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UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

In re Case Nos. 01-55472-JRG and  
01-55473-JRG  
CONDOR SYSTEMS, INC., a Chapter 11  
California corporation; and CEI  
SYSTEMS, INC., a Delaware Jointly Administered for  
corporation, Administrative Purposes Only  
Debtors.

\_\_\_\_\_ /

**ORDER ON PRICEWATERHOUSECOOPERS LLP'S  
FIRST AND SECOND QUARTERLY FEE APPLICATIONS**

By an order filed May 14, 2002, PriceWaterhouseCoopers (PwC) was awarded interim compensation in the amount of \$266,199.15 together with reimbursement of expenses of \$3,230.91. This application covered the period from December 7, 2001 through February 28, 2002. Subsequently PwC submitted a second application covering the period from March 1, 2002 through May 31, 2002. This application sought fees in the amount of \$312,941.00 and reimbursement of expenses of \$3,651.19. Hearings were held on these applications on April 24, 2002, August 14, 2002 and September 24, 2002.

There was no objection raised to the first application. However, the Official Committee of Unsecured Creditors did raise an objection to the

1 second application.<sup>1</sup> The Committee noted that PwC's billing rates  
2 generally ranged from \$500 to \$990 per hour. The Committee believed that  
3 further explanation was necessary to justify the hourly rates for some  
4 tasks. The Committee was particularly concerned about inter-office  
5 conferences citing as an example a conference between two PwC individuals  
6 with a combined hourly rate of \$1,533 per hour.

7 In reviewing PwC's application it appears 21 employees of the firm  
8 billed the Condor file with respect to the second application.  
9 The application seeks fees of \$312,941.00. PwC's time records reveal that  
10 of this amount \$102,258.10 was billed for conferences and communications  
11 among the firm's employees.<sup>2</sup> This amount does appear excessive.

12 The Bankruptcy Court for the Northern District of California  
13 maintains Guidelines for Compensation of Professionals.<sup>3</sup> Guideline 15  
14 provides:

15 **Conferences**-Professionals should be prepared to explain time spent  
16 in conferences with other professionals or paraprofessionals in the  
17 same firm. Failure to justify this time may result in disallowance  
of all fees related to such conferences.

18 Despite the question raised by the Committee, PwC offered no explanation.

19 In a complex case no single professional is going to possess all of  
20 the skills to accomplish the necessary tasks. The estate is better served  
21 where multiple professionals with the required expertise are utilized.  
22 In these circumstances, some communication is required.

23 There is another argument often advanced for the use of multiple  
24 professionals. Firms contend that by having the work done at a lower

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25 <sup>1</sup> While the Committee's pleading is styled as "Comments," the Court has treated it as  
26 an objection.

27 <sup>2</sup> The Court's summary is attached as "Exhibit A."

28 <sup>3</sup> The District's Guidelines for Compensation and Expense Reimbursement of Professionals  
and Trustees are available on the District's Web Site at <http://www.canb.uscourts.gov>.

1 hourly rate the client saves money. In looking at the hourly rates  
2 involved here, it is likely that PwC would have advanced this argument had  
3 it chosen to respond. However, detailed instructions must be given to the  
4 junior employee and his or her work must be reviewed. It is possible that  
5 overall the work might end up costing the client more. The line between  
6 saving the client money and the client paying to train junior  
7 professionals is often hard to distinguish.

8         These concerns have led to a general rule that only one professional  
9 can bill for conferences absent an adequate explanation. In re Bennett  
10 Funding Group, Inc., 213 B.R. 234, 245 (Bankr. N.D.N.Y. 1997); In re  
11 A.A.D.C., Inc., 193 B.R. 448, 450 (Bankr. N.D. Ohio 1996). One approach  
12 suggested by the Creditors Committee is for the Court to disallow the fees  
13 of the professional in these conferences with the highest hourly rate. In  
14 considering the overall circumstances this seems a reasonable approach  
15 which the Court will adopt. It results in a reduction in fees of  
16 \$57,702.50.

17         The Court finds that notice of the applications was sufficient and  
18 that all parties in interest have had a sufficient opportunity to be  
19 heard. The Court hereby approves the First Quarterly Fee Application of  
20 PwC on a final basis. PwC is awarded fees of \$266,199.15 together with  
21 reimbursement of expenses of \$3,230.91. The Second Quarterly Fee  
22 Application is approved in part and PwC is awarded fees in the amount of  
23 \$255,238.50 and reimbursement of expenses of \$3,651.19. The remainder of  
24 the requested fees are denied. The total award to PwC is fees of  
25 \$521,437.65 and reimbursement of expenses of \$6,882.10. This approval is  
26 similarly on a final basis.

27         The assets of the debtors have been liquidated and funds are  
28 available to pay administrative expenses. Therefore, PwC shall be paid

**UNITED STATES BANKRUPTCY COURT**  
**For The Northern District Of California**

1 these amounts in full.

2 To the extent that PwC holds a pre-petition retainer, such funds are  
3 to be applied to the approved fees and expenses. Any remaining portion  
4 of the retainer shall be returned to the debtor within 15 days. A letter  
5 setting forth the disposition of these funds shall also be sent to the  
6 debtor within 15 days with copies to counsel for the Creditors Committee  
7 and the United States Trustee.

