**PROJECT NO 1: FEE\EMPLOYMENT APPLICATIONS**

**a. Description \ Necessity \ Benefit:**

The Attorneys for the Trustee prepared Fee\Employment Applications necessary to be approved by the court and to obtain compensation. The estate benefitted by having full disclosure, review and opportunity for objection, if any. The hours listed below were for the previous Application for Compensation.

**b.c.d. Identification of persons, hours, compensation requested and itemization:**

DATE	PER-SON	DESCRIPTION	HOURS	COMPENSATI ON
		Time entries and expenses for this project will appear on next interim application for compensation.		
		<b>TOTAL</b>		

**TOTAL**

Jed W. Manwaring (JWM) - Partner -0- hours \$ -0-

**TOTAL FEES-PROJECT 1 \$ -0-**

**TOTAL COSTS AND DISBURSEMENTS - PROJECT 1 \$ -0-**

**PROJECT NO 2: OPERATION, COLLECTION OF ACCOUNTS RECEIVABLE, AND  
MEDICARE ISSUES**

a. Description \ Necessity \ Benefit:

The debtor was a home health care agency operating in southwest and central Idaho. Its main source of revenue was from administering health care to the elderly with reimbursement from government agencies through Medicare and Medicaid programs. The debtor filed bankruptcy abruptly without winding down. The trustee's attorney assisted in the major decisions on how to handle the shutdown of the business. The attorney negotiated with the secured creditor and the debtor's principals in order to obtain a limited operating order and maintain operations in order to finish out the billings on work in process and attempt to maximize the return on the accounts receivables. The bulk of the accounts receivables, which the debtor estimated to be in excess of \$500,000.00, were from the Medicare/Medicaid programs. The trustee's attorneys determined in negotiations between the debtor's principals, and the secured creditor, U.S. Bank, that the trustee should continue the operation and wind down with the processing of all work in process to the extent possible. The trustee's attorneys prepared all the operating pleadings and assisted the trustee in overseeing the operation from June 25, 1998 through August 15, 1998. The operation overlapped with numerous legal issues as to viability of claims against governmental agencies and their right to set off with prepetition overpayments. At the outset, the debtor's principals represented that a stream of revenue would continue to come in. Unfortunately that did not occur.

After the operation shut down in August, 1998, the trustee's attorneys have maintained one part-time independent contractor to continue to pursue insurance claims and private billings. The trustee's attorneys also continued to provide review of Medicare decisions and reports hoping to maintain viable causes of action, if any, against the governmental agencies. Health care law specialists from Chicago and New York have been conferred with. Proposed special counsel has been conferred with. The viability of the trustee entering litigation with the government has also been analyzed.

The trustee's attorney also negotiated a significant administrative rent claim between the landlord of the premises where the operation occurred and the secured party. The cash collateral of the secured party was used to pay the expenses of the operation and a portion of the administrative rent incurred.

Unfortunately, the operation incurred more expense than the estate has recovered to date. The estate collected \$52,500. Expenses to date total \$33,000 for mostly labor and \$33,600 in rent. Medicare has refused to pay claiming the right to setoffs. However, at the beginning of the operation, there was no way to predict whether the operation would pay for itself. The estate benefitted by having the operation wound down in an organized fashion, which also tended to benefit the liquidation of the hard assets in the estate. As a result of the accounts receivable preserved through the operation, the estate may still have a viable claim against governmental agencies. U.S. Bank claims security to those receivables and the trustee has not yet decided whether the estate will benefit by pursuing the receivables from the governmental entities.

b.c.d. Identification of persons, hours, compensation requested and itemization:

DATE	PERSON	DESCRIPTION	HOURS	COMPEN - SATION
06/25/98	JWM	P2, telephone call from Rakozy and Clark on Community Home Health, Inc. case and proposed operating order (.50); research and prepare draft outline for operating order (1.50); attend meeting with debtor's principals, Rakozy, Clark and Howe on liquidation and asset preservation issues (1.30); complete draft of proposed Stipulation for Limited Operating Order and proposed Order (2.30).	5.60	700.00
06/26/98	TBH	P2, telephone conference with R. Peterman; review stipulation.	0.30	28.50
06/29/98	TBH	P2, telephone conference with R. Peterman; draft notice pleading.	0.20	19.00
07/06/98	JWM	P2, telephone call from priority creditors x5 re: hearing today on cash collateral (.80); telephone conference with Peterman re: cash collateral order (.20); meeting with client and attend hearing on operation and cash collateral (1.50); meeting with employees and principals afterward re: operating order and cash collateral (.80).	3.30	412.50
07/07/98	JWM	P2, redraft proposed preliminary operating and cash collateral order and call to Peterman (.50); receipt and review UCC documents (.20); telephone conference with Rakozy (.10); meeting with Rakozy on insurance and status of operation (.50); telephone call from government counsel re: status of payments from medicare (.30).	1.60	200.00

