

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<p>In re:</p> <p>Philadelphia Newspapers, LLC, <i>et al.</i>,¹</p> <p style="text-align: right;">Debtors.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 09-11204 (SR)</p> <p>Jointly Administered</p>
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**LOCAL RULE 2016-5 REQUEST FOR PAYMENT ON ACCOUNT FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES OF SMART BUSINESS
ADVISORY AND CONSULTING, LLC AND SMART AND ASSOCIATES, LLP, FOR
THE PERIOD DECEMBER 1, 2009 THROUGH DECEMBER 31, 2009**

SMART Business Advisory and Consulting, LLC, tax preparer and business consultant to the above-captioned debtors (collectively, the “Debtors”), and SMART and Associates LLP, auditor for the Debtors (together with SMART Business Advisory and Consulting, “SMART”) in accordance with Federal Rule of Bankruptcy Procedure 2016 and Local Bankruptcy Rule 2016-5, request an award of compensation and reimbursement of actual, necessary expenses and represents as follows:

Part A – Preliminary Statement

1. SMART is tax preparer, business consultant and auditor for the Debtors.
2. All services rendered and incurred for which compensation or reimbursement is requested were performed or incurred for or on behalf of the Debtors.
3. The services described in this request (the “Request”) are actual, necessary services and the compensation requested for those services is reasonable.
4. The expenses described in this Request are actual, necessary expenses.
5. SMART makes this Request for compensation and reimbursement of expenses for

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PMH Acquisition, LLC (1299), Broad Street Video, LLC (4665), Philadelphia Newspapers, LLC (3870), Philadelphia Direct, LLC (4439), Philly Online, LLC (5185), PMH Holdings, LLC (1768), Broad Street Publishing, LLC (4574) and Philadelphia Media, LLC (0657).

the period December 1, 2009 through December 31, 2009 (the “Compensation Period”).

Part B – General Information

6. General Information

- A. Date case filed: February 22, 2009.
- B. Date Application to Approve Employment filed: March 13, 2009.
- C. Date employment approved: March 31, 2009.
- D. First date services rendered in the case: February 23, 2009.

7. Professionals Billing for Compensation Period

CONSULTING SERVICES

Name	Billing Rate	Hours	Total
Parker, George	400	3.00	\$1,200.00
Petre, Jeremy	190	18.50	\$3,515.00
Total		21.5	\$4,715.00

TAX SERVICES

Name	Billing Rate	Hours	Total
Stickney, Bill	460	1.00	\$460.00
Jackson, Mike	460	0.50	\$230.00
Glynn, Jerry	450	3.50	\$1,575.00
Ierardi, Mark	410	5.50	\$2,255.00
Polsky, Candice	335	2.50	\$837.50
Tran, Chanh	305	4.75	\$1,448.75
Reilly, Megan	215	2.25	\$483.75
Total		20.00	\$7,290.00

TOTAL FEES : \$12,005.00

8. Billing Rates

The billing rates set forth in this Request are the normal hourly rates charged by SMART for the services rendered.

Part C – Billing Summary

9. Description of Services

Compensation and reimbursement for services rendered is now sought for all reasonable

and necessary activities performed in the case from December 1, 2009 through December 31, 2009 including, by categorical listing, the following services:

Consulting Services (Fees: \$4,715.00 Total Hours: 21.5)

This category represents time spent assisting with the preparation of monthly operating reports required by the Office of the United States Trustee, as well as transaction advisory services related to the Debtors' cases.

Tax Services (Fees: \$7,290.00 Total Hours: 20.0)

This category represents time spent by SMART with respect to: (i) the preparation and review of the Debtors' federal and state income tax returns; (ii) assistance with completion of tax information schedules; (iii) assistance and analysis with respect to any unanticipated issues identified in the preparation of the returns; (iv) review of any inquiries or notices with respect to the returns; (v) preparation of any amended returns; (vi) preparation of any extensions or estimates (if needed); and (vii) any special accounting or tax services such as representation before the Internal Revenue Service, special research or opinion letter preparation.

10. Detail of Hours Expended

Attached hereto as **Exhibit A** is a listing of categories of services rendered and the fees attributable to each category.

11. Request

Based on the above, SMART seeks payment of interim compensation in the total amount of \$9,670.30. This total is comprised as follows: \$3,772.00 (80% of the fees for services rendered for consulting services), plus \$5,832.00 (80% of the fees for services rendered for tax services), plus \$66.30 (100% of interim expenses incurred).

Part D – Expense Summary

12. During the Compensation Period, SMART has expended \$66.30 for expenses in connection with the services provided to the Debtors.²

WHEREFORE, SMART requests payment of interim compensation and expense reimbursement in the total amount of \$9,670.30.

Dated: February 4, 2010

/s/ George Parker
SMART
Senior Manager
80 Lancaster Ave - Devon, PA 19333
Telephone: 610.964.4278
Facsimile: 610.254.5293

*Tax preparer, business consultant and auditor
for the Debtors*

² The amount of expenses set forth herein is based upon disbursements processed to date. Additional expenses may have been incurred but not yet processed. SMART reserves the right to correct, amend, and/or supplement this Request as necessary.