8 DATED: \_\_\_\_\_

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12 JAMES R. GRUBE  
13 UNITED STATES BANKRUPTCY JUDGE  
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1 Case Nos. 01-55472-JRG  
2 and 01-55473-JRG

3  
4 UNITED STATES BANKRUPTCY COURT  
5 NORTHERN DISTRICT OF CALIFORNIA  
6 CERTIFICATE OF MAILING

7 I, the undersigned, a regularly appointed and qualified Judicial Assistant in the office of the Bankruptcy  
8 Judges of the United States Bankruptcy Court for the Northern District of California, San Jose, California  
9 hereby certify:

10 That I, in the performance of my duties as such Judicial Assistant, served a copy of the Court's  
11 **ORDER ON CONTESTED FEE APPLICATIONS OF NIGHTINGALE & ASSOCIATES** by  
12 depositing it in the United States Mail, First Class, postage prepaid, at San Jose, California on the date shown  
13 below, in a sealed envelope addressed as listed below.

14 I declare under penalty of perjury under the laws of the United States of America that the foregoing  
15 is true and correct.

16 Executed on \_\_\_\_\_ at San Jose, California.

17 \_\_\_\_\_  
18 LISA OLSEN

19 Nanette Dumas, Esq.  
20 Office of the U.S. Trustee  
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<b>DATE</b>	<b>ATTY</b>	<b>DESCRIPTION OF TIME ENTRY</b>	<b>HOURS BILLED</b>	<b>AMOUNT BILLED</b>
3/01/02	JB	Conference call with Agnes Chow, Hugh Hall on bankruptcy issues.	1.0	772.00
3/01/02	HH	Conference call with Jim Banks and Agnes Chow regarding bankruptcy issues.	1.0	698.00
3/01/02	AC	Conference call with Jim Banks and Hugh Hall regarding bankruptcy issues	1.0	<u>492.00</u>
				<b>1,962.00</b>
3/01/02	AC	Discuss bankruptcy issues with Hugh Hall	1.0	492.00
3/01/02	HH	Discuss bankruptcy issues with Agnes Chow	1.0	<u>698.00</u>
				<b>1,190.00</b>
3/04/02	MM	Discussed audit status with N. Saric.	0.6	183
3/04/02	NS	Discussed audit status with M. Momsen	0.6	<u>153</u>
				<b>336</b>
3/04/02	MM	Spoke of M. Puthoff regarding disposals and consolidation.	0.8	244
3/04/02	MP	Spoke to M. Momsen regarding disposals and consolidation	0.8	<u>120</u>
				<b>364</b>
3/04/02	NS	Met with M. Puthoff regarding cash, property plant and equipment and legal invoices	1.2	306
3/04/02	MP	Spoke to N. Saric regarding issues with cash, property plant and equipment, and legal invoices	1.2	<u>180</u>
				<b>486</b>
3/04/02	NS	Discussed accruals testing and warranty reserves with E. Kepner	1.0	255
3/04/02	EK	Discussed accruals testing w/N. Saric	1.0	<u>180</u>
				<b>435</b>
3/04/02	EK	Discussed consolidation w/M. Puthoff	0.9	162
3/04/02	MP	Spoke to E. Kepner regarding consolidation	0.9	<u>135</u>
				<b>297</b>

**EXHIBIT "A"**

3/05/02	MH	Update meeting w/ K. Elek		1	640
3/05/02	KE	Update meeting w/ M Hubbard		1	<u>510</u>
					<b>1,150</b>
3/05/02	HH	Meet with Fred Bassett, Gary Miller and Agnes Chow on bankruptcy issues		2.5	1,745
3/05/02	AC	Meet with Fred Bassett, Gary Miller, and Hugh Hall on bankruptcy issues		2.5	<u>1,230</u>
					<b>2,975</b>
3/05/02	AC	Review CEI intangible amortization and discuss with Shelfan Yao		2.5	1,230
3/05/02	SY	Review CEI intangible amortization, and discuss with Agnes Chow		2.5	<u>825</u>
					<b>2,055</b>
<hr/>					
3/06/02	EK	Met w/N. Saric to discuss COS		0.5	90.00
3/06/02	NS	Discussed COS reconciliation with E. Kepner	0.5	<u>127.50</u>	
					<b>217.50</b>
3/06/02	MP	Spoke to M. Momsen regarding sales tax <b>and</b>		0.7	105.00
3/06/02	MM	Spoke of M. Puthoff regarding sales tax and prepaids.		0.7	<u>213.50</u>
					<b>318.50</b>
3/06/02	NS	Discussed WIP accrual with M. Momsen		0.4	102
3/06/02	MM	Discussed WIP accrual with N. Saric.	0.4	<u>122</u>	
					<b>224</b>
3/06/02	NS	Discussed AR and Prepaids with M. Puthoff	0.8	204	
3/06/02	MP	Spoke to N. Saric regarding accounts receivable and prepaids		0.8	<u>120</u>
					<b>324</b>
3/06/02	NS	Discussed AR testing with M. Momsen		0.3	76.50
3/06/02	MM	Discussed AR testing with N. Saric.	0.3	<u>91.50</u>	
					<b>168.00</b>

