

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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In re: : Chapter 11
: :
WASHINGTON MUTUAL, INC., *et al.*¹ : Case No. 08-12229 (MFW)
: Jointly Administered
: :
Debtor. :
: **Objection Date: June 29, 2009 at 4:00 p.m.**
-----X

**FIRST 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 APRIL 3, 2009 THROUGH APRIL 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: April 3, 2009 - April 30, 2009

Amount of compensation
requested: \$853,305.50

Amount of expense
reimbursement requested: \$17,755.31

This is a: X monthly quarterly application.

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

¹ The Debtors in these Chapter 11 cases and the last four digits of each Debtor's federal tax identification numbers are: (i) Washington Mutual, Inc. (3725) and (ii) WMI Investment Corp. (5395). The Debtors continue to share their principal offices with the employees of JPMorgan Chase located at 1301 Second Avenue, Seattle, Washington 98101.

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

(APRIL 3, 2009 TO APRIL 30, 2009)

NAME	POSITION; EXPERIENCE	HOURLY RATE	TOTAL HOURS	TOTAL COMPENSATION
Peter Calamari	Partner for 33 years; admitted in 1974	970.00	125.40	121,638.00
Michael B. Carlinsky	Partner for 12 years; admitted in 1990	970.00	73.30	71,101.00
Susheel Kirpalani	Partner for 8 years; admitted in 1995	860.00	83.60	71,896.00
Daniel Bromberg	Partner for 6 years; admitted in 1993	860.00	0.80	688.00
James Tecce	Partner effective Jan. 1, 2009; admitted in 1995	830.00	3.50	2,905.00
David L. Elsberg	Partner for 5 years; admitted in 1997	810.00	148.00	119,880.00
Deborah Brown	Partner effective Jan 1, 2009; admitted in 2003	730.00	76.00	55,480.00
Adam M. Abensohn	Of Counsel for 2 years; admitted in 1995	680.00	173.40	117,912.00
Daniel Holzman	Of Counsel for 1 year; admitted in 1998	680.00	0.20	136.00
Benjamin Finestone	Associate for 4 years; admitted in 2005	520.00	176.90	91,988.00
Jolie Apicella	Associate for 3 years; admitted in 2006	480.00	7.30	3,504.00
Harrison Denman	Associate for 3 years; admitted in 2006	480.00	97.40	46,752.00
Rebekah Parker	Associate for 3 years; admitted in 2008	480.00	46.80	22,464.00
Evan D. Parness	Associate for 2 years; admitted in 2008	420.00	89.60	37,632.00
Joseph Sarles	Associate for 2 years; admitted in 2007	420.00	12.30	5,166.00
Michael Longyear	Associate for 1 year; admitted in 2009	390.00	172.20	67,158.00
Olga M. Urbietta	Associate for 1 year; admitted in 2008	390.00	10.00	3,900.00
Christopher Clark	Attorney	320.00	4.80	1,536.00
Roy Nelson	Managing Clerk	295.00	1.40	413.00
Martine Lacroix	Paralegal	265.00	41.10	10,891.50
Sebastian Dinges	Litigation Support	265.00	1.00	265.00
TOTAL		\$634.38 (Blended Rate)²	1,345	\$853,305.50

² The blended rate excluding paraprofessionals is \$646.74.

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

(APRIL 3, 2009 TO APRIL 30, 2009)

ACTIVITY	HOURS	FEES
Litigation	1,345.00	\$853,305.50
	Total 1,345	\$853,305.50

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

(APRIL 3, 2009 TO APRIL 30, 2009)

<u>Disbursements</u>	<u>Amount</u>
Client Meals	15.92
Color Printing	12.54
Express Mail	11.58
Lexis	3,255.90
Litigation Support Services	2,087.05
Local Travel	232.56
Outside Photocopy	910.53
Photocopying	463.95
Postage	0.42
Printing	1,899.60
Taxi	41.47
Telecopier	6.25
Westlaw	8,817.54
Total	\$17,755.31

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In re: : Chapter 11
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WASHINGTON MUTUAL, INC., *et al.*¹ : Case No. 08-12229-(MFW)
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**FIRST 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 APRIL 3, 2009 THROUGH APRIL 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 (the "Compensation Order"), entered on October 31, 2008 (Docket No. 204), seeking (i) interim allowance of compensation of \$853,305.50 for actual, reasonable and necessary

¹ The Debtors in these Chapter 11 cases and the last four digits of each Debtor's federal tax identification numbers are: (i) Washington Mutual, Inc. (3725) and (ii) WMI Investment Corp. (5395). The Debtors continue to share their principal offices with the employees of JPMorgan Chase located at 1301 Second Avenue, Seattle, Washington 98101.

professional services rendered, (ii) payment of 80% of such compensation amount \$682,644.40 and (iii) interim allowance and payment of \$17,755.31 for 100% of actual, reasonable and necessary expenses incurred during the period from April 3, 2009 through April 30, 2009 (the "First 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 its 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 first 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 First Monthly Fee Period, and (b) reimbursement of actual, reasonable and necessary expenses incurred by Quinn Emanuel in connection with such services during the First Monthly Fee Period.

