

COVER SHEET

HEARING DATE: March 19, 2014
HEARING TIME: 10:00 A.M.

In re:

The Christian Brothers' Institute, and the Christian Brothers of Ireland, Inc.,

Debtors.

<u>Index No.</u>	Interim Fees Previously Awarded	\$1,739,545.56	Final Fees Sought	\$3,945,049.30	<u>Name of Firm</u>
11-22820 (RDD)	Paid to Date:	\$1,739,545.56	Final Expenses Sought	\$110,563.20	Tarter Krinsky & Drogin LLP
	Interim Fees Previously Sought	\$1,932,828.40			Attorneys for The Christian Brothers' Institute and the Christian Brothers of Ireland, Inc. Debtors and Debtors-in-Possession 1350 Broadway, 11th Floor New York, NY 10018 (212) 216-8000
	Retainer Paid	\$100,000.00			
	Interim Expenses Previously Awarded	\$44,803.56			
	Interim Expenses Previously Sought	\$44,803.56			

Name of Professional(s)	Date Admitted	Hours Engaged	Average Rate(s)	Total	Fees Charged for Similar work not in bankruptcy matters and percentage received	Time Records Submitted	Summary description of materials handled
Scott S. Markowitz Partner	1989	2,230.50	\$465/\$500	\$1,037,374.00	100% (hourly rates for certain bankruptcy partners below standard rates)	Time sheets for each professional and detail schedule by individual, of days and hours, work and functions performed.	Detailed summary included in application with copies of time records annexed.
Anthony D. Dougherty Partner	1991	1,590.30	\$440/\$465	\$702,724.50			
Deborah J. Piazza Partner	1997	97.40	\$465/\$475	\$45,348.00			
Edward Farrell Partner	1990	104.80	\$450/\$465	\$48,111.00			
Steven L. Ferszt Partner	1986	21.20	\$465/\$525	\$9,882.00			
Linda S. Roth Partner	1985	4.30	\$440/\$450	\$1,910.00			
Laurent S. Drogin Partner	1991	0.50	\$425	\$212.50			
Andrew S. Koerner Partner	2002	0.20	\$425	\$85.00			
Marilyn Simon Counsel	1971	44.40	\$440	\$19,536.00			

Eric H. Horn Counsel	2002	669.30	\$420/\$435	\$286,225.50			
Catherine Ferrara Counsel	2001	1,812.20	\$335/\$425	\$648,121.00			
Joann T. Palumbo Counsel	1985	0.60	\$455/\$475	\$279.00			
Thomas G. Huszar Counsel	1998	0.60	\$335	\$201.00			
Rocco A. Cavaliere Counsel	2001	206.40	\$335/\$435	\$77,914.00			
Kieran B. Morrow Counsel	2000	46.40	\$420	\$19,488.00			
Ira R. Abel Associate	1982	112.90	\$420	\$47,418.00			
Melissa B. Morales Associate	2005	2.00	\$375	\$720.00			
Lisa McIntyre Associate	2005	7.10	\$335	\$2,378.50			
Tara Toevs Associate	2005	14.60	\$335/\$375/\$425	\$4,992.00			
Gregory Skiff Associate	2013	226.60	\$255	\$57,783.00			
David M. Allen Associate	2012	33.80	\$295	\$9,971.00			
Karen Menendez Paralegal	--	931.20	\$195/\$200/\$210	\$185,174.50			
James Hiseler Paralegal	--	1,610.70	\$154/\$200/\$210	\$322,059.40			
Arlene Roe Paralegal	--	67.90	\$195/\$200	\$12,620.40			
Annabelle Castillo-Cohen Paralegal	--	1,154.10	\$200/\$215	\$232,597.50			

Cliff Roca Paralegal	--	573.80	\$210	\$121,260.00			
Marie L. Holt Paralegal	--	20.10	\$240	\$4,824.00			
Temp Paralegal Paralegal	--	73.60	\$200/\$205/\$215	\$15,562.00			
Jessica Ball Intern	--	3.20	\$195	\$624.00			
Adam Roth Intern	--	10.00	\$195	\$1,950.00			
Robert Salame Intern	--	11.30	\$195	\$2,203.50			
David Rossi Intern	--	71.50	\$150	\$10,725.00			
Natalie Rice Intern	--	74.00	\$150	\$11,100.00			
Daniel Lavian Law Clerk	--	21.00	\$175	\$3,675.00			
Total		11,848.50		\$3,945,049.30			

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TARTER KRINSKY & DROGIN LLP
Attorneys for The Christian Brothers' Institute, et al.
Debtors and Debtors-in-Possession
1350 Broadway, 11th Floor
New York, New York 10018
(212) 216-8000
Scott S. Markowitz, Esq.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----	X
In re:	: Chapter 11
	:
THE CHRISTIAN BROTHERS' INSTITUTE, <i>et al.</i>	: Case No.: 11-22820 (RDD)
	:
Debtors.	: (Jointly Administered)
-----	X

**FINAL FEE APPLICATION OF TARTER KRINSKY & DROGIN LLP,
ATTORNEYS FOR THE DEBTORS-IN-POSSESSION, FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES PURSUANT
TO SECTION 330 OF THE BANKRUPTCY CODE**

TO: THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

Tarter Krinsky & Drogin LLP ("TKD" or "Applicant"), attorneys for The Christian Brothers' Institute ("CBI") and The Christian Brothers of Ireland, Inc. ("CBOI"), debtors and debtors-in-possession (collectively, the "Debtors") respectfully states as follows:

SUMMARY OF REQUESTED RELIEF

1. By this application (the "Final Application"), TKD seeks a final award of compensation in the total amount of \$3,945,049.30 (less payments received pursuant to the monthly fee order, the first interim award, and retainer of \$3,113,487.40), representing 11,848.50 hours of professional services rendered for the period commencing April 7, 2011, through and

including January 9, 2014 (the “Compensation Period”).¹ TKD also seeks reimbursement of actual and necessary expenses incurred during the Compensation Period in the amount of \$110,563.20 (less payments received of \$105,561.05).