3/06/02	KE	Discussed audit status and reporting timetable w/ M. Momsen	0.7	357.00
	MM	Discussed audit status and reporting timetable with K. Elek.	0.7	<u>213.50</u>
				<b>570.50</b>
3/06/02	MM	Discussed audit status with N. Saric.	0.3	91.50
3/06/02	NS	Discussed audit status with M. Momsen	0.3	<u>76.50</u>
				<b>168.00</b>
<hr/>				
3/07/02	NS	Discussed potential adjustments to the financial statements with M. Momsen	1.0	255
3/07/02	MM	Discussed potential adjustments to the financial statements with N. Saric.	1.0	<u>305</u>
				<b>560</b>
3/07/02	KE	Discussed audit status with N. Saric	0.5	255.00
3/07/02	NS	Discussed audit status with K. Elek	0.5	<u>127.50</u>
				<b>382.50</b>
<b>3/07/02</b>	<b>SY</b>	<b>Assist Helen Wuu with Extension</b>	<b>0.7</b>	<b>231</b>
			<b>NO MATCH</b>	
<hr/>				
3/08/02	NS	Discussed equity transactions with M. Momsen	0.4	102
3/08/02	MM	Discussed equity transactions with N. Saric.	0.4	<u>122</u>
				<b>224</b>
3/08/02	KE	Reviewed email from M. Momsen regarding contract cost accounting.	1.1	561
3/08/02	MM	Reviewed email from K.Elek regarding contract cost accounting.	1.1	<u>335.50</u>
				<b>896.50</b>
3/08/02	KE	Telephone call with M. Momsen to discuss audit status.	0.3	153.00
	MM	Telephone call with K. Elek to discuss audit status.	0.3	<u>91.50</u>
				<b>244.50</b>
<hr/>				
3/12/02	MP	Spoke to M. Momsen regarding testing in accounts payable, and documentation for the DCAA	0.9	135.00

3/12/02	MM	Spoke to M. Puthoff regarding testing in accounts.	0.9	<u>274.50</u> <b>409.50</b>
<hr/>				
3/13/02	MH	Update meeting w/ K. Elek	1	640
3/13/02	KE	Update meeting w/ M Hubbard	1	<u>510</u> <b>1,150</b>
3/13/02	KE	Telephone call with M. Momsen to discuss audit status	0.3	153.00
3/13/02	MM	Telephone call with K. Elek to discuss audit status	0.3	<u>91.50</u> <b>244.50</b>
3/13/02	MM	Discussed audit status with N. Saric	0.2	61
3/13/02	NS	Discussed audit status with M. Momsen	0.2	<u>51</u> <b>112</b>
3/13/02	MP	Spoke to N. Saric regarding issues with intangibles accounts payable and property plant and equipment	1.5	225.00
3/13/02	NS	Spoke to M. Puthoff regarding issues with intangibles, accounts payable and property plant and equipment	1.5	<u>382.50</u> <b>607.50</b>
<hr/>				
3/14/02	NS	Reviewed overhead allocations with M. Momsen and discussed potential adjustments related to G&A applied to WIP	1.5	382.50
3/14/03	MM	Reviewed overhead allocations with N. Saric and discussed potential adjustments related to G&A applied to WIP.	1.5	<u>457.50</u> <b>840.00</b>
<b>3/14/02</b>	<b>NS</b>	<b>Telephone call with M. Momsen regarding status and completion</b>	<b>0.4</b>	<b>102.00</b> <b>NO MATCH</b>
<hr/>				
3/15/02	NS	Discussed overhead allocations with M. Momsen	0.5	127.50
3/15/02	MM	Discussed overhead allocations with N. Saric.	0.5	<u>152.50</u> <b>280.00</b>
3/15/02	KE	Discussed audit status with K. Elek	0.6	153

3/15/02	MM	Discussed audit status with N. Saric	0.6	<u>306</u> <b>459</b>
3/15/02	MM	Met with M. Momsen regarding audit status,	0.5	152.50
3/15/02	KE	findings, items left for completion and bankruptcy adjustments	2.1	1,071.00
3/15/03	MM	Met with K. Relek regarding audit status, findings, items left for completion and bankruptcy adjustments	2.1	<u>640.50</u> <b>1,711.50</b>
<hr/>				
3/18/02	HH	Discuss with Agnes Chow on memo regarding bankruptcy issues	2.5	1,745
3/18/02	AC	Discuss with Hugh Hall and update memo on issues of NOL and Credit Carryover	2.5	<u>1,230</u> <b>2,975</b>
<hr/>				
3/19/02	AC	Discuss with Shelfan Yao on Tax Provision issues	2.5	1,230
3/19/02	SY	Discuss with Agnes Chow regarding information request for the auditors for tax provision preparation	2.5	<u>825</u> <b>2,055</b>
<b>3/19/02</b>	<b>MM</b>	<b><i>Read and responded to email from S. Yao regarding tax accrual.</i></b>	<b>0.7</b>	<b>213.50</b> <b>NO MATCH</b>
<hr/>				
3/20/02	KE	Telephone call with M. Momsen to discuss audit status and bankruptcy financial statements	0.4	204
3/20/02	MM	Telephone call with K. Elek to discuss audit status and bankruptcy financial statements	0.4	<u>122</u> <b>326</b>