07/08/98	JWM	P2, draft Independent Contractor Agreement for operating personnel (.60); meeting with consultants and client to propose operation terms and answer questions concerning bankruptcy payments and operation and collection issues against HCFA (2.80); meet with principals of debtor, their attorney and Rakozy re: retirement account as part of estate and related issues (.70); review inventories and equipment at main office (.50).	4.60	575.00
07/10/98	JWM	P2, telephone call from staff at debtor re: salary reporting (.10); receive and review correspondence from Clark re: retirement funds (.20).	0.30	37.50
07/16/98	JWM	P2, meeting with Rakozy re: insurance protection, building leasing issues, temporary employee issues, review and final letter to Blue Shield of Cal. - extension, telephone conference with Slieght (1.80).	1.80	225.00
07/20/98	JWM	P2, telephone conference from Kaiser re: payments to ICs (.20) ; receipt and review memo from Kittleson re: Cafeteria Plan Bank Account issues (.30); review format for billing and payment to ICs from first two weeks and submit for payment on first billing (.50).	1.00	125.00
07/21/98	JWM	P2, telephone conference with State Insurance Fund re: workers comp coverage for ICs x2 (.30); telephone conference with Segdwick James re: same (.40); telephone call from Dept. of Employment (.20).	0.90	112.50
07/22/98	JWM	P2, telephone conference with Rakozy (.20); telephone conference with Julie at CHH re: supplier credits (.30); telephone conference with Kittleson at CHH re: retirement account rights (.20); telephone conference with Hailey landlord re: claim issues and obtaining access x5 (.80); telephone conference with Gooding personnel re: same (.50).	3.50	437.50

07/23/98	JWM	P2, telephone call from Kittleson re: bank accounts and operating order (.30).	0.30	37.50
07/24/98	JWM	P2, telephone call from Kittleson re: matters for Monday meeting (.10); telephone call from Hosak, landlord re: dispute on rejection of lease for operation (.30); telephone call from employee re: payroll information demand (.20).	0.60	75.00
07/27/98	JWM	P2, review and analyze reported cases on Medicare offsets in bankruptcy court along with other documents (2.10); meeting with independent contractors under operating order to assess status and continuing issues (3.50).	5.60	700.00
07/29/98	JWM	P2, attend first meeting of creditors re: operation main subject (1.80); meeting with Doris Rice, collector at CHH (.20);	2.00	250.00
07/30/98	JWM	P2, telephone call from employee re: claims for compensation (.20); receipt and review memos from operating personnel re: status of work on collections (.20); receipt and review memo from operating personnel re: cafeteria plan 125 equity (.20); draft demand letter on insufficient funds check (.30).	0.90	112.50
07/31/98	JWM	P2, telephone conference with Sleight and Kaiser re: operation (.30).	0.30	37.50
08/03/98	JWM	P2, conference call with Peterman and Gillespie, & Kittleson (.60); telephone call from Kittleson (.10) review operating data and draft Trustee's Budget and Operating Report (2.10).	2.80	350.00
08/04/98	JWM	P2, meet with Rakozy to view property and operation (1.20); telephone conference with workers and meet with re: operating issues (.80).	2.00	250.00

08/05/98	JWM	P2, confer with Kaiser and Kittleson re: operation (.20); confer with Rakozy on operating prospective (.30); telephone conference with Baltimore welfare attorney (.10); meeting with secured creditor and debtor in preparation for hearing (.50).	1.10	137.50
08/06/98	JWM	P2, telephone conference with Verlene Kaiser and Rakozy re: operation (.20); receive and review correspondence from Rakozy to Clark re: mail issues (.10); telephone call from Katherine Carter-Jennings re: claim against Medicare (.50); telephone conference with Schloss (.20).	1.0	125.00
08/07/98	JWM	P2, telephone call from Peterman re: operation and review cases and documents from same (1.0); telephone conference with Ada County re: sales (.20); meeting with principals re: operation (.50).	1.70	212.50
08/10/98	JWM	P2, meeting with Rakozy and operating personnel re: status (.80); receipt and review final Cost Report and transmit to Blue Cross of Cal. And call to Verlene Kaiser re: same (.30).	1.10	137.50
08/11/98	JWM	P2, meeting with independent contractors re: operation and winding down issues (1.50); telephone call from Blue Cross of Cal. Re: final cost report (.20).	1.70	212.50
08/12/98	JWM	P2, meeting with independent contractors on operation (.50); telephone call from HCFA re: termination date and cost report (.40).	0.40	50.00
08/13/98	JWM	P2, telephone call from Lojek re: accounts rec and claims against feds (.50); meet with operating workers re: wind up and leased property turnover (.90).	1.40	175.00
08/14/98	JWM	P2, confer with Kaiser and Kittleson and other contractors re: operation shut down and claim against government (1.80).	1.80	225.00

08/17/98	JWM	P2, receive and review correspondence from debtor to Medicare/Blue Cross (.50); telephone call from Baltimore attorney re: recent medicare case in bankruptcy (.20).	0.70	87.50
08/18/98	JWM	P2, receipt and review final operating memos from Kittleson and payroll information and transmit to Rakozy (.50).	0.50	62.50
08/19/98	JWM	P2, receive and review correspondence from various sources regarding accounts receivable prosecution (.80); telephone conference with Peterman re: same (.30); draft correspondence to Peterman re: same (.60); draft correspondence to Peterman and Meier re: administrative rent (.50); meet with Hatcher re: collection of private accounts (.40).	2.60	325.00
08/20/98	JWM	P2, receive and review correspondence from Peterman re: accounts receivable and research on medicare collection issues (.40).	0.40	50.00
08/24/98	JWM	P2, confer with Cindy Hatcher on private billings and collections (.50).	0.50	62.50
08/25/98	JWM	P2, confer with Rakozy on status of case (.30); meeting with Cindy Hatcher on collections (.30); telephone conference with Chicago attorney re: claim against feds (.50).	1.10	137.50
08/26/98	JWM	P2, receive and review correspondence from Blue Cross of CA re: disputes and adjustments to Final Cost Report (.60); call to Kaiser, Peterman and Meier x2 re: lease space to vacate (.40).	1.0	125.00
08/27/98	JWM	P2, meeting with Verlene Kaiser and Kittleson re: medicare and related issues on cost report (.50); receipt and review new Oklahoma bankruptcy cases re: medicare issues (.50).	1.0	125.00