2. At all times, Applicant has attempted to maximize efficiency and avoid duplication of effort. Such measures have permitted Applicant to provide effective representation as the Debtors’ counsel without placing unnecessary financial burdens on the estates. Applicant respectfully submits that the professional services rendered and legal advice provided were necessary and valuable to the Debtors and resulted in substantial value and benefit to the Debtors and their bankruptcy estates.

3. Accordingly, as required by §330 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Local Bankruptcy Rules and the General Orders of this Court, Applicant submits this Final Application for professional services rendered to the Debtors and for reimbursement of necessary expenses incurred in its representation of the Debtors.

JURISDICTION, VENUE AND STATUTORY BASES

4. This Court has jurisdiction to consider this Final Application pursuant to 28 U.S.C. §§157 and 1334 and the order of reference, dated July 10, 1984 (Ward, C.J.), as amended by the Amended Standing Order of Reference, dated January 31, 2012 (Preska, C.J.). This is a core proceeding pursuant to 28 U.S.C. §157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§1408 and 1409. The statutory predicates for the relief requested are § 330 of the Bankruptcy Code, Bankruptcy Rule 2016, Local Bankruptcy Rule 2016-1, General Order M-389

¹ Since TKD represents both CBI and CBOI, and the Chapter 11 cases have not been substantively consolidated, the total fee request includes both Debtors. To the extent possible, TKD’s time records have been kept separately. However, most of the time entries apply to both Debtors, but to the extent that TKD’s services clearly pertain to only one of the Debtors, the time has been kept separately.

(and any amendments or supplements thereto) and the Guidelines for Fees and Disbursements promulgated by the United States Trustee.

THE APPLICANT

5. Applicant is a professional corporation consisting of approximately fifty (50) full-time attorneys. Applicant has a separate department consisting of three partners, one counsel, one associate, and one paralegal which specialize in bankruptcy matters. Applicant also has a separate department which specializes in representing not-for-profit entities, with an emphasis on representing religious orders.

6. Applicant's offices are located at 1350 Broadway, New York, New York 10018. A description of the attorneys who rendered professional legal services in this case is annexed hereto as **Exhibit "A."**

7. Scott S. Markowitz is a partner in Applicant's law firm. He has practiced bankruptcy law specializing in representing debtors in Chapter 11 reorganizations for approximately twenty-five (25) years and he is published in the New York Law Journal, in the area of bankruptcy law. In addition, he has lectured and continues to lecture at New York County Lawyers' Association in continuing legal education in the area of bankruptcy law.

8. Anthony Dougherty, a partner in Applicant's law firm, has represented for many years CBI on non-bankruptcy matters, including, but not limited to, defending personal injury claims commenced by sexual abuse claimants and providing general representation on a variety of matters.

9. The other partners, counsel and associate attorneys in Applicant's firm who have from time to time rendered services in connection with these cases are likewise experienced, and all of the attorneys are duly admitted to practice in the courts of the State of New York, as well as the United States District Courts and Bankruptcy Courts for the Southern District of New York and the Eastern District of New York.

BACKGROUND

10. On April 28, 2011 (the “Petition Date”), the Debtors each commenced their respective Chapter 11 case by filing a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). Pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code, the Debtors continued to operate as debtors-in-possession up until confirmation of the their plan of reorganization. No trustee has been appointed.

11. The Debtors’ cases were consolidated for administrative purposes only, by order dated May 2, 2011. Thereafter, by order dated May 18, 2011, the Debtors were authorized to retain Tarter Krinsky & Drogin LLP as bankruptcy counsel.

12. On May 11, 2011, the United States Trustee appointed an Official Committee of Unsecured Creditors (the “Committee”). The Committee retained Pachulski Stang Ziehl & Jones LLP as its counsel which was approved by an order of this Court, dated July 14, 2011.

13. CBI is a domestic not-for-profit 501(c)(3) corporation organized under § 102(a)(5) of the New York Not-for-Profit Corporation Law. CBI was formed in 1906 pursuant to Section 57 of the then existing New York Membership Law. The Not-for-Profit Corporation Law replaced the Membership Law effective September 1, 1970. According to its governance documents, the purpose for which CBI was, and continues to be, formed was to establish, conduct and support Catholic elementary and secondary schools principally throughout New York State. As a not-for-profit corporation, the assets, and/or income are not distributable to, and do not inure to, the benefit of its directors or officers. CBI depends upon grants and donations to fund a portion of its operating expenses.

14. CBOI is a domestic not-for-profit 501(c)(3) corporation organized under the Not-for-Profit Corporation Law of the State of Illinois. According to its governance documents, the purpose for which CBOI was, and continues to be, formed was to establish, conduct and support Catholic elementary and secondary schools principally throughout the State of Illinois, as well as

other spiritual and temporal affairs of the former Brother Rice Province of the Congregation of Christian Brothers. As a not-for-profit corporation, the assets, and/or income are not distributable to, and do not inure to the benefit of its members, or officers. CBOI depends upon grants and donations to fund a portion of its operating expenses.