3/20/02	KE	Met with M. Momsen to discuss timing, reserves	1.2	612
3/20/02	MM	and other audit matters	1.2	<u>366</u>
		Met with K. Elek to discuss timing, reserves and other audit matters.		<b>978</b>
3/20/02	KE	Met with G. Miller ( <b>Condor</b> ), F. Bassett	2.5	1,275.00
		( <b>Condor</b> ) and K. Elek to discuss audit status, bankruptcy status, timing and other audit matters		
3/20/02	MM	Met with G. Miller ( <b>Condor</b> ), F. Bassett	2.5	<u>762.50</u>
		( <b>Condor</b> ) and M. Momsen to discuss audit status, bankruptcy status, timing and other audit matters		<b>2,037.50</b>
3/20/02	MP	Spoke to M. Momsen regarding the open invoice	0.5	75
3/20/02	MM	Spoke to M. Puthoff regarding the open invoice search	0.5	<u>152</u>
				<b>227</b>
3/20/02	<i>SY</i>	<i>Send information request to M. Momsen and Condor</i>	<i>2.0</i>	<i>660 SOLO</i>
3/20/02	<i>MP</i>	<i>Spoke to G. Miller concerning the deferred rent and a reorganization accrual</i>	<i>0.8</i>	<i>120 SOLO</i>
3/21/02	MP	Telephone call with M. Momsen regarding open items and A/P testing	1.1	165.00
3/21/02	MM	Telephone call with M. Puthoff regarding open items and A/P testing	1.1	<u>335.50</u>
				<b>500.50</b>
3/21/02	MP	Telephone call with M. Momsen regarding results of testing	0.3	45.00
3/21/02	MM	Telephone call with M. Puthoff regarding results of testing	0.3	<u>91.50</u>
				<b>136.50</b>

3/21/02	KE	Met with M. Momsen to discuss overall audit assessment and significant procedures performed and results	1.5	765.00
3/21/02	MM	Met with K. Elek to discuss overall audit assessment and significant procedures performed and results	1.5	<u>457.50</u> <b>1,222.50</b>
<b>3/21/02</b>	<b>MM</b>	<b>Telephone call with N. Saric regarding status and completion</b>	<b>0.4</b>	<b>122</b>
			<b>NO</b>	<b>MATCH</b>
3/22/02	MH	Update meeting w/ K. Elek	1	640
3/22/02	KE	Update meeting w/ M. Hubbard	1	<u>510</u> <b>1,150</b>
3/22/02	KE	Met with M. Momsen for detained discussion of contracts	2.5	1,275.00
3/22/02	MM	Met with K. Elek for detained discussion of contracts	2.5	<u>762.50</u> <b>2,037.50</b>
3/23/02	NS	Met with M. Momsen to discuss reserves and audit adjustments	2.5	637.50
3/23/02	MM	Met with N. Saric to discuss reserves and audit adjustments	2.5	<u>762.50</u> <b>1,400.00</b>
3/23/02	NS	Continued to meet with M. Momsen to discuss reserves and audit adjustments	0.5	76.50
3/23/02	MM	Continued to meet with N. Saric to discuss reserves and audit adjustments	0.5	<u>152.50</u> <b>229.00</b>
3/24/02	KE	Met with M. Momsen for detailed discussion of reserves	2.2	1,122
3/24/02	MM	Met with K. Elek for detailed discussion of [ ]	2.2	<u>671</u> <b>1,793</b>

3/25/02	KE	Telephone call with M. Momsen on open items and adjustments	0.7	357.00
3/25/02	MM	Telephone call with K. Elek on open items and adjustments	0.7	<u>213.50</u> <b>570.50</b>
3/25/02	KE	Met with M. Momsen to discuss issues	2.2	1,122
3/25/02	MM	Met with K. Elek to discuss issues	2.2	<u>671</u> <b>1,793</b>
<hr/>				
3/26/02	MH	Met with K. Elec and M. Momsen regarding the audit	2	1,280
3/26/02	KE	Met with M. Hubbard and M. Momsen regarding the audit	2	1,020
3/26/02	MM	Met with M. Hubbard and K. Elek regarding the audit	2	<u>610</u> <b>2,910</b>
<hr/>				
3/26/02	KE	Met with M. Momsen regarding clearance meeting	2	1,020
3/26/02	MM	Met with K. Elek regarding clearance meeting	2	<u>610</u> <b>1,630</b>
<hr/>				
3/26/02	NS	Telephone call with M. Momsen regarding open items	0.3	127.50
3/26/02	MM	Telephone call with N. Saric regarding open items	0.3	<u>91.50</u> <b>219.00</b>
3/26/02	MM	Met with K. Elek regarding finalization of audit	0.7	213.50
3/26/02	KE	Met with M. Momsen regarding finalization of _____	0.7	<u>357.00</u> <b>570.50</b>
		<b>Note: Above entry ends following "of"</b>		
<hr/>				
3/27/02	<i>SY</i>	<i>Review issues of debt forgiveness and worthless stock and talk to Agnes Chow</i>	<i>1.5</i>	<i>495.00</i> <b>NO MATCH</b>
<hr/>				