09/01/98	JWM	P2, receipt and review correspondence from Blue Shield re: cost report and transmit to Slieght for comments (.40); telephone call from provider and call to Hatcher re: collection (.30).	0.70	87.50
09/02/98	JWM	P2, confer with Cindy Hatcher re: collection of private billings and meet with Rakozy on same (.50).	0.50	62.50
09/03/98	JWM	P2, telephone call from Sedgwick James re: operating insurance and termination; draft correspondence to Randy French re: same (.50); receive and review correspondence form Clark to Peterman re: operation and financial statement (.20); telephone conference with Merriwether of Blue Shield (.10).	0.80	100.00
09/04/98	JWM	P2, telephone conference with Verlene Kaiser re: meeting with bank and accounts rec. (.50).	0.50	62.50
09/08/98	JWM	P2, receive and review correspondence form Peterman re: collection and telephone conference with Ann Rands (.10); receive and review correspondence from Clark re: action against Medicaid (.30); receipt and review various administrative law decisions (.80).	1.20	150.00
09/09/98	JWM	P2, telephone conference with Peterman and Kaiser re: collection on accounts (.30).	0.30	37.50
09/15/98	JWM	P2, telephone conference with Peterman re: accounts rec issues, telephone conference with Cindy Hatcher re: collections status (.50).	0.50	62.50
09/18/98	JWM	P2, telephone conference with Slieght re: Medicare issues (.30).	0.30	37.50
09/19/98	JWM	P2, receipt and review numerous decisions on Medicare decisions (.30).	0.20	25.00

09/21/98	JWM	P2, receive and review correspondence from Sleight and call from same re: response to Medicare adjustments for 94 and 95, draft letter to Merriweather/Blue Cross (2.80).	2.80	350.00
09/22/98	JWM	P2, telephone call from Nancy Shiahoma of HCFA re: violations of stay by Blue Cross procedure (.50); telephone call from Blue Cross of CA re: 98 cost report and draft correspondence to same (.30); telephone conference with Derbidge re: HCFA stay violations (.40).	1.20	150.00
09/24/98	JWM	P2, telephone call from Blue Cross of Cal re: cost report and obtain Trustee's signature on lacking pages, draft correspondence to Blue Cross (.40); extended conference call with Judge Craig (Office of Medicare Appeals) and Trustee on Medicare Appeals, discuss options, calls to Clark, Peterman, and Kaiser on same, receipt and review list of pending cases from office of Appeals (1.60).	2.0	250.00
09/25/98	JWM	P2, telephone conference with Peterman and Clark, conference with Rakozy re: medicare appeals, telephone conference with Judge Craig's office, draft correspondence to Judge Craig and telephone conference with Verlene Kaiser re: records for appeals.	1.00	125.00
09/28/98	JWM	P2, telephone call from Verlene re: medicare appeal records (.30); telephone call from Joe Meier re: operating rent (.20).	0.50	62.50
09/29/98	JWM	P2, receipt and review Motion for Allowance of Administrative Expenses from Hosac and instruct TBH on research (.30); meet with Kaiser re: medicare medical records (.80).	1.10	137.50

09/30/98	JWM	P2, telephone call from Verlene Kaiser re: records delivered to medicare appeals office (.20); receipt and review records list and medicare bankruptcy hornbook with research (.30); receipt and review medical claims documents and notices of decisions from Medicare appeals (.30).	0.80	100.00
10/05/98	JWM	P2, meeting with new worker on private collections for accounts (.30).	0.30	37.50
10/06/98	JWM	P2, confer with contractor collecting private accounts (.50); telephone call from Kaiser re: medicare issues (.20); telephone call from Blue Cross of CA re: cost report problems x2 (.60).	1.30	162.50
10/06/98	MM	P2, draft memorandum re: three issues concerning administrative rent from operation	6.60	627.00
10/07/98	MM	P2, finalize legal memorandum re: administrative cost of operation rent.	0.70	66.50
10/07/98	JWM	P2, receive and review correspondence from Lojek re: medicare claims (.10); confer with contract collector and advise on dunning letters on private accounts (.30).	0.40	50.00
10/08/98	JWM	P2, receipt and review numerous items of medicare, insurance, and government agency correspondence and respond to same (1.50); telephone call from Sohair Asaad at Blue Cross re: 97 cost report return and call to Sleight re: same (.60).	2.10	262.50
10/12/98	JWM	P2, receive and review correspondence from Blue Cross and draft correspondence to Sleight re: rejection of June 25, 1998 cost report (.30).	0.30	37.50

10/13/98	JWM	P2, review research on landlord's administrative claim (.50); telephone conference with Peterman (.20); telephone conference with Meier x2 (.30); telephone conference with Rakozy (.10); draft Objection to Hosac's Administrative Claim (.80).	1.90	237.50
10/14/98	JWM	P2, confer with contractor collecting private accounts and approve her correspondence (.30); prepare for hearing and instruct Rakozy on possible testimony (.50); attend hearing on Hosac's claim for Administrative claim, prehearing negotiations with Meier and Peterman (1.90)	2.70	337.50
10/19/98	JWM	P2, receive and review correspondence from Medicare attorney re: violations of stay (.20); review cash account reports, call to Ken Harris, Peterman, and Joe Meier to revise Hosac rent order (.50); confer with Phoebe re: collection of private accounts (.20).	0.90	112.50
10/20/98	JWM	P2, receipt and review numerous medicare correspondence from Blue Cross re: reversal of Appeals.	0.30	37.50
10/23/98	JWM	P2, confer with Rakozy (.20) and Phoebe re: collection of private accounts (.50); call with Peterman and Rakozy re: disputed Hosac rent and proposed order (.30).	1.00	125.00
10/26/98	JWM	P2, telephone call from Peterman x2 and agree on new Hosac payment order, call to Bernie, review proposed order, review new proposed order and call to Meier (1.20).	1.20	150.00
10/27/98	JWM	P2, receipt and review revised 6/3/98 cost report from Sleight, call to Sleight, and transmit to Blue Cross of CA (1.80).	1.80	225.00
10/28/98	JWM	P2, final and transmit 1998 Cost Report to Blue Cross of CA (.50); telephone conference with Peterman and Meier's office re: Hosac Order (.20).	0.70	87.50

