

UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION

In re:

LYDIA CLADEK, INC.,

Case No. 3:10-bk-02805-PMG

Chapter 11

Debtor.

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**APPLICATION FOR APPROVAL OF EMPLOYMENT OF JON E. KANE, ESQ. AND  
MATEER & HARBERT, P.A. AS COUNSEL FOR THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS NUNC PRO TUNC TO JULY 9, 2010**

Pursuant to 11 U.S.C. §§ 328 and 1103 and Rule 2014 of the Federal Rules of Bankruptcy ("FRBP"), the Official Committee of Unsecured Creditors (the "Committee") of Lydia Cladek, Inc. (the "Debtor"), applies for approval of the employment of Jon E. Kane, Esq., and the Law Firm of Mateer & Harbert, P.A. as counsel to the Committee, and states:

1. On April 2, 2010, several petitioning creditors filed an involuntary Chapter 11 petition against Lydia Cladek, Inc., Case No. 10-bk-02800-PMG, in the United States Bankruptcy Court, Middle District of Florida, Jacksonville Division (the "Involuntary Case").

2. Subsequently, on April 5, 2010 Lydia Cladek, Inc. filed the instant voluntary Chapter 11 petition (the "Voluntary Case").

3. On April 7, 2010, several creditors filed an Emergency Motion to Consolidate the Involuntary and Voluntary Chapter 11 cases of Lydia Cladek, Inc. along with an Emergency Motion to Appoint a Chapter 11 Trustee.

4. On April 12, 2010, the Court entered its Order Granting Motion to Consolidate providing that the Voluntary Case shall be the lead case. On that date, the Court also entered its Order Granting Motion to Appoint Chapter 11 Trustee.

5. On June 1, 2010, the United States Trustee appointed an Official Committee of Unsecured Creditors.

6. At a duly convened meeting of the Committee on June 9, 2010, notice of which was given to all Committee members, a majority of the Committee voted to retain The LaFleur Law Firm to advise and represent the Committee in this bankruptcy case, as more fully set forth in the Committee's Application to Employ The LaFleur Law Firm as Counsel, filed on June 11, 2010 (DE # 123). The Court entered its Order Granting the Application on July 1, 2010 (DE # 149).

7. Due to irreconcilable differences arising between the Committee and its appointed counsel, at a duly convened meeting of the Committee on July 9, 2010, notice of which was given to all Committee members, a majority of the Committee voted to discharge The LaFleur Law Firm and retain Jon E. Kane, Esq. and Mateer & Harbert P.A. to advise and represent the Committee in this bankruptcy case, as more fully set forth herein.

8. Jon E. Kane, Esq. and Mateer & Harbert P.A. have substantial experience in reorganization cases and are qualified to act as counsel for the Committee.

9. To the best of the Committee's knowledge, Jon E. Kane, Esq. and Mateer & Harbert P.A. do not hold or represent any interest adverse to the Debtor or its estate on any matters in which Mateer & Harbert, P.A. is engaged.

10. To the best of the Committee's knowledge, Jon E. Kane, Esq. and Mateer & Harbert P.A. are "disinterested" (as such term is defined in 11 U.S.C. § 101(14)) and have no connection with the Debtor, the creditors or any other party in interest except as described in the *Declaration of Jon E. Kane on Behalf of Mateer & Harbert, P.A. as Proposed Counsel for the Official Committee of Unsecured Creditors*, annexed hereto as Exhibit "A".

11. The Committee proposes to retain Jon E. Kane, Esq. and Mateer & Harbert P.A. to, among other things, consult with the Committee concerning the administration of the case, to investigate the acts, conduct, assets, liabilities and financial condition of the Debtor, and any other matters permitted or authorized pursuant to section 1103 of the Bankruptcy Code (11 U.S.C. § 1103).

12. Jon E. Kane, Esq. and Mateer & Harbert P.A. represent no interest adverse to the Debtor or to its estate, in the matters upon which they are to be engaged, and their employment is necessary and would be in the best interests of the estate.

13. The Committee proposes that compensation be awarded to Jon E. Kane, Esq. and Mateer & Harbert P.A. consistent with the Court's previous Order (DE # 126), and after the filing of interim and/or final application(s) and a hearing, consistent with the requirements of 11 U.S.C. §§ 328, 330 and 331, Bankruptcy Rules 2002 and 2016.

**WHEREFORE**, the Committee respectfully requests the entry of an order approving the employment of Jon E. Kane, Esq. and Mateer & Harbert P.A., as counsel for the Committee in this case *nunc pro tunc* to July 9, 2010.

DATED this 9 day of July, 2010.

The Official Committee of Unsecured Creditors  
of Lydia Cladek, Inc.

