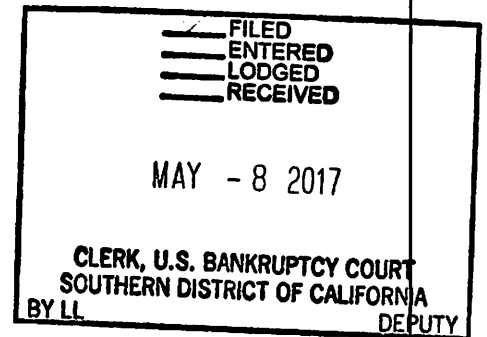


WRITTEN DECISION – NOT FOR PUBLICATION



UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re:	)	BANKRUPTCY NO: 16-03135-MM11
	)	
8110 AERO DRIVE HOLDINGS, LLC,	)	CHAPTER: 11
	)	
Debtor,	)	AMENDED* MEMORANDUM
	)	DECISION ON CONFIRMATION OF
	)	SECOND AMENDED PLAN OF
	)	REORGANIZATION DATED
	)	JANUARY 17, 2017
	)	
	)	DATE: March 30, 2017
	)	TIME: 9:30 A.M.
	)	CRTRM: 1
	)	
	)	JUDGE: Margaret M. Mann

*Amended for formatting purposes only.

1 The court conducted a four-day trial on March 30, March 31, April 14, and May 1,
2 2017, regarding confirmation of the Second Amended Plan dated January 17, 2017
3 ("Plan") filed on January 26, 2017, by Debtor 8110 Aero Drive Holdings, LLC ("Debtor").
4 After providing an oral ruling on April 10, 2017, on the confirmation issues tried on
5 March 30 and 31, 2017, the court held a further evidentiary hearing on April 14, 2017 on
6 three reserved issues: the feasibility of the Plan, Debtor's settlement with its franchisor,
7 and the amount of attorneys' fees necessary to cure the loan default of Debtor's
8 secured creditor Wells Fargo Bank, National Association, as Trustee for the Benefit of
9 the Registered Holders of JPMBB Commercial Mortgage Securities Trust 2013-C14,
10 Commercial Mortgage Pass-Through Certificates, Series 2013-C14's ("Lender"). Lender
11 was the only objecting party to the Plan. The court then granted Lender's motion to
12 reopen the evidence on the feasibility issue and considered limited additional testimony
13 on May 1, 2017.

14 Having made certain rulings during the pretrial proceedings on confirmation of
15 the Plan, and having considered all of the testimony and evidence presented, the court
16 makes the following findings of fact and conclusions of law pursuant to Fed. R. Bankr.
17 P. 7052.¹

18 **I. Testimony of Witnesses**

19 The court required that all evidence be presented by declaration as part of each
20 party's case in chief. Each declarant was required to be available for cross-examination
21 at trial unless the opposing party waived that right. Under this protocol, the court
22 considered the testimony of following witnesses:

- 23 1. Richard Zelle ("Zelle"), an expert witness on industry standards who testified
24 regarding default interest, the expectations of the parties entering into the loan in
25 question, and his fees. Doc. 228. Cross-examination of Zelle was waived.

26
27 ¹ To the extent any finding of fact or conclusion of law differs in any respect from the
28 court's oral ruling, these written findings of fact and conclusions of law are intended to govern.

2. Jason Everson ("Everson"), the Vice President of Operations for GF Management, an operating affiliate of FPCA Associates, LLC ("FPCA"), Debtor's management company. Everson testified regarding Debtor's budget. Doc. 227-8.
3. Kate Mendez ("Mendez"), who provided testimony regarding Debtor's operations. Doc. 227-7.
4. Nick Zigler ("Zigler"), a controller with FPCA who testified regarding Debtor's budget. Doc. 227-9.
5. Luz Burni ("Luz"),² Debtor's managing member, who provided testimony regarding the history of the loan and the feasibility of the Plan.
6. Jean Heinz ("Heinz"), who represented Debtor in negotiations regarding the loan. Doc. 237.
7. David Bornheimer ("Bornheimer"), vice president of the loan servicer who testified regarding the processing of the loan and the attorneys' fees of his counsel.
8. Craig A Welin ("Welin"), the partner in charge of counsel for Lender who testified regarding his management of the representation and his firm's fees and costs. Cross-examination of Welin was waived.
9. Ron Chin ("Chin"), trustee of the Ralph Burni Trust, an insider of Debtor.

Declarations from counsel for the parties were not considered as evidence for the confirmation trial. The court's findings of fact are based upon its review of the record and the credible testimony from witnesses.

II. Background

A. Property

Debtor owns and operates a Four Points by Sheraton Hotel located at 8110 Aero Drive, San Diego, CA 92123 ("Hotel"). The Hotel was valued at \$16,800,000 in Debtor's schedules, and value was not contested at the confirmation trial. The Hotel was originally purchased by The Burni Family Trust ("Burni Family Trust") and R&D Trust Properties, LLC in 2007 and was transferred to Debtor in 2010. The Hotel is operated under a licensing and franchising agreement ("Licensing Agreement") with Sheraton,

² Luz is the daughter-in-law of Ralph Burni ("Ralph"), who owned and controlled a majority interest in Debtor until his death in December 2014. For clarity, the court refers to both by their first names, with no disrespect intended.

1 LLC ("Sheraton"). Debtor leases the real property on which the Hotel is located from the
2 City of San Diego via a ground lease set to expire in 2052 ("Ground Lease").

3 **B. The Loan**

4 In July 2013, Barclays PLC ("Barclays"), Lender's predecessor, extended Debtor
5 a \$9.5 million loan ("Loan") with a 5.977% interest rate secured by Debtor's interest in
6 the Hotel and the Ground Lease. The Loan is a commercial mortgage-backed
7 securitized ("CMBS") loan which matures on July 22, 2023. Wells Fargo is the Trustee
8 of the trust holding the Loan among other assets, having received an assignment from
9 Barclays on September 18, 2013. Midland Servicing ("Midland") is the special servicer
10 for the Loan, having been appointed in December 2015.

11 The terms of the Loan are governed by numerous documents, including a loan
12 agreement ("Agreement"), a Leasehold Deed of Trust and Security Agreement, and a
13 deposit account control agreement ("Lockbox Agreement"), all of which are governed by
14 California law. See Exs. 1-16.

15 The Loan was negotiated primarily by Ralph, who was in his late 80's at the time.
16 Luz had no communications with Barclays or the mortgage broker for the transaction.
17 Luz understood the purpose of the refinancing, however. She had discussions with
18 Ralph, gathered documents for the mortgage broker, and served as a guarantor. As
19 trustee of the Burni Family Trust which owned an 11% interest in Debtor, she signed off
20 on the escrow instructions for the Loan. Ex. 12. Luz' testimony that Debtor obtained the
21 Loan to refinance a short-term, hard-money loan with a higher interest rate of 10.75%
22 because it was soon coming due was credible.

23 Heinz was retained to assist Debtor with the transaction in April 2013. She was
24 referred to Debtor by the mortgage broker and had previously assisted other entities
25 related to Ralph and Luz in obtaining financing from Barclays. Between April and July
26 2013, Heinz directly negotiated with Barclays' counsel regarding the terms of the Loan.
27 Ultimately, Heinz issued an opinion letter dated July 22, 2013 ("Opinion Letter")
28 regarding the Loan. Since no witness from the mortgage broker or Barclays testified,

1 Heinz is the only witness with credible personal knowledge of the Loan negotiations.

2 **C. Franchise Agreement**

3 After the Loan closed, Debtor continued to work on a remodel required by its
4 franchisor, Sheraton. In November 2013, after an inspection of the Hotel, Sheraton
5 insisted Debtor complete a Property Improvement Plan ("PIP") and make extensive
6 improvements to the Hotel by December 2016. Due to Debtor's inability to meet guest
7 satisfaction score requirements, Sheraton required Debtor hire a management company
8 from a list it provided. Debtor hired HMG, who ran the Hotel's operations from
9 November 2014 to April 2016, when HMG was replaced by a management company
10 selected by Lender.

11 Ralph died in December 2014 shortly after HMG was retained. Given his age, the
12 months preceding his death may have contributed to Debtor's management problems.
13 Luz then took over management of the Debtor. There is no evidence she had previous
14 experience running a Hotel, and she was not sophisticated in commercial matters.

15 Luz and Ron Chin (Trustees of the Ralph Burni Trust) thereafter received regular
16 reports from HMG regarding the Hotel. These reports reflected that under HMG's
17 management Debtor's expenses increased by approximately 33-40% without a
18 corresponding increase in revenue. HMG also failed to allocate money necessary for
19 Debtor to complete the PIP. This caused the profits of the business to decline. During
20 HMG's management, Luz's communications with Lender were limited, as HMG was
21 receiving all statements and communications Midland sent.

22 **D. Default**

23 The decline in profitability of the Hotel caused the Loan to go into default when
24 Debtor failed to make the September 2015 Loan payment. Initially, Debtor did not notice
25 that it had missed a payment. Upon receipt of the October payment, Lender applied it to
26 the September payment, which caused the October payment to go into default until the
27 November payment was received. The same pattern applies to the December and
28 January payments. Payments stopped until Debtor filed bankruptcy that May because

1 Lender declared a default on January 14, 2016. Midland froze Debtor's bank accounts
2 by letter sent to Wells Fargo but did not send the letter to Debtor or describe the default.

3 Midland sent Debtor a notice of default on February 24, 2016, declaring a default
4 as of December 6, 2015, based upon Lender's application of payments after the
5 September payment, the only missed payment at the time. Luz did not receive this
6 letter, which she assumed was received by HMG. Lender demanded a cure but did not
7 provide the amount, advising the cure amount could be obtained from Midland.

8 Luz did not learn of the default until March 11, 2016, when she received a call
9 from Brent Ramsey, a Regional Manager for Starwood Hotels & Resorts Worldwide,
10 Inc. ("Starwood," Sheraton's parent company). She immediately called Midland's
11 representative David LaFon ("LaFon") and asked for an accounting and the cure
12 amount. She also requested that LaFon make any missed payments from the reserve
13 accounts and release monies to HMG for Debtor's operations. Instead of responding to
14 these requests, Lender filed suit seeking the appointment of a receiver to which Luz
15 stipulated on April 6, 2016. The receiver replaced HMG as manager of the hotel.

16 Lender did not provide Luz a cure amount until April 28, 2016.³ Ex. 33. The cure
17 amount provided was \$1,672,343, including late fees, escrow deposits, protective
18 advances, default interest, and special servicing, legal, and workout fees. Luz was
19 shocked at the number, which was understandable. The cure amount was over five
20 times higher than the five missed payments for January, February, March, April, and
21 May 2016 totaling \$293,556.80, even though Lender was holding sufficient funds to
22 make these payments twice over. When Luz received an accounting of the reserve
23 accounts in May 2016, Lender held \$385,032.80 in the FF&E reserve and \$273,510.86
24 in the Lockbox Account, totaling \$658,543.66. Ex. 31. Lender's cure calculation also did
25 not reduce the cure amount for the money it was holding in reserve.

26
27 ³ Section 8.1(b) allows Lender to take any action it deems advisable to protect and
28 enforce its rights "without notice or demand" if Debtor defaults.

1 Lender imposed harsh consequences for Debtor's default. In addition to freezing
2 Debtor's bank accounts so that it could not access the revenue from its business
3 operations,⁴ Lender took the following actions pursuant to the Loan documents:

- 4 1. Claimed a defeasance fee of \$2.6 million due upon sale or refinance;⁵
- 5 2. Applied all payments Debtor made, plus all additional cash flow⁶ to principal⁷;
- 6 3. Charged late fees (estimated at \$41,512.96 as early as May 2016);⁸
- 7 4. Increased Debtor's interest rate from 5.977% to 10.977%;⁹
- 8 5. Compounded interest monthly;¹⁰

10
11 ⁴ Before the Default, Section 3.1(a) of the Agreement required Debtor to maintain a
12 Lockbox Account into which it was required to deposit "all Gross Income from
13 Operations." Section 3.1(b) required Lender to establish a "Cash Management Account"
14 into which Debtor was required to deposit all sums from the Lockbox Account required
15 by the parties Agreement. Prior to a Triggering Event all monies in the Lockbox Account
16 had to be transferred to an account specified by Debtor each business day. However,
under following a Triggering Event, under Section 3.7(b), Lender could direct monies on
deposit to be used to fund various reserve accounts, and under Section 3.18, upon an
event of default (a) Debtor has no rights to the accounts and (b) Lender was permitted
direct the bank to liquidate or transfer any amounts as Lender "reasonably determine[d]
... necessary to perfect or protect [its] security interest."

17 ⁵ The defeasance fee is provided for in Section 2.3.3 of the Agreement. Doc. 130-3, pg.
18 2 (communication to Debtor provided in connection with Debtor's efforts to sell the Hotel
quantified the defeasance fee at \$2.6 million due to the outstanding default).

19 ⁶ In addition to requiring the payment of default interest, upon default, Section 2.2.4
20 requires Debtor pay an amount equal to the "Net Cash Flow After Debt Service" to be
applied to the payment of the debt as Lender "shall determine in its sole discretion."

21 ⁷ Section 3.18(c) provides that Lender "may apply the amounts" on deposit as it
22 "determines in its sole discretion including, but not limited to, payment of the Debt."

23 ⁸ Section 2.2.5 requires Debtor pay a Late Payment Charge equal to 5% of any unpaid
24 sum "to defray the expense incurred . . . in handling and processing such delinquent
payment and to compensate [Lender] for loss of the use of such delinquent payment."

25 ⁹ Section 2.2.4 of the Agreement provides that "during the continuance of an uncured
26 Event of Default," Debtor must pay 5% above the interest rate provided under the Loan,
27 or 10.977% (5.977%+5%) "on the outstanding principal balance of the loan . . . and
28 other amounts due in respect of the Loan . . . calculated from the date such payment
was due." Section 2.2.4 states that the default interest rate will "be computed from the
occurrence of the default until the actual receipt and collection of the Debt (or that
portion thereof that is then due)."

6. Charged Debtor additional special servicing, workout, and appraisal fees (estimated at no less than \$113,084.44 as early as May 2016);¹¹

7. Charged Debtor attorneys' fees (no less than \$144,000 in May 2016);¹² and

Freezing the accounts had particularly severe consequences for Debtor since it could not access to its reserves which it had been using to fund the PIP required by Sheraton.¹³

E. Debtor's Bankruptcy and Sheraton's Relief from Stay

Approximately a month after a receiver was appointed, on May 25, 2016, Debtor filed a voluntary Chapter 11 petition. Cash collateral use was stipulated, and Debtor continued to perform the PIP as its cash resources allowed. Debtor tried to sell the Hotel, but Lender's imposition of a \$2.6 million defeasance fee rendered that strategy infeasible. On December 8, 2016, the court approved a Stipulation between Lender and Debtor. Doc. 157, which applied the funds held by Lender in the Lockbox Reserve Account, the FF&E Reserve Account, and the Ground Lease Reserve Account against the monthly payments due for the calendar months of June 2016 through February 2017 and provided for payment of the Ground Lease.

Sheraton filed a relief from stay motion on October 17, 2016, based on Debtor's

¹⁰ Section 2.2.4 states that the default interest rate "shall be added to the Debt" and "shall itself accrue interest at the same rate as the Loan and shall be secured by the Security Instrument."

¹¹ Section 9.3 makes Debtor responsible for paying: set-up fees and costs for the appointment of any servicer; processing fees charged by the servicer; any workout fees and special servicing fees that may come due to the servicer; and the costs of all property inspection and appraisals. Section 10.13 makes Debtor responsible for all "reasonable costs and expenses" Lender incurs in connection with Debtor's "ongoing performance of and compliance with" the parties' Agreement, including "enforcing any obligations of or collecting any payments due from [Debtor]."

¹² Sections 10.13 and 5.1.12 make Debtor responsible for Lender's "costs of collection and defense" in the event of foreclosure or bankruptcy.

¹³ Under Section 7.3.2(b) of the Agreement, Lender is not obligated to disburse funds from the FF&E Reserve if an Event of Default exists. But Section 3.7 provides that, upon the occurrence of a "Triggering Event," including an event of default, Debtor has an ongoing obligation to fund certain reserve and escrow accounts.

1 failure to perform its requirements under the PIP and Sheraton's assertion that
2 continued low levels of guest satisfaction breached the Licensing Agreement. The PIP
3 was attached to Debtor's opposition to the stay motion filed on November 14, 2017.
4 Doc. 137-2, p. 20. Lender reviewed the stay motion and presumably the exhibits since it
5 filed its own limited opposition to stay relief. Doc. 136. By the January 26, 2017, relief
6 from stay status conference, Sheraton and Debtor had entered into a tentative
7 settlement conditioned on the timely confirmation of Debtor's reorganization plan by
8 April 15, 2017. The time constraints were imposed because Sheraton had continuing
9 concerns regarding diminution of its brand, and also Debtor's delayed performance of
10 the PIP. As well as prompt performance of the PIP, guest satisfaction scores must
11 improve by year end 2017 for the franchise agreement to continue in good standing.
12 These deadlines created time exigencies for the confirmation process.

13 **F. Post-Petition Financing**

14 Debtor filed an emergency motion for post-petition financing on December 23,
15 2016. Doc. No. 170 ("Financing Motion"). In it, Debtor requested approval of a \$100,000
16 *unsecured* line of credit ("Post-petition LOC") from Gaslamp. The express purpose of
17 the Post-petition LOC was to make up for cash shortfalls during the slow winter months.
18 The court granted Debtor's Financing Motion without opposition. However, the order
19 uploaded attached a signed agreement providing a secured line of credit that was
20 neither referenced in the motion nor approved by the court. Debtor contends this was a
21 mistake, which is not contested by Lender. The court has approved a modified order
22 which authorizes the unsecured line of credit attached to Debtor's Financing Motion.

23 **G. The Plan**

24 Debtor's Plan is a 100% payment plan that provides for the repayment of all
25 administrative, priority, and general unsecured claims in full without interest within two
26 years of the Effective Date, which is the 10th business day after the court enters a
27 confirmation order.

28 Section 4.1.2(a) of the Plan provides that Debtor will treat Lender as unimpaired

1 and its secured claim will receive all "protections provided by [11 U.S.C.] § 1124"¹⁴
2 applicable. Debtor initially disputed that Lender was entitled to any default interest,
3 prepayment penalties, late fees, liquidation/special service fees, protective advances,
4 and certain attorneys' fees as part of its cure, but some of these objections have been
5 withdrawn. Although Lender initially asserted that Debtor is required to pay a
6 defeasance fee as part of the cure, this argument has been withdrawn. These elements
7 of Lender's debt are also in its proof of claim but Debtor has not brought a separate
8 claim objection.

9 The Plan contemplates curing Lender's default from \$1,800,000 in new value
10 provided by Debtor's members in the form of a \$500,000 capital contribution and a
11 \$1,300,000 loan to have the same terms as those approved by the court in Debtor's
12 Financing Motion. The balance of the contribution is to be used for other Plan purposes.
13 Under the Plan, Debtor must make \$50,000 quarterly payments to priority tax claimants
14 and \$50,000 quarterly payments to unsecured creditors for 24 months.

15 The Plan, in Class 3, provides for the treatment of \$652,558.86 of "Unsecured
16 Claims," including claims belonging to Gaslamp. The Gaslamp claims were listed in
17 Debtor's schedules as nonpriority unsecured lines of credit in the amounts \$189,572.66
18 and \$234,004.17. The \$189,572.66 line of credit dated January 10, 2013, was the
19 source of payment to Debtor's counsel in this proceeding, but counsel's employment
20 application indicates this line of credit is secured. The Plan provides these insider debts
21 "will not be paid until Plan payments on all Allowed Claims are completed."

22 **III. Analysis**

23 **A. Confirmation Requirements**

24 Section 1129(a)(1) requires a plan be confirmed only if it complies with applicable
25 provisions of Chapter 11 of the Bankruptcy Code, such as § 1122, § 1123, and the
26 _____

27 ¹⁴ All further statutory references are to Title 11, United States Code, unless otherwise
28 noted.

thirteen subsections of § 1129(a). *Spieker Props., L.P. v. MFM The SPFC Liquidating Tr. (In re S. Pac. Funding Corp.)*, 268 F.3d 712, 716 (9th Cir. 2001) (section 1129(a)(1) can be grounds for denial of confirmation where a plan is contrary to provisions of the Bankruptcy Code generally).

B. Impaired Consenting Class

Debtor's summary of balloting indicates all creditors entitled to vote voted in favor of the Plan, creating an impaired consenting class in satisfaction of § 1129(a)(10).

C. Impairment

Lender disputes its claim treatment is unimpaired. Under § 1124(1), a claim is unimpaired if the plan does not alter the claim holder's "legal, equitable, and contractual rights." Impairment is defined "in the broadest possible terms," and any alteration to a creditor's rights, even an improvement, makes the creditor "impaired." *In re L & J Anaheim Assocs.*, 995 F.2d 940, 942-943 (9th Cir. 1993) (plan requiring a creditor's collateral be sold at public auction altered the creditor's prepetition contract rights and the creditor was impaired even though their rights were effectively enhanced under the plan). While any change of terms for an affected creditor renders it impaired, the Bankruptcy Code nevertheless permits defaults to be cured. As noted in *Pacifica L 51 LLC v. New Invs. Inc. (In re New Invs., Inc.)*, 840 F.3d 1137, 1139 (9th Cir. 2016) (citation omitted):

The Bankruptcy Code incorporates the concept of cure. Chapter 11 provides that a debtor's plan of reorganization must "provide adequate means for the plan's implementation," including the "curing or waiving of any default." 11U.S.C. § 1123(a)(5)(G). This statute means that a plan of reorganization may include a provision authorizing the debtor to remedy any breach of a loan agreement with a creditor and return to pre-default conditions.