8. Specifically, Quinn Emanuel seeks approval of the sum of \$853,305.50 for actual, reasonable and necessary legal services rendered on behalf of the Debtors during the First

Monthly Fee Period, and \$17,755.31 for reimbursement of all actual, reasonable and necessary expenses incurred in connection with the rendition of such services. The fees sought by the Application reflect an aggregate of 1,345 hours of attorney and other paraprofessional time spent and recorded in performing services for the Debtors during the First Monthly Fee Period, at a blended average hourly rate of \$634.38 for both professionals and paraprofessionals. The blended hourly rate for professionals only is \$646.74

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 First 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

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 First 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: 1,345; Total Fees: \$853,305.50)

15. ***Commencement Of Litigation With JPMC; Retention Of Quinn Emanuel:***

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 of Washington Mutual Bank ("WMB") assets.

16. 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 the proper ownership of specific WMB assets that JPMC alleges to have acquired from the FDIC.

17. On April 3, 2009, the Debtors retained Quinn Emanuel in connection with litigation against JPMC, including the JPMC Adversary Proceeding and the District Court Action. 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.

18. ***Board Presentation:*** During the First Monthly Fee Period, Quinn Emanuel attorneys prepared a comprehensive analysis of potential claims and defenses against JPMC. Ultimately, on April 13, 2009, Quinn Emanuel attorneys presented this analysis to Washington Mutual Inc.'s ("WMI") Board of Governors (the "Board Presentation"). In connection with the Board Presentation, and to fully understand the issues involved, Quinn Emanuel attorneys 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 during the First Monthly Fee Period 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. Moreover, in connection with the Board Presentation, Quinn Emanuel attorneys expended considerable effort reviewing and analyzing potential defenses and counterclaims against JPMC, including claims and defenses at issue in the JPMC Adversary Proceeding and the District Court Action. This analysis formed the foundation for the Debtors' answer and counterclaims against JPMC in the JPMC Adversary Proceeding, which Quinn Emanuel attorneys ultimately filed with the Bankruptcy Court on behalf of the Debtors on May 29, 2009.

19. ***District Court Action:*** In connection with the Board Presentation, Quinn Emanuel attorneys also prepared an exhaustive evaluation of the strengths and weaknesses of potential claims and defenses in the District Court Action. On March 30, 2009, JPMC filed the Motion to Intervene in the District of Columbia Action. Quinn Emanuel attorneys, on the Debtors' behalf, conducted extensive research and drafted a response in opposition to JPMC's motion to intervene that was ultimately filed on April 30, 2009. WMI argued that JPMC's intervention is precluded by the Bankruptcy Code and the FDI Act. In addition, JPMC's arguments rested on the false premise that WMI was seeking to divest JPMC's interests in assorted assets that JPMC claimed to have acquired from the FDIC through an asset purchase.

20. ***Turnover Action:*** Moreover, during the First Monthly Fee Period, Quinn Emanuel attorneys, on the Debtors' behalf, extensively researched potential claims and defenses related to JPMC's unlawful retention of over \$4 billion in deposit liabilities that JPMC owes the Debtors but refuses to pay (the "Deposits"). Ultimately, 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 Deposits to the Debtors, which action is captioned *Washington Mutual, Inc. et al. v. JPMorgan Chase Bank, N.A.*, Adv. No. 09-50934, concerning (the "Turnover Action").

21. ***Rule 2004 Motion And Motion To Enlarge Time To Assert Counterclaims:***

Moreover, during the First Monthly Fee Period, 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"). In the Texas Action, stakeholders of WMI and WMB seek billions of dollars arising from JPMC's alleged misconduct leading up to its purchase of WMB's assets. JPMC's wrongful conduct, as alleged in the Texas Action, includes (i) engaging in sham negotiations designed to elicit confidential information from WMI and (ii) misusing and publicly leaking this confidential information to gain an unfair advantage in obtaining WMB's long-coveted assets. Given WMI's status as parent and ultimate stakeholder of WMB, it was incumbent upon the Debtors to investigate the foregoing, which if true, gives rise to myriad meritorious and highly valuable claims against JPMC that will inure to the benefit of the Debtors' estates and their creditors.

22. During the First Monthly Fee Period, Quinn Emanuel attorneys also researched and prepared a motion to enlarge the Debtors' deadline to assert counterclaims against JPMC in the JPMC Adversary Proceeding (the "Motion to Enlarge").

23. Ultimately, on May 1, 2009, Quinn Emanuel attorneys, on the debtors' behalf, filed both the 2004 Motion and the Motion to Enlarge. The Court held oral argument on May 20, 2009, and has not yet handed down a decision.

IV. FACTORS TO BE CONSIDERED IN AWARDING ATTORNEYS' FEES

24. 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. 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

25. 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.

26. 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.

27. 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).

28. 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).

29. The total time spent by Quinn Emanuel attorneys and paraprofessionals during the First Monthly Fee Period was 1,345 hours, which services have a fair market value of \$853,305.50. 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

30. Quinn Emanuel has expended the total amount \$17,755.31 in actual, reasonable and necessary expenses in connection with representing the Debtors during the First 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."**

31. 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.

32. 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.

33. 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.

34. 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.

35. Attorneys at Quinn Emanuel have not incurred expenses for luxury accommodations, deluxe meals or air travel in excess of coach fares. Throughout the First 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

36. 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 First Monthly Fee Period in the amount of \$853,305.50, together with reimbursement of \$17,755.31 for all actual, reasonable and necessary expenses incurred, and such other and further relief as is just.

Dated: Wilmington, Delaware
June 8, 2009

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



By _____

Susheel Kirpalani

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