3/28/02	KE	Met with M. Momsen regarding clearance meeting	0.5	255.00
3/28/02	MM	Met with K. Elek regarding clearance meeting	0.5	<u>152.50</u>
				<b>407.50</b>
3/28/02	KE	Met with M. Momsen, N. Castillo-Lamas ( <b>Condor</b> ) and G. Miller ( <b>Condor</b> ) regarding adjustments and clearance items	2.3	1,173.00
3/28/02	MM	Met with K. Elek, N. Castillo-Lamas ( <b>Condor</b> ) and G. Miller ( <b>Condor</b> ) regarding adjustments and clearance items	2.3	<u>701.50</u>
				<b>1,874.50</b>
3/28/02	KE	Met with M. Momsen, F. Bassett (Condor) and G. Miller (Condor) regarding adjustments and clearance	0.4	204
3/28/02	MM	Met with M. Momsen, F. Bassett (Condor) and G. Miller (Condor) regarding adjustments and clearance	0.4	<u>122</u>
				<b>326</b>
<hr/>				
4/02/02	MH	Update meeting w/ K. Elek	1	682
4/02/02	KE	Update meeting w/ M. Hubbard	1	<u>543</u>
				<b>1,225</b>
<hr/>				
4/05/02	MH	Discussed due diligence review with K. Elec	0.6	409.20
4/05/02	KE	Discussed due diligence review with M. Hubbard	0.6	<u>325.80</u>
				<b>735.00</b>
4/05/02	KE	Met with C. Ho regarding researching opinion and disclosure examples under Chapter 11	0.7	380.10
4/05/02	CH	Met with C. Ho regarding researching opinion and disclosure examples under Chapter 11	0.7	<u>190.40</u>
				<b>570.50</b>
<hr/>				
4/08/02	NS	Discussed CSI matters with M. Momsen	0.5	136.00
4/08/02	MM	Discussed CSI matters with N. Saric	0.5	<u>162.50</u>
				<b>298.50</b>
<b>4/08/02</b>	<b>MM</b>	<b>Prepared email to S. Yao regarding tax accrual and tax accounts</b>	<b>0.4</b>	<b>130</b> <b>NO MATCH</b>

4/08/02	KE	Discussed E&Y due diligence review with M. Momsen	0.5	271.50
4/08/02	MM	Discussed E&Y due diligence review with K. Elek	0.5	<u>162.50</u>
				<b>434.00</b>
4/08/02	KE	Met with C. Ho regarding results of research on opinion and disclosure examples under Chapter	0.5	271.50
4/08/02	CH	Met with K. Elek regarding results of research on opinion and disclosure examples under Chapter	0.5	<u>136.00</u>
				<b>407.50</b>
<hr/>				
4/09/02	MH	Discussed due diligence review with K. Elec	<b>0.6</b>	409.20
4/09/02	KE	Discussed due diligence review with M. Hubbard	<b>0.4</b>	<u>217.20</u>
				<b>626.40</b>
<i>Note: Time entries differ</i>				
4/09/02	KE	Met with T. Keirms regarding E&Y due diligence review	1	543
4/09/02	TK	Met with K. Elec regarding E&Y workpaper review	1	<u>160</u>
				<b>703</b>
<hr/>				
4/10/02	MH	Met with K. Elec regarding due diligence review	0.7	477.40
4/10/02	KE	Met with M. Hubbard regarding due diligence review	0.7	<u>380.10</u>
				<b>857.50</b>
4/10/02	KE	Telephone call with M. Momsen regarding E&Y due diligence review	0.5	271.50
4/10/02	MM	Telephone call with K. Elek regarding E&Y review	0.5	<u>162.50</u>
				<b>434.00</b>
<hr/>				
4/11/02	KP	Met with M. Momsen to discuss review of financial statements	0.3	48.00
4/11/02	MM	Met with K. Passalacqua to discuss review of financial statements	0.3	<u>97.50</u>
				<b>145.50</b>
4/11/02	KP	Met with M. Momsen to review audit adjustments	0.3	48.00
4/11/02	MM	Met with K. Passalacqua to review audit adjustments	0.3	<u>97.50</u>
				<b>145.50</b>