The court in *New Investments*, 840 F.3d at 1141, recently explained, the purpose of the right to cure provided in § 1123(a)(5)(G) is to nullify the consequences of default and deaccelerate the loan, after which the claim is to be paid under the underlying documents. Unimpaired status is thus restored. *In re Taddeo*, 685 F.2d 24, 26-27 (2d

1 Cir. 1982).

2 Based upon certain provisions in the Plan initially, Lender appropriately
3 contended that it was impaired since the Plan altered its rights. Debtor agreed to revise
4 its Plan so that after the Loan is reinstated the Loan documents will control the parties'
5 relationship. This clarification must be included in the confirmation order. Lender has
6 advised Debtor of certain requirements it asserts Debtor must comply with post-
7 confirmation, including that:

- 8 1. The Loan be made into a recourse loan as the loan Debtor's insiders make under
9 the Plan violates Section 4.1.36(g) of the Agreement.
- 10 2. Debtor must comply with financial reporting covenants set forth in Section 5 of
11 the Agreement.
- 12 3. Debtor must execute a Conditional Assignment of Management Agreement
13 regarding its engagement of FPCA as property manager.
- 14 4. Debtor must "promptly deliver" an estoppel certificate from Sheraton pursuant to
15 Section 5.1.13(c) of the Loan Agreement.
- 16 5. Debtor must "promptly deliver" an estoppel certificate from the City pursuant to
17 the terms, conditions, and requirements of Section 5.1.13(d) of the Agreement.
- 18 6. Debtor must comply with the Cash Management provisions of Article III of the
19 Agreement. Doc. 232, p. 12:24-13:28.
- 20 7. Debtor must address the fact that the guarantee of the Franchise Agreement
21 violates Section 4.1.36 (g) of the Agreement. As to this claim, the court notes that
22 Luz is not a "Borrower," and Section 4.1.36 applies only to Debtor, so this
23 provision is not applicable.

24 Debtor intends to comply with these requirements, so the court concludes Lender
25 will be unimpaired upon a cure of the default. Pre-petition defaults are otherwise
26 waived, and future dealings between Debtor and Lender must comport with the Loan
27 documents. The preclusive effect of the rulings of this court will appropriately be
28 determined if and when they later arise.

1 **D. No Claim Objection is Necessary Because the Plan Does Not Disallow the**
2 **Claim**

3 Debtor has not separately objected to Lender's proof of claim. Lender asserts
4 this precludes Plan confirmation because, under § 502(a), a claim is deemed allowed
5 unless an objection is filed. There are many aspects of Lender's claim that are not
6 disputed: such as the perfection of the security interest, the allowance of the principal
7 amount, or the enforceability of the documents. Debtor contends that the Plan is not a
8 claim objection and does not need to be because the cure dispute is a separate issue.

9 Notably, neither § 1123(a)(5)(G), permitting a debtor to "cur[e] or waiv[e] . . . any
10 default" in its plan, nor § 1124, dealing with impairment, expressly require a claim
11 objection. *New Investments*, 840 F.3d at 1138-39 (addressing the enforceability of
12 default interest in a Chapter 11 plan under Washington state law) held cures "need
13 address only the individual event of default, thereby repealing the contractual
14 consequences." *New Investments, id.*, did not involve or require a separate claim
15 objection to decide the default interest issue.

16 The court recognizes that under § 502(a), proofs of claim are "deemed allowed,
17 unless a party in interest . . . objects." Fed. R. Bankr. P. 3007 implements § 502(a) by
18 enacting various procedures to ensure due process before a claim is allowed. And it is
19 true that in other contexts, where a creditor did not receive the "notice and hearing"
20 required by Rule 3007(a), courts have held that a reorganization may not reduce a
21 creditor's allowed claim. See, e.g., *Varela v. Dynamic Brokers, Inc. (In re Dynamic*
22 *Brokers, Inc.)*, 293 B.R. 489, 496 (B.A.P. 9th Cir. 2003) (court erred in overruling a
23 creditor's oral objection to a chapter 11 plan which impaired creditor's claim and
24 reduced the principal amount because of usury issues); *Fireman's Fund Mortgage Corp.*
25 *v. Hobdy (In re Hobdy)*, 130 B.R. 318 (B.A.P. 9th Cir. 1991) (bankruptcy court erred in
26 confirming a Chapter 13 plan which reduced the arrearage in an allowed claim of
27 \$36,787.55 to \$4,532 where the affected creditor claimed it did not receive notice of the
28 plan). These cases are distinguishable from the facts here, however, because in each,

1 the courts expressly disallowed the creditors' claims without due process. And, neither
2 of these cases dealt with the cure provisions of §§ 1123(a)(5)(G) and 1124(2).

3 Most importantly, *Varela*, 293 B.R. at 497, specifically declined to hold that "a
4 plan can never be used to object to a claim of a creditor" as long as "the essence of
5 Rule 3007" is complied with. The B.A.P. only required "the creditor receive specific
6 notice (not buried in a disclosure statement or plan provision) of at least the quality of
7 specificity [which would be offered in a Rule 3007 claim objection]" as well as "the same
8 opportunity to litigate one-on-one, as would be provided with a straightforward claim
9 objection under Rule 3007." *Varela*, 293 B.R. at 497.

10 As an alternative basis for its ruling, the court finds that Lender has received the
11 "the essence of Rule 3007." See *Am. Gen. Fin. v. Diaz (In re Diaz)*, No. NV-04-1419-
12 MaRP, 2005 Bankr. LEXIS 3356, at *10 (B.A.P. 9th Cir. Apr. 26, 2005) (citing *Varela* as
13 holding that a "chapter 11 plan could affect creditor's claim only if specific notice was
14 provided that would satisfy due process concerns"). The court concludes the Plan
15 process provides Lender all necessary due process considerations. Debtor's first
16 "proposed" disclosure statement filed December 9, 2016, set forth Debtor's intention to
17 "fully reinstate" the Loan by paying far less than the amount set forth in Lender's claim.
18 This disclosure statement noted that while Lender "may contend that Debtor owes more
19 in defeasance fees, default interest, penalties and possibly other default related
20 charges," Debtor was "disput[ing] the amounts asserted." The court has weighed the
21 need to preserve the Sheraton franchise resolution against Lender's right to defend its
22 concept of a cure by permitting expedited discovery, an expedited identification of
23 witnesses and evidence, and multiple opportunities for briefing. To ensure Lender
24 received due process under the time constraints, the court also bifurcated the parties'
25 dispute regarding attorneys' fees and set an evidentiary hearing on this issue for April
26 14, 2017, with additional opportunities for briefing. The court also granted Lender's
27 motion to reopen the evidence.

28 All of these accommodations provide adequate due process. Lender's objection

1 to the Plan on the basis that a claim objection is required is overruled.

2 **E. Identification of Management**

3 Lender objected to confirmation of the Plan on the ground that Debtor had not
4 presented evidence on several confirmation requirements such as disclosure of its
5 management post-confirmation as required by § 1129(a)(5). This objection is overruled
6 as Luz is identified in Section 4.3 of the Plan as Debtor's post-confirmation management
7 serving without compensation.

8 **F. Payment of Administrative Expenses**

9 Lender objected to the Plan on the grounds that Debtor lacked sufficient cash
10 flow to pay its administrative expenses on the Effective Date as required by
11 § 1129(a)(9). This is an objection for these creditors, not Lender, to raise. Counsel for
12 Debtor indicates his firm is willing to be flexible on the cash payment requirement of the
13 Bankruptcy Code. Lender lacks standing for this objection, which is overruled.

14 **G. Default Interest**

15 The most hotly contested issue in this plan proceeding is whether the default
16 interest due under Section 2.2.4 of the Agreement is an unenforceable penalty. Lender
17 asserts Debtor owes \$673,206.85 in default interest for the period December 5, 2015,
18 through March 11, 2017. This number is the product of subtracting the pre-default
19 interest Debtor paid between December 5, 2015, and March 11, 2017 (totaling
20 \$743,093.05) from the default interest Lender estimates was due during this period
21 (\$1,407,299.90).

22 Lender calculates the amount of default interest which came due by taking each
23 month's per diem interest and multiplying it by the number of days in that month. For
24 example, in January 2016 the applicable per diem rate was \$1,523.8890 (5.977%/360
25 multiplied by the principal balance of \$9,178,518.36), which was then multiplied by 31 to
26 arrive at an accrued interest of \$47,240.56. At the end of each month, the unpaid
27 interest is then added to the principal balance and a new per diem rate is calculated.
28 Any payments Debtor made during this time are subtracted from the principal owed, at

1 which time a new per diem rate is calculated.

2 Lender estimates Debtor's ending principal balance would be \$8,986,159.94 had
3 only pre-default interest been charged and Debtor's ending principal balance would be
4 \$10,011,634.95 if the default interest was charged. In other words, the principal amount
5 due to the consequences of default, including the compounding of the default interest,
6 would have increased the principal balance by over \$1 million in less than a year, even
7 though regular payments were made after the bankruptcy case. This \$1 million principal
8 increase would be reversed if Debtor cures the default and reinstates the Loan per
9 Bornheimer's testimony.

10 The court must consider the amount of default interest, with the other
11 consequences of default under the Loan document, in the context of Cal. Civ. Code
12 § 1671(b). This statute provides that liquidated damages clauses in commercial, non-
13 consumer contracts are valid unless the party seeking to invalidate the provision
14 establishes "that the provision was unreasonable under the circumstances existing at
15 the time the contract was made." *Id.* The California Law Revision Commission
16 Comments to § 1671(b) describe how courts should approach the issue:

17 [Section 1671(b)] gives the parties considerable leeway in determining
18 the damages for breach. All the circumstances existing at the time of the
19 making of the contract are considered, including the relationship that the
20 damages provided in the contract bear to the range of harm that
21 reasonably could be anticipated at the time of the making of the contract.
22 Other relevant considerations in the determination of whether the amount
23 of liquidated damages is so high or so low as to be unreasonable include,
24 but are not limited to, such matters as the relative equality of the
25 bargaining power of the parties, whether the parties were represented by
26 lawyers at the time the contract was made, the anticipation of the parties
27 that proof of actual damages would be costly or inconvenient, the difficulty
28 of proving causation and foreseeability, and whether the liquidated
damages provision is included in a form contract.

Debtor bears the burden of proof under the current version of § 1671, which was
enacted in 1977 after *Garrett v. Coast & S. Fed. Sav. & Loan Assn.*, 9 Cal. 3d 731, 738

(1973) was decided. The amended version of § 1671 reversed the former presumptive invalidity of liquidated damages clauses so that in commercial contexts, such as here, liquidated damages are presumed valid, not invalid. See *Weber, Lipshie & Co. v. Christian*, 52 Cal. App. 4th 645, 654 (1997). A noted real estate treatise, *Miller & Starr* 4-110 California Real Estate Law & Practice § 110.10 (2016), however, opines that only the burden of proof was changed and that *Garrett* remains the law despite the amendment.

1. Extrinsic Evidence is Admissible to Determine the Default Interest

"Whether the amount to be paid upon breach of a contractual term should be treated as liquidated damages or as an unenforceable penalty is a question of law." *Greentree Financial Group, Inc. v. Execute Sports, Inc.*, 163 Cal.App.4th 495, 499 (2008). This is consistent with California law more generally, which provides that interpretation of a written contract is "solely a judicial function." *McGuire v. More-Gas Invs., LLC*, 220 Cal. App. 4th 512, 523 (2013). Nonetheless, before determining the legal effect of a contract provision, courts must evaluate "its true function and operation," including considering extrinsic evidence relevant to whether the contract provision is ambiguous. *McGuire*, 220 Cal. App. 4th at 528, 532 (summary judgment denied on whether contract provision was an unenforceable penalty where evidence as to what the parties' reasonably expected at the time of contract created factual issues regarding whether the contract provided for an alternate performance). Here as well, the court must give the most weight to the documents, but also consider evidence presented as to the reasonableness and true form and function of the default interest provision.

2. The Default Interest is a Liquidated Damages Provision

The first step in determining if Section 2.2.4 is an unreasonable liquidated damages clause is to evaluate its "true function and character," *i.e.*, whether it operates as a liquidated damages clause or an alternative performance provision. *Ridgley v. Topa Thrift & Loan Assn.*, 17 Cal. 4th 970, 981 (1998) (prepayment fee equal to six

1 months of interest and applicable only if the borrowers were more than 15 days late on
2 a payment was a liquidated damages clause because it was "plainly intended as an
3 incentive for prompt payment of interest"); *Blank v. Borden*, 11 Cal. 3d 963, 969 (1974)
4 (withdrawal-from-sale provision in an exclusive, right-to-sell contract that provided the
5 broker 6% of the price of the property if the seller withdrew was not a liquidated
6 damages clause because "the provision presented the owner with a true option or
7 alternative"); *Meyers v. Home Sav. & Loan Assn.*, 38 Cal. App. 3d 544, 546-47 (1974)
8 (prepayment charge not conditioned upon default was not a liquidated damages
9 provision).

10 To argue the default interest provided in Section 2.2.4 is an "alternative form of
11 performance," Lender relies on *Thompson v. Gomer*, 104 Cal. 168, 169 (1894),
12 contending that default interest provisions that increase interest on a "going forward"
13 basis are enforceable alternative forms of performance and not liquidated damages
14 clauses. Doc. 232, pg. 21. Lender also argues Debtor made a conscious choice for a
15 lower interest rate loan with the higher default pricing. But this is not supported by the
16 evidence. Luz did not actively negotiate the Loan, however, her testimony that there
17 was pressure to refinance the earlier loan since it was coming due and the lending
18 market was difficult was credible. Luz was shocked when she learned of the harsh
19 default consequences, which indicates that neither she nor Ralph (who negotiated the
20 loan on behalf of Debtor), accepted these consequences in exchange for a lower
21 interest rate. This is also corroborated by Heinz's testimony that the default interest was
22 not discussed. Zelle avers that the risks at issue here likely would have resulted in
23 Debtor receiving a higher interest rate, but for the default interest clause. However,
24 Zelle has no knowledge of the actual circumstances of the negotiations and ignores the
25 effect of other provisions of the Loan documents.

26 The Loan documents do not support Zelle's unimpeached testimony that the
27 default interest provision served as a pricing mechanism to provide Debtor a lower rate
28 of interest (5.977%) until Debtor's risk profile "deteriorate[d] as demonstrated by

1 [Debtor's] failure to make required payments." Zelle tries to justify the default interest as
2 necessary to compensate additional risk and expenses upon default, which are "difficult
3 to quantify at the time a particular loan is made." But the risky aspects of the Loan Zelle
4 referenced, *i.e.* that the Loan was secured by a ground lease and Debtor's income
5 relied on a franchise agreement, were not generated by the default. Rather, these risks
6 were present throughout the Loan, even when the 5.77% interest rate applied.

7 Zelle also testified that the default interest:

8 [C]ompensat[ed] [Lender] for the added perils and overhead costs not
9 otherwise covered by the loan documents that are necessarily triggered or
10 incurred when a loan changes from one that is performing into one that is
11 in default and not performing.

12 However, the Agreement has numerous provisions which protect Lender from
13 "added perils and overhead costs" in the case of breach, including funding reserve and
14 escrow accounts, late charges, a defeasance fee, and a broad indemnity clause to
15 cover all costs incurred with securing Debtor's "ongoing performance." The only
16 potential costs excluded from the indemnity are those incurred from Lender's gross
17 negligence or willful misconduct, none of which are at issue here. The court can find no
18 cost of default not covered given the breadth of the indemnity provision and the wide
19 array of reimbursement expenses sought by Lender as part of the cure, including, for
20 example, Bornheimer's incidental travel expenses and the inspection fee. The extent of
21 these protections is also clear from the amount of cure Lender requested in May 2016.
22 See Ex. 31. Excluding the \$195,304.28 in default interest requested at that time, Lender
23 asserted it was entitled to \$1,477,038.72, to cover late charges, compounded interest,
24 attorneys' fees, appraisal fees, servicing fees, and a \$100,000 work out fee. Lender also
25 has a guaranty from Luz to cover its risks.

26 Lender's reliance on *Thompson*, 104 Cal. at 169, is also misplaced in light of the
27 California Supreme Court's later ruling in *Garrett*, 9 Cal. 3d at 736, which distinguished
28 the contract provision in *Thompson*, 104 Cal. at 169-179. In *Thompson*, higher interest
was assessed only after a payment came due and only on the amounts in default.

1 *Garrett*, 9 Cal. 3d at 736, differentiated that clause from liquidated damages clauses like
2 the one at issue here which assess a higher interest rate "against the whole of the
3 unpaid balance of the principal of the note whether or not in default." *Garrett, id.*,
4 explained:

5 [W]hen it is manifest that a contract expressed to be performed in the
6 alternative is in fact a contract contemplating but a single, definite
7 performance with an additional charge contingent on the breach of that
8 performance, the provision cannot escape examination in light of pertinent
rules relative to the liquidation of damages.

9 As applicable here, Debtor agreed to repay the principal owed at the Applicable
10 Interest Rate of 5.977%. This is a single, definite performance. In Section 2.2.4 of the
11 Loan Agreement, Debtor then agreed that upon default it would be charged the default
12 interest rate. This is an "additional charge contingent on the breach." Under *Garrett*, this
13 provision is a liquidated damages clause, not an alternative performance. *Garrett*, 9 Cal.
14 3d at 738, elaborated:

15 The only reasonable interpretation of the clause providing for imposition of
16 an increased interest rate is that the parties agreed upon the rate which
17 should govern the contract and then, realizing that the borrowers might fail
18 to make timely payment, they further agreed that such borrowers were to
19 pay an additional sum as damages for their breach which sum was
determined by applying the increased rate to the entire unpaid principal
balance.

20 See also *Blank*, 11 Cal. 3d at 970 (courts look at "the substance rather than form" of a
21 contract provision when determining whether it is a liquidated damages clause). As
22 *Blank*, 11 Cal. 3d at 971, explained, where the liquidated damages clause, like the late
23 charge in *Garrett*, is calculated as "a percentage of the unpaid principal balance . . .
24 during which [the] payment was in default," it cannot be reviewed as a mode of
25 alternative performance because:

26 [The] arrangement, viewed from the time of making the contract,
27 realistically contemplates no element of free rational choice on the part of
28 the obligor insofar as his performance is concerned; rather the agreement
is founded upon the assumption that the obligor will make the lower

1 payment.

2 Lender attempts to distinguish *Garrett* by arguing that the provision at issue there
3 was a "late charge formulated as interest based on a percentage of the total unpaid
4 principal balance remaining." Doc. 238, pg. 13. But the court is not convinced the
5 provision at issue in *Garrett* and the provision at issue here are factually distinguishable.
6 The provision in *Garrett* provided for 2% per annum interest to be charged "on the
7 unpaid principal balance of this note from the date unpaid interest started to accrue until
8 the close of the business day upon which payment curing the default is received." 9 Cal.
9 3d at 735. Similarly, the default interest here allows Lender to charge a higher interest
10 on any unpaid principal and accrued interest during the period of default. The clause at
11 issue in *Garrett* is nearly identical to the default interest here, except that Lender's
12 provision charges a higher interest rate and provides that the default interest will be
13 charged against interest accruing during the default period (*i.e.*, it includes
14 compounding interest), while the default interest in *Garrett* was charged only against
15 unpaid principal on a per annum basis. The default interest provision here left Debtor
16 with no practical cure right because the amount to cure was magnified by over five
17 times the actual payments missed. The court, therefore, concludes the default interest
18 was included to coerce timely payment. *See also Garrett*, 9 Cal. 3d at 737.

19 Since Lender was otherwise compensated for any expenses resulting from
20 Debtor's default and had numerous protections against any additional risk, it is a
21 reasonable inference that the default interest had nothing to do with covering expenses
22 or compensating for any additional risk but was instead intended to increase revenue.
23 *See Hitz v. First Interstate Bank*, 38 Cal App 4th 274, 289-90 (1995), *review denied*,
24 1995 Cal. LEXIS 7511 (1995); *Poseidon Dev., Inc. v. Woodland Lane Estates, LLC*, 152
25 Cal. App. 4th 1106, 1115 (2007) (provision charging 10% of the amount overdue was an
26 unreasonable penalty and was not intended to compensate creditor for administrative
27 expenses despite language in the contract to the contrary because the late charge
28 varied based on the amount due, but the lender's administrative loss for the breach

1 could not reasonably be said to vary depending on the amount of the overdue
2 payment).

3 Since the evidence does not support a finding that the default interest rate
4 provision was intended to provide Debtor a "free rational choice" as to how to perform
5 its obligations when the Loan was made, the court concludes it is a liquidated damages
6 provision. As such, the default interest is unenforceable unless it is reasonable.

7 **3. The Default Interest is an Unreasonable Penalty**

8 Under *Ridgely*, 17 Cal. 4th at 981, the primary factors the court must consider to
9 determine whether the liquidated damages provision is an unreasonable penalty are
10 (1) whether the provision is disproportionate to the actual losses suffered by the lender
11 as a result of the default and (2) whether the interest was the result of a reasonable
12 endeavor to approximate the reasonably anticipated harm at the time of the making of
13 the contract. While other factors are identified in the legislative history to Cal. Civ. Code
14 § 1671(b), these must be considered of secondary importance since neither of the two
15 Supreme Court cases discussing liquidated damages clauses after the 1977
16 amendment even mentioned them. See *Ridgely*, 17 Cal. 4th at 977; *Perdue v. Crocker*
17 *Nat'l Bank*, 38 Cal. 3d 913, 930 (1985) (remanding case to determine whether charges
18 for checks returned for non-sufficient funds were valid under § 1671 as "a reasonable
19 endeavor . . . to estimate a fair average compensation for any loss . . . sustained"); see
20 also *Arciniega v. Clark (In re Arciniega)*, Case No. 5-1123-KiGD, 2016 Bankr. LEXIS
21 343, at *32-33 (B.A.P. 9th Cir. Feb. 3, 2016) (analyzing the two primary factors identified
22 in *Ridgely*).