10/30/98	JWM	P2, receipt and review order on the Hosac Rent, confer with Meier, and confer with Rakozy on payment.	0.30	37.50
11/02/98	JWM	P2, telephone call from accounts receivable re: dispute on who owes and confer with contractor collecting private accounts.	0.40	50.00
11/03/98	JWM	P2, confer with Rakozy on status of collections, draft correspondence to Peterman and Clark regarding Medicare collections (.90).	0.90	112.50
11/11/98	JWM	P2, review 34 medicare case dispositions and execute same number of payment certifications, transmit to Blue Cross of CA with correspondence.	1.20	150.00
11/17/98	JWM	P2, receive and review correspondence from Blue Cross re: rejection of 98 cost report and call to Ted Sleight.	0.70	87.50
11/18/98	JWM	P2, confer with Rakozy and call to Blair Clarke re: Medicare claim, telephone conference with Lojek, call to Blue Cross of CA re: rejection of 98 Cost Report	1.20	150.00
11/19/98	JWM	P2, receive and review correspondence from Medicare and review private receivables with Phoebe Stam.	0.60	75.00
11/23/98	JWM	P2, telephone conference with Don Lojek re: medicare claims, receipt and review medicare correspondence	0.50	62.50
		TOTAL	98	\$12,016.00

TOTAL

Jed W. Manwaring (JWM) - Partner  
90.20 hours @ \$125/hr                      \$11,275.00

Thomas B. Humphrey (TBH) - Associate  
0.5 hours @ \$95/hr.                              \$ 47.50

Monica Moen (MM) - Associate  
7.30 hours @ \$95/hr.                            \$ 693.50

TOTAL FEES-PROJECT 2

\$12,016.00

Disbursements and Expenses

Photocopies	\$213.75
Postage	\$ 56.92
Facsimile (Long Distance)	\$ 2.80
Various	
Other	\$ 52.50
Reimb. For used boxes	
Travel Expenses	\$ 20.94
Long Distance	
Telephone - Long Distance	\$ 10.72

TOTAL COSTS AND DISBURSEMENTS - PROJECT 2

\$357.63

**PROJECT NO 3: ASSET DISPOSITION.**

a. Description \ Necessity \ Benefit:

At the time of filing the bankruptcy petition, the debtor maintained offices with equipment, supplies and medical equipment in seven locations throughout southwest and central Idaho. The debtor had recently closed two or three other locations and had office equipment and furniture stored from those shutdowns. The trustee's attorneys assisted the trustee in gathering all the assets to one leased warehouse location in Boise. The lease of the warehouse was negotiated and drafted. The auctioneer's compensation was negotiated and agreed to. Temporary employees were hired and trucks leased for the use of gathering all the office equipment. Permission and authority from the court was obtained to have limited sales without notice or with shortened notice in order to finance the gathering of office equipment to Boise. The liquidation process also involved numerous calls, visits, and correspondence from landlords, former employees, creditors, and members of the public with a broad range of questions.

The services were necessary in order to obtain value from the office equipment and furniture left in the estate. After payment of expenses, the estate netted approximately \$75,000 to \$80,000 from the sale. Subsequent to the auction, miscellaneous property remained to be sold, the administrative expenses incurred for rent and auctioneer's expenses were applied and approved.

The attorneys also assisted in liquidating an employee benefit account (netting \$2,200 for the estate), negotiated on the 401K program, and assisted accountants in obtaining \$33,300 in tax refunds.

b.c.d. Identification of persons, hours, compensation requested and itemization:

DATE	PERSON	DESCRIPTION	HOURS	COMPENSATION
07/11/98	JWM	P3, Work on liquidation issues for gathering of property.	0.80	100.00
07/13/98	JWM	P3, telephone conference with potential liquidation personnel.	0.50	62.50
07/14/98	JWM	P3, telephone conference with Rakozy re: liquidation issues.	0.50	62.50
07/16/98	JWM	P3, telephone call from McCracken re: building lease issues (.20); visit proposed sale and lease site with Rakozy (1.0); telephone conference with potential workers re: contract issues (.40).	1.60	200.00
07/20/98	JWM	P3, meeting with moving crew to sign Independent Contract Agreement and format work (.60); telephone conference with insurance company re: protection of property and workers (.50).	1.10	137.50
07/21/98	JWM	P3, confer with Rakozy on rental of building (.70); meeting with IC's and calls with Rakozy re: liquidation issues (1.50).	2.20	275.00
07/23/98	JWM	P3, confer with movers on office equipment (1.20).	1.20	150.00
07/24/98	JWM	P3, telephone call from Verlene re: equipment and leases (.20); telephone conference with Mt. Home manager, Schloss re: access to equipment (.20); confer with equipment movers re: access and location set up (2.10); draft lease for liquidation warehouse (1.20); calls to warehouse landlord (.20).	3.90	487.50
07/28/98	JWM	P3, meeting with Kaiser at Vista property to review and access to furniture (.60); telephone conference with Ada County on property (.20)	0.80	100.00