15. The cause for the filing of these cases has been extensively detailed in the affidavit pursuant to Local Bankruptcy Rule 1007-2 filed with the original petitions, and is referred to as if fully set forth herein. In short, the Debtors' Chapter 11 cases were filed in an effort to resolve in one forum, litigation and claims asserted by sexual abuse plaintiffs against the Debtors in various jurisdictions.

16. By order, dated January 13, 2014, this Court confirmed the Debtors' and the Committee's joint plan of reorganization (the "Plan"). The Plan has gone effective and the Debtors' have funded the trust created under the Plan and satisfied all other conditions precedent to effectiveness.

17. The legal services rendered by Applicant, which have been categorized according to topics, are merely highlighted herein to avoid burdening the Court with the day-to-day minutia concomitant with the proceedings in these Chapter 11 cases. For a more detailed description of the services performed, Applicant's contemporaneous daily time records are annexed hereto as **Exhibit "B"** and made a part hereof. Annexed hereto as **Exhibit "C"** is a summary of the professional services provided by project category. As stated by Circuit Judge Friendly in Knapp v. Seligson, 361 F.2d 164, 168 (2d Cir. 1966), "a large bankruptcy makes tremendous demands on lawyer power..." It is impractical and virtually impossible in a proceeding of this size and complexity, with its attendant demands in time and effort, to set forth with particularity each service which has actually been performed. The Court itself is familiar with the broad and extensive services which have been required of Applicant and the high quality of professional services which Applicant has rendered.

INTERIM FEE APPLICATION / ORDER

18. On September 27, 2012, Applicant filed its first interim fee application (the “First Interim Application”) requesting fees and expenses totaling \$1,977,634.40 accrued during the period of April 7, 2011, through and including July 31, 2012 (Docket No. 434). As disclosed in the First Interim Application, Applicant received a pre-filing date payment of \$100,000 (\$50,000 from each of CBI and CBOI) (the “Retainer”), which was applied to services rendered in preparation of the Debtors’ Chapter 11 filing, necessary “first day” applications and other post-filing date services rendered in connection with representing the Debtors in these Chapter 11 cases.

19. By order, dated October 26, 2012 (ECF Doc. No. 469), Applicant was awarded \$1,739,545.56 in fees and \$44,803.56 in expenses on account of the First Interim Application. Applicant received the entire amount awarded on account of the First Interim Application and the order referenced in this paragraph. During these Chapter 11 cases, Applicant continued to receive 80% of its monthly fees and 100% of its disbursements up to through and including September 2013.

APPLICANT’S LEGAL SERVICES AS ATTORNEYS FOR THE DEBTORS SUBSEQUENT TO THE FIRST INTERIM PERIOD²

20. Applicant has categorized the legal services and advice provided to the Debtors according to topics, and are merely highlighted herein to avoid burdening the Court with the day-to-day minutia concomitant with these Chapter 11 cases. For a more detailed description of the services performed from August 1, 2012 through confirmation of the Plan, Applicant’s contemporaneous daily time records are annexed hereto as **Exhibit “B”** and made a part hereof.

² Applicant incorporates by reference the First Interim Application. As such, only the time records for the period subsequent to July 31, 2012 are attached hereto.

21. The following are the major areas for which Applicant rendered services on behalf of the Debtors in connection with these Chapter 11 case subsequent to July 31, 2012:

- (a) Sale of Assets;
- (b) Analysis of Proofs of Claim;
- (c) Committee Meetings;
- (d) All Hallows STN Motion
- (e) Document Review and Production
- (f) Insurance Issues
- (g) Plan Mediation
- (h) Plan and Disclosure Statement
- (i) Miscellaneous Services

A. **Sale of Assets**

22. As set forth in the First Interim Application, Applicant spent a considerable amount of time analyzing the Debtors' assets and filing motions to approve the sale of various parcels of real estate owned by the Debtors. Subsequent to the First Interim Period, Applicant concluded the sale of the real estate where Iona Grammar operates its school in New Rochelle, New York. As the Court will no doubt recall, this sale was controversial as there was a competing bidder who filed an objection to the sale process and the Court ultimately had to determine whether or not to approve the sale of this property to Iona Prep. After a contested hearing this Court upheld the Debtors' business decision and approved the sale to Iona Prep which resulted in a substantial amount of free cash to CBI's bankruptcy estate.

23. Applicant also filed a motion to sell certain single family houses owned by CBI to Iona College. The Court ultimately approved this sale which resulted in approximately \$5 million of free cash to CBI's bankruptcy estate.

24. Through Applicant's efforts, the Debtors were able to sell several of their more valuable non-core assets, which was necessary in order to fund a consensual chapter 11 plan. These sales also enabled the assets to continue to function as schools and/or housing for the Debtors' brothers which furthers the Debtors' mission post-confirmation.

B. Analysis of Proofs of Claim

25. The Bar Date set by the Court for filing sexual abuse claims was August 1, 2012. Over 400 claims asserting various degrees of sexual abuse were filed prior to the Bar Date in these cases. Applicant spent a considerable amount of time reviewing and analyzing the proofs of claim.

26. It was necessary to carefully review the claims for a variety of reasons. First, as in any chapter 11 case, a determination as to the likely amount of allowed and/or valid claims is important with regard to plan negotiations. Here, an analysis of the claims necessarily involved determining the applicability of various state statutes of limitation. Additionally, it was necessary to review the claims to ascertain whether credible allegations of abuse were asserted against individuals who were still involved in ministry and had continued access to minors. Unfortunately, as this Court is aware, even a bare unsubstantiated allegation of sexual abuse can have severe ramifications. The Debtors, in the exercise of caution elected to remove certain individuals from ministry based upon allegations made in certain proofs of claim.