23 **a. The Default Interest is Not Proportionate to Lender's Losses**

24 The first factor is whether the default remedies are disproportionate to the
25 anticipated damages. Indeed, this is the "characteristic feature of a penalty." *Ridgely*, 17
26 Cal. 4th at 973-74; see also *Cellphone Fee Termination Cases*, 193 Cal App 4th 298,
27 321-22 (2011), cert. denied sub nom., *Sprint Spectrum, L.P. v. Ayyad*, 565 U.S. 1014
28 (2011) (liquidated damages clause was not reasonable as it was not a fair estimate of

1 the actual damages for any loss but was designed to generate a profit). The default
2 interest of \$673,206.85 plus the late charge of \$64,997.50 is a 151.47% increase over
3 the \$293,556.80 in missed payments, even ignoring the other consequences of default.
4 The default interest is not proportional to Lender's losses, and this factor is easily met.

5 **b. The Default Interest Was Not the Result of a Reasonable Endeavor to**
6 **Approximate Harm**

7 Turning to the second primary factor, Debtor presented uncontradicted evidence
8 in Heinz's declaration that the parties did not discuss the reasonably anticipated
9 damages. Heinz stated:

10 In my contact with [Barclays' attorney], we never endeavored to anticipate
11 or pre-estimate the range of damages that Barclays could have incurred if
12 Debtor defaulted on the Loan and/or to determine whether the default
13 interest rate would compensate Barclays for any damages it anticipated
incurring at the time the Loan was executed.

14 No other witness, including Zelle, Bornheimer, or Luz, had any personal
15 knowledge of what was actually discussed at the time the Loan was made. The court
16 finds that Debtor met its burden of proof that the parties made no reasonable endeavor
17 to quantify the damages.

18 **c. Other Circumstances Surrounding the Loan Do Not Outweigh the**
19 **Punitive Nature of the Default Interest**

20 Because of the strength of the evidence supporting the two primary factors for
21 assessing the liquidated damages provision as a penalty, the other factors identified in
22 the statute's legislative history are less important. While Lender was more sophisticated
23 than Debtor, Debtor was represented by counsel in the negotiation of the Loan. There is
24 also no evidence that the Loan documents were form contracts, and the parties were of
25 relatively equal bargaining strength (Heinz testified the Loan terms were negotiable).
26 However, these facts do not change the court's determination that the default interest is
27 a penalty.

28 That default interest is common in the industry also does not save it from being

1 considered a penalty. As the Supreme Court noted in *Garrett*, 9 Cal. 3d at 740 n.8,
2 while invalidating a default interest provision, "such charges are not unusual in the
3 savings and loan industry." This fact, however, does not make such provisions
4 enforceable under California law. The court thus gives little weight to the testimony that
5 Sheraton's license agreement, Debtor's prior loans, and other commercial loans charge
6 higher default interest.

7 Finally, the fact that the Loan is a commercial loan does not prevent the default
8 interest from being considered a penalty as the loan in *Ridgley* was not a consumer
9 loan. 17 Cal. 4th at 974; *see also Dye v. Sachs (In re Flashcom, Inc.)*, No. CC-13-1311-
10 KuDaKi, 2014 Bankr. LEXIS 4215, at *30 (B.A.P. 9th Cir. Oct. 1, 2014) (citing *Ridgley*,
11 17 Cal.4th at 981 n.5; *Harbor Island Holdings v. Kim*, 107 Cal.App.4th 790, 799 (2003))
12 ("California courts have made it clear that sophisticated parties engaged in commercial
13 transactions are not exempt from the protections afforded under Cal. Civil Code
14 § 1671(b).").

15 The court finds the default interest provision in the Loan is an unenforceable
16 penalty.

17 **H. Estoppel**

18 The parties each make estoppel arguments without identifying which of the three
19 recognized estoppel doctrines (equitable, promissory, or judicial) actually apply. Lender
20 contends that Debtor is estopped from contesting the default interest due to Debtor's
21 counsel's opinion letter and testimony. It also contends that Debtor is judicially estopped
22 from contesting its 5% default interest rate because it recommended the court approve
23 insider financing that itself had a 3% default interest rate. Debtor, for its part, contends
24 that Lender is estopped from claiming a default because it held sufficient funds to keep
25 the payments current.

26 **1. The Opinion Letter Does Not Estop Debtor From Asserting that the** 27 **Default Interest Violates California Law**

28 In the Opinion Letter, Heinz opined:

1 The Loan does not violate the usury laws or laws regulating the use of
2 forbearance of money of the State of California and the operation of any
3 term of the Loan Documents, including, without limitation, the terms
4 regarding late charges and default interest rate or the lawful exercise of
5 any right thereunder, shall not render the Loan Documents unenforceable,
6 in whole or in part, or subject to any right of rescission, set-off,
7 counterclaim or defense.

8 Heinz also opined that each of the Loan documents was a "valid and legally
9 binding obligation" of Debtor "subject to (i) applicable bankruptcy, insolvency,
10 reorganization, moratorium and other similar laws affecting the rights of creditors
11 generally, and (ii) the exercise of judicial discretion in accordance with general
12 principles of equity (whether applied by a court of law or of equity)."

13 Without citing to the elements of any of the legal theories, Lender argues that
14 "whether analyzed under the lens of contractual estoppel, promissory estoppel, or
15 equitable estoppel" Debtor is estopped by the Opinion Letter from asserting the default
16 interest is unreasonable.

17 Debtor contends that the Opinion Letter does not issue an opinion as to the
18 enforceability of the Loan and excludes from its analysis the enforceability of the Loan
19 terms in the event of bankruptcy. When the Opinion Letter was signed, Debtor notes,
20 the controlling law at the time was *Great W. Bank & Tr. V. Entz-White Lumber & Supply,*
21 *Inc. (In re Entz-White Lumber & Supply, Inc.),* 850 F.2d 1338 (9th Cir. 1988), which held
22 that a debtor that cures a default in bankruptcy is entitled to avoid all consequences of
23 the default, including higher post-default interest rates. Heinz's testimony also
24 referenced the equity exception to the Opinion Letter, and the invalidity of liquidated
25 damages is based in equity. *Ebbert v. Mercantile Tr. Co.,* 213 Cal. 496, 499-500 (1931).

26 No party has cited any authority that an opinion letter signed by a borrower's
27 counsel can be relied upon by a lender to invalidate an unenforceable provision of the
28 loan, and the court cannot find any such authority. While the Opinion Letter is an
admission by an agent of the borrower, it can only support a claim for equitable estoppel
if the following requisite elements are met: (a) there was a representation or

1 concealment of material facts; (b) made with knowledge, actual or virtual, of the facts;
2 (c) to a party ignorant, actually and permissibly, of the truth; (d) with the intention, actual
3 or virtual, that the ignorant party act on it; and (e) that party was induced to act on it.
4 *Simmons v. Ghaderi*, 44 Cal. 4th 570, 584 (2008) (citing 13 Witkin, Summary of Cal.
5 Law (10th ed. 2005) Equity, § 191, pp. 527–528.)); *see also United States v. Hemmen*,
6 51 F.3d 883, 892 (9th Cir. 1995). There can be no estoppel if one of these elements is
7 missing. *Ghaderi*, 44 Cal. 4th at 584.

8 *In re Perry*, 425 B.R. 323, 374 (Bankr. N.D. Tex. 2010), has the most similar
9 facts, although it dealt with an estoppel challenge to usury instead of default interest.
10 *Perry*, *id.*, found no equitable estoppel because there was no knowledge of the facts at
11 issue being wrong. This is also the missing element here. Debtor did not know that the
12 default interest might violate California law and Heinz thought it reasonable. The court
13 rejects Lender's attempts to distinguish *Perry* on grounds it improperly conflated
14 equitable estoppel and promissory fraud, because *Perry*, 425 B.R. at 374 expressly
15 applied the elements of equitable estoppel. The court also notes there was no evidence
16 at trial that Barclays was "ignorant" of the law. Indeed, the evidence was uncontroverted
17 that Barclays had its own counsel to rely upon. The reliance element is, therefore, also
18 lacking.

19 Promissory estoppel is equally inapplicable. It is an equitable doctrine which
20 allows enforcement of a promise that would otherwise be unenforceable. *Barroso v.*
21 *Ocwen Loan Servicing, LLC*, 208 Cal. App. 4th 1001, 1016 (2012). Its elements are:
22 (a) a promise clear and unambiguous in its terms; (b) reliance by the party to whom the
23 promise is made; (c) a finding that that reliance was reasonable and foreseeable; and
24 (d) the party asserting the estoppel was injured. *Id.* Promissory estoppel does not apply
25 to the Opinion Letter since Barclays was a sophisticated party with its own counsel.
26 Barclays was also not injured by any assertion that the agreement complied with
27 California law. *Mark Twain Kan. City Bank v. Jackson, Brouillette, Pohl, & Kirley, P.C.*,
28 912 S.W.2d 536 (Mo. Ct. App. 1995) (attorneys' incorrect representations regarding the

1 debtor's authority to enter into in the loan were not sufficient to form a basis for
2 negligent liability because the lender could not have reasonably relied on the letter); see
3 also *Trans-World Int'l v. Smith-Hemion Prods.*, 972 F. Supp. 1275, 1284 (C.D. Cal.
4 1997) ("[I]t is implicit in the equitable principles underlying the doctrine of promissory
5 estoppel that unreasonable reliance cannot be compensated.").

6 Lender alternatively cites *Giacommazi v. Rowe*, 109 Cal.App.2d 498, 502 (1952),
7 for the principle that "contractual estoppel is fairly easy to find" and is applicable here.
8 *Giacommazi* stands alone in advancing a contract by estoppel theory. It cites no
9 authority for its contract by estoppel theory and has not been followed by any case
10 espousing this theory. The court does not find it persuasive here as its precedential
11 weight pertains only to community property issues. *Id.*

12 All of Lender's estoppel theories relating to the Opinion Letter are rejected.

13 **2. Debtor is Not Judicially Estopped From Asserting the Default Interest**
14 **Rate is Unreasonable Under California Law**

15 Lender argues Debtor is judicially estopped from asserting the default interest of
16 5% is unreasonable under California law because Debtor's insiders loaned Debtor
17 money with a 3% default interest rate under the Pre-petition and Post-petition LOCs,
18 which the court approved. Judicial estoppel is an equitable doctrine that precludes a
19 party from gaining an advantage by asserting one position and then later taking a
20 clearly inconsistent position. *Ah Quin v. Cty. of Kauai DOT*, 733 F.3d 267, 270-71 (9th
21 Cir. 2013); *Hamilton v. State Farm Fire & Cas. Co.*, 270 F.3d 778, 782 (9th Cir. Cal.
22 2001).

23 The Supreme Court identifies three factors to consider in applying judicial
24 estoppel, but notes the doctrine is not suitable for a precise test: (a) the party's later
25 position must be "clearly inconsistent" with its earlier position; (b) the party persuaded a
26 court (either an earlier court or the same court) to accept that position in some way; and
27 (c) that party would derive an unfair advantage or impose unfair detriment if not
28 estopped. *New Hampshire v. Maine*, 532 U.S. 742, 750 (2001); see also *Reed Elsevier*,

1 *Inc. v. Muchnick*, 559 U.S. 154, 170 (2010). Judicial reliance may occur in a number of
2 ways, such as the discharge of a debtor, lifting of a stay, or approval of a reorganization
3 plan. *Hamilton*, 270 F.3d at 784.

4 The court must analyze each Lender's claims of judicial estoppel separately as to
5 each of the Pre-petition LOC and the Post-petition LOC.

6 **a. The Post-petition LOC**

7 The first factor of the judicial estoppel test is clear inconsistency. The Post-
8 petition LOC and the Loan have some similarities and some differences. Both the Post-
9 petition LOC and the Loan provide for default interest on the principal balance and
10 include late charges based on the amount of a missed payment. Both were negotiated
11 in times of financial difficulty for Debtor and there is no evidence that either situation
12 involved the negotiation of liquidated damages. Nonetheless, the Post-petition LOC
13 default interest rate is 3%, while the Loan default interest rate is 5%, and the terms of
14 the Loan are, overall, far more onerous than the terms of the Post-petition LOC. The
15 greatest difference between the two financing arrangements, however, is that the Post-
16 petition LOC will be subordinated under the Plan and the Loan is secured and will be
17 cured on the Effective date. This difference dissuades the court from finding Debtor's
18 position regarding the default interest is clearly inconsistent. *MK Hillside Partners v.*
19 *Comm'r*, 826 F.3d 1200, 1207 (9th Cir. 2016) (counsel's statement in oral argument did
20 not estop a party from asserting a clearly inconsistent position in a later proceeding
21 because the court's two holdings did not conflict).

22 The second factor of the judicial estoppel test is whether approving the Plan
23 without a cure of Lender's default interest would create a perception that Debtor misled
24 the court in approving the Post-petition LOC. In requesting the court approve the Post-
25 petition LOC, Debtor represented to the court that its terms were enforceable under
26 California law. *See In re Tristar Fire Prot., Inc.*, 466 B.R. 392, 404 (Bankr. E.D. Mich.
27 2012) (court was required to find that union claim was "enforceable against the [d]ebtor"
28 before treating it as an administrative expense). However, since Debtor did not

1 specifically reference the default interest in its application, no perception was created
2 that it misled the court.

3 The third factor is whether Debtor gained any unfair advantage in approving the
4 Post-petition LOC claim and challenging the default interest as the cure obligation to the
5 Lender under the Plan. Given the subordination provisions of the Plan for the Post-
6 petition LOC, and the amendment effect of the Plan order, the court finds no unfair
7 advantage.

8 **b. The Pre-petition LOC**

9 In its application to employ G&R, Debtor asserted that Gaslamp's payment of
10 G&R's \$100,000 retainer under the terms of the Pre-petition LOC did not create a
11 conflict of interest which would prevent G&R from representing Debtor in this
12 proceeding. This is not in any way inconsistent with Debtor's position that the 5% default
13 in the Loan is unreasonable under California law. Debtor made no representation about
14 the enforceability of any provision of the Pre-petition LOC in the application on which
15 the court could have relied to create an impression the court was misled. None of the
16 elements of judicial estoppel are met here and judicial estoppel will not be found.

17 **3. Lender Is Not Estopped From Asserting Default Because of Reserves**

18 Debtor argues that Lender is estopped from claiming a default because when the
19 five payments of \$293,556.80 were missed, Lender could have paid itself in full from the
20 \$273,510.86 in a Lockbox Account and \$385,104.24 in Debtor's FF&E Reserve
21 Account. These funds were not released until December 2016, when Lender used them
22 to cover other defaults.

23 While these facts may be germane to the reasonableness of the default interest,
24 Debtor fails to identify upon which estoppel theory Debtor is relying. It cannot be judicial
25 estoppel since no judicial act was requested or undertaken. It cannot be promissory
26 estoppel since no promises were made. The only doctrine left is equitable estoppel,
27 which requires proof of the four elements noted above. As with Lender's equitable
28 estoppel regarding the opinion letter, the element that is missing here is a

misrepresentation, since Lender's conduct was consistent with the Loan documents. As Lender's actions in connection with the reserve accounts were consistent with the parties' Agreement, the court cannot find that Lender is equitably estopped from asserting a default.

I. Reserve Accounts

The court must resolve whether the following four reserve amounts must be included in the Plan cure of the default in the Loan:

Tax Escrow	\$ 172,778.52
FF&E Reserve	\$ 811,592.56
Ground Rent Reserve	\$ 63,515.00
Protective Advances — Inspection fees and costs	\$ 1,484.18
TOTAL DISPUTED AMOUNT	\$1,049,370.26

1. Tax Escrow

As to the Tax Escrow, Bornheimer admits in his declaration, Doc. 231, p. 13:17-21, that Debtor is not obligated to replenish the Tax Reserve if the payment is timely made on April 10, 2017. Debtor has confirmed this payment had been made, and only ongoing payments are required as Bornheimer concedes.

2. FF&E Reserve

The Loan document requires the establishment of an FF&E Reserve under Section 7.3 to provide a fund for "repair[s] required . . . to keep the Property in a condition consistent with a full Service hotel" [sic]. Section 7.3.2 requires Lender make disbursements from the FF&E Reserve "to reimburse [Debtor] . . . for the costs of . . . Replacements." Replacements, in turn, is defined in Section 7.3.1 as "furniture, fixtures and equipment, and replacements and repairs required to be made to the Property during the calendar year."

Debtor intends to satisfy the FF&E reserve requirements with its separate funding of the PIP. Bornheimer concedes that performance of the PIP is likely a proper

1 use of the FF&E reserves generally, but asserts that Lender has not been able to
2 specifically approve payment of PIP repairs from the FF&E reserve because it does not
3 have details on the repairs to be made under the PIP. Bornheimer also states that to
4 use FF&E reserve monies, Debtor must satisfy the administrative obligations set forth in
5 the parties' Agreement. However, Bornheimer concedes that Debtor has no obligation to
6 maintain a minimum balance in the FF&E reserve and agrees that Debtor is not
7 required to use the FF&E Reserve to fund the PIP, although this is the Lender's
8 preference.

9 It is mystifying to the court why Lender claims not to have the details of the PIP
10 expenses, as a detailed list totaling \$886,283.69 was attached as Exhibit B to the
11 Second Amended Disclosure Statement filed on January 13, 2017. When credited to
12 the \$811,592.56 Lender requests be funded to the FF&E Reserves, Debtor has more
13 than enough to offset its FF&E Reserve requirements and no further cure is required
14 here. Of course, Debtor must fund the FF&E Reserve on an ongoing basis.

15 **3. Ground Rent Deposit**

16 Debtor states it will be current on the Ground Rent as of the Effective Date, and
17 will then make deposits into the Ground Rent Reserve 10 days before each next
18 payment is due. No further cure is necessary.

19 **4. Inspection Fees**

20 As to the Inspection fees and costs, Bornheimer at Doc. 231, p. 15:27-16:3,
21 avers:

22 As a result of the defaults set forth above, in the Spring of 2016, a
23 representative of the Lender visited the Property for a site inspection,
24 which resulted in costs to the Lender of \$1,484.18. Pursuant to section 9.3
25 of the Loan Agreement, the fees and costs incurred in the site inspection
are recoverable to Secured Creditor.

26 While Debtor contends Lender's failure to provide an invoice, the date of the
27 inspection, or its purpose requires these expenses be denied reimbursement, Debtor
28 has the burden of proof. As there is nothing to refute Bornheimer's declaration, this item

1 is required as part of the cure amount.

2 **J. Sheraton Settlement**

3 As part of the Plan confirmation, Debtor seeks approval of its Stipulation with
4 Sheraton to approve: (1) Debtor's assumption of the License Agreement and PIP under
5 § 365; (2) its settlement of Sheraton's motion for relief from stay; and (3) its cure of
6 defaults and provision of adequate assurances of future performance under the License
7 and PIP. Essentially, Sheraton is extending the deadlines to perform the PIP and
8 increase guest satisfaction. While Lender initially objected to the settlement, it later
9 withdrew its objection.

10 To approve a settlement, the bankruptcy court must find it fair and equitable,
11 based upon the following four factors:

12 (a) The probability of success in the litigation; (b) the difficulties, if any, to be
13 encountered in the matter of collection; (c) the complexity of the litigation
14 involved, and the expense, inconvenience and delay necessarily attending it; (d)
15 the paramount interest of the creditors and a proper deference to their
16 reasonable views in the premises.

17 *In re A & C Properties*, 784 F.2d 1377, 1381 (9th Cir. 1986), *cert. denied sub*
18 *nom, Martin v. Robinson*, 479 U.S. 854 (1986). These findings must be supported by
19 the evidence and must be examined in light of the circumstances present at the time the
20 settlement is considered. *Id.*; *Reynolds v. C.I.R.*, 861 F.2d 469, 473 (6th Cir. 1988). The
21 burden of persuading the court that the compromise should be approved falls on its
22 proponent. *A & C Properties*, 784 F.2d at 1381; *see also In re HyLoft, Inc.*, 451 B.R.
23 104, 109-10 (Bankr. D. Nev. 2011). Based on the evidence in the record relating to the
24 Plan and the Sheraton relief from stay, the court finds these factors are met. Debtor
25 cannot operate profitably without the franchise agreement in place and the cure is
26 expected to increase revenues. The reasons why the franchise agreement went into
27 default and which party is to blame are complex and litigation would risky and
28 expensive.

29 The court will approve the settlement.

K. Attorneys' Fees

As part of Lender's cure, Lender seeks to recover its attorneys' fees and costs incurred in enforcing its rights in this bankruptcy case, in a prior receivership proceeding, and in a guarantee action Lender is pursuing against Luz. In total, Lender requests the following:

Fees & Costs Requested	Fees	Costs
Period ending on February 28, 2017 ("First Period") (Doc. 230 ¶ 3)	\$351,840.50	\$21,014.62
March 2017 ("Second Period") (Doc. 283 ¶ 22)	\$159,519.50	\$29,716.73
April 2017 ("Third Period") Fee Estimate (Doc. 283 ¶ 24)	\$45,000.00	
Total	\$556,360.00	\$50,731.35

Lender also requests fees of \$2,210.57 to reimburse its client, Bornheimer, his expenses for attendance at the trial totaling \$2,210.57 (including a \$1,580.60 flight, a \$510.67 hotel, and \$119.30 in incidental charges).

Lender asks Debtor pay these fees and costs pursuant to Section 10.13(a) of the Agreement, entitled "Indemnity." This indemnity provision requires Debtor pay "reasonable costs and expenses (including reasonable and actual attorneys' fees and disbursements)" that Lender incurs "in connection with" Debtor's performance under the Agreement, including:

[E]nforcing any obligations of or collecting any payments due from [Debtor] under [the] Agreement . . . in connection with any refinancing or restructuring of the credit arrangements provided under [the] Agreement in the nature of a 'work-out' or of any insolvency or bankruptcy proceedings; provided, however, that [Debtor] shall not be liable for the payment of any such costs and expenses to the extent the same arise by reason of the gross negligence, illegal acts, fraud or willful misconduct of Lender.

There are several other attorneys' fees provisions in the Agreement. See Section 5.1.12 ("Costs of Enforcement"). However, since Lender does not rely on those provisions, the court will not address them.

