

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF VERMONT



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In re:

**CONE EDITIONS PRESS**  
**Debtor.**

**Chapter 11 Case**  
**# 04-10148**

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**CONE EDITIONS PRESS LTD.,**  
**Plaintiff,**

**v.**

**Adversary Proceeding**  
**# 04-1050**

**R9 CORPORATION, SUNDANCE IMAGE**  
**TECHNOLOGY, INC. and GARY ROGERS,**  
**Defendants.**

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**ORDER**  
**GRANTING THE FIRST INTERIM APPLICATION FOR FEES AND EXPENSES**  
**OF EGGLESTON & CRAMER, LTD.**

On September 14, 2005, Eggleston & Cramer, Ltd. (“Eggleston”), the attorneys of record for the debtor in the instant adversary proceeding, filed a first interim application for allowance of attorney’s compensation and reimbursement of expenses for the period from October 27, 2004 through September 9, 2005 (doc. # 79) (“Eggleston’s First Application”). Eggleston’s First Application was noticed pursuant to this Court’s default procedure. No party filed an objection to Eggleston’s First Application and the United States Trustee neither objected nor consented to it. However, since the Court had questions about the courtesy discount, certain paralegal services and billing for computer assisted legal research fees it held a hearing on Eggleston’s First Application on November 15, 2005 at which Gary Franklin, Esq. appeared. In response to this hearing, Eggleston promptly filed a supplement to address the issues the Court had raised (doc. # 82) (the “Supplement”).

Eggleston’s First Application seeks compensation in the amount of \$55,416.50<sup>1</sup> for professional services rendered for the period from October 27, 2004 through September 9, 2005 (the “Application Period”) and \$2,541.32 for reimbursement of expenses incurred during the Application Period.<sup>2</sup>

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<sup>1</sup> Eggleston’s First Application details professional services, including paraprofessional services totaling \$58,616.50, however, this sum is reduced by a “courtesy reduction” of \$3,200. In response to the Court’s inquiry at the hearing, Mr. Franklin explained the basis for, and genesis of, the courtesy reduction, and in particular made clear that the courtesy reduction was not linked to any specific services or tasks for which Eggleston seeks compensation. Therefore, the Court will not consider the courtesy reduction further in this opinion.

<sup>2</sup> Eggleston’s First Application requested reimbursement of expenses in the amount of \$3,416.32, however the Applicant reduced the request by \$875.00 in the Supplement, based upon a lack of documentation to support certain Westlaw charges.

Having reviewed Eggleston's First Application, THE COURT FINDS all attorneys' fees earned during the Application Period to be compensable. Specifically, the Court finds the services rendered by Eggleston were reasonable, necessary and of benefit to the estate, pursuant to 11 U.S.C. § 330(a). See also In re JLM, Inc., 210 B.R. 19, 24 (2d Cir. BAP 1997). Accordingly, the fees sought in Eggleston's First Application in connection with services rendered by attorneys are approved and allowed in full.

THE COURT FURTHER FINDS that based upon the explanation provided at the November 15<sup>th</sup> hearing and the detail provided in the Supplement, the paraprofessional fees earned during the Application Period are compensable as reasonable, necessary and of benefit to the estate under the circumstances of this case. Time devoted to administrative activities such as mailing or delivering papers, photocopying, word processing, and organizing files constitute overhead expenses and are not compensable from the debtor's estate. See S.T.N. Enterprises, Inc., 70 B.R. 823, 838 (Bankr. D. Vt. 1987). However, Eggleston has presented a clear and detailed description of the judgment and skill required by the paraprofessionals to perform the file review and organization that the Court questioned, specified the complex and unique challenges presented in organizing the files of this case and the importance of distinguishing which files relate to the instant litigation and which relate to litigation pending in the District of California. Based upon the detail provided at the November 15<sup>th</sup> hearing and in the Supplement, the Court allows all fees sought in Eggleston's First Application in connection with services rendered by paraprofessionals.


THE COURT FURTHER FINDS that the \$2,541.32 sought for reimbursement of expenses incurred during the Application Period as described in Eggleston's First Application and the Supplement, to be reasonable, necessary and justified. Accordingly, these expenses are allowed in full.

THEREFORE, IT IS HEREBY ORDERED that

1. Eggleston & Cramer, Ltd's First Interim Application for Allowance of Compensation and Reimbursement of Expenses for the period from October 27, 2004 through September 9, 2005 (doc. # 79) as further Supplemented (doc. # 82) is granted.
2. The following fees and expenses requested in Eggleston's First Application and the Supplement are approved and allowed: \$55,416.50 for payment of attorney's fees and \$2,541.32 for reimbursement of expenses.
3. Eggleston & Cramer, Ltd. is authorized to apply the \$38,305.54 it holds in trust from the insurance company, and to apply \$19,652.28 of its retainer to satisfy the difference.

**SO ORDERED.**

November 20, 2005  
Rutland, Vermont

  
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Colleen A. Brown  
United States Bankruptcy Judge