27. Applicant also reviewed the claims as a necessary component of performing internal investigations based upon the allegations asserted in proofs of claim. Finally, it was necessary to analyze proofs of claim in connection with tendering various claims to the Debtors' liability insurers. In short, subsequent to the First Interim Period, Applicant spent a considerable amount of time reviewing and analyzing proofs of claim, which was a necessary exercise for a variety of reasons.

C. Committee Meetings

28. Subsequent to the First Interim Period, Applicant had at least three (3) sit down meetings with the Committee and its professionals to discuss a variety of issues, including the preliminary terms of a consensual plan of reorganization. Although the Debtors and the Committee were unable to reach an agreement as to the terms of a consensual plan without the assistance of a plan mediator, these meetings were beneficial and productive as they set expectations.

D. All Hallows STN Motion

29. As part of its investigatory function, the Committee performed due diligence with respect to various school properties which the Debtors previously owned. As a result of the Committee's investigation, the Committee demanded that CBI file a lawsuit to avoid as intentionally fraudulent, the transfer of a certain piece of real property located in the Grand Concourse section of the Bronx, which is utilized as a well-known school. The transfer was made over twenty years ago and the Committee believed that the transfer was avoidable by a debtor-in-possession.

30. CBI declined to commence such an action and the Committee filed what is commonly referred to as an STN Motion seeking authority to commence the fraudulent conveyance action in place and stead of the Debtor. This motion was hotly contested and the Court ultimately granted the Committee STN authority.

31. Although Applicant was unsuccessful in defeating the STN motion, the Court held it was a very close case and Applicant was justified in opposing the motion as demanded by the Debtors' board of trustees.

E. Document Review and Production

32. Subsequent to the First Interim Period, both the Committee and the Seattle Archdiocese continued to serve document demands upon the Debtors in accordance with 2004

orders entered by this Court. Applicant's paralegals and some attorneys spent a considerable amount of time going through the Debtors' archives in New York and Chicago in an effort to comply with the document demands.

33. The document demands were quite extensive as the Debtors have had a continuous presence in the United States for over a hundred years. Applicant's paralegals and at least one attorney had to travel to Chicago to oversee the document production. It was also necessary to ensure that personal sensitive information, such as counseling and private healthcare information pertaining to the Debtors' brothers were redacted and/or not made entirely available to the Committee and/or the Seattle Archdiocese.

34. Through Applicant's extensive efforts, the Debtors' produced literally hundreds of thousands of pages of relevant documents requested by the Committee and/or the Seattle Archdiocese.

F. Insurance Issues

35. Insurance coverage issues are particularly important in Chapter 11 cases similar to the Debtors. Prior to the Filing Date, the Debtors had made fairly extensive efforts to ascertain the extent of its insurance coverage. However, because most of the sexual abuse allegations were made during the 1960s and 1970s, the Debtors insurance records were not pristine and they were scattered in various locations in New York and Illinois. The Debtors would need to often rely upon secondary evidence of insurance policies, such as certificates of insurance and the like. For obvious reasons, insurance companies do not ordinarily maintain old policies.

36. During the course of the Chapter 11 cases, Applicant spent a considerable amount of time further researching and attempting to uncover evidence of insurance coverage. Certain policies were ultimately located in Chicago. Upon discovery of these previously undiscovered policies, Applicant tendered numerous proofs of claim to the insurers or the successors-in-interest to the original insurers.

37. Applicant's efforts were somewhat successful in that one of the insurers contributed a substantial sum to fund the Plan. Another insurer recently agreed a policy buyback and still another insurer, while contesting coverage based upon primarily late tender defenses, has agreed to mediation.

38. In short, Applicant spent a considerable amount of time dealing with a variety of insurance related issues and had significant dealings with the Committee's special insurance counsel. Applicant's efforts clearly benefited the Debtors' bankruptcy estate and will hopefully provide additional sources of recovery for the trust created pursuant to the Plan.

G. Plan Mediation

39. When the Debtors' exclusivity terminated, the Debtors and the Committee informally agreed that neither one would file a plan without providing some notice to the other. Both the Debtors and the Committee rightly felt that dueling plans would be extremely expensive and unlikely to benefit either side. Since the Debtors Chapter 11 cases could not be converted without their consent, a consensual plan was particularly critical.

40. The Debtors and the Committee both agreed to the concept of plan mediation. Ultimately, both the Debtors and the Committee agreed to request that the Honorable Elizabeth S. Stong, United States Bankruptcy Judge for the Eastern District of New York, be appointed plan mediator. Judge Stong graciously agreed despite her full plate and this Court entered a stipulated order appointing Judge Stong as plan mediator.

41. Applicant attended numerous mediation sessions as well as pre-mediation sessions with just the professionals to narrow the issues and set the tone for the mediation. Applicant also prepared a mediation statement and provided Judge Stong with various other documents and information she requested.

42. As this Court is aware, the plan mediation was ultimately successful and led to an agreement as to the material terms of a consensual plan of reorganization. Through Judge

Stong's hard work and dedication, and in part through Applicant's diligence and efforts, the mediation was successful.

H. Plan and Disclosure Statement

43. Based upon the material terms agreed at the plan mediation, Applicant prepared an initial disclosure statement. Although Committee counsel drafted the initial plan of reorganization, Applicant reviewed and provided substantial comments, which the Committee ultimately accepted.

44. The plan and disclosure statement drafting process was extremely time consuming and numerous drafts and redrafts were circulated until the final versions were agreed upon. As is customary in a complex Chapter 11 case with numerous constituents, including insurance companies, various parties in interest had extensive comments and revisions which were necessary to incorporate and/or resolve.