1 Attempting to determine how much of Lender's attorneys' fees and costs must be
2 included in the cure amount has been a challenge for the court and the parties. Not only
3 is the total a moving target as additional proceedings regarding the Plan are held, but
4 also the award is affected by the court's determination of the prevailing party under
5 applicable law. Before the court gave its oral ruling on the Plan, Debtor objected to
6 about 40% of Lender's fees and costs for the period ending on February 28, 2017,
7 arguing that only \$187,848 were reasonable. Debtor's initial objections claimed certain
8 of Lender's fees and costs were not reasonable because the fees were unnecessary,
9 duplicative, or administrative, or that that the descriptions were vague. Debtor's
10 objection that some of the fees were unnecessary was based upon its categorization of
11 the fees into 13 groups. Some of these categories did not relate to the bankruptcy and
12 were contested on this ground.

13 The vagueness objections were justified because Lender had redacted many
14 entries as it asserted attorney-client and work product privileges. These objections were
15 later resolved by Lender serving on Debtor's counsel and filing under seal some of the
16 un-redacted entries. Lender responded to the duplication charge by favorably
17 comparing its counsel's charges with those of Debtor for the same time period and
18 asserted it employed a staffing technique to avoid duplicative work. Lender also argued
19 its expert witness, Zelle's, fees are reasonable because he provided a discount. Lender
20 noted Zelle's testimony was not challenged and was critical to the resolution of the
21 challenging issues in this proceeding.

22 After the court's oral ruling on April 10, 2017, Debtor filed a supplemental
23 objection, arguing that Lender is not entitled to any attorneys' fees and costs because it
24 is not the prevailing party under Cal. Civ. Code § 1717. It contends this objection could
25 not have been made previously since the parties were unaware of the outcome of the
26 confirmation proceeding prior to the court's oral ruling. Debtor also asserts Lender bears
27 the burden of proof, and that Zelle's site inspections were unnecessary. Debtor attaches
28 a spreadsheet to its supplemental objection as Ex. A, which withdrew some objections

1 to Lender's un-redacted entries but asserted new objections to others. Debtor's Ex. B
2 set forth objections to fees and costs Lender claimed for March 2017, which was filed
3 with the court on April 11, 2017. Doc. 283.

4 The court then analyzed both parties' submissions on the attorneys' fees issue as
5 is set forth below.

6 **1. Attorneys' Fees Analysis**

7 "[S]tate law governs an award of attorney fees if 'state law and not federal
8 bankruptcy law provides the rule of decision in a contested matter.'" *Krommenhoek v. A-
9 Mark Precious Metals, Inc. (In re Bybee)*, 945 F.2d 309, 315-16 (9th Cir. 1991).
10 California law is applicable to this dispute. Although § 506(b) normally applies to the
11 consideration of a secured creditor's post-petition fees and costs, in this proceeding, the
12 court is determining a cure under § 1124. As state law applies to the determination of
13 Lender's cure, § 506(b) is inapplicable. *Entz-White*, 850 F.2d at 1343 n.7, *reversed on*
14 *other grounds*, *New Investments*, 840 F.3d at 1141.

15 Under the American Rule, recognized in California at Cal. Code Civ. Proc.
16 § 1021, litigants must pay their own attorneys' fees unless a statute or contract provides
17 otherwise. *Baker Botts L.L.P. v. ASARCO, LLC*, 135 S. Ct. 2158, 2161 (2015).
18 California law, through Cal. Civ. Code § 1717, recognizes that "parties may validly
19 agree that the prevailing party will be awarded attorneys' fees incurred in any litigation
20" *Tompkins v. 23andMe, Inc.*, 840 F.3d 1016, 1024 (9th Cir. 2016) (citing *Santisas*
21 *v. Goodin*, 17 Cal. 4th 599, 608 (1998)). The parties agree that § 1717 applies to this
22 action, which permits awards of "reasonable" attorneys' fees and costs where (1) an
23 action is "on a contract"; (2) there is a contractual provision stating attorneys' fees and
24 costs will be awarded to either of the parties; and (3) the fees and costs are requested
25 by the "prevailing party." *AmeriCredit Fin. Servs. v. Penrod*, 611 F.3d 1158, 1087-88
26 (9th Cir. 2010).

27 Under California law, Lender bears the burden of proof of the reasonableness of
28 its fees. *Civic W. Corp. v. Zila Indus., Inc.*, 66 Cal. App. 3d 1, 16 (1977) ("It is

1 elementary that attorney fees must be reasonable, and that the party claiming [attorney
2 fees] must establish (1) not only entitlement to such fees but (2) the reasonableness of
3 the fees claimed."). The court has discretion to "fix the fee at the fair market value for
4 the legal services provided." *PLCM Group v. Drexler*, 22 Cal. 4th 1084, 1095 (2000);
5 see also *Melnyk v. Robledo*, 64 Cal. App. 3d 618, 622-23 (1976) ("[D]etermination of
6 what constitutes reasonable attorney fees is committed to the discretion of the trial court
7") (fee request for enforcing a deed of trust reduced from \$71,825 as a \$25,000 fee
8 award was "ample for the services rendered").

9 Applying the elements of § 1717 to Lender's fee request, it is undisputed that all
10 of the fees and costs requested arise from actions on the contract. The Ninth Circuit has
11 specifically held that plan proceedings constitute an action on a contract. *Penrod*, 802
12 F.3d at 1087 (fees recovered by the debtor in post-petition litigation as the prevailing
13 party and resolution of objections to a plan of reorganization is an action on the
14 contract). Second, there is no dispute that the Indemnity authorizes an award of the
15 attorneys' fees to Lender. The third element, however, is disputed: whether Lender is a
16 "prevailing party." Debtor also generally disputes the reasonableness of the fees
17 requested, which is required under both § 1717 and the parties' Agreement.

18 To determine the prevailing party, the court is guided by the Ninth Circuit
19 authority of *Berkla v. Corel Corp.*, 302 F.3d 909, 920 (9th Cir. 2002), which applied the
20 California Supreme Court standard for identifying the prevailing party articulated in *Hsu*
21 *v. Abbara*, 9 Cal. 4th 863, 876 (1995):

22 [I]n deciding whether there is a "party prevailing on the contract," the trial
23 court is to compare the relief awarded on the contract claim or claims with
24 the parties' demands on those same claims and their litigation objectives
25 as disclosed by the pleadings, trial briefs, opening statements, and similar
26 sources. The prevailing party determination is to be made only upon final
27 resolution of the contract claims and only by "a comparison of the extent to
28 which each party ha[s] succeeded and failed to succeed in its
contentions."

The Ninth Circuit in *Berkla*, 302 F.3d at 920, found it appropriate to deny a

1 request for attorneys' fees where the moving party recovered only \$23,502 in
2 compensatory damages after requesting more than \$1.2 million. This outcome was
3 found to be insufficiently successful to deem that party a prevailing party. *Id.*; see also
4 *DeaneGardenhome Assn. v. Denktas*, 13 Cal. App. 4th 1394, 1398 (1993) ("Typically, a
5 determination of no prevailing party results when both parties seek relief, but neither
6 prevails, or when the ostensibly prevailing party receives only a part of the relief
7 sought."). Both inside and outside the bankruptcy context, the applicable law defining a
8 prevailing party requires each aspect of the dispute be separately evaluated.

9 The court conducted its prevailing party analysis of Lender's fees and costs on a
10 category by category basis for the first two applicable periods. The court then applied its
11 prevailing party analysis to Lender's April 2017 fee estimate. The court then conducted
12 a review of Debtor's technical objections to Lender's fees in each allowed category.
13 Finally, costs were separately considered.

14 **2. Categorical Review**

15 In conducting its categorical review, the court considered Debtor's Exhibit 1 to
16 Rathbone's March 16th declaration, which provided a list of all the fees Lender
17 requested for the First Period, ending on February 28, 2017, with Debtor's own
18 categorization of the fee request and a brief description of any technical objection
19 Debtor asserted. Although Lender agreed to provide un-redacted entries for the First
20 Period and filed two supplemental declarations under seal which attached some un-
21 redacted entries (see Docs. 271 and 297), some fee entries remain un-redacted for the
22 First Period, which limited the court's categorical review as is set forth more fully below.
23 After examining fees for the First Period, the court added to its review Lender's fees for
24 the Second Period, which Lender filed under seal with the court April 11, 2017, and to
25 which Debtor responded in its Exhibit B filed on April 13, 2017.

26 While Debtor categorized Lender's fees into 13 different categories, the court
27 found only some of the categories Debtor identified to be helpful. Instead, the court
28 found it appropriate to divide Lender's fees into the following 6 categories:

- 1 1. The state court action (including Lender's default loan analysis and the receivership);
- 2 2. The Luz guarantee action;
- 3 3. The Chapter 11 administration (including cash collateral negotiations and
- 4 filings and proceedings related to Debtor's business operations);
- 5 4. The proposed sale in this bankruptcy proceeding;
- 6 5. The Starwood relief from stay and settlement;
- 7 6. The Plan and Disclosure Statement.

8 As to the First Period, the court evaluated whether the fees were reasonable
9 considering which party was the prevailing party for each category as is set forth more
10 fully below. As to the Second Period, the court found all of the fees and costs but \$288
11 relate to category 6.

12 **a. Category 1 - State Court Receivership Litigation**

13 Given the breadth of the Indemnity, Lender contends that its cure is not limited to
14 the bankruptcy matters and that the fees and costs relating to the guaranty and the
15 receivership should be included. The court agrees. The court also finds credible
16 Lender's explanation for maintaining the receivership matter even after the bankruptcy
17 was filed.

18 Debtor's general objections to this category of fees are overruled.

19 **b. Category 2 - Guarantee Litigation**

20 As to the guarantee litigation, the court finds that the actions taken on the
21 guarantee against Luz are within the scope of the attorneys' fees provision on which
22 Lender relies, since the Guaranty is identified as a Loan Document in the Agreement
23 and any enforcement actions undertaken regarding any Loan document are subject to
24 the attorneys' fees provision. This is similar to *In re Hyer*, 171 B.R. 67, 70 (Bankr. W.D.
25 Mo. 1994) (rejecting the notion that fees attributed to an action against a non-debtor
26 guarantor cannot be recovered against the debtor where the creditor is oversecured but
27 where the attorneys' fees provision expressly covered actions on the guaranty); *cf. In re*
28 *Woods Auto Gallery, Inc.*, 379 B.R. 875, 892 (Bankr. W.D. Mo. 2007) (distinguishing

1 guarantee for that reason).

2 The court nevertheless will disallow all of the fees in this category because the
3 court is in no position to determine who is the prevailing party in a matter pending
4 before another court, as to which the outcome is not yet determined. Under California
5 law, the court cannot award fees without a determination of the merits of the action. *Liu*
6 *v. Moore*, 69 Cal App 4th 745, 755 (1999) ("the issue of the right to attorneys' fees for
7 the successful appeal is deferred until the final resolution of the merits of the case");
8 *Brosio v. Deutsche Bank Nat'l Tr. Co. (In re Brosio)*, 505 B.R. 903, 912 (B.A.P. 9th Cir.
9 2014) ("we could not locate, a single case with a procedural posture such as this one
10 where nothing was adjudicated by the court and yet it considered a party's motion for
11 attorneys' fees under [] § 1717").

12 Fees Lender incurred in connection with the enforcement of the Guaranty are
13 also not reasonable because Debtor has been trying to cure the default to Lender and
14 reinstate the Loan in this case. As stated in *In re Southeast Co.*, 81 B.R. 587, 592-593
15 (B.A.P. 9th Cir. 1987), *aff'd*, *In re Se. Co.*, 868 F.2d 335, 340 (9th Cir. 1989): "Courts
16 have shown considerable reluctance to award attorneys' fees for such post-petition
17 litigation, where the secured creditor's interest is not threatened." *See also In re*
18 *Masnorth*, 36 B.R. 335, 339 (Bankr. N.D. Ga. 1984) (court reduced attorneys' fees
19 requested by more than half where post-petition litigation was primarily motivated by a
20 desire for an increased interest rate and a \$100,000 equity cushion protected secured
21 creditor's interest).

22 Having disallowed the fees in this category, the court need not determine if
23 requiring Debtor to pay attorneys' fees and expenses incurred in prosecuting an action
24 outside the court post-petition would be a violation of the automatic stay, or if awarding
25 Lender fees associated with the guarantee action could lead to double recovery. All fees
26 regarding the guaranty are disallowed without prejudice to Lender's rights in that suit.

27 The fees disallowed in this category for the First Period are set forth in Appendix
28 A and total \$26,884. The court was unable to identify any fees related to the guarantee

1 action for the Second Period.

2 **c. Category 3 - Ch. 11 Administration**

3 Lender's fees and costs incurred in connection with the administration of Debtor's
4 Chapter 11 case are generally reasonable. Debtor's bankruptcy required Lender to
5 monitor the case and prevent the use of cash collateral. These fees were reasonable
6 since Lender was successful in negotiating Debtor's use of cash collateral and
7 protecting its rights in this case. *See, e.g., In re Melbell Assocs.*, 99 B.R. 31, 35 (Bankr.
8 E.D. Cal. 1989) (fees in case administration awarded as reasonable where there was
9 "no evidence to support a finding that any of the fees and costs described therein were
10 not directly related to the protection of [the bank's] rights as the beneficiary under the []
11 deed of trust"). While § 506(b) was the statutory authorization for the fees in *Melbell, id.*,
12 instead of § 1717, both statutes require a review for the reasonableness. *See Kord*
13 *Enters. II v. Cal. Commerce Bank (In re Kord Enters. II)*, 139 F.3d 684, 689 (9th Cir.
14 1998) (although state law is not determinative in § 506(b) analyses, the reasonableness
15 of the fees must be considered).

16 Debtor's objections to this category are overruled.

17 **d. Category 4 - Proposed Sale**

18 This category involves Debtor's efforts to sell the Hotel to pay creditors, which
19 were thwarted by Lender's assertion of the defeasance fee of \$2.6 million. The court will
20 disallow these fees as unreasonable because Lender did not later assert the
21 defeasance fee as part of the cure right. Lender cannot be viewed as the prevailing
22 party in an action where it abandoned the issue that gave rise to the fees. In
23 *Countrywide Home Loans, Inc. v. Hoopai (In re Hoopai)*, 581 F.3d 1090, 1102-03 (9th
24 Cir. 2009), applying a similar Hawaii state law, the Ninth Circuit reversed the finding of
25 the bankruptcy court that the lender was the prevailing party because it was paid the
26 amount of its lien as "the overarching disagreement between the parties concerned *how*
27 payment would be made, with [the bank] pushing for recognition of its foreclosure sale
28 [], and [the debtor] seeking to sell the property"

1 As applied here, Lender was not the prevailing party on the defeasance issue,
2 even though the sale was aborted due to its assertion of this claim. As with *Hoopai, id.*,
3 the focus must be on the issue in dispute, not necessarily the outcome of the
4 proceeding. Just as the bank in *Hoopai* was not the prevailing party simply because it
5 was paid, here, Lender is not the prevailing party simply because the property was not
6 sold. The main issue in dispute was whether Debtor was required to pay Lender a
7 defeasance fee. Since Lender abandoned this position it cannot be found to be the
8 prevailing party on this issue. See *Teece v. Kuwait Fin. House*, 667 F. App'x 931, 932
9 (9th Cir. 2016) (attorneys' fees are not available after a voluntary dismissal without
10 prejudice involving claims under Cal. § 1717).

11 The fees disallowed in this category for the First Period are set forth in Appendix
12 B and total \$7,403.50. The court did not identify any fees for the Second Period
13 associated with the proposed sale.

14 **e. Category 5 – Sheraton Relief from Stay and Settlement**

15 This category involves Lender's involvement in the Sheraton matters in this case.
16 Lender separately opposed Sheraton's relief from stay and withdrew its opposition to
17 the settlement later reached between Sheraton and Debtor after receiving information
18 which resolved its concerns. This constructive conduct is similar to *In re Melbell*, 99 B.R.
19 at 35, where fees for reasonable efforts in the case were awarded to the lender.

20 Debtor's objections to this category are overruled.

21 **f. Category 6 - Plan**

22 It is impossible to determine a prevailing party for issues litigated in connection
23 the Plan. See *Hoopai*, 581 F.3d at 1102-03. Debtor has successfully reorganized, but
24 Lender will ultimately have its default cured and the Loan reinstated. The Plan that will
25 be confirmed is significantly different from than the one Debtor initially proposed due to
26 some of Lender's objections. As to the quantification of the cure amount, Debtor sought
27 to pay Lender \$650,000, Lender demanded \$2,745,754.52, and the court has
28 determined \$911,163.82 to be the proper amount. Because each party achieved some

1 of their ultimate goals, there is no clear winner. *See Berkla*, 302 F.3d at 920. A lopsided
2 outcome such as this prevents the court from clearly identifying who prevailed. *Kytasty*
3 *v. Godwin*, 102 Cal. App. 3d 762, 774 (1980) (no prevailing party where each party
4 prevailed on a different claim under an option and a lease); *see also Megasoft Comput.*
5 *Corp. v. Domico (In re Megasoft Comput. Corp.)*, 1994 U.S. App. LEXIS 17110, at *4
6 (9th Cir. July 7, 1994) (no prevailing party where the plaintiff's recovery was "better
7 characterized as good news and bad news").

8 Each party also prevailed on different issues. *Nasser*, 156 Cal. App. 3d 52, 60
9 (1984) (no clear "prevailing party" in the litigation and the court declined to allow
10 attorneys' fees under § 1717, either for trial or appeal, where easement rights were
11 affirmed for one party but the other party prevailed as to size of the easement); *Hoopai*,
12 581 F.3d at 1102-03 (looking to the issues that were litigated to determine prevailing
13 party status). Lender prevailed on the definition of impairment requiring Debtor to
14 amend the Plan. It prevailed on the feasibility of the Plan requiring Debtor's insider to
15 provide additional cash and further assurances. Lender also prevailed on the issue of
16 judicial estoppel until Debtor clarified the scope of the subordination of the insider debt.

17 On the other hand, Debtor prevailed on resisting the necessity for a claim
18 objection to establish Lender's cure, that the opinion letter did not estop it from
19 challenging the default interest, that the default interest was an unreasonable penalty,
20 and that the reserve accounts need not be replenished. Mathematically calculated,
21 Debtor prevailed on 57% of the issues in the case and Lender prevailed on 47%. The
22 outcome for each was "good news and bad news," with no clear prevailing party. The
23 court must, therefore, disallow all of Lender's fees incurred in connection with the Plan.

24 The fees disallowed in this category for the First Period are set forth in Appendix
25 C and total \$119,226.50. The court also finds that all of Lender's fees for the Second
26 Period, except the \$288 set forth in Appendix D, relate to this category and are
27 disallowed.

1 **g. Fees Which the Court was Not Able to Categorize**

2 Because Lender did not provide unredacted entries for all the fees requested for
3 the First Period, the court was hindered in its efforts to categorize them. To the extent
4 possible, the court relied upon Debtor's categorization since Debtor had knowledge of
5 the nature of the dispute. The court also relied on its own knowledge of what occurred
6 when in this bankruptcy proceeding. Nonetheless, there were approximately thirty-one
7 entries which the court was not able to categorize. With no context to assess these
8 fees, the court could not determine who was the prevailing party or whether the fee was
9 reasonable. Lender failed to meet its burden of proof, and these fees are disallowed.

10 The fees which the court was not able to categorize are disallowed in the total
11 amount of \$11,052 as is set forth in Appendix E.

12 **h. Fees for April 2017**

13 In his declaration filed April 11, 2017, Welin estimates that Lender will be entitled
14 to fees of between \$35,000 and \$45,000 for April 2017, including fees for:

15 [P]reparing the response to the Debtor's objections to the [Lender's] fees
16 and costs . . . finalizing the objection to the Debtor's motion to approve the
17 stipulation with Sheraton, attending the hearing on the Court's oral ruling
18 on confirmation, and negotiating the form and language of the
confirmation order.

19 The court has determined that there is no prevailing party on the Plan issues.
20 Using the standards discussed above, the court similarly cannot determine who was the
21 prevailing party on the fee issue, since the outcome was mixed. For this period, the
22 court can only allow fees relating to the Sheraton settlement. No specific time entries
23 were provided so the court cannot perform precise calculations, however, since
24 Category 5 (relating to the Sheraton settlement) represents 4.59% of the total fees
25 requested for the First Period, the court will allow 4.59% of the \$45,000 in fees
26 requested for this period, for a total award of \$2,065.50.

27 **3. Technical Objections to Fees**

28 Having conducted a categorical review of the fees requested, the court next

1 examined Debtor's technical objections relating to the reasonableness of the fees which
2 the court categorically allowed. The court reviewed fees for the First Period in
3 categories 1, 3, and 5 (relating to the receivership litigation, case administration, and
4 Starwood) from this technical perspective. The court did not review Debtor's technical
5 objections to fees for the First Period in categories 2, 4, and 6, as it was not necessary
6 to review objections to fees that had been categorically disallowed. The court also
7 excluded from its analysis fees to which Debtor initially objected to and then later
8 withdrew its objection based on Lender's redaction and fees to which Debtor objected
9 that did not include a charge.

10 After reviewing Debtor's technical objections to fees for the First Period, the court
11 reviewed Debtor's objections to the four non-Plan related fee entries allowed for the
12 Second Period.

13 The reasonableness inquiry begins with a lodestar calculation; *i.e.* hours
14 reasonably expended and a reasonable hourly rate. *PLCM Grp., Inc. v. Drexler*, 22 Cal.
15 4th 1084, 1095 (2000); *Gisbrecht v. Barnhart*, 535 U.S. 789, 802 (2002). The court finds
16 that Lender's counsel's rates were appropriate and the hours were accurately recorded.
17 As is set forth more fully in Appendix F, with a few exceptions, for fees for the First
18 Period the court finds that the time descriptions are adequate. The court also, generally,
19 has no concerns regarding staffing and duplication in light of the various collection
20 efforts Lender undertook. The court thus finds that Lender's fees which Debtor objected
21 to as "client contact" are reasonable, and overrules the vast majority of Debtor's
22 technical objections. However, the court sustains some of Debtor's technical objections
23 where the fees were unreasonable because they were obviously duplicative,
24 administrative, or the fee entry did not provide sufficient detail for the court to assess the
25 technical objection Debtor asserted. Finally, for the allowed fee categories, the court
26 reduced some of Lender's fees, even where the Debtor did not assert a technical
27 objection, where the fee related, in part, to a category of fees that was disallowed.

