

**UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION**

In re:

LYDIA CLADEK, INC.,

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

Debtor.

(Consolidated by Prior Court Order with Case  
No. 10-bk-02800-PMG)

**INTERIM ORDER GRANTING CHAPTER 11 TRUSTEE'S MOTION FOR  
APPROVAL OF INTERIM COMPENSATION PROCEDURES FOR PROFESSIONALS**

This Chapter 11 case is before the Court upon the motion of Michael Phelan, the Chapter 11 Trustee of the consolidated Chapter 11 cases of Lydia Cladek, Inc. (the "Chapter 11 Trustee"), seeking the entry of an order establishing procedures by which professionals approved by the Court under section 327 of the Bankruptcy Code may obtain monthly payment of a portion of their fees and expenses, subject to review and adjustment in connection with regular fee applications filed with the Court (the "Motion"). Upon consideration of the Motion and the hearing held on June 9, 2010, it is

ORDERED:

1. The Motion is granted on an interim basis.
2. The following procedures shall be followed for the interim compensation of professionals:

(a) On or before the twentieth (20th) day after the end of a month for which compensation is sought, each professional seeking compensation shall serve a monthly statement (the "Monthly Statement") by hand or overnight delivery on (i) the Office of the United States Trustee, 135 W. Central Boulevard, Room 620, Orlando, Florida 32280; (ii) Akerman Senterfitt, 50 North Laura Street, Suite 2500, Jacksonville, Florida

32202; and (iii) counsel for any official committee appointed in this case. The Monthly Statement need not be filed with the Court as this Motion does not alter the requirement for fee applications in accordance with sections 330 and 331.

(b) Each Monthly Statement shall contain a list of individuals and their respective titles who provided services during the statement period, their respective billing rates, the aggregate hours spent by each individual, contemporaneously maintained time entries for each individual in increments of tenths of an hour, and a reasonably detailed breakdown of disbursements incurred. No professional should seek reimbursement of an expense that would not be permitted under the United States Trustee's Guidelines for Fees and disbursements for professionals in this District.

(c) In the event that an interested party has an objection to the compensation or reimbursement sought in a particular Monthly Statement, he or she shall, within ten (10) days after service of the Monthly Statement, serve upon the professional whose statement is objected to and the other persons designated in paragraph (a) above a written "Notice of Objection to Fee Statement," setting forth the nature of the objection and the amount of fees or expenses at issue.

(d) After the expiration of the ten-day period described above, the Chapter 11 Trustee shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified in each Monthly Statement to which no objection has been served.

(e) If the Chapter 11 Trustee receives an objection to a particular Monthly Statement, it shall withhold payment of that portion of the Monthly Statement to which

the objection is directed and shall promptly pay the remainder of the fees and expenses in the percentages set forth in the preceding paragraph.

(f) If any objecting party resolves a dispute with a professional, the objecting party (or the Chapter 11 Trustee, with the consent of the objecting party) shall serve written notice on the persons designated in paragraph (a) above that the objection is withdrawn and shall describe the terms of the resolution. The Chapter 11 Trustee shall promptly pay that portion of the Monthly Statement at issue that is no longer subject to an objection in the percentages set forth in paragraph (d) above.

(g) Any objection that is not resolved by the parties shall be preserved and presented to the Court at the next interim or final fee application hearing.

(h) The service or lack of an objection in accordance with paragraph (c) above shall not prejudice the objecting party's right to object to any fee application made to the Court on any ground, whether raised in the objection or not. Furthermore, the decision by any party not to object to a Monthly Statement shall not be a waiver of any kind or prejudice that party's right to object to any fee application subsequently made to the Court.

(i) Periodically, but no more than once every 120 days, each professional shall serve and file with the Court, pursuant to sections 330 and 331 and Rule 2016, Federal Rules of Bankruptcy Procedure, an application for interim or final approval and allowance of compensation and reimbursement of expenses, including compensation previously paid by the Chapter 11 Trustee on the basis of a Monthly Statement. The professional shall serve any fee application on the parties listed in paragraph (a) above, and shall serve a notice of hearing on the fee application on all parties on the Rule

1007(d) List of Creditors and Parties in Interest, or upon the members of the Unsecured Creditors Committee if one is appointed.

(j) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein shall have any effect on this Court's interim or final allowance of compensation or reimbursement of expenses of any professional.

3. The Court shall conduct a final evidentiary hearing on the Motion on

July 27, 2010 at 10:00 (a.m)/p.m..

DATED this 15 day of June, 2010 in Jacksonville, Florida.

Paul M. Glenn  
Paul M. Glenn  
Chief United States Bankruptcy Judge

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Local Rule 1007-2 Parties in Interest List