45. Applicant also prepared a memorandum of law and an affidavit in support of confirmation of the Plan.

46. In part, through Applicant's efforts, the Debtors were able to obtain confirmation of a consensual plan of reorganization, which provides for a meaningful payment to sexual abuse survivors and affords the Debtors a discharge with very limited exceptions. This is the goal of any mass tort type Chapter 11 case.

I. Miscellaneous Services

47. Aside from the major categories detailed above, Applicant was always available to respond to inquiries from the Debtors' Brothers and personnel. Attorneys at Applicant's firm had nearly daily contact with the Debtors on a variety of issues which are reflected in the records annexed hereto.

48. In addition, Applicant prepared the following legal documents which were necessary to protect the Debtors' interests and/or to facilitate the reorganization process:

- Motion for Judgment on the Pleadings Dismissing Seattle Archdiocese's Substantive Consolidation Lawsuit
- Objection to Seattle Archdiocese's Proof of Claim
- Opposition to Seattle Archdiocese's Motion to Compel
- Motion to Extend Exclusivity
- Preparation of Various Confidentiality Agreements
- Answering Various Complaints Filed by Insurance Companies

49. Finally, Applicant reviewed and organized on a monthly basis the Debtors operating reports and filed same with the Court.

**LEGAL STANDARDS FOR THE
ALLOWANCE OF COMPENSATION SOUGHT**

50. Applicant is cognizant of the fee setting process which begins with an examination of the extent of professional services rendered. A measure of the quality of the services must be the initial determination of the value of such services. By virtue of the fact that Applicant's practice involves a high concentration of insolvency matters, Applicant's fees in many instances are determined by bankruptcy courts and are frequently subject to the criteria for awarding compensation.

51. The contemporaneous time records submitted herewith by Applicant are a direct indication of the time spent in the performance of the professional services during the Compensation Period. Applicant has provided the Debtors with 11,484.50 hours of professional services and advice during the Compensation Period.

52. By establishing the fair and reasonable value of the services performed by professionals retained pursuant to §§ 327 and 1103 of the Bankruptcy Code, bankruptcy court fee awards, in effect, have been determined on a case-by-case basis, using an appropriate blended hourly rate for services performed by such professionals. However, federal courts have provided some common criteria for guidance in the area of court awarded fees.

53. The Circuit Court in the case of Johnson v. Georgia Highway Express, 488 F.2d 714 (5th Cir. 1974), first enumerated twelve factors to be considered by courts in order to determine a “reasonable” fee award. These factors were subsequently incorporated in the case of In re First Colonial Corporation of America, 544 F.2d 1291 (5th Cir. 1977), which held that these twelve factors applied to fees awarded pursuant to the Bankruptcy Code. These factors are:

- (i) The time and labor required and spent;
- (ii) The novelty and difficulty of the questions;
- (iii) The skill requisite to perform the legal services properly;
- (iv) The preclusion of other employment by the attorney due to acceptance of the case;
- (v) The customary fees;
- (vi) Whether the fee is fixed or contingent;
- (vii) Time limitations imposed by the client or other circumstances;
- (viii) The amount involved and the results obtained;
- (ix) The experience, reputation and ability of the attorneys;
- (x) The undesirability of the case;
- (xi) The nature and length of the professional relationship with the client;
and
- (xii) Awards in similar cases.

54. Subsequently, the United States Supreme Court has made it clear that a court’s determination of a reasonable fee award is to be based on the calculation of the lodestar amount which was first articulated by the Third Circuit in the case of Lindy Bros. Builders, Inc. v. American Radiator and Standard Sanitary Corp., 487 F.2d 161 (3rd Cir. 1973). This lodestar amount is presumed to subsume many of the factors articulated by Johnson. Pennsylvania v. Delaware Valley Citizens Counsel for Clear Air, 478 U.S. 546, 566-67, 106 S.Ct. 3088, 92 L.Ed 2d 439 (1986).

55. The lodestar amount is determined by multiplying the number of hours reasonably expended in the case by a reasonable hourly rate.

56. Justice White, writing for the majority in the Delaware Valley Citizens case, found that although the lodestar amount may be adjusted upward and downward, there is a strong presumption that the lodestar figure represents a “reasonable” fee. Delaware Valley Citizens, 478 U.S. 546 at 565, 566, 106 S. Ct. at 3098.

57. Courts have generally arrived at the lodestar amount by conducting a three-step process to determine the reasonableness of requests for compensation. First, the court attempts to ascertain the nature and extent of the services rendered by an applicant. A review of this Final Fee Application and the schedules annexed clearly reflect the number of hours worked and a description of the services provided during those hours. Second, the court attempts to assess the value and quality of the services rendered by the applicant. A review of this Final Fee Application and the schedules annexed reflect the hourly rate of each of the persons providing services and the determined mixed hourly rate therefore. After a review of the first two steps, the court determines a reasonable amount of compensation.

58. A court’s determination of the lodestar amount must also be based on the contemporaneous time records maintained by the attorney which are synopsisized in the fee application. “An attorney . . . who applies for court-ordered compensation in this Circuit for work done after the date of this opinion must document the application with contemporaneous time records.” In re Cena’s Fine Furniture, Inc., 109 B.R. 575 (E.D.N.Y. 1990) citing, New York State Ass’n. for Retarded Children, Inc. v. Carey, 711 F.2d 2236, 2248 (2nd Cir. 1983). According to the Second Circuit in Carey, a fee application should specify, for each attorney, the date, the hours expended, and the nature of the work done. However, “the law does not require a fee application the size of boring victorian novel.” In re Hotel Associates, Inc., 15 B.R. 487, 488 (Bankr. E.D. Pa. 1981).