28 For the First Period, as is set forth in Appendix F, the court disallows fees totaling

1 \$2,715.50 that would otherwise be allowable on a categorical level based on Debtor's
2 technical objections. The court, however, overrules all of Debtor's technical objections to
3 the fees allowed for the Second Period, as is reflected in Appendix D.

4 **4. Cost Objections**

5 In his March 2, 2017, declaration, Welin testified that Lender incurred \$21,014.62
6 in costs for the First Period ending on February 28, 2017. In his April 11, 2017,
7 declaration, Welin testified Lender incurred \$29,716.73 in costs for the Second Period.
8 While the record is not entirely clear, the court assumes that included in these costs is a
9 total of \$30,750 in fees and \$353.19 in costs paid to Lender's expert, Zelle. While
10 Lender provided separate testimony from Zelle on the reasonableness of costs
11 associated with Zelle's expert testimony, the court will not assume that the amounts set
12 forth in Zelle's declaration filed on April 11, 2017, are separately requested, as at least
13 some expert costs are identified in Lender's invoices filed on April 11, 2017 (see Doc.
14 277, pg. 52). Lender, does, however, separately request \$2,210.57 to reimburse its
15 client for travel expenses for trial and, as the court was unable to locate these costs in
16 the invoices provided, they will be separately considered.

17 Because Lender is not the prevailing party on Categories 2, 4, and 6 above, it is
18 not entitled to costs which relate to these categories. Since it is not possible on the
19 record for the court to conduct a cost-by-cost analysis of what costs are attributable to
20 what categories, the court instead will allow the costs in the same proportion as fee
21 awards for each period. For the First Period, the court awards Lender \$184,419.50 of
22 the \$351,840.50 fees requested or 52.42%. The court will, therefore, award Lender
23 52.42% of the costs requested, or \$11,015.86. For the Second Period, the court awards
24 only \$288 of the total \$159,519.50 in fees requested. This represents a total fee award
25 of 0.18%. The court will, therefore, award Lender 0.18% of the costs requested or
26 \$53.49.

27 Lender's separate testimony from Zelle regarding the reasonableness of his fees
28 does not change the court's analysis. While Zelle's testimony was not controverted,

Lender was not the prevailing party on issues regarding the Plan and so it is appropriate for the court not to award costs on this issue, including expert fees.

Finally, the court will add to the total cost award the costs Bornheimer incurred. While these costs were incurred in connection with the trial on the Plan, they are not attorneys' fees and costs subject to the § 1717 prevailing party analysis. Instead, they are simply cure amounts owed under the breadth of the Indemnity. Nonetheless, the court will reduce Bornheimer's travel by \$1,000 since no explanation was provided for the plane fare which was significantly more than even the short-term rate. The additional \$2,210.57 requested by Bornheimer will be allowed in the amount of \$1,210.57 as the amount requested is not reasonable. No costs will be awarded for April 2017 as Lender provided no support for any costs incurred.

Finally, the court notes that of the total \$50,731.35 in costs requested, Debtor asserted specific objections to less than \$5,000. The court reviewed these specific objections but was not able to locate any objection to any specific cost that was not either withdrawn by the Lender or subsumed by the court's categorical disallowance of Lender's costs discussed above.

Lender's total cost award will be \$12,279.92.

5. Total Fees and Costs

As is set forth more fully in Appendix G, the court will award Lender \$186,773 in fees and \$12,279.92 in costs for a total award of \$197,842.35.

L. Summary of Cure Amount

The court's ruling on the cure amounts owed to Lender is summarized in the following chart:

Fees and Costs Necessary to Cure	Amount Requested	Court Ruling	Cure Amount
Five missed monthly payments from 1/6/2016 through 5/6/2016	\$293,556.80	Undisputed	\$293,556.80
Default Interest	\$673,206.85	Disputed	\$0.00

Fees and Costs Necessary to Cure	Amount Requested	Court Ruling	Cure Amount
from 12/5/15 through 3/11/17			
Late Charges	\$64,997.51	Undisputed	\$64,997.51
Attorneys' fees and costs	\$607,091.35	Disputed	\$195,842.35
Tax Escrow ¹⁵	\$172,778.52	Disputed	\$0.00
Insurance Escrow	\$153,974.85	Undisputed	\$153,974.85
FF&E Reserve	\$811,592.56	Disputed	\$0.00
Ground Rent Reserve	\$63,515.00	Disputed	\$63,515.00
Protective Advances —Tax Advance 3/31/16	\$133,749.53	Undisputed	\$133,749.53
Protective Advances — Insurance Advance 2/29/16	\$4,043.60	Undisputed	\$4,043.60
Protective Advances — Inspection fees and costs	\$1,484.18	Disputed	\$1,484.18
TOTAL	\$2,745,754.52		\$911,163.82

M. The Plan is Feasible

Section 1129(a)(11) establishes the "feasibility" standard by requiring the court to

¹⁵ As is set forth more fully above, the court notes that the escrow amounts Debtor will be required to pay to effectuate Lender's cure are subject to change. The parties' agreement requires Debtor to make payments into these escrow accounts (including the tax escrow, the insurance escrow, and the ground rent reserves) based on the amount of upcoming payments due to various third parties. Prior to the Effective Date (which will be 10 business days after the court enters its order confirming the Plan), Debtor will be required to make payments into these accounts sufficient to fund upcoming payments due. However, Debtor will not be required to make payments into the accounts in the exact numbers provided to the extent that any payments due to third parties have been paid from other sources. For example, Section 7.5 of the Agreement requires Debtor to pay Lender the amount due under the Ground Lease for the month 10 days before the payment is due. If the Effective Date falls more than 10 days before the rent is due, Debtor will not be required to pay the \$63,515 until it comes due in the order course of the parties' Agreement. However, if the Effective Date falls less than 10 days before the rent is due, Debtor will be required to pay the rent due for the month into the reserve account.

determine that "confirmation of the plan is not likely to be followed by the liquidation, or [the] need for further financial reorganization of the debtor." The purpose of the feasibility test is to ensure that the plan offers a reasonably workable prospect of success and is not a visionary scheme. See *In re Acequia, Inc.*, 787 F.2d 1352, 1364 (9th Cir.1986) (citing *In re Merrimack Valley Oil Co.*, 32 B.R. 485, 488 (Bankr. D. Mass. 1983)).

Lender asserts the Plan is not feasible because the evidence at trial did not establish that there was sufficient cash on the Effective Date to meet the confirmation standards. It also objects that Debtor's cash flow projections do not accommodate the payments required under the Plan.

1. Amounts Necessary to Fund the Plan

On April 12, 2017, based on the evidence in the record at the time, the court posted a ruling on the amount Debtor's insiders would need to be prepared to contribute to the Plan to be feasible:

Lender's Cure	\$903,169.47
Administrative Payment to Professionals	\$175,000.00
Effective Date Payment to Unsecured Creditors	\$100,000.00
PIP Performance	\$913,284.00
Effective Date Priority Tax Claim Payment	\$100,000.00
Minimum Effective Date Cash Contribution	\$2,191,453.47
April Tax Payment unless made	\$170,222.36
Quarterly Payments Under Plan	\$400,000.00
Disputed Attorneys' Fees if awarded	\$185,007.12
Required Guarantee Subtotal	\$755,229.48
Total Insiders Must Make Available	\$2,946,682.95

The confirmation proceedings afterward required the court to adjust these initial numbers for several reasons:

1. The Plan does not require Debtor to make a \$100,000 payment to unsecured creditors on the Effective Date; payments to unsecured creditors begin after

confirmation.

2. Debtor's counsel agreed to be paid out of cash flow rather than in cash on the Effective Date.
3. The April tax payment was made.
4. The court's ruling on Debtor's attorneys' fees objections changed the cure amount.
5. Certain payments under the PIP were funded in advance of confirmation. At the reopened bifurcated trial held on May 1, 2017, Debtor provided evidence as Exs. B and C admitted at trial that Debtor made two payments from its cash flow towards the PIP in the amounts \$33,481.10 and \$119,950.13 on April 26 and April 28, 2017. While this funding was not with the Lender's consent or authorized by court order, the PIP needs to be reduced to \$759,852.77.
6. While Debtor sought to pay only \$450,000 of the total \$913,284 PIP on the Effective Date, the Plan provides the PIP will be fully funded from the new cash contribution provided for under the Plan. Based upon this provision of the Plan, the court ruled that the FF&E reserve did not need to be funded on the Effective Date to effectuate Lender's cure. If the PIP is not funded in full on the Effective Date, then the cure amount would need to be increased by the unpaid amount. In either event, the court's feasibility analysis must provide for the payment of the full PIP amount on the Effective Date.

These adjustments are quantified in charts below.

Effective Date Payments	
Lender's Cure	\$911,163.82
PIP Performance	\$759,852.77
Priority Tax Claim Payment	\$100,000.00
Total	\$1,771,016.59

Plan Payments After the Effective Date	
Deferred Administrative Payment to Professionals	\$175,000.00
Total Quarterly Payments Under Plan	\$400,000.00
Total	\$575,000.00

For the Plan to be feasible, the court must determine if Debtor has a reasonably workable prospect of making these payments. As Debtor did not provide cash

1 projections or other evidence which would indicate it could make the payments from its
2 operations, Luz provided testimony regarding the willingness and ability of Debtor's
3 insiders to fund any shortfall at the two bifurcated hearings on April 14 and May 1, 2017.
4 After Luz's April 14 testimony, Lender discovered documents that it contended indicated
5 the Luz did not testify truthfully about the ownership of two properties which Luz stated
6 Debtor's insiders would use as collateral for financing to fund the Plan. Based on these
7 inaccuracies, Lender argued that evidence must be reopened. The court provided May
8 1, 2017, as another trial date to consider additional testimony on the collateral Debtor
9 claimed its insiders held to obtain additional financing.

10 **2. Effective Date Payments**

11 Luz testified that the insiders have available \$1,585,916 in cash to make the
12 \$1,773,018.03 in Effective Date payments. This leaves a shortfall of \$185,102.03.
13 However, Debtor contends there are two assets that insiders could borrow against to
14 get additional sums to complete the Plan. First, is a commercial building located at
15 1405-1407 University Ave., San Diego, CA ("University") valued at \$1.2 million and
16 encumbered by a first mortgage in the amount of \$329,000. Second, Luz testified she
17 could borrow against her home located at 9911 Fuerte Dr., La Mesa 91941 ("Fuerte")
18 valued at \$1.3 million and encumbered by a first mortgage in the amount of \$330,000.

19 Luz testified on April 14 that she managed these assets, which she stated were
20 owned the Ralph Burni Trust. However, Lender obtained title records which reflected
21 the properties were not owned by this trust. Lender also provided evidence that the
22 encumbrances on both properties had due on sale clauses, and that University had a
23 second encumbrance of \$750,000 dated August 10, 2011 (and recorded on August 15,
24 2011) owed to the Attisha Family Trust ("Attisha TD"), leaving it with no equity.

25 As to Luz's authority to encumber the properties, Chin, trustee of the Ralph Burni
26 Trust, confirmed on May 1 that he had conveyed title to these properties to subtrusts of
27 the Ralph Burni Trust, which was consistent with the title report Lender provided. Chin
28 testified that the beneficiaries of these subtrusts are Luz's children and that she is each

1 subtrust's trustee. While Luz's testimony that the properties were owned by the Ralph
2 Burni Trust is inaccurate, Chin testified that he had no recollection of advising Luz of the
3 transfers of title, since it was done in the ordinary course of the trust administration.
4 Chin, however, confirmed that as trustee of the subtrusts Luz has discretion under the
5 trust documents to control these assets, including borrowing against them as necessary
6 to protect the beneficiaries' interests in the Debtor.

7 Luz testified that the Attisha TD, which was cross-collateralized against two other
8 properties, had been reconveyed. In support, she provided a "Substitution of Trustee
9 and Full Reconveyance" dated October 27, 2012, in which the Attisha Family Trust
10 purported to reconvey a deed of trust dated August 10, 2011, that was recorded on
11 August 15, 2011 ("Reconveyance"). While Lender pointed out that the recording number
12 and legal description on the Reconveyance indicated that it related to a deed of trust
13 recorded against another property, Luz was steadfast that the Attisha TD's presence on
14 title was in error because the obligation had been paid.

15 Ultimately, the court believes that the Reconveyance (and Luz's credible
16 testimony) demonstrate that the Note underlying the Attisha TD recorded against
17 University has been paid in full and that, to the extent that the deed of trust remains on
18 title, this is a recording error that is being corrected. The court is not persuaded by the
19 errors in the Reconveyance because, as a matter of law, if there is no underlying
20 obligation the Attisha TD is a nullity. *Yvanova v. New Century Mortg. Corp.*, 62 Cal. 4th
21 919, 927 (2016) (citing Cal Civ. Code § 2936; *Cockerell v. Title Ins. & Trust Co.*, 42
22 Cal.2d 284, 291; *U.S. v. Thornbur*, 82 F.3d 886, 892 (9th Cir. 1996)) (a deed of trust is
23 inseparable from the note it secures). The court, therefore, concludes that there is
24 sufficient equity in University for insiders to borrow against this property to fund the
25 Plan.

26 Luz also testified that the due on sale clauses in the existing encumbrances
27 would not affect feasibility. In fact, she has already contacted Home Bank which holds
28 the first deed of trust against University to borrow against it. Luz testified that she

1 expected to receive authorization from Home Bank to refinance the property and borrow
2 up to 60% of the value. This would make another \$391,000 available on the Effective
3 Date. An appraisal is being prepared and the advance may be more.

4 Because Debtor could borrow another \$391,000 from its insiders before the
5 Effective Date, it can fund the shortfall of \$185,102.03 identified. This evidence
6 demonstrates that Debtor has more than a "workable prospect" of making the
7 \$1,773,018.03 in Effective Date payments required under the Plan.

8 **3. Post Confirmation Payments**

9 As is set forth above, under the Plan, Debtor will also be required to make
10 payments of \$575,000 over two years. However, Debtor's cash flow projections and
11 budget (Exs. 25 and 38) did not factor in either the quarterly payments required under
12 the Plan or the deferred attorneys' fees Debtor will be required to pay. In addition,
13 Everson's testimony indicated that Debtor would have only \$12,562 in net cash flow by
14 the end of 2017. There is, therefore, insufficient cash in Debtor's projections to make the
15 post-confirmation payments required under the Plan. Nonetheless, Mendez testified that
16 she expects Debtor's cash flow to increase after the completion of the PIP in 2017, and
17 Luz noted that summer revenues tend to be seasonally higher. The court finds Debtor's
18 expectation that the remodel of the Hotel will increase revenues is reasonable and
19 notes that Mendez and Luz's expectation of higher revenues is corroborated by the
20 \$100,000 positive variance for 2017 even before completion of the PIP. During the
21 course of this case, Luz's management of Debtor's operations, assisted by the court-
22 approved operator, has been effective and there is no reason this trend will not
23 continue. For this reason, the court believes Debtor's expectation to pay \$575,000 from
24 its cash flow over two years is not a "visionary scheme" and has a reasonably workable
25 prospect of success.

26 Corroborating this conclusion of feasibility is the ability and willingness of
27 Debtor's insiders to contribute additional money to make Plan payments after
28 confirmation. Luz credibly testified that she would borrow money from other insider

1 entities to fund the balance of the Plan. Even if Luz has exhausted the \$871,000 in
2 equity in the University property after making the Effective Date payments, she also has
3 authority to borrow against the \$970,000 in equity in the Fuerte property. It is unlikely
4 that Debtor's insiders would walk away from a \$1.8 million initial investment in the Hotel,
5 particularly when the valuation of the Hotel in Debtor's schedules reflects sufficient
6 value for them to recoup their investment even after repaying Lender. Although Lender,
7 paraphrasing Gertrude Stein, claims there is "no there, there" under the Plan, the court
8 disagrees.

9 Debtor's increased revenues and the adequate assurances provided by the
10 insider entities are sufficient to support the court's finding that it is more likely than not
11 that Debtor will be able to make the \$575,000 in payments required under the Plan.
12 Since Lender will not receive any of the \$575,000 payments that are due to unsecured
13 creditors and counsel, it is also in a poor position to complain. Lender is unimpaired and
14 the Agreement protects Lender's interests if Debtor does not perform under the Plan.

15 **N. Ex Parte Emergency Motion for Appointment of a Chapter 11 Trustee and**
16 **Conversion**

17 At the bifurcated trial held on May 1, 2017, Lender made an oral motion for
18 appointment of a trustee and/or conversion based on Debtor's misuse of cash collateral.
19 At that time, Lender advised the court that the parties' cash collateral stipulation expired
20 at midnight on April 30, 2017 and that Debtor was currently using cash collateral without
21 authority to do so. Lender also argued that Debtor breached the parties' prior cash
22 collateral stipulation by making two payments from Debtor's operating funds for the
23 payment of PIP expenses. Debtor contended that it had paid the PIP from available
24 funds several times earlier in the case and expected to negotiate another stipulation for
25 use of cash collateral as has been the practice in this case.

26 The court treated Lender's ex parte motion as a request to shorten time on its
27 trustee motion and set a hearing for May 9, 2017. In the meantime, the court found that
28 Lender was adequately protected and the use of the funds for the PIP was in the

1 ordinary course of business even if this use was a technical violation of cash collateral
2 order. The court extended the use of cash collateral through the May 9, 2017, hearing
3 date in any event, regardless of Lender's lack of consent.

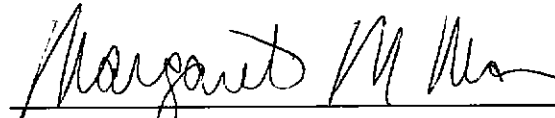
4 Having ruled that the Plan is confirmable, however, this motion is moot and will
5 be taken off calendar. Use of cash collateral will be continued through the Effective Date
6 of the Plan on the terms of the existing Stipulation, and the parties are directed to meet
7 and confer regarding the budget during the interim.

8 **IV. Conclusion**

9 Based upon these findings of fact and conclusions of law, the court will confirm
10 the Plan. The parties are directed to meet and confer regarding the terms of the Plan
11 order, which Debtor must upload an order within seven days, specifying any unresolved
12 objections to form by the Lender.

13
14 IT IS SO ORDERED.

15
16
17 Dated: May 8, 2017

18 
19 MARGARET M. MANN, JUDGE
20 United States Bankruptcy Court
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Appendix A

Disallowed Fees Related to Guarantee Litigation

Court Category 2

Date	Description	Time	Amount
4/1/2016	REVIEW OF LOAN AGREEMENT AND DOCUMENTATION RE [REDACTED TEXT]	0.4	\$158.00
7/26/2016	REED S. WADDELL REVIEW RALPH BURNI GUARANTY; ANALYSIS OF [REDACTED TEXT]; DISCUSS [REDACTED TEXT]	0.3	\$135.00
7/26/2016	REED S. WADDELL WORK ON COMPLAINT AGAINST LUZ BURNI.	0.7	\$315.00
7/27/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	0.2	\$93.00
7/27/2016	REED S. WADDELL WORK ON COMPLAINT AGAINST LUZ BURNI.	0.8	\$360.00
7/28/2016	PREPARATION OF COMPLAINT AGAINST LUZ BURNI RE BREACH OF GUARANTY.	0.8	\$360.00
7/28/2016	SANDRA BARNETT CONDUCT [REDACTED]	0.4	\$78.00
7/29/2016	ANALYSIS RE:AMOUNTS OWING FOR PURPOSES OF INCLUSION IN COMPLAINT.	0.3	\$100.50
7/29/2016	REVIEW AND REVISE LUZ BURNI COMPLAINT; ANALYSIS OF [REDACTED TEXT].	0.7	\$315.00
8/2/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	0.1	\$33.50
8/2/2016	ANALYSIS OF LOAN DOCUMENTS RE [REDACTED]	0.6	\$270.00
8/3/2016	ANALYSIS RE: [REDACTED]	0.3	\$100.50
8/3/2016	CHRISTOPHER CROWELL PREPARE COMPLAINT FOR BREACH OF GUARANTY.	1.2	\$402.00
8/4/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	0.1	\$33.50
8/4/2016	PREPARATION OF SUMMONS AND OTHER ANCILLARY CASE COMMENCEMENT DOCUMENTS RE: BREACH OF GUARANTY SUIT AGAINST L. BURNI.	0.2	\$67.00
8/4/2016	WORK TO FINALIZE BREACH OF GUARANTY COMPLAINT VS. L. BURNI.	0.1	\$33.50
8/4/2016	RONNIE AUCEDA PREPARED CIVIL CASE COVER SHEET AND SUMMONS RELATED TO VERIFIED COMPLAINT.	0.4	\$78.00
8/8/2016	REVIEW AND ANALYSIS RE: [REDACTED]	0.1	\$33.50
8/8/2016	MULTIPLE CALLS AND EMAILS RE SERVICE OF STATE ACTION AGAINST LUCY.	0.2	\$90.00