By: Bennett Yell Agency, Inc.

By: Noel H. Yell  
Noel Yell, Vice President

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served electronically via the Court's CM/ECF system to the Office of the U.S. Trustee, 135 W. Central Boulevard, Suite 620, Orlando, FL 32801 and to those parties registered to receive electronic/notice service on the 12 day of July, 2010.

**/s/ Jon E. Kane**

Jon E. Kane, Esq.  
Florida Bar No. 814202  
**MATEER & HARBERT, P.A.**  
225 E. Robinson Street, Suite 600  
P. O. Box 2854  
Orlando, Florida 32802-2854  
Telephone: 407-425-9044  
Facsimile: 407-423-2016  
Attorneys for the Committee

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MIDDLE DISTRICT OF FLORIDA  
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In re:

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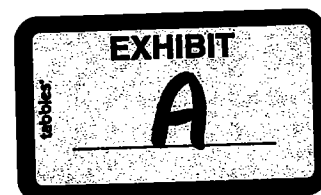
**DECLARATION OF PROPOSED ATTORNEY**

I, Jon E. Kane, declare that the following statements are true and correct and make this declaration in support of the Application for Approval of Employment of Jon E. Kane, Esq., and Mateer & Harbert P.A. as Counsel for the Official Committee of Unsecured Creditors:

1. I am an attorney duly admitted to practice in the State of Florida and in the District Court for the Middle District of Florida.

2. I am associated with Mateer & Harbert, P.A. (the "firm") and maintain an office at 225 E. Robinson Street, Suite 600, P. O. Box 2854, Orlando, Florida 32802-2854 and my office telephone number is (407) 425-9044.

3. To the best of my knowledge, information and belief, neither I nor the firm hold or represent any interest adverse to the Debtor, and the creditors or the estate with respect to the matter on which I and Mateer & Harbert, P.A. are to be employed. Mateer & Harbert, P.A. and I have previously represented 8 unsecured creditors in this case for the specific and limited purpose of seeking the appointment of a Creditors Committee (although, ultimately, no motion was filed). A list of the creditors previously represented is attached hereto as Exhibit "A".



4. Mateer & Harbert, P.A. and I have previously represented Michael Moecker & Associates, Inc. in entirely unrelated matters.

5. No attorney in our firm has any other interest, direct or indirect, that may be affected by the proposed representation.

6. The Debtor has numerous relationships and creditors. As of this date, the Debtor has not yet filed accurate schedules or statement of financial affairs. Consequently, although every reasonable effort has been made to discover and eliminate the possibility of any conflicts, Mateer & Harbert, P.A. is unable to state with certainty whether one of its clients or an affiliated entity may hold a claim or otherwise be a party in interest in this Chapter 11 case. If, at any time during the period of its proposed employment, Mateer & Harbert, P.A. discovers any facts bearing on the matters described herein, Mateer & Harbert, P.A. and I will supplement the information contained in this Declaration.

7. Subject to the Court's approval, Mateer & Harbert, P.A. and I will charge for services at my standard hourly rates for matters of this nature which is \$375.00 per hour.

8. Neither Mateer & Harbert, P.A. nor I have agreed to share any compensation or reimbursement awarded in this case with any other person.

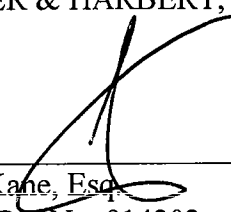
9. I have agreed on behalf of my firm to accept employment on the terms and conditions set forth in the application. I am aware that, under § 328(a) of the Bankruptcy Code, the Official Unsecured Creditors Committee, with the Court's approval, may employ or authorize the employment of a professional person on any reasonable terms and conditions. I am also aware, however, that notwithstanding such terms and

conditions, the Court may allow compensation different from the compensation provided under such terms and conditions of such employment.

10. Employment of Mateer & Harbert, P.A. and I as counsel for the Official Unsecured Creditors Committee is appropriate under 11 U.S.C. § 1103 and Rules 2014 and 5002, Federal Rules of Bankruptcy Procedure.

Dated: July 9, 2010.

MATEER & HARBERT, P.A.



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Jon E. Kane, Esq.  
Florida Bar No. 814202  
P. O. Box 2854  
Orlando, FL 32802-2854  
Phone: (407) 425-9044  
Fax: (407) 423-2016  
[jkane@mateerharbert.com](mailto:jkane@mateerharbert.com)

**EXHIBIT "A"**

Rudolph Danowski

C. L. Anderson

Frank Pelaggi

Robert Helfferich

Edward Cladek

Paul Hitner

Thomas Imler

Arnold Grevior