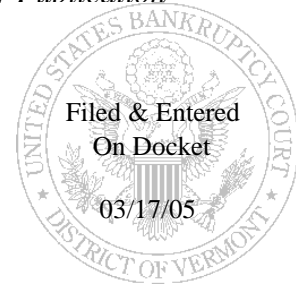


UNITED STATES BANKRUPTCY COURT
DISTRICT OF VERMONT



In re:
FIBERMARK, INC.,
FIBERMARK NORTH AMERICA, INC., and
FIBERMARK INTERNATIONAL HOLDINGS, INC.,
Debtors.

Chapter 11 Case
04-10463
Jointly Administered

ORDER
GRANTING, IN PART, THE SECOND INTERIM FEE APPLICATION OF KPMG, LLP
AND GRANTING, IN PART, THE REIMBURSEMENT OF EXPENSES

WHEREAS, on February 17, 2005, KPMG, LLP (“KPMG”), as auditors and providers of certain accounting, tax, and employee benefit services to the Debtors, filed a Second Interim Application for Monthly Compensation and Reimbursement of Expenses for the period from July 1, 2004 through December 31, 2004 (doc. # 1226) (“KPMG’s Second Application”); and

WHEREAS no objection has been filed and the United States Trustee has neither objected nor consented to KPMG’s Second Application; and

WHEREAS KPMG’s Second Application seeks compensation in the amount of \$228,100.68 for professional services rendered for the period from July 1, 2004 through December 31, 2004 (the “Application Period”) and \$14,096.96 for reimbursement of expenses incurred during the Application Period;

THE COURT FINDS that certain of the professionals’ fees earned during the Application Period are not compensable and therefore, professionals’ fees are approved only to the extent of \$ 226,770.68. The compensation sought for two professionals waiting for the Debtors to prepare for the inventory, at a cost to the estate of \$2,660 (net of KPMG’s voluntary 30% reduction) was of absolutely no benefit to the estate and accordingly, this time is disallowed. As stated in this Court’s previous order on KPMG’s First Application (doc. # 1005), KPMG bears some responsibility to use time effectively. The Court routinely allows professionals compensation at the rate of one-half the professional’s hourly rate for time spent traveling to or from a single location in connection with his or her retention in a given case, and the Court finds the time spent KPMG spent waiting for the Debtor, under these particular circumstances, to be analogous to travel time. Accordingly, in this instance, the Court will allow compensation for this “waiting time” at one-half the professional’s hourly rate for a total of \$ 1,330 (net of KPMG’s voluntary 30% reduction) and disallow an equal amount.

THE COURT FURTHER FINDS that the remaining professionals' fees earned during the Application Period to be properly compensable. Specifically, the Court finds the other services rendered by KPMG 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 professionals' fees sought in connection with services rendered by KPMG during the Application Period are approved and allowed to the extent of \$226,770.68.

THE COURT FURTHER FINDS that although the expenses are generally well itemized and fully articulated, 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); 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). In particular, the expense for cell phone charges (\$34.00) lacks sufficient information for the Court to distinguish it from overhead expenses. As articulated in S.T.N. Enterprises, those expenses which are incurred day-to-day by a professional regardless of whom it represents are considered "overhead expenses" and are categorically not reimbursable from the estate. 70 B.R. at 844. However, if the applicant provides information for such charges which demonstrate and justify that they are of benefit to the estate, the expenses may be reimbursed. Id.

THE COURT FURTHER FINDS that the *per diem* dinner rates set forth in KPMG's Second Application, by their very nature, fail to support a finding that the expenses are actual, necessary or justified. While the Court recognizes that KPMG does not customarily prepare fee applications in the ordinary course of its business, the KPMG Supplement to KPMG's First Application (doc. # 1335) provided detail as to the actual expenses incurred and even identified where the expenses were incurred. Clearly, KPMG is capable of providing a detailed accounting on its actual expenses incurred. However, based upon the descriptions provided in KPMG's Second Application, the Court is unable to determine that the *per diem* amounts requested reflect actual expenses that are necessary and justified. Consequently, the request for reimbursement of these expenses in the amount of \$913.00 is denied.


THE COURT FURTHER FINDS that the remaining \$13,149.96 of expenses for which KPMG seeks reimbursement during the Application Period is reasonable and appropriate and, accordingly, they are approved and allowed.

THEREFORE, IT IS HEREBY ORDERED that

1. The Second Interim Application of KPMG, LLP is allowed in part and disallowed in part.
2. The following fees and expenses requested in KPMG's Second Application are approved and allowed:
 - (A) \$ 226,770.68. for professional services rendered; and
 - (B) \$ 13,149.96 for reimbursement of expenses.
3. The Debtors are hereby authorized and directed to pay to KPMG, LLP (to the extent not previously paid) the sum of:
 - (A) \$226,770.68, representing professionals' fees earned by KPMG, LLP during the Application Period; and
 - (B) \$13,149.96, representing reimbursement for the approved expenses incurred by KPMG, LLP during the Application Period.

SO ORDERED.

March 17, 2005
Rutland, Vermont



Colleen A. Brown
United States Bankruptcy Judge