Appendix A

Disallowed Fees Related to Guarantee Litigation

Court Category 2

Date	Description	Time	Amount
8/8/2016	PROCESSED RETURN OF FILED SUMMONS AND COMPLAINT DOCUMENTS.	0.2	\$39.00
8/9/2016	CHRISTOPHER CROWELL CONFERENCE RE: PREPARATION OF NOTICES OF ACKNOWLEDGMENT RE: SERVICE ON LUCY LAWYER.	0.1	\$33.50
8/9/2016	TELEPHONE AND EMAIL NEW COUNSEL FOR LUCY RE DEFENDING GUARANTOR ACTION; CONFIRM AGREEMENT TO ACCEPT SERVICE OF COMPLAINT.	0.2	\$90.00
8/15/2016	REVIEW OF MEMOS RE PAYOFF/REINSTATEMENT ISSUES. REVIEW OF MEMOS RE THE STATE COURT ACTION. ANALYSIS RE [REDACTED]	1.1	\$511.50
8/17/2016	REVIEW AND EXECUTE NOTICE AND ACKNOWLEDGMENT OF RECEIPT RE: SERVICE OF LUCY COMPLAINT ON ATTORNEY HALLOCK.	0.2	\$67.00
8/17/2016	RONNIE AUCEDA PREPARED NOTICE AND ACKNOWLEDGMENT OF RECEIPT.	0.2	\$39.00
8/17/2016	RONNIE AUCEDA PROCESSED RETURN OF FILED AMENDED SUMMONS.	0.1	\$19.50
8/17/2016	PROCESSED SERVICE/MAILING OF NOTICE OF AND ACKNOWLEDGMENT RECEIPT (WITH COMPLAINT DOCUMENTS PRINTED AND ATTACHED) TO ATTORNEY FOR LUZ BURNI.	0.2	\$39.00
8/23/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	0.2	\$67.00
8/24/2016	MULTIPLE CALLS RE SERVICE OF STATE ACTION AGAINST LUCY.	0.2	\$90.00
8/24/2016	REVIEWED EMAIL FROM BURNI'S COUNSEL REGARDING [REDACTED TEXT]	0.1	\$19.50
8/24/2016	E-MAILED COUNSEL FOR LUZ BURNI REGARDING STATUS OF RETURNING EXECUTED NOTICE AND ACKNOWLEDGMENT OF RECEIPT.	0.1	\$19.50
8/29/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	0.1	\$33.50
9/1/2016	REVIEW OF THE CURRENT BANKRUPTCY AND STATE COURT ISSUES; ANALYSIS RE[REDACTED TEXT]; REVIEW OF CMC HEARING IN SAN DIEGO SUPERIOR COURT FOR 9/23; INSTRUCTION RE [REDACTED TEXT] REVIEW OF DOCKET VACATING HEARING DATE	0.5	\$197.50
9/1/2016	SANDRA BARNETT CONDUCT ONLINE DOCKET SEARCH REGARDING THE PROOF OF SERVICE ON DEFENDANT AND CASE STATUS.	0.2	\$39.00

Appendix A

Disallowed Fees Related to Guarantee Litigation

Court Category 2

Date	Description	Time	Amount
9/6/2016	ANALYSIS RE: [REDACTED]	0.1	\$33.50
9/6/2016	CHRISTOPHER CROWELL DETERMINE DEADLINE FOR LUCY BURNI TO ANSWER OR DEMUR TO THE COMPLAINT.	0.1	\$33.50
9/6/2016	REVIEW SIGNED NOTICE AND ACKNOWLEDGMENT OF RECEIPT OF STATE COURT COMPLAINT FOR BREACH OF GUARANTY VS. LUCY BURNI.	0.1	\$33.50
9/6/2016	REED S. WADDELL TELEPHONE LUCY'S STATE COURT LAWYER RE ACCEPTANCE OF SERVICE AND RELATED MATTERS.	0.2	\$90.00
9/6/2016	E-MAILED OPPOSING COUNSEL TO INQUIRE AS TO THE STATUS OF RETURNING THE EXECUTED NOTICE AND ACKNOWLEDGMENT CONCERNING SUMMONS AND COMPLAINT.	0.1	\$19.50
9/12/2016	REVIEW OF THE NOTICE AND ACKNOWLEDGMENT FROM THE GUARANTOR.	0.1	\$46.50
9/26/2016	ANALYSIS AND MEMO RE [REDACTED]	0.4	\$180.00
10/4/2016	ANALYSIS RE: [REDACTED]	0.1	\$33.50
10/10/2016	REVIEW AND ANALYZE [REDACTED]	0.2	\$67.00
10/10/2016	CHRISTOPHER CROWELL PREPARE REQUESTS FOR ADMISSION AS TO L. BURNT.	0.4	\$134.00
10/10/2016	CHRISTOPHER CROWELL REVIEW AND ANALYSIS OF [REDACTED]	0.3	\$100.50
10/10/2016	REED S. WADDELL TRANSIT SAME TO CLIENT; ANALYSIS OF [REDACTED]	0.3	\$135.00
10/10/2016	REED S. WADDELL PREPARE OUTLINE OF DISCOVERY TO SUBMIT TO LUCY IN STATE ACTION; ANALYSIS OF	0.6	\$270.00
10/10/2016	SPOKE WITH ANTHONY, COURT ROOM CLERK IN DEPT. 70 AT 619-450-7070, WHO ADVISED THAT THE BUSINESS OFFICE DID NOT SET A HEARING DATE FOR A CASE MANAGEMENT CONFERENCE AND WILL NOW DO SO.	0.1	\$19.50
10/11/2016	PREPARE FIRST SET OF DOCUMENT PRODUCTION REQUESTS.	0.7	\$234.50

Appendix A

Disallowed Fees Related to Guarantee Litigation

Court Category 2

Date	Description	Time	Amount
10/11/2016	CHRISTOPHER CROWELL PREPARE FORM INTERROGATORIES.	0.5	\$167.50
10/11/2016	PREPARE REQUESTS FOR ADMISSION TO BE PROPOUNDED TO L. BURNI.	1.9	\$636.50
10/11/2016	CHRISTOPHER CROWELL PREPARE SPECIAL INTERROGATORIES.	0.8	\$268.00
10/11/2016	REVIEW OF MEMOS RE THE ANSWER TO THE STATE COURT COMPLAINT.	0.1	\$46.50
10/11/2016	CRAIG A. WELIN REVIEW/ANALYSIS OF [REDACTED] [REDACTED]	0.8	\$372.00
10/11/2016	ANALYSIS OF [REDACTED] [REDACTED]	0.9	\$405.00
10/11/2016	REED S. WADDELL ANALYSIS RE [REDACTED]	0.8	\$360.00
10/11/2016	ANALYSIS RE [REDACTED] [REDACTED]	0.4	\$180.00
10/11/2016	INTERNALLY CALENDARED CASE MANAGEMENT CONFERENCE DATE.	0.1	\$19.50
10/11/2016	LEFT MESSAGE FOR CALENDAR CLERK AT THE COURT AT 619-450-7325, CONCERNING CASE MANAGEMENT CONFERENCE HEARING DATE.	0.1	\$19.50
10/11/2016	RECEIVED CALL FROM CALENDAR CLERK OF THE COURT WHO ADVISED THAT CASE MANAGEMENT CONFERENCE HAS BEEN CALENDARED FOR 2/3/17 AT LOAM IN DEPT. 70 AND THAT THE COURT WILL BE PROVIDING NOTICE OF SAME TO OUR OFFICE AND THE OTHER SIDE'S ATTORNEY.	0.1	\$19.50
10/11/2016	THOMAS M. ROBINS III CONF WITH CRAIG [REDACTED TEXT]	0.3	\$154.50
10/12/2016	PREPARE FOR UPCOMING CASE MANAGEMENT CONFERENCE.	0.1	\$33.50
10/12/2016	REVISIONS TO WRITTEN DISCOVERY TO BE PROPOUNDED TO L. BURNI IN STATE COURT ACTION FOR BREACH OF GUARANTY.	1.4	\$469.00
10/12/2016	REVIEW OF/RESPONSE TO MEMOS RE THE STATE COURT LITIGATION.	0.1	\$46.50
10/12/2016	REED S. WADDELL PREPARE AND REVISE FIRST SET OF INTERROGATORIES TO BE SUBMITTED TO LUCY IN STATE ACTION.	0.6	\$270.00

Appendix A

Disallowed Fees Related to Guarantee Litigation

Court Category 2

Date	Description	Time	Amount
10/12/2016	REED S. WADDELL PREPARE AND REVISE FIRST SET OF REQUESTS FOR ADMISSION TO LUCY IN STATE ACTION.	0.8	\$360.00
10/12/2016	REED S. WADDELL PREPARE AND REVISE FIRST SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS TO LUCY IN STATE ACTION.	0.4	\$180.00
10/12/2016	THOMAS M. ROBINS III CONF WITH REED RE [REDACTED TEXT]	0.2	\$103.00
10/13/2016	ASSESS [REDACTED]	0.2	\$67.00
10/13/2016	FURTHER REVISIONS TO, AND FINALIZE, WRITTEN DISCOVERY.	1.9	\$636.50
10/13/2016	REVIEW COURT'S LOCAL RULES AND DEPARTMENT 70 PROCEDURES.	0.5	\$167.50
10/13/2016	REED S. WADDELL FINALIZE AND SERVE WRITTEN DISCOVERY FOR LUCY IN STATE ACTION; EMAIL CLIENT RE SAME.	0.8	\$360.00
10/13/2016	LEFT MESSAGE FOR CALENDAR CLERK AT THE COURT AT 619-450-7325, TO INQUIRE ABOUT HOW FAR OUT THE COURT IS SETTING HEARING DATES FOR MOTIONS FOR SUMMARY JUDGMENT.	0.1	\$19.50
10/13/2016	RECEIVED CALL FROM CALENDAR CLERK OF THE COURT WHO ADVISED THAT HEARING DATES FOR MOTIONS FOR SUMMARY JUDGMENT ARE BEING CALENDARED ABOUT 120 DAYS FROM TODAY'S DATE. THE CLERK ALSO ADVISED THAT WE MUST FIRST HAVE THE MOTION READY FOR ACTUAL FILING WHEN CALLING IN TO RESERVE A HEARING	0.1	\$19.50
10/16/2016	CRAIG A. WELIN REVIEW OF MEMOS RE DISCOVERY ISSUES.	0.1	\$46.50
10/18/2016	PREPARE FOR UPCOMING CASE MANAGEMENT CONFERENCE IN STATE COURT ACTION FOR BREACH OF GUARANTY VS. L. BURNI.	0.1	\$33.50
10/18/2016	REVIEW OF MEMO RE THE CMC IN THE BURNI STATE COURT LITIGATION.	0.1	\$46.50
11/16/2016	ANALYSIS RE: [REDACTED]	0.2	\$67.00
11/17/2016	REED S. WADDELL ANALYSIS RE [REDACTED]	0.1	\$45.00
11/21/2016	ANALYSIS RE [REDACTED TEXT] REVIEW OF STATUS OF DISCOVERY RESPONSES. PREPARATION OF INSTRUCTIONS RE [REDACTED TEXT]	0.6	\$279.00

Appendix A

Disallowed Fees Related to Guarantee Litigation

Court Category 2

Date	Description	Time	Amount
11/22/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	0.1	\$33.50
11/22/2016	REVIEW AND ANALYSIS OF [REDACTED]	0.4	\$134.00
11/25/2016	EVALUATE AND ANALYZE [REDACTED]	1.4	\$630.00
11/28/2016	REVIEW OF/RESPONSE TO MEMOS RE VARIOUS BANKRUPTCY AND STATE COURT LITIGATION ISSUES. ANALYSIS RE [REDACTED TEXT]	0.8	\$372.00
12/7/2016	PREPARE "MEET AND CONFER" LETTER TO ATTORNEY HALLOCK RE BURNI'S DEFICIENT DISCOVERY RESPONSES; REVIEW OF APPLICABLE CASE LAW	1.7	\$722.50
12/12/2016	CRAIG A. WELIN REVIEW OF MEMOS RE THE STATE COURT DISCOVERY.	0.1	\$46.50
12/12/2016	REVIEW AND RESPOND TO E-MAILS FROM BURNI'S COUNSEL RE AGREEMENT FOR BURNI TO PROVIDE FURTHER DISCOVERY RESPONSES AND TO PRODUCE DOCUMENTS	0.2	\$85.00
12/12/2016	REED S. WADDELL MULTIPLE COMMUNICATIONS WITH MR. BORNHEIMER RE [REDACTED]	0.1	\$45.00
12/13/2016	REED S. WADDELL MULTIPLE COMMUNICATIONS RE STATUS OF DISCOVERY IN STATE ACTION AGAINST GUARANTOR.	0.2	\$90.00
12/14/2016	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS RE DISCOVERY ISSUES.	0.1	\$46.50
12/15/2016	E-MAIL TO ATTORNEY HALLOCK RE SCHEDULING OF PLAINTIFF'S DEPOSITION	0.1	\$42.50
12/15/2016	HAL D. GOLDFLAM PREPARE DEPOSITION NOTICE AND REQUESTS FOR PRODUCTION DOCUMENTS AT DEPOSITION	0.7	\$297.50
12/16/2016	REVIEW OF/RESPONSE TO MEMOS RE THE STATE COURT ACTION.	0.3	\$139.50
12/16/2016	EXCHANGE OF E-MAILS WITH MS. BURNI'S COUNSEL RE DISCOVERY ISSUES	0.2	\$85.00
12/20/2016	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS RE DISCOVERY ISSUES. REVIEW OF MEMO FROM CLIENT.	0.3	\$139.50
12/21/2016	REVISE REQUESTS FOR DOCUMENTS TO PRODUCE AT DEPOSITION	0.2	\$85.00
12/28/2016	ANALYSIS OF [REDACTED TEXT] REVIEW DOCUMENTS PRODUCE BY DEFENDANT	1.2	\$510.00

Appendix A

Disallowed Fees Related to Guarantee Litigation

Court Category 2

Date	Description	Time	Amount
12/28/2016	REED S. WADDELL ANALYSIS RE [REDACTED TEXT]	0.1	\$45.00
1/4/2017	HAL D. GOLDFLAM EXCHANGE OF E-MAILS WITH DEFENSE COUNSEL RE CASE MANAGEMENT CONFERENCE	0.1	\$43.50
1/4/2017	HAL D. GOLDFLAM PREPARE CASE MANAGEMENT STATEMENT	0.6	\$261.00
1/11/2017	HAL D. GOLDFLAM ANALYSIS OF [REDACTED TEXT]	0.3	\$130.50
1/11/2017	HAL D. GOLDFLAM ANALYSIS OF [REDACTED TEXT]	0.2	\$87.00
1/11/2017	PREPARE FOR AND TELEPHONE CALL WITH BURNI'S COUNSEL RE REQUIRED MEETING OF COUNSEL IN ADVANCE OF FEBRUARY 3 CASE MANAGEMENT CONFERENCE	0.5	\$217.50
1/11/2017	HAL D. GOLDFLAM REVIEW COURT DOCKET	0.1	\$43.50
1/11/2017	HAL D. GOLDFLAM REVISE AND FINALIZE CASE MANAGEMENT STATEMENT	0.2	\$87.00
1/12/2017	HAL D. GOLDFLAM ANALYSIS RE [REDACTED TEXT]	0.2	\$87.00
1/12/2017	HAL D. GOLDFLAM PREPARATION FOR DEPOSITION OF MS. BURNI	0.3	\$130.50
1/12/2017	PREPARE E-MAIL TO MR. BORNHEIMER RE [REDACTED TEXT]	0.2	\$87.00
1/12/2017	PROCESSING OF THE CONFORMED CASE MANAGEMENT STATEMENT.	0.2	\$39.00
1/12/2017	SERVICE AND EFILING OF THE CASE MANAGEMENT STATEMENT.	0.7	\$136.50
1/17/2017	HAL D. GOLDFLAM PREPARATION FOR DEPOSITION OF BURNI	0.3	\$130.50
1/17/2017	HAL D. GOLDFLAM REVIEW LOAN DOCUMENTS RE DEPOSITION PREPARATION	0.9	\$391.50
1/19/2017	HAL D. GOLDFLAM ANALYSIS RE [REDACTED TEXT]; CONFER WITH MR. WADDELL RE [REDACTED TEXT]	0.5	\$217.50
1/19/2017	E-MAIL FROM BURNI'S COUNSEL RE UNILATERAL POSTPONEMENT OF BURNI'S DEPOSITION; CONSIDER NEXT STEPS RE DISCOVERY ABUSE	0.3	\$130.50
1/19/2017	HAL D. GOLDFLAM PREPARATION FOR DEPOSITION OF LIZ BURNI	0.4	\$174.00
1/19/2017	HAL D. GOLDFLAM REVIEW BURNI'S CASE MANAGEMENT STATEMENT	0.2	\$87.00

Appendix A

Disallowed Fees Related to Guarantee Litigation

Court Category 2

Date	Description	Time	Amount
1/20/2017	REVIEW OF/RESPONSE TO MEMOS RE THE POSTPONEMENT OF THE BURNI STATE COURT DEPOSITION. ANALYSIS RE [REDACTED TEXT]	0.4	\$198.00
1/20/2017	HAL D. GOLDFLAM E-MAIL TO ATTORNEY HALLOCK RE UNILATERAL POSTPONEMENT OF BURNI'S DEPOSITION	0.1	\$43.50
1/20/2017	HAL D. GOLDFLAM REVIEW NOTICE OF PAYMENT OF INITIAL JURY FEE	0.1	\$43.50
1/22/2017	CRAIG A. WELIN REVIEW OF THE NOTICE FROM THE STATE COURT RE THE STATUS CONFERENCE.	0.1	\$49.50
1/23/2017	HAL D. GOLDFLAM ANALYSIS RE [REDACTED TEXT]	0.2	\$87.00
1/26/2017	HAL D. GOLDFLAM ANALYSIS RE STATUS OF BANKRUPTCY MATTER	0.2	\$87.00
1/26/2017	PREPARE E-MAIL TO BURNI'S COUNSEL RE RESCHEDULING OF HER DEPOSITION	0.1	\$43.50
1/27/2017	CRAIG A. WELIN REVIEW OF MEMOS RE STATE COURT DISCOVERY. REVIEW OF MEMOS RE THE NEW CONFIRMATION SCHEDULE.	0.2	\$99.00
1/27/2017	EXCHANGE OF E-MAILS WITH MR. WHALLOCK RE NEW DEPOSITION DATE FOR MS. BURNI; PREPARE NOTICE OF CONTINUED DEPOSITION	0.2	\$87.00
2/1/2017	REED S. WADDELL PREPARATION FOR CASE MANAGEMENT CONFERENCE IN LUCY'S GUARANTY ACTION.	0.3	\$139.50
2/2/2017	HAL D. GOLDFLAM PREPARE FOR CASE MANAGEMENT CONFERENCE	0.3	\$130.50
2/3/2017	EXCHANGE OF E-MAILS WITH MR. BORNHEIMER RE [REDACTED]	0.1	\$43.50
2/3/2017	APPEAR TELEPHONICALLY IN SAN DIEGO COUNTY SUPERIOR COURT RE CASE MANAGEMENT CONFERENCE IN LUCY'S GUARANTOR LAWSUIT.	1.6	\$744.00
2/3/2017	REED S. WADDELL REPORT MEMO ON RESULTS OF CASE MANAGEMENT CONFERENCE IN LUCY'S STATE COURT ACTION.	0.3	\$139.50
2/3/2017	RONNIE AUCEDA CHECKED THE COURT'S WEBSITE FOR JUDGE'S CALENDAR LISTING FOR DEPT. 70.	0.1	\$19.50
2/3/2017	LEFT MESSAGE FOR ERNESTINA, CALENDAR CLERK FOR DEPT. 70, RE: NEXT AVAILABLE HEARING DATES FOR MOTION FOR SUMMARY JUDGMENT AND TRIAL. (619) 450-7325	0.1	\$19.50

Appendix A

Disallowed Fees Related to Guarantee Litigation

Court Category 2

Date	Description	Time	Amount
2/3/2017	RECEIVED CALL FROM ERNESTINA, CALENDAR CLERK FOR DEPT. 70, WHO ADVISED OF NEXT AVAILABLE HEARING DATES FOR MSJ MOTION.	0.1	\$19.50
2/5/2017	CRAIG A. WELIN REVIEW OF MEMOS RE STATE COURT ISSUES.	0.1	\$49.50
2/6/2017	CRAIG A. WELIN ANALYSIS RE [REDACTED]	0.2	\$99.00
2/6/2017	REVIEW AND ANALYZE [REDACTED]	0.9	\$418.50
2/10/2017	ANALYSIS RE [REDACTED]	1.7	\$790.50
2/14/2017	HAL D. GOLDFLAM PREPARATION FOR DEPOSITION OF MS. BURNI	0.3	\$130.50
2/23/2017	REED S. WADDELL ASSIST IN PREPARATION FOR BURNI DEPOSITION.	0.6	\$279.00
2/24/2017	HAL D. GOLDFLAM PREPARATION FOR DEPOSITION OF BURNI	0.3	\$130.50
2/24/2017	REED S. WADDELL PREPARATION FOR UPCOMING DEPOSITION OF LUCY BURNI, INCLUDING PREPARATION OF DOCUMENTS AND PRIOR TESTIMONY TO BE DISCUSSED THEREIN.	1.4	\$651.00
2/26/2017	REVIEW OF DEADLINES SET BY THE COURT IN THE STATE COURT ACTION.	0.1	\$49.50
2/26/2017	PREPARATION FOR DEPOSITION OF MS. BURNI; REVIEW OF BANKRUPTCY FILINGS AND STATE COURT RECEIVERSHIP CASE PLEADINGS AS RELATED TO DEPOSITION OF MS. BURNI	0.9	\$391.50
2/27/2017	ANALYSIS RE [REDACTED]	0.5	\$247.50
2/27/2017	PREPARATION FOR DEPOSITION OF MS. BURNI, INCLUDING REVIEW OF BANKRUPTCY FILINGS, STATE COURT PLEADINGS, LOAN DOCUMENTS AND DISCOVERY RESPONSES; PREPARATION OF DEPOSITION EXHIBITS; PREPARATION OF DEPOSITION OUTLINE	2.1	\$913.50
2/27/2017	PREPARATION FOR TOMORROW'S DEPOSITION OF LUCY BURNI, INCLUDING REFERENCES TO HER PRIOR DECLARATIONS, SIGNED DOCUMENTS AND INTERACTION WITH COUNSEL WHO GAVE OPINION LETTER.	1.2	\$558.00

Appendix A Disallowed Fees Related to Guarantee Litigation Court Category 2

Date	Description	Time	Amount
2/28/2017	INITIAL ANALYSIS RE THE RESULTS OF THE BURNI DEPOSITION.	0.3	\$148.50
2/28/2017	PREPARE FOR AND DEPOSE LIZ BURNI IN STATE COURT ACTION	5	\$2,175.00
2/28/2017	REED S. WADDELL ANALYSIS RE [REDACTED]	0.3	\$139.50
Grand Total		65.4	\$26,884.00