4/11/02	KP	Met with M. Mosen to review issues noted and discuss changes for financial statements	0.2	32
4/11/02	MM	Met with K. Passalacqua to review issues noted and discuss changes for financial statements	0.2	<u>65</u> <b>97</b>
4/11/02	KP	Telephone call with M. Mosen to clarify questions regarding audit adjustments	0.1	16
4/11/02	MM	Telephone call with K. Passalacqua to clarify questions regarding audit adjustments	0.1	<u>32.50</u> <b>48.50</b>
4/11/02	KP	Updated M. Mosen with the revisions and additions to the adjustment detail	0.1	16
4/11/02	MM	Discussed revisions and additions to the adjustment detail with K. Passalacqua	0.1	<u>32.50</u> <b>48.50</b>
<b>4/11/02</b>	<b>MM</b>	<b><i>Reviewed comments on financials from K. Passalacqua's review</i></b>	<b>.3</b>	<b><i>97.50</i></b> <b><i>SOLO</i></b>
<hr/>				
4/12/02	KP	Met with M. Mosen to review adjustments and methodology for consolidation worksheet	0.5	80.00
4/12/02	MM	Met with K. Passalacqua to review adjustments and methodology for consolidation worksheet	0.5	<u>162.50</u> <b>242.50</b>
4/12/02	KP	Telephone call with M. Mosen to resolve issues regarding audit adjustments and consolidation worksheet	0.6	96
4/12/02	MM	Telephone call with K. Passalacqua to resolve issues regarding audit adjustments and consolidation worksheet	0.6	<u>195</u> <b>291</b>
4/12/02	KP	Met with M. Mosen to review and discuss the consolidation worksheet	0.3	48.00
4/12/02	MM	Met with K. Passalacqua to review and discuss the consolidation worksheet	0.3	<u>97.50</u> <b>145.50</b>
4/12/02	KP	Met with M. Mosen to discuss the methodology for review of the financial statements, incl. cash flow	0.3	48.00
4/12/02	MM	Met with K. Passalacqua to discuss the methodology for review of the financial statements, incl. cash flow	0.3	<u>97.50</u> <b>145.50</b>
4/12/02	KP	Met with M. Mosen to review findings from financial statement review	0.3	48.00
4/12/02	MM	Met with K. Passalacqua to review findings from financial statement review	0.3	<u>97.50</u> <b>145.50</b>

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<b>4/14/02</b>	<b>AC</b>	<b>Overall review on tax provision. Discussion with S. Yao on various tax issues on the provision.</b>	<b>2.0</b>	<b>1,034</b>
			<b>NO</b>	<b>MATCH</b>

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<b>4/16/02</b>	<b>MH</b>	<b>Telephone call with K. Elec regarding financials</b>	<b>0.5</b>	<b>341</b>
			<b>NO</b>	<b>MATCH</b>

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4/17/02	MH	Met with K. Elec to discuss reporting under Chapter 11	1.3	886.60
4/17/02	KE	Met with M. Hubbard to discuss reporting under Chapter 11	1.3	<u>705.90</u>
				<b>1,592.50</b>

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4/24/02	SY	Discussed with A. Chow about the provision	2.0	694
4/24/02	AC	Discussed with S. Yao about the provision	2.0	<u>1,034</u>
				<b>1,728</b>

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4/29/02	SY	Discussion with A. Chow on the updated provision.	1.0	347
4/29/02	AC	Discussion with S. Yao on various revisions on the tax provision.	1.0	<u>517</u>
				<b>864</b>

<b>4/29/02</b>	<b>SY</b>	<b>Revised the provision after the discussion with A. Chow</b>	<b>1.5</b>	<b>520.50</b>
				<b>SOLO</b>

4/29/02	MH	Telephone call with K. Elek to discuss audit status and open items.	1.3	886.60
4/29/02	KE	Telephone call with M. Hubbard to discuss audit status and open items.	1.3	<u>705.90</u> <b>1,592.50</b>
4/29/02	KE	Telephone call with M. Momsen to discuss audit status and open items.	1.2	651.60
4/29/02	MM	Telephone call with K. Elek to discuss audit status and open items.	1.2	<u>390.00</u> <b>1,041.60</b>
<b>4/29/02</b>	<b>MM</b>	<b><i>Reviewed deferred tax request list from S. Yao</i></b>	<b>1.2</b>	<b>390</b> <b>SOLO</b>
<b>4/29/02</b>	<b>MM</b>	<b><i>Researched answers and responded to Yao via email</i></b>	<b>1.2</b>	<b>390</b> <b>SOLO</b>
<hr/>				
4/30/02	SY	Met with M. Momsen to discuss deferred tax work, financials and adjusting entries	1.7	589.90
4/30/02	MM	Met with S. Yao to discuss deferred tax work, financials and adjusting entries	1.7	<u>552.50</u> <b>1,142.40</b>
4/30/02	AC	Conference call with J. Parsons (IRS auditor) and D. Montgomery on various audit issues.	0.5	258.50
4/30/02	DM	Conference call with J. Parsons (IRS auditor) and A. Chow on various audit issues.	0.5	<u>328.00</u> <b>586.50</b>
4/30/02	SY	Telephone call with M. Momsen regarding tax provision	0.3	104.10
4/30/02	MM	Telephone call with S. Yao regarding tax provision	0.3	<u>97.50</u> <b>201.60</b>
4/30/02	AC	Discussion with D. Montgomery on the status on IRS audit and new IDRs received.	0.5	258.50
4/30/02	DM	Discussion with A. Chow on the status on IRS audit and new IDRs received.	0.5	<u>328.00</u> <b>586.50</b>
<b>4/30/02</b>	<b>KP</b>	<b><i>Met with M. Momsen to review issues noted and discuss changes for financial statements</i></b>	<b>0.2</b>	<b>32.00</b> <b>NO MATCH</b>
<b>4/30/02</b>	<b>KP</b>	<b><i>Met with M. Momsen to discuss review of financial statements</i></b>	<b>0.3</b>	<b>48.00</b> <b>NO MATCH</b>

