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8 **IN THE UNITED STATES BANKRUPTCY COURT**
9 **FOR THE DISTRICT OF ARIZONA**

10 In re

11 MATHON FUND, LLC,

12 Debtor.

13 Chapter 11

14 Case No. 2-05-bk-27993-GBN

15 **APPLICATION TO EMPLOY STINSON**
16 **MORRISON HECKER LLP AS COUNSEL**
17 **FOR THE OFFICIAL COMMITTEE OF**
18 **UNSECURED CREDITORS**

19 The Official Committee of Unsecured Creditors (the "New Committee"), through counsel,
20 hereby requests entry of an Order authorizing it to employ Stinson Morrison Hecker LLP ("SMH") to
21 act as counsel for the New Committee, pursuant to 11 U.S.C. §§ 1103(a) and 503, and Fed. R. Bankr.
22 P. 2014, effective December 5, 2005. This Application is supported by the Verified Statement of Alan
23 A. Meda pursuant to Fed. R. Bankr. P. 2014 and 2016 in Support of Application to Employ Stinson
24 Morrison Hecker LLP as Counsel for the New Committee of Unsecured Creditors ("Verified
25 Statement"), and by the following:

26 1. On November 13, 2005, Mathon Fund, LLC ("Debtor") filed its Voluntary Petition for
27 relief pursuant to Chapter 11 of the U.S. Bankruptcy Code.

28 2. On November 28, 2005, the Office of the U.S. Trustee appointed the Official
Committee of Unsecured Creditors.

3. Given the complexity of the case, the New Committee believes it requires
representation by legal counsel.

1 4. SMH maintains offices at 1850 North Central Avenue, Suite 2100, Phoenix, Arizona
2 85004-4584. The New Committee wishes to employ the attorneys of SMH, duly admitted to practice
3 in this Court. The New Committee believes such counsel to be experienced in the matters of this
4 character and well-qualified to represent the New Committee.

5 5. To the best of the New Committee's knowledge, such attorneys have no connection with
6 the creditors, or any other party-in-interest, or any of their respective attorneys, or any person
7 employed in the office of the United States Trustee, and represent no interest adverse to the Debtor or
8 the bankruptcy estate, except as set forth in the Verified Statement.

9 6. The terms of employment for SMH agreed to by the New Committee, subject to Court
10 approval, are that certain attorneys and paralegals within the firm will undertake the representation at
11 their regular hourly rates for attorneys ranging from \$190.00 to \$415.00¹, and for paralegals and other
12 legal assistants from \$95.00 to \$145.00. The attorneys will make periodic application for interim
13 compensation to be paid by the bankruptcy estate, and if, at the completion of the case, the results
14 merit it, such attorneys may make application to the Court for allowance of a premium.

15 7. In return for the above-disclosed compensation arrangements, SMH will provide legal
16 services, including:

- 17
- 18 a) Analysis of the Debtor's financial situations, and rendering advice to the New
 - 19 Committee in determining courses of action necessary for an effective reorganization;
 - 20 b) Preparation of and filling of pleadings and documents which may be required;
 - 21 c) Representation of the New Committee at the meetings and hearings;
 - 22 d) Representation of the New Committee in any and all adversary and/or contested
 - 23 matters, and other Court proceedings;
 - 24 e) Negotiations with the Debtor and other parties-in-interest;
 - 25
 - 26

27 _____
28 ¹ By agreement, Mr. Taylor Ashworth's rate for this matter will be reduced to \$350/hour, and Mr. Alan Meda's rate for this matter will be reduced to \$300/hour.

1 f) Investigation of the acts, conduct, assets, liabilities, and financial condition of
2 the Debtor, the operation of the Debtor's related entities and business interests, and any
3 matter relevant to the Debtor's case.

4 g) Participation in the Debtor's Chapter 11 to the extent it affects the rights and
5 interests of the investor creditors of the Debtor including, without limitation, the
6 formulation of a Chapter 11 plan of reorganization and confirmation of that plan;
7

8 h) Preparation of a request for appointment of a trustee or examiner pursuant to
9 11 U.S.C. § 1104;

10 i) Prepare, file and contest a motion to convert the case to Chapter 7 for a material
11 default t in the confirmed Chapter 11 plan;

12 j) The performance of any and all such other services as are in the interests of the
13 New Committee relevant to the Debtor's Chapter 11 case; and

14 k) Such other representation as seems appropriate and necessary for the benefit of
15 the New Committee.
16

17 8. As the Court is aware, several hearings have been held on an emergency basis in this
18 case and in other related cases at which SMH represented the New Committee from and after
19 December 1, 2005. Despite the foregoing, the New Committee requests that the employment of SMH
20 be approved effective December 5, 2005.

21 The New Committee desires to employ SMH as its counsel in the Mathon bankruptcy.

22 WHEREFORE, the New Committee requests entry of an Order authorizing the employment of
23 Stinson Morrison Hecker LLP as counsel for the New Committee effective as of the date of the filing of
24 this Application.

25 DATED this 21st day of December 2005.

26
27 /s/ Phil Zobrist

By: Phil Zobrist, Chairman
Official Committee of Unsecured Creditors

1 COPY of the foregoing sent this 21st day of
2 December, 2005, to:

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/s/ Rebecca J. McGee
