

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

In re:	:	Chapter 11
Philadelphia Newspapers, LLC, <i>et al.</i> , <sup>1</sup>	:	Case No. 09-11204 (JKF)
Debtors.	:	(Jointly Administered)
	:	
	:	

**REQUEST FOR PAYMENT OF FEES AND REIMBURSEMENT  
OF EXPENSES OF O’MELVENY & MYERS LLP FOR THE PERIOD  
AUGUST 1, 2009 THROUGH AUGUST 31, 2009, PURSUANT TO LOCAL RULE 2016-5**

O’Melveny & Myers LLP (“OMM”), lead counsel to the Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases of the above-captioned debtors and debtors-in-possession (the “Debtors”), in accordance with Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 2016-5 of the Local Rules of the United States Bankruptcy Court for the Eastern District of Pennsylvania (the “Local Bankruptcy Rules”), requests an award of fees and reimbursement of expenses, a summary of which is annexed hereto as Exhibit A, incurred during the period from August 1, 2009 through August 31, 2009 (the “Compensation Period”).<sup>2</sup>

**JURISDICTION**

1. The Court has jurisdiction over this application pursuant to 28 U.S.C § 1334. Venue is proper pursuant to 28 U.S.C §§ 1408 and 1409. This application is a core proceeding pursuant to 28 U.S.C § 157(b).

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

<sup>2</sup> It is possible that some time entries and expenses for the period ended August 31, 2009 have not yet been entered in OMM’s accounting system. OMM reserves the right to seek payment for such fees and expenses in subsequent monthly statements submitted pursuant to Local Bankruptcy Rule 2016-5 and in OMM’s fee applications.

**PRELIMINARY STATEMENT**

OMM is lead counsel to the Committee. All services for which compensation is requested by OMM were performed for or on behalf of the Committee. The services described in this request are actual and necessary and the compensation requested is reasonable. The expenses described in this request are actual and necessary expenses.

**GENERAL INFORMATION**

1. The petitions in these cases were filed on February 22, 2009.
2. OMM's employment application was filed on March 20, 2009.
3. OMM's employment application was approved on April 9, 2009, *nunc pro tunc* to March 2, 2009.
4. OMM first rendered services to the Committee on March 2, 2009.
5. Billing Rates. The billing rates set forth in this Request are the normal rates charged by OMM for the services rendered.
6. Attorneys and paraprofessionals billing for the Compensation Period (August 1, 2009 through August 31, 2009) are set forth below:

<u>TIMEKEEPER</u>	<u>HOURS</u>	<u>RATE</u>	<u>VALUE</u>
ROBERT BLASHEK	10.70	\$880.00	9,416.00
BEN LOGAN	74.30	\$860.00	63,898.00
BEN LOGAN (NON-WORKING TRAVEL)	7.20	\$430.00	3,096.00
TOM JERMAN	14.30	\$860.00	12,298.00
GERALD BENDER	63.10	\$810.00	51,111.00
GERALD BENDER (NON-WORKING TRAVEL)	5.00	\$405.00	2,025.00

<u>TIMEKEEPER</u>	<u>HOURS</u>	<u>RATE</u>	<u>VALUE</u>
PETER RITTER	1.10	\$675.00	742.50
JENNIFER TAYLOR	42.40	\$480.00	20,352.00
MELANIE MCLAUGHLIN	73.30	\$425.00	31,152.50
ANTHONY DILELLO	11.70	\$425.00	4,972.50
TERRI DAVENPORT	3.20	\$395.00	1,264.00
LYNN TALAB	15.10	\$310.00	4,681.00
ALEXANDRA ECHERY	4.00	\$310.00	1,240.00
MAUREEN BURKE	8.20	\$285.00	2,337.00
MARC LEWIS	1.10	\$275.00	302.50
PRISCILLA STULTZ	.50	\$200.00	100.00
<b>TOTAL</b>	<b>335.20</b>		<b>\$208,988.00</b>

7. Activities performed during the Compensation Period, by categorical listing, include the following:

**A. Asset Disposition (002)**

Fees: \$26,286.50 Total Hours: 44.70

8. The work performed by OMM in this category includes work generally related to the Debtors' proposed auction of substantially all its assets. This work included (i) preparation of a motion seeking to prevent the Debtors from favoring local ownership in that auction, (ii) mediation and negotiation of sale procedures, (iii) negotiations over the identity of the sale monitor and the monitor's role, (iv) analysis of the Debtors' motion to establish sale procedures, (v) preparation of an objection to the proposed break up fee and expense reimbursement to be paid to the stalking horse bidder, and (v) analysis of the Debtors' proposal to disallow credit bidding.