Appendix B

Disallowed Fees Related to Proposed Sale

Court Category 4

Date	Description	Time	Amount
4/28/2016	BRUCE D. POLTROCK EMAIL FROM AND TO POTENTIAL INTERESTED PARTY	0.1	\$39.50
4/28/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED] REVIEW OF MEMOS RE INTEREST IN THE NOTE. REVIEW OF/RESPONSE TO MEMOS RE REINSTATEMENT ISSUES.	0.4	\$186.00
4/30/2016	CRAIG A. WELIN REVIEW OF MEMO RE INTEREST IN THE PROPERTY.	0.2	\$93.00
5/2/2016	CRAIG A. WELIN REVIEW OF MEMO RE PINNACLE HOTELS' INTEREST IN THE PROPERTY.	0.1	\$46.50
6/8/2016	CHRISTOPHER CROWELL PHONE CALL FROM PROSPECTIVE NOTE PURCHASER.	0.2	\$67.00
6/21/2016	REED S. WADDELL FOLLOW UP RE UNSOLICITED CONTACT RECEIVED FROM POTENTIAL NOTE PURCHASER.	0.1	\$45.00
6/22/2016	CRAIG A. WELIN TELEPHONE CALL FROM SUMMIT RE INTEREST IN THE DEBT.	0.2	\$93.00
6/28/2016	REED S. WADDELL REVIEW AND ANALYZE [REDACTED] [REDACTED]	0.7	\$315.00
6/29/2016	REED S. WADDELL ANALYSIS RE [REDACTED] [REDACTED]	0.6	\$270.00
6/29/2016	REED S. WADDELL STATUS REPORT TO CLIENT [REDACTED] [REDACTED]	0.5	\$225.00

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Disallowed Fees Related to Proposed Sale

Court Category 4

Date	Description	Time	Amount
6/29/2016	REED S. WADDELL TELEPHONE MR. LAFON RE [REDACTED] [REDACTED]	0.4	\$180.00
7/2/2016	CRAIG A. WELIN REVIEW OF MEMOS RE POSSIBLE NOTE SALE BUYERS/BANKRUPTCY ISSUES.	0.4	\$186.00
7/5/2016	CRAIG A. WELIN PREPARATION OF MEMO TO INTERESTED NOTE PURCHASER.	0.1	\$46.50
7/14/2016	REED S. WADDELL MULTIPLE CALLS AND EMAILS RE SCHEDULING MEETING, STATUS OF RECEIVER AND POSSIBLE INTERESTED PURCHASER.	0.6	\$270.00
7/25/2016	REED S. WADDELL LENGTHY TELEPHONE CALL WITH RATHBONE RE STATUS OF POTENTIAL PURCHASER; NEED OF DEBTOR FOR CERTAINTY ON DEFEASANCE FEE; PROBLEMS WITH LOI, AND CASH FLOW ISSUES.	0.4	\$180.00
7/27/2016	REED S. WADDELL FURTHER ANALYSIS AND QUESTIONS RE PAYOFF QUOTE (INCLUDING NEED TO ADD DEFEASANCE CHARGE) AND RE [REDACTED TEXT]	0.8	\$360.00
7/28/2016	LOREN R. GORDON ANALYSIS/DISCUSSION WITH REED WADDELL RE: [REDACTED] [REDACTED]	0.2	\$79.00
7/28/2016	REED S. WADDELL ANALYSIS AND EMAILS RE [REDACTED] [REDACTED]	0.4	\$180.00
7/29/2016	REED S. WADDELL ANALYSIS OF [REDACTED TEXT]; TELEPHONE RATHBONE RE SAME.	0.7	\$315.00
7/29/2016	REED S. WADDELL ANALYSIS RE [REDACTED] [REDACTED]	0.4	\$180.00
7/29/2016	REED S. WADDELL TELEPHONE CONFERENCE WITH RATHBONE RE STATUS OF DEBTOR'S EFFORTS TO LIST AND SELL PROPERTY; STATUS OF OPERATING REPORTS AND PROPERTY MANAGER EFFORTS TO KEEP OPERATIONS GOING SMOOTHLY.	0.4	\$180.00

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Disallowed Fees Related to Proposed Sale

Court Category 4

Date	Description	Time	Amount
8/2/2016	REED S. WADDELL ANALYSIS RE AND REVISIONS TO [REDACTED] [REDACTED]	0.6	\$270.00
8/2/2016	REED S. WADDELL MULTIPLE EMAILS AND TELEPHONE CONVERSATIONS WITH RATHBONE RE AMOUNTS ON DEPOSIT IN RESERVE ACCOUNTS AND RE PAYOFF AND REINSTATEMENT CALCULATIONS REQUESTED BY DEBTOR AND RE REFUGING DEBTOR'S CLAIMS THAT YIELD MAINTENANCE PREMIUM IS FORCING DEBTOR TO DELAY IN LISTING THE PROPERTY.	0.9	\$405.00
8/3/2016	REED S. WADDELL ANALYSIS RE [REDACTED] [REDACTED]	1.1	\$495.00
8/3/2016	REED S. WADDELL EMAILS AND CALLS WITH RATHBONE RE REINSTATEMENT CALCULATION AND RE PAYOFF QUOTE; ANALYSIS RE [REDACTED TEXT]	0.7	\$315.00
8/3/2016	REED S. WADDELL ANALYSIS RE [REDACTED]	0.6	\$270.00
8/8/2016	REED S. WADDELL CALLS AND EMAILS RE DEBTOR'S REFUSAL TO LIST PROPERTY ABSENT A PREARRANGED AGREEMENT WITH LENDER AS TO A CAP ON YIELD MAINTENANCE CHARGE	0.3	\$135.00
8/8/2016	REED S. WADDELL TELEPHONE RATHBONE RE DEBTOR'S CLAIMS THAT ADDITIONAL DEPOSITS NOT REFLECTED IN RESERVE ACCOUNT DATE-DOWNS HAVE BEEN MADE TO LOCK BOX ACCOUNT; TELEPHONE MR. LAFON RE [REDACTED TEXT]	0.3	\$135.00
8/16/2016	REED S. WADDELL ANALYSIS RE [REDACTED] [REDACTED]	0.7	\$315.00
8/19/2016	CRAIG A. WELIN TELEPHONE CALL FROM A PARTY INTERESTED IN THE NOTE.	0.2	\$93.00
8/23/2016	CHRISTOPHER CROWELL RESEARCH RE: [REDACTED] [REDACTED]	0.2	\$67.00

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Disallowed Fees Related to Proposed Sale

Court Category 4

Date	Description	Time	Amount
8/25/2016	REED S. WADDELL TELEPHONE AND EMAIL RATHBONE RE STATUS OF DEBTOR'S EFFORTS TO LIST PROPERTY AND MOVE FORWARD WITH CHAPTER 11.	0.4	\$180.00
8/29/2016	REED S. WADDELL MULTIPLE CALLS WITH RATHBONE RE STATUS OF BUDGET, NEED TO EXTEND DEADLINE TO ASSUME OR REJECT GROUND LEASE, STATUS OF MOTION TO EMPLOY HULCE AND LENDER'S OBJECTIONS THERETO, AND DEBTOR/GUARANTOR'S CONCERNS RE ENFORCEABILITY OF YIELD MAINTENANCE PREMIUM.	0.4	\$180.00
9/12/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	0.2	\$67.00
9/13/2016	CHRISTOPHER CROWELL RESEARCH RE: [REDACTED]	0.7	\$234.50
9/14/2016	CHRISTOPHER CROWELL FURTHER RESEARCH AND ANALYSIS RE: [REDACTED]	0.8	\$268.00
9/16/2016	CHRISTOPHER CROWELL FURTHER ANALYSIS RE: [REDACTED]	0.5	\$167.50
9/16/2016	REED S. WADDELL LEGAL RESEARCH ON [REDACTED]	0.6	\$270.00
Grand Total			\$7,403.50

Appendix C

Disallowed Fees Related to Plan Litigation

Court Category 6

Date	Description	Time	Amount
5/22/2016	CRAIG A. WELIN REVIEW OF THE [REDACTED]	0.6	\$279.00
5/23/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	0.2	\$93.00
7/6/2016	REED S. WADDELL CONFERENCE CALL WITH CLIENT RE [REDACTED]	0.6	\$270.00
7/29/2016	REED S. WADDELL REVIEW AND ANALYSIS OF [REDACTED]	0.8	\$360.00
8/30/2016	REED S. WADDELL ANALYSIS RE [REDACTED TEXT] EMAIL MR. RATHBONE AND MR. LA FON RE SAME.	0.4	\$180.00
9/6/2016	REED S. WADDELL ANALYSIS AND RESEARCH RE [REDACTED]	0.9	\$405.00
10/12/2016	REED S. WADDELL REVIEW AND ANALYZE [REDACTED]	1.2	\$540.00
10/18/2016	REED S. WADDELL REVIEW AND ANALYZE [REDACTED]	0.4	\$180.00
11/3/2016	REED S. WADDELL ANALYSIS OF [REDACTED]	0.7	\$315.00

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Disallowed Fees Related to Plan Litigation

Court Category 6

Date	Description	Time	Amount
11/4/2016	CHRISTOPHER CROWELL REVIEW AND ANALYSIS OF [REDACTED] [REDACTED] [REDACTED]	0.3	\$100.50
11/4/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED] [REDACTED]	0.5	\$232.50
11/4/2016	REED S. WADDELL FURTHER ANALYSIS OF [REDACTED] [REDACTED] [REDACTED]	0.7	\$315.00
11/7/2016	CRAIG A. WELIN REVIEW OF THE RECENT CASE LAW RE [REDACTED] [REDACTED] [REDACTED]	0.6	\$279.00
11/18/2016	CHRISTOPHER CROWELL RESEARCH AND ANALYSIS RE: [REDACTED] [REDACTED] [REDACTED]	0.4	\$134.00
12/2/2016	REED S. WADDELL ANALYSIS RE [REDACTED] [REDACTED] [REDACTED]	0.6	\$270.00
12/9/2016	REED S. WADDELL ANALYSIS RE [REDACTED TEXT]; MULTIPLE CALLS WITH RATHBONE RE WIRE TRANSFER ISSUES; TELEPHONE DUTY RE EXPECTED TIMING OF DISCLOSURE STATEMENT AND PROPOSED PLAN.	0.9	\$405.00
12/9/2016	REED S. WADDELL MULTIPLE CALLS WITH RATHBONE RE PROPER NOTICE FOR DISCLOSURE STATEMENT GIVEN COURT'S 1/4/17 HEARING DATE.	0.3	\$135.00
12/9/2016	REED S. WADDELL REVIEW AND ANALYZE [REDACTED] [REDACTED] [REDACTED]	1.2	\$540.00

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Disallowed Fees Related to Plan Litigation

Court Category 6

Date	Description	Time	Amount
12/12/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	0.6	\$279.00
12/12/2016	CRAIG A. WELIN REVIEW OF MEMOS RE THE DEBTOR'S DISCLOSURE STATEMENT.	0.1	\$46.50
12/12/2016	CRAIG A. WELIN REVIEW OF THE NOTICE RE THE DISCLOSURE STATEMENT HEARING.	0.1	\$46.50
12/12/2016	REED S. WADDELL ANALYSIS OF [REDACTED]	0.9	\$405.00
12/12/2016	REED S. WADDELL ANALYSIS RE [REDACTED]	0.3	\$135.00
12/13/2016	CRAIG A. WELIN REVIEW OF MEMOS RE THE FUNDS FROM THE DEBTOR.	0.1	\$46.50
12/15/2016	CRAIG A. WELIN CONFERENCE CALL WITH CLIENT RE [REDACTED]	0.4	\$186.00
12/15/2016	CRAIG A. WELIN REVIEW OF MEMO FROM CLIENT RE [REDACTED]	0.2	\$93.00
12/15/2016	REED S. WADDELL CONFERENCE CALL WITH CLIENT RE [REDACTED]	0.4	\$180.00
12/15/2016	REED S. WADDELL OUTLINE OPPOSITION TO DISCLOSURE STATEMENT AND PROPOSED PLAN; ANALYSIS OF [REDACTED TEXT] .	1.1	\$495.00
12/16/2016	CRAIG A. WELIN REVIEW OF PLEADINGS FILED IN THE BANKRUPTCY.	0.7	\$325.50
12/16/2016	CRAIG A. WELIN REVIEW OF THE PROPOSED DISCLOSURE STATEMENT AND VARIOUS EXHIBITS THERETO.	0.8	\$372.00
12/16/2016	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS RE THE BANKRUPTCY ISSUES.	0.3	\$139.50

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Disallowed Fees Related to Plan Litigation

Court Category 6

Date	Description	Time	Amount
12/19/2016	CRAIG A. WELIN REVIEW OF NOTICES FROM THE COURT.	0.1	\$46.50
12/19/2016	REED S. WADDELL ANALYSIS RE TERMS OF LOAN DOCUMENTS RE APPROPRIATE REINSTATEMENT AMOUNTS IF DEBTOR WERE TO SOMEHOW GET AUTHORITY TO "CURE" THE DEFAULTS UNDER ITS LOAN DOCUMENTS.	0.8	\$360.00
12/19/2016	REED S. WADDELL PREPARATION OF CUSTODIAN OF RECORDS DECLARATION TO SUPPORT DISCLOSURE STATEMENT OBJECTION.	0.8	\$360.00
12/20/2016	REED S. WADDELL ANALYSIS OF DEFECTS IN DEBTOR'S DISCLOSURE STATEMENT AND PROPOSED PLAN.	0.9	\$405.00
12/20/2016	REED S. WADDELL MULTIPLE CALLS AND EMAILS RE COURT'S DECISION TO ADD A BRIEFING SCHEDULE FOR THE DISCLOSURE STATEMENT HEARING ON JAN. 4, 2017.	0.4	\$180.00
12/21/2016	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS RE DISCLOSURE STATEMENT ISSUES.	0.4	\$186.00
12/21/2016	REED S. WADDELL PREPARATION OF OPPOSITION TO DISCLOSURE STATEMENT.	2.2	\$990.00
12/23/2016	CRAIG A. WELIN REVIEW OF MEMOS RE VARIOUS BANKRUPTCY ISSUES.	0.6	\$279.00
12/23/2016	REED S. WADDELL. ANALYSIS OF DEBTOR'S DISCLOSURE STATEMENT, PROPOSED PLAN AND SUPPORTING DECLARATION; PREPARE OPPOSITION TO SAME.	2.1	\$945.00
12/23/2016	REED S. WADDELL DRAFT AND REVISE DECLARATION OF BORNHEIMER FOR DISCLOSURE STATEMENT OBJECTION.	1.4	\$630.00
12/26/2016	REED S. WADDELL WORK ON DISCLOSURE STATEMENT OBJECTION AND RELATED SUPPORTING PLEADINGS.	2.2	\$990.00
12/27/2016	REED S. WADDELL DRAFT AND REVISE DECLARATION OF BORNHEIMER RE DISCLOSURE STATEMENT OBJECTION; COMPILE EXHIBITS RE SAME.	1.1	\$495.00

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Disallowed Fees Related to Plan Litigation

Court Category 6

Date	Description	Time	Amount
12/27/2016	REED S. WADDELL DRAFT AND REVISE OBJECTION TO DISCLOSURE STATEMENT.	5.8	\$2,610.00
12/28/2016	CRAIG A. WELIN REVIEW OF/ANALYSIS OF THE DRAFT DISCLOSURE STATEMENT OBJECTIONS.	0.5	\$232.50
12/28/2016	REED S. WADDELL MULTIPLE REVISIONS TO DECLARATION OF BORNHEIMER RE DISCLOSURE STATEMENT OBJECTION; FINALIZE AND FILE SAME.	1.1	\$495.00
12/28/2016	REED S. WADDELL MULTIPLE REVISIONS TO DISCLOSURE STATEMENT OBJECTION; FINALIZE AND FILE SAME.	1.9	\$855.00
1/3/2017	HAL D. GOLDFLAM E-MAIL TO DEFENDANT'S COUNSEL RE CONDUCTING REQUIRED MEETING OF COUNSEL RE UPCOMING CASE MANAGEMENT CONFERENCE	0.1	\$43.50
1/3/2017	REED S. WADDELL ANALYSIS RE DEFAULT LETTER SENT TO DEBTOR AND CONTRAST IT WITH ALLEGATIONS ASSERTED RE DEFAULTS IN PROPOSED DISCLOSURE STATEMENT.	0.4	\$186.00
1/3/2017	REED S. WADDELL PREPARATION FOR DISCLOSURE STATEMENT HEARING; ANALYSIS RE [REDACTED TEXT]	1.6	\$744.00
1/4/2017	CRAIG A. WELIN REVIEW OF VARIOUS MEMOS RE DISCLOSURE STATEMENT ISSUES. REVIEW OF THE RESULTS OF THE VARIOUS HEARINGS. ANALYSIS RE [REDACTED TEXT]	1.7	\$841.50
1/4/2017	REED S. WADDELL PREPARE FOR SHERATON RFS AND DEBTOR'S DISCLOSURE STATEMENT HEARINGS.	1.2	\$558.00
1/5/2017	CRAIG A. WELIN ANALYSIS RE [REDACTED TEXT]. REVIEW OF/RESPONSE TO MULTIPLE MEMOS RE CONFIRMATION ISSUES.	1.3	\$643.50
1/5/2017	REED S. WADDELL ANALYSIS RE RESULTS OF HEARINGS, JUDGE'S VERY TIGHT TIMETABLE FOR CONFIRMATION HEARING, EVIDENCE AND EXPERT TESTIMONY NEEDED TO PREVAIL AT TRIAL, AND POTENTIAL DISCOVERY NEEDED TO DEFEND INTEREST RATE CHALLENGE; PREPARATION OF REPORT MEMO TO CLIENT RE SAME.	2.1	\$976.50

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Disallowed Fees Related to Plan Litigation

Court Category 6

Date	Description	Time	Amount
1/6/2017	CRAIG A. WELIN ANALYSIS RE POSSIBLE EXPERT WITNESSES.	0.4	\$198.00
1/6/2017	CRAIG A. WELIN MULTIPLE TELEPHONE CALLS WITH POSSIBLE EXPERT WITNESSES RE VARIOUS ISSUES. ANALYSIS RE ISSUES FOR THE CONFIRMATION HEARING, INCLUDING EVIDENTIARY ISSUES.. ANALYSIS RE CASE LAW RE DEFAULT INTEREST ISSUES.	2.7	\$1,336.50
1/6/2017	REED S. WADDELL ANALYSIS OF AND PREPARATION OF OUTLINE RE ISSUES REGARDING ADMISSIBILITY OF EVIDENCE WHICH SUPPORT LENDER'S CLAIM TO EACH ITEM OF CLAIM THAT WILL NEED TO BE PROVED/ESTABLISHED AS DUE IN UPCOMING CONFIRMATION TRIAL. PREPARE LIST OF DOCUMENTS REQUIRING AUTHENTICATION AND ADMISSION AS EXHIBITS; ANALYSIS OF LOAN AGREEMENT RE LIST OF DEFINED TERMS THAT WILL HAVE TO BE JUSTIFIED/ADMITTED BEFORE THE COURT AT TRIAL..	2.2	\$1,023.00
1/6/2017	REED S. WADDELL RESEARCH AND ANALYSIS RE DEBTOR'S CLAIM THAT DEFAULT INTEREST AND LATE CHARGE PROVISIONS IN LOAN DOCUMENTS VIOLATE CALIFORNIA LAW.	1.4	\$651.00
1/8/2017	REED S. WADDELL ANALYSIS RE DRAFT REDLINE OF DISCLOSURE STATEMENT PROVIDED BY DEBTOR FOR COMMENT BEFORE PROPOSED AMENDED DISCLOSURE STATEMENT IS ACTUALLY FILED ON 1/10; OUTLINE ISSUES RAISED BY CHANGES.	1.4	\$651.00
1/9/2017	CRAIG A. WELIN ANALYSIS RE VARIOUS CONFIRMATION ISSUES.. CONFERENCE CALL WITH CLIENT RE CONFIRMATION ISSUES/STRATEGY.	0.9	\$445.50

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Date	Description	Time	Amount
1/9/2017	REED S. WADDELL ANALYSIS OF DRAFT REDLINE PROPOSED AMENDED DISCLOSURE STATEMENT AND PREPARE BULLET POINT LIST OF OBJECTIONS RE SAME FOR SUBMISSION VIA EMAIL TO DEBTOR'S COUNSEL DETAILING PRELIMINARY "SUBSTANTIVE" OBJECTIONS TO DRAFT REDLINE PROPOSED DISCLOSURE STATEMENT CIRCULATED IN ADVANCE OF TOMORROW'S DEADLINE FOR FILING "ACTUAL" REDLINE WITH THE COURT BY DEBTOR.	1.8	\$837.00
1/9/2017	REED S. WADDELL ANALYSIS OF LOAN DOCUMENTS RE [REDACTED TEXT].	1.6	\$744.00
1/9/2017	REED S. WADDELL ANALYSIS RE DRAFT REDLINE AMENDED DISCLOSURE STATEMENT CIRCULATED BY DEBTOR PRIOR TO FILING "REAL" REDLINE AMENDED DISCLOSURE STATEMENT, INCLUDING INCREASE OF LENDER'S "CURE" AMOUNT FROM \$200K TO \$700K.	1.4	\$651.00
1/9/2017	REED S. WADDELL ANALYSIS RE OBJECTIONS AVAILABLE TO LENDER BASED ON DEBTOR'S INSISTENCE ON CLASSIFYING LENDER AS AN "UNIMPAIRED" CREDITOR IN PLAN AND DISCLOSURE STATEMENT.	0.9	\$418.50
1/9/2017	REED S. WADDELL MULTIPLE CALLS AND EMAILS RE POSSIBLE RETENTION OF DEFAULT RATE EXPERT.	0.4	\$186.00
1/10/2017	REED S. WADDELL ANALYSIS OF REDLINES OF PROPOSED FURTHER AMENDED PLAN AND PROPOSED AMENDED DISCLOSURE STATEMENTS FILED BY DEBTOR.	1.2	\$558.00
1/10/2017	REED S. WADDELL ANALYSIS RE [REDACTED TEXT]. REVIEW CASE AUTHORITY CITED BY DEBTOR RE [REDACTED TEXT]	2.2	\$1,023.00
1/10/2017	REED S. WADDELL DETAILED ANALYSIS OF LOAN DOCUMENTS RE PREPARATION OF LENDER'S DEFENSE TO CLAIMS THAT LATE CHARGE AND DEFAULT INTEREST PROVISIONS OF THE LOAN DOCUMENTS VIOLATE CALIFORNIA LAW RE LIQUIDATED DAMAGES.	1.2	\$558.00