DATE	PERSON	DESCRIPTION	HOURS	COMPENSATION
07/29/98	JWM	P3, telephone conference with McCall employees x6 re: access to property to move equipment (.50); telephone call from McCracken re: lease negotiations on auction space and redraft proposed lease (.50).	1.0	125.00
07/30/98	JWM	P3, telephone conference with movers and confer with Rakozy on liquidation issues (.50); telephone conference with vendor re: proposed buyer of office leased equip vs. owned equipment (.30); confer with movers on liquidation process (.50).	1.30	162.50
07/31/98	JWM	P3, telephone conference with Ada County re: purchase and meet Rakozy at storage facility (.40); meeting with McCracken re: final and sign lease on liquidation building (.40); telephone conference with Verlene Kaiser, Salmon manager, Julie - inventory manager and others re: liquidation (.80).	1.60	200.00
08/03/98	JWM	P3, confer with movers and Rakozy on liquidation (.30).	0.30	37.50
08/05/98	JWM	P3, draft Motion to Sell Without Notice and proposed order on shelving (.80).	0.80	100.00
08/06/98	JWM	P3, receive and review correspondence from Insurance re: cancellation and call to Sedgwick James (.20).	0.20	25.00
08/10/98	JWM	P3, telephone conference with and negotiate with Ada County on shelving purchase (.30).	0.30	37.50
08/12/98	JWM	P3, meeting with Rakozy, movers and auctioneer on method, format, notice, and fees of auction (1.80); meeting with buyers on sales of misc. equipment (.40).	2.20	275.00
08/13/98	JWM	P3, negotiate sale of medical library and misc. Property to Ida Health (.80).	0.80	100.00

DATE	PERSON	DESCRIPTION	HOURS	COMPENSATION
08/14/98	JWM	P3, attend sale of property to Boise Plumbing (1.50); draft and file Petition for Approval of Sales without Notice (1.30); draft Notice of Auction Sale by Trustee with calls to American Auctioneers and Trustee (.80).	3.60	450.00
08/17/98	JWM	P3, meet with movers and auctioneers (.80).	0.80	100.00
08/18/98	JWM	P3, meeting auctioneer and movers (.30).	0.30	37.50
08/20/98	JWM	P3, confer with Rakozy on status of liquidation and operation (.50); telephone conference with US Bank re: employees' 125 account and transmit documentation (.30).	0.80	100.00
08/24/98	JWM	P3, telephone call from Citicorp re: lease turnover and liquidation (.60); telephone conference with Hatcher and Peterman re: collection of private accounts (.20).	0.80	100.00
08/25/98	JWM	P3, meeting with auctioneers and review advertising drafts and procedures (.80).	0.80	100.00
08/26/98	JWM	P3, settle moving expenses advanced by firm (.20); meeting with Auctioneer and Rakozy re: sale format and advertising (.30).	0.50	62.50
08/27/98	JWM	P3, telephone conference with interested creditors (.20).	0.20	25.00
08/28/98	JWM	P3, meeting with BSU nursing school representative re: potential sale; telephone call from Kittleson.	1.50	187.50
08/31/98	JWM	P3, telephone call from Auctioneer re: advertising name problem (.20); meeting with setup people (.30).	0.50	62.50
09/02/98	JWM	P3, telephone call from creditor re: auction (.10).	0.10	12.50

DATE	PERSON	DESCRIPTION	HOURS	COMPENSATION
09/04/98	JWM	P3, meeting with BSU nursing staff at warehouse on potential sales (.50).	0.50	62.50
09/08/98	JWM	P3, receipt and review art list and offer on same (.20); receipt and review list of medical supplies requested from BSU Nursing (.20); receive and review correspondence from IRS and send on to Arthur Anderson (.30); telephone conferences with prospective buyers of medical equipment x5 and meeting with Rakozy and Auctioneer (1.20); receipt and review many items of administrative correspondence including insurance, taxes, unemployment, etc. (.80).	2.70	337.50
09/09/98	JWM	P3, meeting with buyer to negotiate sale of nursing school equipment (.80); meeting with auctioneer on status and auction issues and setup (.90).	1.70	212.50
09/10/98	JWM	P3, work with auctioneers and Rakozy in preparation for tomorrow's auction (1.80).	1.80	225.00
09/11/98	JWM	P3, receipt and review ten items of administrative mail including tax notices, insurance claims, unemployment hearing notices, etc., and respond or handle each (.60); attend auction and confer on leased equipment being sold (3.50)	4.10	512.50

DATE	PERSON	DESCRIPTION	HOURS	COMPENSATION
09/14/98	JWM	P3, auction follow-up including: calls to purchasers leaving equipment, calls to leasing companies to turnover left equipment, calls to Physicians Primary Care in Weiser to negotiate purchase of leftover equipment, and call to auctioneer, fax to BSU Nursing to demand payment (1.60); telephone calls with Verlene Kaiser (x2), Kittleson, and accountant Arthur Anderson (x2) re: income tax issues (.40); telephone conference with Physicians Primary Care re: purchase of Weiser property and review property list (.40).	2.40	300.00
09/15/98	JWM	P3, prepare recap of sale moving and labor expenses for Rakozy to pay (1.0); meet with Rakozy and receipt and review correspondence from GE Credit Corp., Medicare, telephone company, etc. (.60).	1.6	200.00
09/16/98	JWM	P3, telephone call from employee re: 401K issues (.20); telephone conference with Mary Ann Kitchens re: sale issues on remaining furniture (.40); telephone call from Verlene Kaiser and correspondence to same re: Employment Claim litigation issues (.50).	0.70	87.50
09/17/98	JWM	P3, telephone call from former employee and conference call with Lincoln National on 401K issues (.30); telephone conference with cabinet liquidator on remaining property (.20); telephone conference with buyer of Weiser office furniture and telephone conference with Auctioneer, Baker on remaining Weiser furniture (.50); draft Notice of Sale, Motion to Shorten Time for Notice, and proposed Order (1.20); telephone conference with McCracken on auction rent (.10).	2.30	287.50