**B. Business Operations (003)**

Fees: \$425.00 Total Hours: 1.00

9. The work performed by OMM in this category includes review of the Debtors' motions related to the assumption and rejection of leases.

**C. Case Administration (004)**

Fees: \$9,918.00 Total Hours: 16.20

10. The work performed by OMM in this category includes review and coordination regarding the large assortment of pleadings filed in these cases that do not fit in another category, general coordination with the Debtors and discussions with members of the Committee regarding the overall status of these cases.

**D. Claims Administration and Objections (005)**

Fees: \$896.50 Total Hours: 1.70

11. The work performed by OMM during the Compensation Period charged to this category includes OMM's work to review certain claims against the Debtors and the underlying documents related thereto.

**E. Employee Benefits / Pensions (006)**

Fees: \$39,816.50 Total Hours: 59.70

12. This category includes work performed by OMM in analyzing various issues related to the Debtors' unions and pension plans. For example, OMM prepared a reply in support of the senior lenders' motion seeking authorization to negotiate with the unions who are party to collective bargaining agreements with the Debtors, and analyzed the legal issues related to withdrawal liability from certain multi-employer plans as contemplated in the Debtors' proposed plan.

**F. Fee/Employment Applications (007)**

Fees: \$11,869.00 Total Hours: 30.80

13. The work performed by OMM during the Compensation Period charged to this category includes (i) discussions with the U.S. Trustee regarding certain aspects of prior fee requests and revisions to them based on these discussions, (ii) preparation of OMM's first interim fee application, and (iii) preparation of OMM's monthly payment application for June 2009.

**G. Financing (009)**

Fees: \$36,392.50 Total Hours: 46.70

14. The work performed by OMM during the Compensation Period that was charged to this category related mainly to the review, analysis and negotiations of alternative DIP financing proposals and related mediation of those issues conducted by Judge Fehling. This work included negotiating and drafting the consensual order entered by the Court on August 28, 2009 governing DIP financing, exclusivity, the sale monitor and other issues. This category also includes OMM's work with Chanin in reviewing the Debtors' projected cash flows and actual performance.

**H. Litigation (010)**

Fees: \$4,365.00 Total Hours: 5.70

15. The work performed by OMM during the Compensation Period that was charged to this category related to discussions with local counsel regarding the investigation of the taping incident.

**I. Meeting of Creditors (011)**

Fees: \$20,569.50 Total Hours: 31.10

16. This category includes OMM's participation in weekly telephonic meetings with the Debtors' professionals and separate weekly telephonic meetings with the members of the Committee. Both sets of meetings dealt with assorted current issues and upcoming events.

**J. Plan and Disclosure Statement (012)**

Fees: \$24,932.50 Total Hours: 37.30

17. The work performed by OMM during the Compensation Period that was charged to this category related mainly to discussions with counsel for the Debtors regarding the plan that the Debtors intended to file, the preparation of an objection to the Debtors' second motion to extend exclusivity and the review and analysis of the plan of reorganization and disclosure statement that the Debtors filed on August 20, 2009.

**K. Tax Issues (020)**

Fees: \$13,602.50 Total Hours: 17.10

18. The work performed by OMM during the Compensation Period that was charged to this category related mainly to research regarding various tax consequences of plan structures and related communications between counsel for the Committee and the Debtors.

**L. Review of Secured Debt (022)**

Fees: \$14,793.50 Total Hours: 31.00

19. The work performed by OMM during the Compensation Period that was charged to this category related mainly to the review and analysis of the senior loan documents and liens and negotiations with the senior lenders related to the extension of time in which the Committee must bring an action on the results of such investigation.

**M. Non-Working Travel (023)<sup>3</sup>**

Fees: \$5,121.00 Total Hours: 12.20

20. The time billed by OMM during the Compensation Period that was charged to this category related to travel time that was not otherwise billed to any other matter.