59. The time records constitute only a bland review of the services and time expended without description of the pressures and constraints under which Applicant actually has rendered

those services. Problems arising in this case were attended to by Applicant at all levels, promptly, expertly and often to the exclusion of other matters in Applicant's firm. Applicant regularly responded to inquiries by numerous persons including the Committee, sexual abuse claimants, the Seattle Archdiocese, and other interested parties. Because Anthony Dougherty had a long history of representing CBI in a variety of matters and was familiar with the Debtors' structure and operations, Applicant was able to economically and efficiently provide the legal services necessary to successfully resolve the numerous issues required in connection with a Chapter 11 case of this nature.

60. It is respectfully submitted that since Applicant has strong expertise in the area of insolvency law and has much experience representing debtors in Chapter 11 cases, it has been able to perform services and accomplish results in less time than less accomplished counsel might consume.

61. Section 330(a)(1) of the Bankruptcy Code states the policy and the standard to be applied in determining the compensation for attorneys and other professionals in the bankruptcy context as:

Reasonable compensation for actual, necessary services rendered by the trustee examiner, professional person or attorney and by any paraprofessional person employed by any such person.

62. Section 330(a)(3) sets forth certain non-exclusive factors for the Court to review including:

- (a) the time spent on such services;
- (b) the rates charged for such services;
- (c) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (d) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issues, or task addressed;

- (e) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skills and experience in the bankruptcy field; and
- (f) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

63. The concept of an economic spirit in bankruptcy cases, derived from case law under the former Bankruptcy Act, has been vitiated under the Bankruptcy Code. The importance and need for the Bankruptcy Court to attract able and experienced counsel to participate in bankruptcy cases, and to represent and properly discharge their obligations as fiduciaries, is emphasized in all applicable reported decisions under the Bankruptcy Code. See Matter of Caribou Partnership, III, 152 B.R. 733 (Bankr. N.D. Ind. 1993). The requirement under the Bankruptcy Code is that the applicant must meet the requirement of reasonableness, as stated by Congress:

Bankruptcy legal services are entitled to command the same competency of counsel as other cases. In that light, the policy of this section is to compensate attorneys and other professionals serving in a case under Title 11 at the same rate as the attorney or other professional comparable services other than that in a case under Title 11...notions of economy of the estate in fixing fees are outdated and have no place in a Bankruptcy Code.

Statement of Legislative Leaders (House) reprinted in 124 Cong. H. 11089, H 11092 (Daily Ed. Sept. 28, 1978).

64. Applicant respectfully submits that based upon the above-factors that the fees requested are reasonable and should be awarded in full.

65. Applicant submits that the division of time herein among partners, counsel and associates has been consistent with Applicant's overall goal of providing first quality legal representation at a reasonable cost. The blended rate for the services rendered herein is approximately \$333 per hour. This is an extraordinarily modest hourly rate for sophisticated chapter 11 work in this District and materially less than the Committee's professionals. Applicant's bankruptcy attorneys practice regularly before Bankruptcy Courts for the Southern and Eastern

Districts of New York and are awarded fees well in excess of the blended rates charged herein. Further, Applicant has been awarded compensation by judges of the Southern and Eastern District of New York, which awards have been predicated upon the same criteria as have been articulated herein.

66. As additional justification, if required, Applicant respectfully requests that the Court take into account that Applicant maintains a suite of offices in prime commercial space in Midtown Manhattan, has to operate with sophisticated office equipment, and maintains a large support staff, including secretaries, clerks, and other personnel. A substantial portion of whatever compensation may be allowed will merely defray substantial overhead charges incurred and paid out during the interval that Applicant has been involved in this proceeding, but which are not reflected in the Final Fee Application or reimbursement of extraordinary expenses.

67. As set forth above, pursuant to the First Interim Fee Order, the monthly compensation order, and the Retainer, Applicant has received \$3,113,487.40 in fees. If the Court awards all fees requested by Applicant, Applicant would be entitled to receive an additional fee payment \$831,561.90, plus \$5,002.15 in expenses. Applicant understands that the Debtors have made arrangements to secure the funds necessary to pay the fees awarded by this Court.

68. Applicant respectfully submits that the reasonable value of the professional services which it has rendered on behalf of the Debtors for this time interval is not less than the sum requested.

69. This is Applicant's final request for allowance in these Chapter 11 cases. Annexed hereto as **Exhibit "C"** is a certification in accordance with the Administrative Order of this Court, dated November 25, 2009.

WHEREFORE, Applicant respectfully prays that it be awarded (a)(i) final compensation in the total amount of \$3,945,049.30 (less payments of \$3,113,487.40), together with (ii)

reimbursement of expenses and disbursements in the amount of \$110,563.20 (less payments of \$105,561.05); and (b) such other and further relief as this Court may deem just and proper.