DATE	PERSON	DESCRIPTION	HOURS	COMPENSATION
09/18/98	JWM	P3, draft correspondence to McCracken re: auction rent due (.50); telephone conference with prospective buyers of remaining furniture and US Bancorp (.40).	0.90	112.50
09/19/98	JWM	P3, receipt and review administrative correspondence from: Postal Service on licenses, US Bank.	0.10	12.50
09/21/98	JWM	P3, receive and review correspondence from Kittleson re: Weiser property lists and call from Kittleson re: same (.30); draft Notice of Sale by Trustee to BSU and Physicians Primary Care (.50).	0.80	100.00
09/22/98	JWM	P3, prepare worker's compensation report and draft correspondence to Sedgwick (.50); telephone call from Physicians Primary re: Weiser property, call to Baker Auctioneers re: same and fax instructions to them (.40).	0.90	112.50
09/28/98	JWM	P3, telephone conference with former employee and Lincoln National on 401K fund (.40); telephone call from Dept of Unemployment re: records (.10).	0.50	62.50
09/29/98	JWM	P3, telephone conference with creditors re: proof of claim priority issues (.30); telephone call from Clark's office re: art auction notice (.10); receipt and review Hosak's Objection to Trustee's Motion for payout to employees (.10); meeting with American Auctioneer to review accounting and allocation of auction proceeds (1.20).	1.70	212.50
09/30/98	JWM	P3, telephone conference with buyer re: medical waste claim (.20); telephone conference with prospective buyers of cabinetry (.30).	0.50	62.50

DATE	PERSON	DESCRIPTION	HOURS	COMPENSATION
10/01/98	JWM	P3, telephone call from creditor re: status of case (.20); telephone call from Kittleson re: 401K issues (.20); telephone conference with BSU dunning for amount owed (.10).	0.50	62.50
10/05/98	JWM	P3, telephone call from Julie at Sedgwick James on insurance cancellation (.20).	0.20	25.00
10/06/98	JWM	P3, telephone conference with Auctioneer and Rakozy re: application for fees and accounting, receipt and review same (.50).	0.50	62.50
10/07/98	JWM	P3, edit and final Motion to Approve Administrative Expense for Warehouse and Notice of Hearing for same and auctioneer's compensation (.50).	0.50	62.50
10/08/98	JWM	P3, receipt and review records request and draft response to Holland & Hart (.40).	0.40	50.00
10/14/98	JWM	P3, attend hearings on Motion to Distribute Employee' Benefit Account (.30); draft Order approving Distribution of Employee Benefits (.40).	0.70	87.50
10/20/98	JWM	P3, receipt and review Order Approving Distribution of Employee Benefit Account, transmit to Rakozy the distribution and tax forms, and call to instruct Rakozy's office on same (.30); telephone calls from Rakozy re: postman lost envelopes and letters x3 (.30); receipt and review numerous mail including: unemployment compensation notices; and lease notices (.20).	0.80	100.00

DATE	PERSON	DESCRIPTION	HOURS	COMPENSATION
10/26/98	JWM	P3, call to clerk re: noticing of administrative claims, draft Amended Notice of Hearing on auction fees and costs (.30); draft Notice of Abandonment, calls to Medicaid and Kaiser re: medical records (.60).	0.90	112.50
10/27/98	JWM	P3, telephone call from employees re: records availability (.20); draft Second Amended Notice of Hearing on auction and warehouse rent and calls on same x3 (.30).	0.50	62.50
11/03/98	JWM	P3, telephone call from former employee re: claim (.20), call to and draft correspondence to Berger Brunswig demanding payment for credits of \$9,000 (.60); receipt and review anonymous letter regarding Kaisers and confer with Rakozy (.20).	1.00	125.00
11/06/98	JWM	P3, telephone call from creditor (.20); telephone call from Blair Clark re: status (.10).	0.30	37.50
11/09/98	JWM	P3, receipt and review documents from Rakozy including unemployment hearing notices, medicare rulings and denials, medical records, and payments (.40); telephone call from state of Idaho re: medical records abandonment (.30).	0.70	87.50
11/17/98	JWM	P3, draft correspondence to BSU Nursing re: items left from liquidation.	0.20	25.00
11/18/98	JWM	P3, telephone call from irate creditor-employee re: payments due (.20), receipt and review cash account status from Rakozy's office (.10); telephone call from Rakozy re: Bergen Brunswig receivable and draft correspondence to same (.30).	0.60	75.00

DATE	PERSON	DESCRIPTION	HOURS	COMPENSATION
11/24/98	JWM	P3, telephone call from Howe and attend hearing on Motion for Administrative Expense on Warehouse and American Associated Auctioneers and draft orders approving same	0.90	112.50
		TOTAL	62.9	\$7,862.50