**EXPENSE SUMMARY**

21. During the Compensation Period, OMM incurred \$5,621.37 in expenses. Set forth in Exhibit A is a summary of the expenses by category.<sup>4</sup>

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<sup>3</sup> Non-working travel is billed at one half the attorney's hourly rate.

<sup>4</sup> OMM has charged \$1.00 per page for out-going facsimile transmissions and \$.10 per page for photocopying expenses for this case. Actual long-distance carrier charges for outgoing facsimile transmissions are reflected in the long-distance telephone charges. Regarding providers of on-line legal research (e.g., LEXIS and WESTLAW), OMM charges all its clients the standard usage rates these providers charge, which, due to contractual flat fees, may not always equal OMM's actual cost. OMM is currently under contract to pay these providers a flat fee every month. For certain months the flat fee may be higher than actual usage. For certain other months the flat fee may be lower than actual usage. Charging its clients the on-line providers' standard usage rates allows OMM to cover adequately the monthly flat fees it must pay to these types of providers. OMM believes the foregoing rates are the market rates that the majority of law firms charge clients for such services. In addition, OMM believes that such charges are in accordance with the American Bar Association's ("ABA") guidelines, as set forth in the ABA's Statement of Principles, dated January 12, 1995, regarding billing for disbursements and other charges.

By this application, OMM seeks payment of their compensation totaling \$172,811.77. This consists of \$167,190.40 (80% of \$208,988.00) for fees and \$5,621.37 for reimbursement of actual and necessary expenses.

September 28, 2009  
New York, New York

/s/ Melanie McLaughlin  
Gerald C. Bender (admitted *pro hac vice*)  
Melanie A. McLaughlin (admitted *pro hac vice*)  
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*Co-Counsel for the Official Committee  
of Unsecured Creditors*

**EXHIBIT A**

**EXPENSES**

	<b><u>AMOUNT</u></b>
COPYING (COPITRAK - INTERNAL)	\$ 46.00
LASERTRAK PRINTING	743.50
ONLINE RESEARCH (MISC.)	3,121.15
ONLINE RESEARCH - WESTLAW	597.22
EXPENSE REPORT OTHER - INCLUDES OUT OF TOWN TRAVEL	262.00
OUT-OF-TOWN TRAVEL (DIRECT BILL FIRM - AIRFARE)	851.50
<b>TOTAL</b>	<b>\$5,621.37</b>

**SUMMARY OF TIME BILLED BY TASK**

	<b><u>HOURS</u></b>	<b><u>VALUE</u></b>
002 ASSET DISPOSITION	44.70	\$26,286.50
003 BUSINESS OPERATIONS	1.00	425.00
004 CASE ADMINISTRATION	16.20	9,918.00
005 CLAIMS ADMINISTRATION AND OBJECTIONS	1.70	896.50
006 EMPLOYEE BENEFITS / PENSIONS	59.70	39,816.50
007 FEE / EMPLOYMENT APPLICATION	30.80	11,869.00
009 FINANCING	46.70	36,392.50
010 LITIGATION	5.70	4,365.00
011 MEETINGS OF CREDITORS	31.10	20,569.50
012 PLAN AND DISCLOSURE STATEMENT	37.30	24,932.50
020 TAX ISSUES	17.10	13,602.50
022 REVIEW OF SECURED DEBT	31.00	14,793.50
023 NON-WORKING TRAVEL	12.20	5,121.00
<b>TOTAL</b>	<b>335.20</b>	<b>\$208,988.00</b>

**SUMMARY OF FEES AND EXPENSES**

CASE ADMINISTRATION	\$ 5,621.37
FEES	208,988.00
<b>TOTAL OF FEES AND EXPENSES</b>	<b>\$214,609.37</b>

**CERTIFICATE OF SERVICE**

It is hereby certified that a true and correct copy of the foregoing APPLICATION OF  
O'MELVENY & MYERS LLP FOR PAYMENT ON ACCOUNT PURSUANT TO LOCAL  
RULE 2016-5 FOR THE PERIOD OF AUGUST 1, 2009, THROUGH AUGUST 31, 2009  
was served this 28th day of September, 2009 on the parties listed below by electronic mail and  
by the Court's CM/ECF transmission:

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/s/ Brya M. Keilson  
Brya M. Keilson