4/30/02	KP	Telephone calls with M. Momsen to clarify questions concerning financial statements	0.2	32.00 NO MATCH
4/30/02	MM	Reviewed and responded to email from S. Yao regarding tax provision	0.3	97.50 NO MATCH
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5/01/02	AC	Discussion with H. Hall on tax provision	1.0	517
5/01/02	HH	Discussion with A. Chow on tax provision	1.0	<u>733</u>
				<b>1,250</b>
5/01/02	DM	Discussion with H. Hall on \$2 million IRS audit claim.	0.5	328
5/01/02	HH	Discussion with D. Montgomery on \$2 million IRS audit claim.	1.0	<u>733</u>
				<b>1,061</b>
<i>Note: Time entries differ</i>				
<hr/>				
5/02/02	NS	Discussed open items list with M. Momsen	0.3	81.60
5/02/02	MM	Discussed open items list with N. Saric	0.3	<u>97.50</u>
				<b>179.10</b>
5/02/02	NS	Discussed Argo contracts analysis with M. Momsen	1.0	272
5/02/02	MM	Discussed Argo analysis with N. Saric	1.0	<u>325</u>
				<b>597</b>
5/02/02	MH	Status update meeting w/ K. Elek	1.2	818.40
5/02/02	KE	Status update meeting with M. Hubbard	1.2	<u>651.60</u>
				<b>1,470.00</b>
<hr/>				
5/03/02	MH	Reviewed memo from K. Elek regarding reporting while under Chapter 11 and discussed with K. Elek	1.2	818.40
5/03/02	KE	Discussed memo regarding reporting under Chapter 11 with M. Hubbard	0.4	<u>217.20</u>
				<b>1,035.60</b>
5/03/02	MM	Met with K. Elek to discuss financials and plan for completion	2.0	650

5/03/02	KE	Met with M. Momsen to discuss financials and plan for completion	2.0	<u>1,086</u> <b>1,736</b>
<hr/>				
5/06/02	AC	Discussion with H. Hall and K. Elek on tax provision.	1.0	517
5/06/02	HH	Discussion with A. Chow and K. Elek on tax provision.	1.0	733
5/06/02	KE	Discussion with H. Hall and C. Chow on tax provision	1.0	<u>543</u> <b>1,793</b>
5/06/02	KM	Reviewed memo from K. Elek regarding reporting while under Chapter 11 and discussed with K. Elek	<b>1.4</b>	1,386.00
5/06/02	KE	Discussed memo regarding reporting under Chapter 11 with K. Maloney	<b>.4</b>	<u>217.20</u> <b>1,603.20</b>
		<i>Note: only .4 hrs. spent together on DISCUSSION of above entry.</i>		
5/06/02	MH	Discussed comments from K. Maloney and SEC consulting services with K. Elek	0.6	409.20
5/06/02	KE	Discussed comments from K. Maloney and SEC consulting services with M. Hubbard	0.6	<u>325.80</u> <b>735.00</b>
<b>5/06/02</b>	<b>AC</b>	<b><i>Revise tax provision after discussion with H. Hall and K. Elek</i></b>	<b>1.0</b>	<b>517</b> <b>SOLO</b>
<hr/>				
<b>5/07/0</b>	<b>MM</b>	<b><i>Prepared email to A. Chow regarding tax footnote</i></b>	<b>1.2</b>	<b>390</b> <b>SOLO</b>
5/08/02	AC	Investigation on tax issues related to potential sale of the company. Emailed J. Banks inquiring the issues, and called and left voice mail with F. Basset regarding the issues.	1.0	517
5/08/02	JB	Responded to A. Chow's inquiries on the tax issues related to the potential sale of Condor.	1.0	<u>811</u> <b>1,328</b>
		<i>Note: Wording differs on above 2 entries but I believe this is for the same thing.</i>		
<hr/>				

5/09/02	MH	Telephone call with K. Elek to discuss financials	0.5	341.00
	KE	Telephone call with M. Hubbard to discuss financials	0.5	<u>271.50</u>
				<b>612.50</b>
5/09/02	KE	Met with M. Momsen to discuss financials and status	<b>0.5</b>	271.50
5/09/02	MM	Met with K. Elek to discuss financials and status	<b>1.0</b>	<u>325.00</u>
				<b>596.50</b>

*Note: Time difference on above 2 entries.*

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5/10/02	SG	Performed word processing of changes to financials, generated pdf file and emailed to M. Momsen	0.8	80.80
		<i>Note: Clerical entry - delete ?</i>		

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5/13/02	KE	Met with M. Momsen to discuss financials	0.3	162.90
5/13/02	MM	Met with K. Elek to discuss financials	0.3	<u>97.50</u>
				<b>260.40</b>

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5/15/02	KE	Telephone call with M. Momsen regarding finalizing financials and rep letter	0.7	280.10
5/15/02	MM	Telephone call with K. Elek regarding finalizing financials and rep letter	0.7	<u>227.50</u>
				<b>507.60</b>
5/15/02	KE	Telephone call with K. Maloney regarding comments and questions on financial statements	0.3	162.90
5/15/02	KM	Telephone call with K. Elek regarding _____	0.3	<u>297.00</u>
				<b>459.90</b>

