

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 (September 1, 2009 through September 30, 2009) are set forth below:

<u>TIMEKEEPER</u>	<u>HOURS</u>	<u>RATE</u>	<u>VALUE</u>
BEN LOGAN	93.60	\$860.00	\$80,496.00
BEN LOGAN (NON-WORKING TRAVEL)	12.50	\$430.00	5,375.00
TOM JERMAN	5.60	\$860.00	4,816.00
GERALD BENDER	44.30	\$810.00	35,883.00

² It is possible that some time entries and expenses for the period ended September 30, 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.

<u>TIMEKEEPER</u>	<u>HOURS</u>	<u>RATE</u>	<u>VALUE</u>
GERALD BENDER (NON-WORKING TRAVEL)	4.00	\$405.00	1,620.00
ROBERT WELSH	9.90	\$730.00	7,227.00
KATHRYN CAHAN	22.10	\$520.00	11,492.00
JENNIFER TAYLOR	36.60	\$480.00	17,568.00
JENNIFER TAYLOR (NON-WORKING TRAVEL)	12.80	\$240.00	3,072.00
MELANIE MCLAUGHLIN	95.00	\$425.00	40,375.00
ANTHONY DILELLO	16.20	\$425.00	6,885.00
LYNN TALAB	12.20	\$310.00	3,782.00
CHARLES GREEN	6.00	\$220.00	1,320.00
CHARLES GREEN (NON-WORKING TRAVEL)	19.00	\$110.00	2,090.00
TOTAL	389.80		\$222,001.00

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

A. Asset Disposition (002)

Fees: \$124,764.50 Total Hours: 191.90

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 conducting a publicity campaign that favored local ownership in that auction, (ii) mediation and negotiation of sale procedures, DIP financing and other plan related issues conducted by Judge Fehling, (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 and preparation of a joinder in support of the senior lenders' ability to credit bid.

B. Business Operations (003)

Fees: \$3,206.00 Total Hours: 5.00

9. The work performed by OMM in this category includes review of the Debtors' motions related to the assumption and rejection of leases, including the lease for the property located at 1601 Market Street.

C. Case Administration (004)

Fees: \$2,087.50 Total Hours: 4.40

10. The work performed by OMM in this category includes review and coordination regarding the pleadings filed in these cases that do not fit in another category, general coordination with the Debtors and coordination with Garden City regarding maintenance of the Committee's web site required by Bankruptcy Code section 1102(b)(3).

D. Claims Administration and Objections (005)

Fees: \$127.50 Total Hours: .30

11. The work performed by OMM during the Compensation Period charged to this category includes some minor work related to the claims bar date order.

E. Employee Benefits / Pensions (006)

Fees: \$16,781.50 Total Hours: 29.40

12. This category includes work performed by OMM in analyzing various issues related to the Debtors' unions and pension plans. For example, OMM 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: \$9,867.50 Total Hours: 25.50

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 Mr. Logan's supplemental declaration in support of OMM's retention, and (iii) preparation of OMM's monthly payment application for August 2009.

G. Fee / Employment Objections (008)

Fees: \$3,419.50 Total Hours: 7.10s

14. The work performed by OMM during the Compensation Period that was charged to this category related mainly to discussions with the U.S. Trustee regarding resolving her objection to OMM's first interim fee application and analysis of the Debtors' application to retain an investigator.

H. Financing (009)

Fees: \$13,337.00 Total Hours: 16.90

15. The work performed by OMM during the Compensation Period that was charged to this category related mainly to the review, analysis and negotiations of the Debtor's DIP financing. This work included negotiating and revising the final DIP credit agreement and final order. This category also includes OMM's work with Chanin in reviewing the Debtors' projected cash flows and actual performance.

I. Litigation (010)

Fees: \$2,144.00 Total Hours: 3.10

16. The work performed by OMM during the Compensation Period that was charged to this category related to discussion regarding the letter from Senator Specter with respect to the investigation of the taping incident.

J. Meeting of Creditors (011)

Fees: \$15,816.50 Total Hours: 23.80

17. 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.

K. Plan and Disclosure Statement (012)

Fees: \$18,292.50 Total Hours: 34.10

18. The work performed by OMM during the Compensation Period that was charged to this category related mainly to the analysis of the Debtors' disclosure statement and work researching and preparing an objection thereto. In addition, OMM spent time reviewing and analyzing the numerous disclosure statement objections filed by other parties in interest in these cases.

L. Non-Working Travel (023)³

Fees: \$12,157.00 Total Hours: 48.30

19. 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

20. During the Compensation Period, OMM incurred \$11,875.22 in expenses. Set forth in Exhibit A is a summary of the expenses by category.⁴

By this application, OMM seeks payment of their compensation totaling \$189,476.02. This consists of \$177,600.80 (80% of \$222,001.00) for fees and \$11,875.22 for reimbursement of actual and necessary expenses.

October 21, 2009
New York, New York

/s/ Melanie McLaughlin
Gerald C. Bender (admitted *pro hac vice*)
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and

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*Co-Counsel for the Official Committee
of Unsecured Creditors*

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

⁴ 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 the standard usage rates these providers charge, less a discount in order to pass on to its clients discounted rates that OMM has negotiated. 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.

EXHIBIT A

EXPENSES

	<u>AMOUNT</u>
COPYING (COPITRAK - INTERNAL)	\$ 110.20
LASERTRAK PRINTING	911.70
LASERTRAK COLOR PRINTING	15.00
ONLINE RESEARCH / LEXIS-NEXIS	962.98
ONLINE RESEARCH WESTLAW	2,271.41
DELIVERY SERVICES / MESSENGERS	171.02
LOCAL TRAVEL (TAXI)	308.19
EXPENSE REPORT OTHER - INCLUDES OUT OF TOWN TRAVEL	3,041.06
OUT-OF-TOWN TRAVEL (EXPENSE REPORT - MEALS)	200.74
OUT-OF-TOWN TRAVEL (DIRECT BILL FIRM - AIRFARE)	3,808.92
OTHER PROFESSIONALS (ACCOUNTS PAYABLE)	74.00
TOTAL	\$11,875.22

SUMMARY OF TIME BILLED BY TASK

	<u>HOURS</u>	<u>VALUE</u>
002 ASSET DISPOSITION	191.90	\$124,764.50
003 BUSINESS OPERATIONS	5.00	3,206.00
004 CASE ADMINISTRATION	4.40	2,087.50
005 CLAIMS ADMINISTRATION AND OBJECTIONS	.30	127.50
006 EMPLOYEE BENEFITS / PENSIONS	29.40	16,781.50
007 FEE / EMPLOYMENT APPLICATION	25.50	9,867.50
008 FEE / EMPLOYMENT OBJECTIONS	7.10	3,419.50
009 FINANCING	16.90	13,337.00
010 LITIGATION	3.10	2,144.00
011 MEETINGS OF CREDITORS	23.80	15,816.50
012 PLAN AND DISCLOSURE STATEMENT	34.10	18,292.50
023 NON-WORKING TRAVEL	48.30	12,157.00
TOTAL	389.80	\$222,001.00

SUMMARY OF FEES AND EXPENSES

CASE ADMINISTRATION	\$ 11,875.22
FEES	222,001.00
TOTAL OF FEES AND EXPENSES	\$233,876.22

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 SEPTEMBER 1, 2009, THROUGH SEPTEMBER 30,
2009 was served this 21st day of October, 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