EXHIBIT A

Fee Detail

INVOICE



Make Check Payable To:

SMART Business Advisory and Consulting, LLC
 P.O. Box 823, Bryn Mawr, PA 19010-0823

Wire Payment To:

Wachovia Bank, N.A. ABA# 031201467
 Account No: 2000012542350 SWIFT Code: PNBPU33

Phone

610.254.0700

Fax

610.947.1909

www.smartgrp.com

Tax ID: 20-8994268

Barbara Sadler
Philadelphia Media Holdings, LLC
c/o Bankruptcy Trustees of Philadelphia Media Holdings, LLC
400 North Broad Street
Philadelphia, Pennsylvania 19130
United States

Invoice Number 010101156

Invoice Date 1/7/2010

For professional accounting consulting services rendered during the period December 1, 2009 through December 31, 2009.

Services

Name	Task	Rate/Hr	Hours	Amount
Parker, George	2009 Accounting Consulting	400.00	3.00	1,200.00
Petre, Jeremy	2009 Accounting Consulting	190.00	18.50	3,515.00
			Total	4,715.00

Services	4,715.00
Subtotal	4,715.00
Amount Due	USD 4,715.00

Detail of Procedures Performed:	Hours Billed	
	J. Petre	G. Parker
Information and data collection: <i>Receive approximately 50 emails from client staff containing files and information needed for monthly MOR Statements. Information is sorted and uploaded to engagement software as source documentation. Data is briefly reviewed to identify missing or questionable items. Open items list is created for all items not received and communicated with management and client personnel.</i>	2.0	0.0
Trial balance and account mapping: <i>Trial balances are obtained from client and reformatted to software specifications. Trial balances are uploaded into engagement software and accounts are mapped and grouped as necessary for new or modified accounts or financial statement grouping changes requested from prior period statements.</i> Companies: 9210 Philadelphia Newspapers, LLC 9217 Broad Street Publishing, LLC 9220 Philly Direct, LLC 9231 Philadelphia Media, LLC 9232 Philly Online, LLC 9233 Broad Street Video, LLC 9235 PMH Elimination Company 9237 PMH Holdings, LLC 9238 PMH Acquisition, LLC 9239 Philadelphia Media Holdings, LLC	1.0	0.0
Financial statement compilation and review: <i>Basic financial statements (balance sheet and income statement) are formatted from consolidated trial balances in engagement software. Statements are reviewed to ensure proper data flow and identify unusual items for further review. Any requested formatting changes are made to the statements.</i>	1.0	0.0
MOR-1 - Consolidating Cash Flows <i>Data compiled from daily cash activity report and monthly cash activity summary reports obtained from client and formatted into cash flow statement by entity. Net cash balance is reconciled to balance sheet and any necessary adjustments are reviewed.</i>	1.0	0.0
MOR-1 Continued - Bank Account Summary <i>Bank account balances per book (general ledger) are obtained from client prepared account summary schedule. Individual bank statements are obtained for each account and referenced as supporting documentation. Totals are traced to the balance sheet and MOR-1.</i>	1.0	0.0
MOR-2 - Statement of Operations <i>Year-to-date (YTD) data is compiled through trial balances in engagement software into income statement. Monthly statement is manually prepared based on current and prior month data. Unusual items are noted for review and formatting or grouping changes are made as necessary.</i>	1.0	0.0
MOR-3 - Balance Sheet <i>Data is compiled through trial balance in engagement software. Statement is reviewed for proper formatting and unusual items are noted for review. Manual equity roll is prepared to ensure accuracy. Accrued liability listing is obtained from client separating balances subject to compromise from those not subject to compromise per monthly review and the statement is formatted and adjusted accordingly.</i>	1.0	0.0

Detail of Procedures Performed:

	Hours Billed	
	J. Petre	G. Parker
<p>MOR-4 - Statement of Postpetition Taxes</p> <p><i>Data is compiled on manual spreadsheet from the weekly payroll summary reports provided by client (ADP) for each company. Payroll tax liabilities are compiled and accrued for the period. The payroll summary files are traced to documentation of weekly wire transfers from the client to ADP to fund payroll and payment confirmation detail for accuracy. The wire transfer confirmation detail is referenced and retained as supporting documentation. Non-payroll tax accrual data is obtained from the client through monthly account reconciliations and reported on the statement. Non-payroll tax payment documentation is obtained from the client, payments are compared to prior accruals for reasonableness and reported on the statement, and payment documents are referenced and retained as support. All accruals and payments are compiled on a detailed subsidiary spreadsheet by line item and the summary data is reported on the form. The detailed sheets are provided to management for review and any usual or questionable items are reviewed and reconciled.</i></p>	2.0	0.0
<p>MOR-4 - Consolidating Accounts Payable Aging</p> <p><i>Listing of unpaid invoices is obtained from client for each company. List is sorted by invoice data and aged as of the last day of the period. Invoices are sub-totaled by aging bucket and the summary data is reported on the form. Additional A/P accrual information is obtained from the client and reported on the form. The total by company is traced to the balance sheet for accuracy.</i></p>	1.0	0.0
<p>MOR-5 - Consolidating Reconciliation of Accounts Receivable</p> <p><i>Accounts receivable rollforward data is obtained by individual GL account from the responsible client personnel. Detailed subsidiary spreadsheet is used to compile the data from each of the sources and trace to the trial balance for accuracy. Any unusual or questionable items are reviewed with management or client personnel. The total by company is traced to the balance sheet for accuracy.</i></p>	1.0	0.0
<p>MOR-5 Continued - Consolidating Accounts Receivable Aging</p> <p><i>Accounts receivable aging summaries are obtained from each department (advertising, circulation, general) for each of the companies and the aging data is compiled in a detailed spreadsheet. Unusual or questionable items are reviewed with management and detailed aging schedules are reviewed and adjustments are made as necessary. The total by company is traced to the balance sheet for accuracy.</i></p>	1.0	0.0
<p>MOR-5 Continued - Debtor Questionnaire</p> <p><i>Standard debtor questions are reviewed with management and appropriate responses are reported on the statement.</i></p>	0.0	0.0
<p>Statement review meeting with management</p> <p><i>After draft reports have been prepared and reviewed by management, a meeting is held to review and discuss any items in question or necessary adjustments. All changes are made based on the results of the meeting and secondary draft statements are provided to management.</i></p>	1.5	0.0
<p>Final statement review and reporting package</p> <p><i>Additional adjustments and formatting changes as determined by management are reviewed and made. Final reporting package including all supporting documentation is compiled and provided to management.</i></p>	1.0	0.5
<p>Management review</p> <p><i>Process questions are addressed as needed. A quality review of the final schedules and documentation is performed.</i></p>	0.5	0.0
<p>Attendance at physical inventory observation</p> <p><i>Attended physical inventory at the Conshohocken plant and performed test count. Performed at the request of PMH CFO as it would be necessary should the company require an attest audit report for the year ended 12/27/2009.</i></p>	2.5	2.5
Total Hours	18.5	3.0

INVOICE



Make Check Payable To:

SMART Business Advisory and Consulting, LLC
P.O. Box 823, Bryn Mawr, PA 19010-0823

Wire Payment To:

Wachovia Bank, N.A. ABA# 031201467
Account No: 2000012542350 SWIFT Code: PNBPUS33

Phone

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Fax

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www.smartgrp.com

Tax ID: 20-8994268

Barbara Sadler
Philadelphia Media Holdings, LLC
c/o Bankruptcy Trustees of Philadelphia Media Holdings, LLC
400 North Broad Street
Philadelphia, Pennsylvania 19130
United States

Invoice Number 050111827

Invoice Date 1/7/2010

See attached for detail.

Services 7,290.00
Expenses 66.30

Services	7,290.00
Expenses	66.30
Subtotal	7,356.30
Amount Due	USD 7,356.30

Philadelphia Media Holdings, LLC

Professional Tax Services

INVOICE # 50111827
Invoice Date: From 12/01-12/31/2009

I. Tax Consulting: Bankruptcy Related Issues: Tax purchase price allocation modeling including asset tax basis analysis.

Staff	Level	Hourly Rate	Hours	Amount
Mark Ierardi	Senior Manager	410	1.00	\$ 410.00
Chanh Tran	Manager	305	3.50	\$ 1,067.50
Sub total			4.50	\$ 1,477.50

II. Tax Consulting: Appeal of PA Capital Stock Tax deficiency assessments - post appeals hearing information document request

Staff	Level	Hourly Rate	Hours	Amount
Jerry Glynn	Director	450	3.00	\$ 1,350.00
Sub total			3.00	\$ 1,350.00
			Out-of-pocket expenses	\$ 66.30

III. Other Tax Consulting: Philadelphia BPT Notices - Research, analysis and discussion about refund with the taxing authority. Other miscellaneous research regarding partnership abandonment and taxability of fringe benefits.

Staff	Level	Hourly Rate	Hours	Amount
Bill Stickney	Managing Director	460	1.00	\$ 460.00
Mike Jackson	Managing Director	460	0.50	\$ 230.00
Jerry Glynn	Director	450	0.50	\$ 225.00
Mark Ierardi	Senior Manager	410	4.50	\$ 1,845.00
Candice Polsky	Manager	335	2.50	\$ 837.50
Chanh Tran	Manager	305	1.25	\$ 381.25
Megan Reilly	Senior Associate	215	2.25	\$ 483.75
Sub total			12.50	\$ 4,462.50

Total Amount Due	\$ 7,356.30
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Amount due from services provided	\$ 7,290.00
Out of pocket expenses (August & September)	66.30