*Note: Above entry ends following "regarding"*

5/15/02	MH	Prepared email to K. Elek with comments on financials	0.4	272.80
5/15/02	KE	Reviewed email from M. Hubbard with comments on financials	0.4	<u>217.20</u>
				<b>490.00</b>

5/15/02	MM	Telephone call with K. Elek regarding edits to financials	0.5	162.50
5/15/02	KE	Telephone call with M. Momsen regarding edits to financials	0.5	<u>271.50</u> <b>434.00</b>
5/15/02	KE	Telephone call with M. Schini regarding comments and questions on financial statements	0.4	217.20
5/15/02	MS	Telephone call with K. Elek regarding comments and questions on financial statements	0.4	<u>272.80</u> <b>490.00</b>
5/15/02	MS	Met with K. Elek to discuss audit issues and reporting while operating under Chapter 11 matters	1.2	818.40 <b>SOLO</b>
<hr/>				
5/16/02	KE	Telephone call with M. Momsen regarding financials and partner comments and edits	<b>1.1</b>	597.30
5/16/02	MM	Telephone call with K. Elek regarding financials and partner comments and edits	<b>1.3</b>	<u>422.50</u> <b>1,019.80</b>
<i><b>Note:</b> Time difference on above 2 entries.</i>				
5/16/02	MM	Telephone call with K. Elek to discuss edits to financials	0.5	162.50
5/16/02	KE	Telephone call with M. Momsen to discuss edits to financials	0.5	<u>271.50</u> <b>434.00</b>
5/16/02	HH	Discussion with K. Elek on tax footnote.	0.5	366.50
5/16/02	KE	Discussion with H. Hall on tax footnote	0.5	<u>271.50</u> <b>638.00</b>
5/16/02	<b>KE</b>	<b>Make edits to financials from M. Hubbard and M. Schini comments</b>	<b>0.9</b>	<b>488.70</b> <b>SOLO</b>
<hr/>				
5/17/02	DM	Review and discussion with A. Chow on IDR	1.0	656

5/17/02	AC	responses. Discussion with D. Montgomery on IDR responses.	1.0	<u>517</u> <b>1,173</b>
<hr/>				
5/20/02	KE	Telephone call with M. Momsen regarding audit committee report	1.0	543
5/20/02	MM	Telephone call with K. Elek regarding audit committee report	1.0	<u>325</u> <b>868</b>
<hr/>				
5/21/02	AC	Meeting with D. Montgomery and J. Parsons (IRS) an IDR status and audit progress.	2.0	1,034
5/21/02	DM	Meeting with A. Chow and J. Parsons (IRS) on IDR status and audit progress.	2.0	<u>1,312</u> <b>2,346</b>
5/21/02	AC	Conference call with D. Montgomery and G. Miller on IDR questions, outstanding issues and audit progress.	1.0	517
5/21/02	DM	Conference call with A. Chow and G. Miller on IDR questions, outstanding issues and audit progress.	1.0	<u>656</u> <b>1,173</b>
5/21/02	MM	<i>Prepared draft of audit committee report and sent to K. Elek</i>	2.5	<b>812.50</b> <b>SOLO</b>
<hr/>				
5/22/02	KE	Discussed audit committee draft with M. Momsen	0.5	271.50
5/22/02	MM	Discussed audit committee draft with K. Elek	0.5	<u>162.50</u> <b>434.00</b>
5/22/02	MM	<i>Continued to prepare draft of audit committee report and sent to K. Elek</i>	1.0	<b>325.00</b> <b>SOLO</b>
5/22/02	KE	<i>Made edits to audit committee report and sent to M. Momsen and M. Hubbard</i>	0.9	<b>488.70</b> <b>SOLO</b>

5/22/02	MM	Reviewed final audit committee report from K. Elek	0.6	195.00 SOLO
<hr/>				
5/23/02	MH	Telephone call with K. Elek to discuss audit committee report	0.4	272.80
5/23/02	KE	Telephone call with M. Hubbard to discuss audit committee report	0.4	<u>217.20</u> <b>490.00</b>
<hr/>				
5/24/02	MM	Met with K. Elek to discuss final audit committee report and conference call	1.3	422.50
5/24/02	KE	Met with M. Momsen to discuss final audit committee report and conference call	1.3	<u>705.90</u> <b>1,128.40</b>
<hr/>				
5/24/02	MH	Telephone call with K. Elek to discuss audit completion, wrap-up and archive of audit databased	0.3	204.60
5/24/03	KE	Telephone call with M. Hubbard to discuss audit completion, wrap-up and archive	0.3	<u>162.90</u> <b>367.50</b>
<hr/>				
5/24/02	MH	Telephone call with K. Elek to discuss audit completion, wrap-up and archive of audit databased	0.3	204.60
	KE	Telephone call with M. Hubbard to discuss audit completion, wrap-up and archive	0.3	<u>162.90</u> <b>367.50</b>
<hr/>				
5/29/02	MM	Met with M. Puthoff to discuss final tie-out of financials	0.5	162.50
5/29/02	MP	Met with M. Momsen to discuss final tie-out of financials	0.5	<u>80.00</u> <b>242.50</b>