TOTAL

Jed W. Manwaring (JWM) - Partner 62.9 hours @ \$125/hr \$7,862.50

TOTAL FEES - PROJECT 3

\$7,862.50

Disbursements and Expenses

Photocopies	\$312.30
Postage - Kimboe Oil	\$ 25.55
Shipping C.O.D.	
Downtown Storage Record Retention	\$ 10.50
Other - Boxes for Medical Records	
Overnight Shipping	\$ 14.50
Computer Assisted Legal Research	\$130.99
Telephone (long distance)	\$ 37.50
Facsimile (long distance)	\$ 6.18
Postage	\$243.18

TOTAL COSTS AND DISBURSEMENTS - PROJECT 3

\$780.70

**PROJECT NO 4: LEASED PROPERTY ISSUES, CLAIMS ADMINISTRATION, OBJECTIONS, STAY PROCEEDINGS**

a. Description \ Necessity \ Benefit:

The debtor's office equipment in the many offices included a substantial amount of leased office equipment from many leasing companies. The leased property had to be identified and gathered along with the property owned by the debtor. The leased property could not be left in the various leased premises because of the risk of loss, damage and liability. The trustee's attorneys notified the leasing companies, reviewed the leases, moved to reject the leases, supervised the segregation and turnover of the leased property. There was considerable confusion between the leasing companies and the former employees as to what was leased and what was not. The trustee's attorneys attempted to obtain a surcharge on the leased property for the expenses incurred in

gathering, protecting and turning over the property. However, the court rejected that effort. The trustee's attorneys negotiated with at least two of the leasing companies to leave their equipment in the estate's auction thereby increasing the inventory and customer draw, especially on computers, to the benefit of the overall auction.

The work in dealing with the leased property was necessary to avoid claims against the trustee, if the trustee had simply walked away from the property without protecting or gathering the same. The estate benefitted from the services rendered by the attorneys with an overall organized liquidation working with the turnover of the leased properties.

b.c.d. Identification of persons, hours, compensation requested and itemization:

DATE	PERSON	DESCRIPTION	HOURS	COMPENSATION
07/20/98	JWM	P4, draft Motion to reject leases and claim surcharge on leased property (.80).	0.80	100.00
07/24/98	JWM	P4, receive and review correspondence from Colonial Pacific Leasing re: payment demand (.20); receipt and review correspondence from US Bancorp re: leased property demand x2 (.20).	0.40	50.00
07/28/98	JWM	P4, telephone call from Goodrum re: lease issues and rejection (.30).	0.30	37.50
07/29/98	JWM	P4, telephone call from GE Servicing re: termination and turnover of leased equipment (.30).	0.30	37.50
07/30/98	JWM	P4, receive and review correspondence from Salmon landlord and reply to same (.30); telephone conference with Goodrum re: lease rejections (.20).	0.50	62.50
08/03/98	JWM	P4, receive and review Notice of Appearance and correspondence from Goodrum re: leases (.20); receipt and review notice and demand from AT&T (.20).	0.40	50.00
08/05/98	JWM	P4, attend hearing on Motion to reject leases and Motion to Continue Operating Order (1.20); confer with client on operation issues (.50).	1.70	212.50

08/10/98	JWM	P4, telephone call from leasing companies re: access to property (.20); receive and review correspondence from Kaiser to Blue Cross re: accounts received (.30).	0.50	62.50
08/11/98	JWM	P4, meeting with GE Capital to turnover truck load of leased copiers, shredders, fax machines, and computer equipment (5.20)	5.20	650.00
08/12/98	JWM	P4, telephone call from GE Capital on turnover of leased property and draft correspondence to Goodrum on same (.80).	0.80	100.00
08/13/98	JWM	P4, telephone conference with leasing companies re: turnover and review lists of property (1.20).	1.20	150.00
08/17/98	JWM	P4, telephone conference with various lessors on leased properties attempting to verify and have picked up (1.20).	1.20	150.00
08/18/98	JWM	P4, meet with leasing companies to turnover property and verify claims to property (1.80); telephone conference with leasing companies to request turnover (.80); review vacated office property to verify status (.40).	3.00	375.00
08/19/98	JWM	P4, meet with leasing company Pitney Bowes re: turnover of property, telephone call from Pitney Bowes and transmit bankruptcy filing to same (.50).	0.50	62.50
08/20/98	JWM	P4, receipt and review claim from Citicorp on security system (.20); receive and review correspondence from French re: stipulation to lift stay on Transamerica Insurance and telephone conference with French re: same (.30).	0.50	62.50
08/24/98	JWM	P4, telephone call from and meet with NW Vanlines and GE Capital re: pick up remaining property (1.20).	1.20	150.00
08/25/98	JWM	P4, telephone call from Compaq re: AT&T lease turnover (.20); telephone conference with lessors re: turnover of property (.40).	0.60	75.00

08/26/98	JWM	P4, telephone conference with AT& T Leasing re: property turnover (.20).	0.20	25.00
08/31/98	JWM	P4, telephone call from leasing companies Allied Vanlines and Cannon to turn over (.40).	0.40	50.00
09/01/98	JWM	P4, telephone conferences with AT&T, Compaq, and Allied Vanlines attempting to sell leased properties received and review correspondence from same and inspect property (1.50).	1.50	187.50
09/02/98	JWM	P4, confer with AT& T re: turnover of leased property (.20).	0.20	25.00
09/03/98	JWM	P4, telephone call from leasing company, AT&T, and meet with to turn over truckload of computers (.80).	0.80	100.00
09/08/98	JWM	P4, receipt and review proposed order from R. French and telephone conference with same re: stay lift on insurance (.20); telephone conference with Citicorp and agents re: turnover of equipment and leave some for auction x3 (.60).	0.80	100.00
09/09/98	JWM	P4, telephone conference with various leasing companies, Citicorp, Pitney Bowes, Imperial Business to get rid of property (1.5); meeting with Rakozy and Intermountain Design re: negotiations on extent and amount of US Bancorp lease, calls to Kevin Green at US Bancorp (2.5).	4.00	500.00
09/10/98	JWM	P4, telephone conference with Rakozy re: US Bancorp lease (.20); telephone conference with Citicorp re: removal coordination and meet with reposessor to turn over equipment (1.30); telephone conferences with Heritage Leasing re: turnover of equipment (.30); telephone conference with and meet US Bancorp re: modular lease issues and turn over (.80).	2.60	325.00