Dated: New York, New York
February 21, 2014

TARTER KRINSKY & DROGIN LLP
*Attorneys for The Christian Brothers' Institute and
the Christian Brothers of Ireland, Inc.
Debtors and Debtors-in-Possession*

By: /s/ Scott S. Markowitz
Scott S. Markowitz
1350 Broadway, 11th Floor
New York, New York 10018
(212) 216-8000

THE CHRISTIAN BROTHERS' INSTITUTE, et al.
TOTAL TIME RENDERED SINCE FIRST INTERIM PERIOD

ATTORNEY	POSITION WITH APPLICANT	DATE ADMITTED	RATE	HOURS	AMOUNT
Scott S. Markowitz	Partner	1989	\$465	1,107.30	\$ 512,569.50
Anthony D. Dougherty	Partner	1991	\$440	824.60	\$ 362,824.00
Deborah J. Piazza	Partner	1997	\$465/\$475	68.60	\$ 31,956.00
Edward Farrell	Partner	1990	\$465	23.80	\$ 11,067.00
Steven L. Ferszt	Partner	1986	\$465/\$525	18.30	\$ 8,533.50
Linda S. Roth	Partner	1985	\$440/\$450	4.30	\$ 1,910.00
Laurent S. Drogin	Partner	1991	\$425	0.50	\$ 212.50
Andrew S. Koerner	Partner	2002	\$425	0.20	\$ 85.00
Catherine Ferrara	Counsel	2001	\$335/\$425	1,163.10	\$ 430,489.50
Joann T. Palumbo	Counsel	1985	\$475	0.30	\$ 142.50
Rocco A. Cavaliere	Counsel	2001	\$335/\$435	206.40	\$ 77,914.00
Kieran B. Morrow	Counsel	2000	\$420	46.40	\$ 19,488.00
Lisa McIntyre	Associate	2005	\$335	7.10	\$ 2,378.50
Tara Toevs	Associate	2005	\$335/\$425	11.50	\$ 3,933.50
Gregory Skiff	Associate	2013	\$255	184.70	\$ 47,098.50
David M. Allen	Associate	2012	\$295	21.90	\$ 6,460.50
Karen Menendez	Paralegal	N/A	\$200/\$210	275.10	\$ 55,803.00
James Hiseler	Paralegal	N/A	\$154/\$200/\$210	815.70	\$ 165,429.40
Arlene Roe	Paralegal	N/A	\$200	19.90	\$ 3,980.00
Annabelle Castillo-Cohen	Paralegal	N/A	\$200/\$215	499.60	\$ 101,697.50
Cliff Roca	Paralegal	N/A	\$210	573.80	\$ 121,260.00
Marie L. Holt	Paralegal	N/A	\$240	20.10	\$ 4,824.00
Temp Paralegal	Paralegal	N/A	\$200/\$205/\$215	73.60	\$ 15,562.00
Jessica Ball	Intern	N/A	\$195	3.20	\$ 624.00
Adam Roth	Intern	N/A	\$195	10.00	\$ 1,950.00
Robert Salame	Intern	N/A	\$195	11.30	\$ 2,203.50
David Rossi	Intern	N/A	\$150	71.50	\$ 10,725.00
Natalie Rice	Intern	N/A	\$150	74.00	\$ 11,100.00
TOTAL TIME				6,136.80	\$ 2,012,220.90

THE CHRISTIAN BROTHERS' INSTITUTE, et al.

TIME RECORD DETAIL

(Due to the voluminous nature of the time record detail involved in the final fee application period, time record detail will be made available upon request to the Applicant)

EXHIBIT C

SUMMARY OF SERVICES BY CATEGORY DURING FIRST INTERIM PERIOD

<u>Matter Number</u>	<u>Matter Description</u>	<u>Total Hours Billed</u>	<u>Total Fees Requested</u>
The Christian Brothers' Institute			
Bank3000	Case Administration	1,265.50	\$515,723.50
Bank3001	Cash Collateral and Financing	43.40	\$16,677.00
Bank3002	Meeting of Creditors	10.20	\$3,564.00
Bank3003	Asset Disposition	787.50	\$336,923.50
Bank3004	Asset Analysis and Recovery	46.60	\$20,114.50
Bank3005	Business Operations	168.10	\$67,346.00
Bank3006	Claims Administration and Objections	555.10	\$180,000
Bank3007	Employee Benefits/Pensions	2.70	\$1,255.50
Bank3008	Fee Applications	80.50	\$26,665.00
Bank3009	Fee/Employment Objections	27.70	\$11,238.00
Bank3010	Plan and Disclosure Statement	72.80	\$30,320.50
Bank3011	Relief from Stay Proceedings	15.80	\$5,899.00
Bank3012	Litigation	2,474.60	\$661,337.90
Bank3013	Leases/Executory Contracts	1.20	\$552.50
Total		5,551.70	\$1,877,616.90

<u>Matter Number</u>	<u>Matter Description</u>	<u>Total Hours Billed</u>	<u>Total Fees Requested</u>
The Christian Brothers of Ireland, Inc.			
Bank3100	Case Administration	97.50	\$33,555.00
Bank3101	Cash Collateral and Financing	0.20	\$40.00
Bank3102	Meeting of Creditors	5.20	\$2,238.00
Bank3103	Asset Disposition	43.90	\$15,754.50
Bank3104	Asset Analysis and Recovery	0	\$0
Bank3105	Business Operations	1.90	\$802.50
Bank3106	Claims Administration and Objections	0.20	\$40.00
Bank3107	Employee Benefits/Pensions	0	\$0
Bank3108	Fee Applications	9.60	\$2,216.50
Bank3109	Fee/Employment Objections	0	\$0
Bank3110	Plan and Disclosure Statement	0	\$0
Bank3111	Relief from Stay Proceedings	0	\$0
Bank3112	Litigation	1.50	\$565.00
Bank3113	Leases/Executory Contracts	0	\$0
Total		160.00	\$55,211.50

EXHIBIT C

THE CHRISTIAN BROTHERS' INSTITUTE, et al.

