

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF VERMONT

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In re:

FIBERMARK, INC.,  
FIBERMARK NORTH AMERICA, INC., and  
FIBERMARK INTERNATIONAL HOLDINGS, INC.  
Debtors,

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Chapter 11 Case  
# 04-10463  
Jointly Administered

**AMENDED ORDER**  
**GRANTING IN PART THE APPLICATION OF CHANIN CAPITAL PARTNERS**  
**FOR INTERIM ALLOWANCE OF COMPENSATION AND**  
**FOR REIMBURSEMENT OF EXPENSES**  
**DURING THE PERIOD OF JULY 1, 2004 - OCTOBER 31, 2004<sup>1</sup>**

WHEREAS on December 21, 2004, Chanin Capital Partners (“Chanin”), in its capacity as financial advisor and investment banker for the Official Committee of Unsecured Creditors (the “Committee”), filed an application for interim allowance of compensation and for the reimbursement of expenses for services rendered during the period from July 1, 2004 through October 31, 2004 (the “Application Period”) (doc. # 891) (“Chanin’s Second Application”); and

WHEREAS no party has filed an objection, and the United States Trustee has neither objected nor to Chanin’s Second Application; and

WHEREAS Chanin’s Second Application seeks compensation in the amount of \$400,000.00 for professional services rendered, and \$47,028.98 for reimbursement of expenses incurred, during the Application Period; and

WHEREAS all of the time records submitted in support of Chanin’s Second Application record time in half hour increments, contrary to the U.S. Trustee Guidelines and the standards of the Court;

THE COURT FINDS the time entries suggest either a lack of precision or a failure to comply with the Court’s fee application requirements, but that notwithstanding this deficiency in the format of Chanin’s Second Application the actual compensation sought for this period appears to be reasonable.<sup>2</sup>

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<sup>1</sup> The Court issues this Amended Order *sua sponte* to allow certain copy charges that it disallowed in its February 4, 2005 Order (doc. # 1154).

<sup>2</sup> The Court’s acceptance of these records as sufficient to support a finding of reasonableness at this time of interim allowance does not guarantee that disgorgement may not be ordered at the time of the final allowance of Chanin’s fees, particularly if Chanin fails to submit the requisite, detailed records in the future.

THE COURT FURTHER FINDS the professional's fees earned during the Application Period to be properly compensable. Specifically, the Court finds the services rendered by Chanin 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 connection with services rendered by Chanin during the Application Period are approved and allowed in full.

THE COURT FURTHER FINDS that certain of the expenses for which reimbursement is sought lack sufficient information for the Court to determine whether the expenses are actual, necessary or justified. See 11 U.S.C. § 330(a); In re S.T.N. Enterprises, 70 B.R. 823, 836 (Bankr. Vt. 1987); In re Fibermark, No. 04-10463, \*4 (Bankr. Vt. filed Nov. 29, 2004)(doc. # 783); In re Fibermark, No. 04-10463, \*10 (Bankr. Vt. filed Oct. 22, 2004)(doc. # 698); In re Fibermark, No. 04-10463, \*2-3 (Bankr. Vt. filed Sept. 30, 2004)(doc. # 645). Specifically, the Court finds that Chanin's Second Application lacks sufficient information for the Court to determine whether expenses detailed as "Telephone" should not be considered overhead expenses and, thus, compensable from the estate. In re S.T.N. Enterprises, Inc., 70 B.R. at 844. Consequently, these expenses totaling \$5,063.09 are denied. Id.

THE COURT FURTHER FINDS that Chanin's Second Application lacks sufficient information for the Court to determine whether the expenses categorized as "research," minus a \$1,750.49 PACER expense, are justified as actual and necessary and compensable from the estate. In re Fibermark, No. 04-10463, \*10-11 (Bankr. Vt. filed Oct. 22, 2004)(doc. # 698). Accordingly, the \$4,049.71 sought for research expenses is denied.

THE COURT FURTHER FINDS that Chanin's practice of billing for faxes at \$1.00 per page exceeds that which is the customary allowance therefor in this District. The Court will allow reimbursement for the actual cost of photocopies and facsimile, not to exceed \$0.25 per page.<sup>3</sup> The \$1.00 per page for 123 facsimiles during the Application Period is excessive. Consequently, the Court allows these expenses but only to the extent of \$0.25 a page for a total of \$30.75. The remaining \$92.25 is disallowed.

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<sup>3</sup> This \$0.25 per page expense for copies and faxes is greater than that which was enunciated by the Court in S.T.N. Enterprises, 70 B.R. at 837. However, based upon its review of this Court's orders allowing fees and expenses since STN, the Court *sua sponte* reconsiders its prior order on this particular application and finds that the reduction imposed should be adjusted. The Court finds that the \$0.25 per page reimbursement which has been customarily sought and allowed is reasonable, and shall be allowed here.

THE COURT FURTHER FINDS that certain travel expenses between Montreal and Los Angeles lack sufficient explanation or justification for the court to determine whether they are actual and necessary and hence, compensable from the estate. In re S.T.N. Enterprises, 70 B.R. at 835. The \$3,413.72 sought in connection with this particular travel is denied.


THE COURT FURTHER FINDS that the remaining \$ 34,410.27 sought for reimbursement of expenses incurred during the Application Period to be reasonable and appropriate and, accordingly, is approved and allowed.

THEREFORE, IT IS HEREBY ORDERED that

1. Chanin's Second Application is allowed in part and disallowed in part.
2. The following fees and expenses requested in Chanin's Second Application are approved and allowed:
  - (A) \$400,000.00 for professional services rendered; and
  - (B) \$ 34,410.27 for reimbursement of expenses.
3. The Debtors are hereby authorized and directed to pay to Chanin Capital Partners (to the extent not previously paid) the sum of:
  - (A) \$400,000.00, representing fees earned by Chanin Capital Partners during the Application Period; and
  - (B) \$ 34,410.27, representing reimbursement for the approved expenses incurred by Chanin Capital Partners during the Application Period.

**SO ORDERED.**

February 9, 2005  
Rutland, Vermont

  
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Colleen A. Brown  
United States Bankruptcy Judge