09/11/98	JWM	P4, telephone conference with Citicorp and sale of its leased equipment (.40); meeting with office furniture company on return of US Bancorp's leased modular equipment (.80).	1.20	150.00
09/15/98	JWM	P4, telephone conferences with Muzak and Mobile Paging and meet with same to turnover leased properties (.30); review lists and negotiations with Physicians Primary regarding Weiser property and purchase (.60).	0.90	112.50
09/18/98	JWM	P4, receive and review correspondence from Randy French with attached stipulation on insurance (.20).	0.20	25.00
09/30/98	JWM	P4, receive and review correspondence from Clark to French re: Transamerica security interest in premiums (.20); telephone call from creditors re: proof of claim issues (.20).	0.40	50.00
09/30/98	MM	P4, begin research re: rejection of lease and vacation of premises.	1.00	95.00
10/05/98	MM	P4, complete research and analysis of pre- and post-rejection rent requirements.	1.50	142.50
10/05/98	KLS	P4, computer research and telephone conference with counsel regarding cited case on administrative rent.	0.50	27.50
10/06/98	JWM	P4, telephone conference with Randy French, attorney re: security interest and stay lift for Transamerica on insurance policy (.20).	0.20	25.00
10/07/98	JWM	P4, research security interest in unearned premiums and verify Transamerica's security claim for rejection of financing contract (.50).	0.50	62.50
11/03/98	JWM	P4, draft correspondence to Citibank re: more leased equipment discovered (.30).	0.30	37.50
11/06/98	JWM	P4, telephone call from computer liquidator re: remaining leased items.	0.20	25.00
		TOTAL	36.5	\$4,452.50

TOTAL

Jed W. Manwaring (JWM) - Partner  
33.5 hours @ \$125/hr \$4,187.50

Monica Moen (MM) - Associate  
2.5 hours @ \$95/hr \$ 237.50

Karen L. Silva (KLS) - Associate/Paralegal  
0.5 hours @ \$55/hr. \$ 27.50

TOTAL FEES-PROJECT 4 \$4,452.50

TOTAL COSTS AND DISBURSEMENTS - PROJECT 4 \$ -0-

#### IV. SUMMARY SHEET

Fees previously requested: \$ -0-  
Fees previously awarded: \$ -0-  
  
Expenses previously requested: \$ -0-  
Expenses previously awarded: \$ -0-  
  
Total retainer paid: \$ -0-  
Current retainer balance: \$ -0-

CURRENT APPLICATION  
Fees requested: \$24,331.00  
Expenses requested: \$ 1,138.33  
**Total requested: \$25,469.33**

#### BILLING INFORMATION

<u>NAMES OF PROFESSIONALS</u>	<u>YEAR OF BAR ADMISSION</u>	<u>HOURS BILLED</u>	<u>BILLING RATE</u>	<u>TOTAL FOR APPLICATION</u>
PARTNERS				
Jed W. Manwaring - Partner	1983	186.6 hrs	\$125.00	\$23,325.00
ASSOCIATES				
Thomas B. Humphrey - Associate		0.5 hrs	\$ 95.00	\$ 47.50
Monica Moen - Associate		9.8 hrs	\$ 95.00	\$931.00
PARAPROFESSIONALS:				
Karen L. Silva - Associate/Paralegal	1996 J.D.	0.5 hrs	\$ 55.00	\$27.50
TOTAL BLENDED HOURLY RATE:			\$123.43	
(Excluding paralegals and other paraprofessionals)				

RESPECTFULLY SUBMITTED this 31 day of December, 1998.

EVANS, KEANE LLP

By Jed W. Manwaring  
Jed W. Manwaring, Of the Firm  
Attorneys for Trustee

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 31 day of December, 1998, a true and correct copy of the foregoing document was served by first-class mail, postage prepaid, and addressed to; by fax transmission to; by overnight delivery to; or by personally delivering to or leaving with a person in charge of the office as indicated below:

D. Blair Clark  
Ringert Clark, Chartered  
P.O. Box 2773  
Boise, ID 83701-2773  
Attorney for Debtor

U.S. Mail  
 FAX  
 Overnight Delivery  
 Hand Delivery

Verlene Kaiser  
Community Home Health  
2739 E. Starcrest Dr.  
Boise, ID 83712

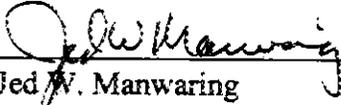
U.S. Mail  
 FAX  
 Overnight Delivery  
 Hand Delivery

BERNIE R. RAKOZY, TRUSTEE  
P.O. Box 1738  
Boise, ID 83701-1738

U.S. Mail  
 FAX  
 Overnight Delivery  
 Hand Delivery

U.S. TRUSTEE  
P.O. Box 110  
Boise, ID 83701-0110

U.S. Mail  
 FAX  
 Overnight Delivery  
 Hand Delivery

  
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Jed W. Manwaring