SUMMARY OF SERVICES BY CATEGORY, AUGUST 1, 2012, THROUGH JANUARY 9, 2014

MATTER NUMBER	MATTER DESCRIPTION	TOTAL HOURS BILLED	TOTAL FEES REQUESTED
The Christian Brothers' Institute			
Bank3000	Case Administration	250.90	\$ 80,396.00
Bank3001	Cash Collateral and Financing	0.00	\$ -
Bank3002	Meeting of Creditors	0.00	\$ -
Bank3003	Asset Disposition	252.30	\$ 102,056.00
Bank3004	Asset Analysis and Recovery	346.60	\$ 122,993.00
Bank3005	Business Operations	483.00	\$ 192,510.90
Bank3006	Claims Administration and Objections	991.70	\$ 282,631.50
Bank3007	Employee Benefits/Pensions	1.20	\$ 402.00
Bank3008	Fee Applications	247.20	\$ 65,627.00
Bank3009	Fee/Employment Objections	2.50	\$ 1,162.50
Bank3010	Plan and Disclosure Statement	1074.80	\$ 427,676.50
Bank3011	Relief from Stay Proceedings	1.50	\$ 697.50
Bank3012	Litigation	2,419.60	\$ 713,186.50
Bank3013	Leases/Executory Contracts	0.00	\$ -
Total		6,071.30	\$ 1,989,339.40

MATTER NUMBER	MATTER DESCRIPTION	TOTAL HOURS BILLED	TOTAL FEES REQUESTED
Christian Brothers of Ireland, Inc.			
Bank3100	Case Administration	22.20	\$ 7,898.50
Bank3101	Cash Collateral and Financing	0.00	\$ -
Bank3102	Meeting of Creditors	0.00	\$ -
Bank3103	Asset Disposition	36.40	\$ 13,226.00
Bank3104	Asset Analysis and Recovery	0.00	\$ -
Bank3105	Business Operations	0.70	\$ 325.50
Bank3106	Claims Administration and Objections	0.00	\$ -
Bank3107	Employee Benefits/Pensions	0.00	\$ -
Bank3108	Fee Applications	5.50	\$ 1,106.00
Bank3109	Fee/Employment Objections	0.00	\$ -
Bank3110	Plan and Disclosure Statement	0.00	\$ -
Bank3111	Relief from Stay Proceedings	0.00	\$ -
Bank3112	Litigation	0.70	\$ 325.50
Bank3113	Leases/Executory Contracts	0.00	\$ -
Total		65.50	\$ 22,881.50

EXHIBIT D

TARTER KRINSKY & DROGIN LLP
Attorneys for The Christian Brothers' Institute, et al.
Debtors and Debtors-in-Possession
1350 Broadway, 11th Floor
New York, New York 10018
(212) 216-8000
Scott S. Markowitz, Esq.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----	X
In re:	: Chapter 11
	:
THE CHRISTIAN BROTHERS' INSTITUTE, <i>et al.</i>	: Case No.: 11-22820 (RDD)
	:
Debtors.	: (Jointly Administered)
-----	X

**CERTIFICATION PURSUANT TO GUIDELINES
FOR FEES AND DISBURSEMENTS FOR PROFESSIONALS IN
SOUTHERN DISTRICT OF NEW YORK BANKRUPTCY CASES**

1. I, Scott S. Markowitz, am a partner in the law firm of Tarter Krinsky & Drogin LLP (“Applicant”) and have been designated as Applicant's certifying professional with responsibility for compliance with the Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases (the “Original Guidelines”).

2. I have read the Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases, promulgated on June 24, 1991, as amended by Administrative Order M-389, dated November 25, 2009 (“Amended Guidelines”), and am familiar with same. I have also read the United States Trustee Guidelines (“UST Guidelines”).

3. Pursuant to the Guidelines, I certify that: (a) I have read the accompanying application of Tarter Krinsky & Drogin, LLP, as attorneys for The Christian Brothers’ Institute and The Christian Brothers of Ireland, Inc., debtors and debtors-in-possession (the “Debtors”),

for a final award of compensation and reimbursement of expenses (the "Application"); (b) to the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Amended Guidelines and the UST Guidelines; and (c) except to the extent that fees or disbursements are prohibited by the Amended Guidelines or the UST Guidelines, the fees and disbursements sought are billed at rates and in accordance with practices customarily employed by Applicant and generally accepted by Applicant's clients, except that Applicant has agreed to reduced hourly rates with respect to certain professionals.

4. Pursuant to the Amended Guidelines, I certify that I have caused a copy of the Application to be served upon the United States Trustee, the Debtors and all entities who have filed a notice of appearance and demand for service of papers, approximately 14 days prior to the hearing on the Application.

5. The Amended Guidelines require that Applicant certify that the United States Trustee and the Debtors have each been provided with a statement of fees and disbursements incurred during each month no later than twenty-one (21) days after the end of such month. Applicant has generally complied with this requirement of the Amended Guidelines.

6. Pursuant to the Amended Guidelines, I certify that, to the best of my knowledge: (a) Applicant does not make a profit in providing any reimbursable services chargeable to the Debtors' estate; (b) in charging for a particular service, Applicant has not included in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment or capital outlay; (c) in seeking reimbursement for a service which the Applicant justifiably purchased or contracted from a third party, Applicant has requested reimbursement only for the amount billed to the Applicant by the third party vendor and paid by the Applicant to such vendor.

7. The Application has been provided to the Debtors, and the Debtors have not advised Applicant of any objection to the Application. The Debtors has been provided with a statement of services rendered as those services have been performed and the fees have accrued.

Dated: New York, New York
February 21, 2014

/s/ Scott S. Markowitz
Scott S. Markowitz