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Court Category 6

Date	Description	Time	Amount
1/10/2017	REED S. WADDELL MULTIPLE COMMUNICATIONS WITH CLIENT RE AMENDED PIP, SHERATON'S POSITION ON CONFIRMATION, STATUS OF DISCLOSURE STATEMENT, RETENTION OF EXPERT WITNESS ON INTEREST RATES, AND RELATED ITEMS	0.3	\$139.50
1/10/2017	REED S. WADDELL MULTIPLE COMMUNICATIONS WITH ZELLE RE AMENDED PIP, SHERATON'S POSITION ON CONFIRMATION, STATUS OF DISCLOSURE STATEMENT, RETENTION OF EXPERT WITNESS ON INTEREST RATES, AND RELATED ITEMS.	0.6	\$279.00
1/11/2017	REED S. WADDELL ANALYSIS OF PROPOSED AMENDED DISCLOSURE STATEMENT AND PREPARE OPPOSITION TO SAME.	1.2	\$558.00
1/11/2017	REED S. WADDELL ANALYSIS RE DEBTOR'S CLAIM THAT DEFAULT INTEREST PROVISIONS OF LOAN AGREEMENT ARE UNENFORCEABLE UNDER CA LAW; REVIEW LOAN DOCUMENTS AND OPINION LETTER RE PREPARATION OF LENDER'S DEFENSE TO SUCH CLAIMS.	2.2	\$1,023.00
1/11/2017	REED S. WADDELL ANALYSIS RE RIGHTS OF "UNIMPAIRED" SECURED CREDITOR IN A CHAPTER 11 PLAN CONTEXT; ANALYSIS RE PROPOSED AMENDED PLAN AND VALIDITY OF.	1.8	\$837.00
1/11/2017	REED S. WADDELL ANALYSIS RE TRIAL PREPARATIONS AS TO THE ENFORCEABILITY OF THE DEFAULT INTEREST PROVISION AND THE SERVICING PROVISIONS	0.8	\$372.00
1/12/2017	CRAIG A. WELIN ANALYSIS RE [REDACTED TEXT]. REVIEW OF/RESPONSE TO MEMOS RE CONFIRMATION ISSUES. ANALYSIS RE [REDACTED TEXT] REVIEW OF THE REVISED DISCLOSURE STATEMENT. ANALYSIS RE [REDACTED TEXT] CONFERENCE CALL WITH CLIENT.	3.3	\$1,633.50
1/12/2017	REED S. WADDELL ANALYSIS RE [REDACTED TEXT]. ANALYSIS RE [REDACTED TEXT]. PREPARE OBJECTIONS TO THE PROPOSED AMENDED DISCLOSURE STATEMENT.	2.4	\$1,116.00

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Date	Description	Time	Amount
1/12/2017	REED S. WADDELL ANALYSIS RE CONFIRMATION STRATEGY ISSUES. ANALYSIS RE CONFIRMATION EVIDENTIARY ISSUES.	0.9	\$418.50
1/12/2017	REED S. WADDELL ANALYSIS RE POST—PETITION FINANCING AGREEMENTS FROM INSIDERS RE DEFAULT INTEREST RATE, LATE CHARGES AND RELATED ISSUES, AND	0.9	\$418.50
1/12/2017	REED S. WADDELL DRAFT LENGTHY MEET & CONFER EMAIL TO RATHBONE RE AMENDED DISCLOSURE STATEMENT.	1.7	\$790.50
1/12/2017	REED S. WADDELL MULTIPLE COMMUNICATIONS WITH ZELLE RE [REDACTED TEXT]	0.2	\$93.00
1/12/2017	REED S. WADDELL TELEPHONE SHERATON'S COUNSEL CONFIRMING WITHDRAWAL OF OBJECTION TO DISCLOSURE STATEMENT AND PLAN.	0.2	\$93.00
1/13/2017	CRAIG A. WELIN ANALYSIS RE EVIDENTIARY ISSUES. REVIEW OF/RESPONSE TO VARIOUS MEMOS RE EVIDENTIARY ISSUES. ANALYSIS RE RATHBONE CLAIMS. PREPARATION OF INSTRUCTIONS RE CONFIRMATION HEARING EVIDENCE.	1.7	\$841.50
1/13/2017	CRAIG A. WELIN CONFERENCE CALL WITH ZELLE RE [REDACTED TEXT]	0.3	\$148.50
1/13/2017	REED S. WADDELL ANALYSIS AND RESEARCH RE ADMISSIBILITY OF OPINION LETTER TO REFUTE DEBTOR'S CLAIMS RE INVALIDITY OF DEFAULT INTEREST AND LATE CHARGE PROVISIONS OF LOAN DOCUMENTS; ANALYSIS RE POSSIBLE CONTRACTUAL AND/OR EQUITABLE ESTOPPEL ARGUMENTS BASED ON OPINION LETTER THAT WOULD PREVENT	0.9	\$418.50
1/13/2017	REED S. WADDELL EMAIL TO RATHBONE REQUESTING STIPULATION RE ADMISSIBILITY AND AUTHENTICITY OF LOAN DOCUMENTS, INCLUDING OPINION LETTER AND CLOSING STATEMENT.	0.4	\$186.00

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Date	Description	Time	Amount
1/13/2017	REED S. WADDELL LENGTHY "MEET AND CONFER" TELEPHONE CALL WITH RATHBONE RE PROPOSED FIRST AMENDED DISCLOSURE STATEMENT	0.7	\$325.50
1/13/2017	REED S. WADDELL PREPARE AND FILE SUPPLEMENT TO OPPOSITION TO DISCLOSURE STATEMENT	1.3	\$604.50
1/13/2017	REED S. WADDELL WORK ON FINALIZING OPPOSITION TO FIRST AMENDED PROPOSED DISCLOSURE STATEMENT.	1.8	\$837.00
1/15/2017	CRAIG A. WELIN PREPARATION OF MEMO TO CLIENT RE [REDACTED TEXT] TELEPHONE CALL FROM CLIENT. PREPARATION OF MEMO TO ATTORNEY RATHBONE.	0.7	\$346.50
1/16/2017	CRAIG A. WELIN ANALYSIS RE .CONFIRMATION ISSUES/STRATEGY.	0.9	\$445.50
1/16/2017	CRAIG A. WELIN CONFERENCE CALL WITH ATTORNEY RATHBONE RE SETTLEMENT ISSUES. REVIEW OF/RESPONSE TO MEMO RE DISCOVERY ISSUES.	0.5	\$247.50
1/16/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS FROM ZELLE RE [REDACTED TEXT].	0.2	\$99.00
1/16/2017	REED S. WADDELL ANALYSIS RE TAILORING ZELLE'S QUALIFICATIONS AS EXPERT RE PARTICULAR NEEDS OF THIS CASE	0.3	\$139.50
1/16/2017	REED S. WADDELL PREPARE FOR HEARING ADDRESSING PROBLEMS WITH DISCLOSURE STATEMENT; REVIEW AND ANALYZE [REDACTED TEXT]	1.3	\$604.50
1/17/2017	CRAIG A. WELIN REVIEW OF/ANALYSIS OF THE RESULTS OF THE HEARING ON VARIOUS ISSUES. TELEPHONE CALL FROM ZELLE RE [REDACTED TEXT]	0.6	\$297.00
1/17/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS RE CONFIRMATION ISSUES. ANALYSIS RE [REDACTED TEXT]	0.9	\$445.50
1/17/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MULTIPLE MEMOS FROM CLIENT RE CONFIRMATION ISSUES.	0.5	\$247.50

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Date	Description	Time	Amount
1/17/2017	CRAIG A. WELIN TELEPHONE CALL FROM KOLESSAR RE CONFIRMATION HEARING DATES.	0.2	\$99.00
1/17/2017	MICHAEL G. FLETCHER ANALYSIS RE THE IMPAIRMENT ARGUMENTS ABOUT THE DISCLOSURE STATEMENT AND HOW THE OPINION LETTER FACTORS INTO THAT ARGUMENT	0.6	\$303.00
1/17/2017	REED S. WADDELL PREPARE FOR HEARING ON SUFFICIENCY OF DISCLOSURE STATEMENT AND RE LENDER'S OBJECTIONS WE RAISED TO SAME.	1.4	\$651.00
1/17/2017	REED S. WADDELL TRAVEL TO SAN DIEGO AND APPEAR AT HEARINGS IN BANKRUPTCY COURT ON DEBTOR'S DISCLOSURE STATEMENT AND LENDER'S OBJECTIONS TO SAME.	3.8	\$1,767.00
1/18/2017	CRAIG A. WELIN ANALYSIS RE EVIDENTIARY ISSUES FOR THE CONFIRMATION HEARING, INCLUDING EXPERT TESTIMONY AND CROSS—EXAMINATION.	1.3	\$643.50
1/18/2017	CRAIG A. WELIN REVIEW OF THE COURT'S AMENDED MINUTE ORDER.	0.1	\$49.50
1/18/2017	REED S. WADDELL ANALYSIS RE COURT'S MINUTE ORDER AND AMENDED MINUTE ORDER RE YESTERDAY'S CONTINUED HEARINGS	0.4	\$186.00
1/18/2017	REED S. WADDELL ANALYSIS RE RESULTS OF YESTERDAY'S HEARINGS; PREPARATION OF OUTLINE OF TASKS TO BE COMPLETED RE FURTHER HEARINGS AND CONFIRMATION TRIAL, INCLUDING CONFIRMING ADMISSIBILITY OF LOAN DOCUMENTS, OBTAINING TESTIMONY OF DEBTOR'S LAWYER WHO ISSUED OPINION LETTER, PREPARATION OF BRIEF RE DEFAULT INTEREST AND LATE CHARGES, PREPARATION OF TESTIMONY OF INTEREST RATE EXPERT, PREPARATION OF "PROVE UP" OF ALL ITEMS LENDER INTENDS TO CLAIM AS DUE UNDER THE LOAN DOCUMENTS IN CONNECTION WITH DEBTOR'S EFFORTS TO REINSTATE THE LOAN VIA THE PROPOSED SECOND AMENDED CHAPTER 11 PLAN.	4.5	\$2,092.50

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Date	Description	Time	Amount
1/18/2017	REED S. WADDELL MULTIPLE COMMUNICATIONS WITH EXPERT RE [REDACTED TEXT].	0.3	\$139.50
1/18/2017	RONNIE AUCEDA CONTACTED APTUS COURT REPORTERS TO INQUIRE ABOUT SCHEDULING FOR A SAN DIEGO DEPOSITION RE: JANET HEINZ.	0.1	\$19.50
1/18/2017	RONNIE AUCEDA PREPARED TWO DEPOSITION SUBPOENAS, NOTICES AND DOCUMENT REQUESTS RE: HEINZ & FARBER	1.4	\$273.00
1/18/2017	RONNIE AUCEDA REVIEWED E-MAIL FROM APTUS COURT REPORTERS RE: POTENTIAL SAN DIEGO DEPOSITION FOR JANET HEINZ.	0.1	\$19.50
1/19/2017	CRAIG A. WELIN TELEPHONE CALL TO APPRAISER MELLEN. REVIEW/RESPONSE TO MEMOS RE CONFIRMATION PROCESS.	0.3	\$148.50
1/19/2017	REED S. WADDELL ANALYSIS OF ZELL, SERVICE OF DISCLOSURE STATEMENT, AUTHENTICATING LOAN DOCUMENTS, SUBPOENAING HEINZ RE OPINION LETTER, EVIDENCE NEEDED TO PREVAIL AT CONFIRMATION.	0.4	\$186.00
1/19/2017	REED S. WADDELL ANALYSIS OF [REDACTED TEXT]; TELEPHONE ZELL RE [REDACTED TEXT]	0.8	\$372.00
1/19/2017	REED S. WADDELL ANALYSIS OF CASES CITING SECTION 1671 IN THE CONTEXT OF LENDING AGREEMENTS AND ITS USAGE OF THE TERM "REASONABLENESS" AS THE STANDARD FOR CHALLENGING A LIQUIDATED DAMAGE PROVISION IN A LOAN DOCUMENT AS OF THE TIME THE LOAN WAS MADE.	1.6	\$744.00
1/19/2017	REED S. WADDELL ANALYSIS OF LOAN AGREEMENT AND RELATED DOCUMENTS MAPPING OUT TESTIMONY NEEDED TO COVER EACH CATEGORY OF CLAIM FOR WHICH SECURED CREDITOR IS REQUESTING PAYMENT AT CONFIRMATION	0.9	\$418.50
1/19/2017	REED S. WADDELL ANALYSIS RE FURTHER MODIFIED PLAN AND DISCLOSURE STATEMENT REFLECTING DEBTOR'S "SETTLEMENT" WITH SHERATON.	0.9	\$418.50

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Date	Description	Time	Amount
1/19/2017	REED S. WADDELL ANALYSIS RE RESULTS OF YESTERDAY'S HEARINGS AND ITS IMPACT ON BRIEFING TIMELINES, EVIDENCE TO BE GATHERED AND BRIEFING TO BE COMPLETED.	0.8	\$372.00
1/19/2017	REED S. WADDELL EMAILS WITH RATHBONE RE IMPACT OF JUDGE TAYLOR'S ORDER ON BRIEFING AND SERVICE OF CONFIRMATION.	0.2	\$93.00
1/19/2017	REED S. WADDELL MULTIPLE LENGTHY CALLS WITH ZELL RE [REDACTED TEXT]	0.6	\$279.00
1/19/2017	REED S. WADDELL STATUS MEMO RE ZELL, SERVICE OF DISCLOSURE STATEMENT, AUTHENTICATING LOAN DOCUMENTS, SUBPOENAING HEINZ RE OPINION LETTER, EVIDENCE NEEDED TO PREVAIL AT CONFIRMATION	0.4	\$186.00
1/19/2017	REED S. WADDELL WORK ON BRIEF OBJECTING TO CONFIRMATION OF CHAPTER 11 PLAN.	2.2	\$1,023.00
1/20/2017	CRAIG A. WELIN ANALYSIS RE CONFIRMATION ISSUES.	0.4	\$198.00
1/20/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS FROM ZELLE RE [REDACTED TEXT]. ANALYSIS RE [REDACTED TEXT]	1.3	\$643.50
1/20/2017	REED S. WADDELL ANALYSIS IMPACT OF HAVING SECURED CREDITOR VOTE "NO" ON-PLAN DESPITE CLASSIFICATION SCHEME OF PERFORMANCE" WITHOUT CONSIDERING DEFAULT INTEREST AS A LIQUIDATED DAMAGE PROVISION REQUIRING A SECTION 1671 REASONABLENESS REVIEW. OSTENSIBLY LEAVING SECURED CREDITOR LABELED AS "UNIMPAIRED." 	0.6	\$279.00
1/20/2017	REED S. WADDELL ANALYSIS RE [REDACTED TEXT] EMAIL TO DEBTOR'S COUNSEL IN RESPONSE TO SAME.	0.9	\$418.50
1/20/2017	REED S. WADDELL ANALYSIS RE APPRAISAL OBTAINED BY BARCLAY'S AT TIME LOAN WAS MADE; ANALYSIS RE ITS STRATEGIC USAGE IN CONNECTION WITH ZELL TESTIMONY AND AT CONFIRMATION.	0.7	\$325.50

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Date	Description	Time	Amount
1/20/2017	REED S. WADDELL ANALYSIS RE COURT'S ORDER ENTERED AT 9:00 A.M. APPROVING SERVICE OF DISCLOSURE STATEMENT BY CLOSE OF BUSINESS YESTERDAY (?).	0.4	\$186.00
1/20/2017	REED S. WADDELL ANALYSIS RE HISTORICAL CASE AUTHORITY PERMITTING DEFAULT INTEREST AS AN "ALTERNATIVE FORM OF PERFORMANCE" WITHOUT CONSIDERING DEFAULT INTEREST AS A LIQUIDATED DAMAGE PROVISION REQUIRING A SECTION 1671 REASONABLENESS REVIEW.	1.2	\$558.00
1/20/2017	REED S. WADDELL CONFERENCE CALL WITH ZELL RE [REDACTED TEXT]	0.8	\$372.00
1/20/2017	REED S. WADDELL DRAFT STAND-ALONE OBJECTION TO SERVICE OF DISCLOSURE STATEMENT.	1.2	\$558.00
1/20/2017	REED S. WADDELL EMAIL DEBTOR'S COUNSEL RE INEFFECTIVENESS OF SERVICE OF DISCLOSURE STATEMENT DUE TO IT BEING PROPERLY SERVED BEFORE THE ORDER APPROVING THE SOLICITATION PACKAGE WAS ENTERED; ANALYSIS OF [REDACTED TEXT].	0.7	\$325.50
1/20/2017	REED S. WADDELL EMAIL RATHBONE RE NO ORDER APPROVING DISCLOSURE STATEMENT ON DOCKET BY 7:30 A.M., AND REQUESTING STIPULATION POSTPONING BRIEFING SCHEDULE UNTIL WELL AFTER 1/26 SCHEDULING CONFERENCE.	0.8	\$372.00
1/20/2017	REED S. WADDELL EMAIL TO DEBTOR'S COUNSEL REQUESTING CONFIRMATION THAT DISC. STATEMENT APPROVED BY THE COURT WAS THE VERSION ACTUALLY SERVED ON CREDITORS; ANALYSIS RE [REDACTED TEXT].	0.5	\$232.50
1/20/2017	REED S. WADDELL EMAIL TO RATHBONE RE STIPULATING TO ADMISSIBILITY OF LOAN DOCUMENTS, OPINION LETTER AND CLOSING STATEMENT.	0.4	\$186.00
1/20/2017	REED S. WADDELL WORK ON CONFIRMATION OBJECTION BRIEF.	2.7	\$1,255.50
1/21/2017	CRAIG A. WELIN REVIEW OF THE AMENDED PLAN AND DISCLOSURE STATEMENT. ANALYSIS RE [REDACTED TEXT]	0.9	\$445.50

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Date	Description	Time	Amount
1/21/2017	REED S. WADDELL WORK ON BRIEF OPPOSING CONFIRMATION; ANALYSIS OF [REDACTED TEXT]	3.2	\$1,488.00
1/22/2017	CRAIG A. WELIN REVIEW OF/ANALYSIS OF LOAN DOCUMENTATION RE [REDACTED TEXT]. REVIEW OF THE MONTHLY PAYMENT STATEMENTS TO THE BORROWER. ANALYSIS RE [REDACTED TEXT]	1.4	\$693.00
1/23/2017	CRAIG A. WELIN ANALYSIS RE CONFIRMATION ISSUES/STRATEGY/EVIDENTARY ISSUES.	0.9	\$445.50
1/23/2017	CRAIG A. WELIN PREPARATION OF MEMO TO CLIENT RE [REDACTED TEXT] CONFERENCE CALL WITH CLIENT RE [REDACTED TEXT]. TELEPHONE CALL FROM ZELLE. TELEPHONE CALL FROM [REDACTED TEXT]	1	\$495.00
1/23/2017	REED S. WADDELL ANALYSIS RE [REDACTED TEXT]; REVISE BORNHEIMER DECLARATION; ANALYSIS OF [REDACTED TEXT]	0.9	\$418.50
1/23/2017	REED S. WADDELL ANALYSIS RE USE OF OPINION LETTER AS A PARTY ADMISSION RE REASONABLENESS OF DEFAULT INTEREST RATE PROVISION, AND RE ITS USE TO SUPPORT A CLAIM OF CONTRACTUAL OR EQUITABLE ESTOPPEL AGAINST THE DEBTOR.	0.8	\$372.00
1/23/2017	REED S. WADDELL EMAIL TO DEBTOR'S COUNSEL RE STIPULATION RE ADMISSIBILITY AND AUTHENTICITY OF LOAN DOCUMENTS, OPINION LETTER AND RELATED DOCUMENTS; TELEPHONE DEBTOR'S COUNSEL RE SAME.	0.4	\$186.00
1/23/2017	REED S. WADDELL MULTIPLE CALLS AND EMAILS WITH SHERATON'S COUNSEL RE STATUS OF THEIR NEGOTIATIONS WITH THE DEBTOR AND RE SHERATON'S "CONFUSION" AS TO WHAT THE COURT ACTUALLY ORDERED YESTERDAY REGARDING TUESDAY'S BRIEFING DEADLINE.	0.5	\$232.50
1/23/2017	REED S. WADDELL MULTIPLE CALLS AND EMAILS WITH ZELLE RE [REDACTED TEXT].	0.6	\$279.00

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Date	Description	Time	Amount
1/23/2017	REED S. WADDELL PREPARE AND REVISE SUBPOENA AND NOTICE PAPERWORK FOR JEAN HEINZ DEPOSITION, JEAN HEINZ APPEARANCE AT TRIAL AND CUSTODIAN OF RECORDS FOR HEINZ & FEINBERG DEPOSITION.	0.7	\$325.50
1/23/2017	REED S. WADDELL PREPARE BRIEF RE OPPOSITION TO CONFIRMATION.	1.4	\$651.00
1/23/2017	REED S. WADDELL REVIEW AND ANALYZE BARCLAY'S 2013 APPRAISAL RE POSSIBLE USE IN EXPERT DECLARATION.	0.8	\$372.00
1/23/2017	REED S. WADDELL TELEPHONE CALL WITH B. SCHORTT AT HUNTON & WILLIAMS RE AVAILABILITY OF H&W'S FILES ON ORIGINATION OF OUR LOAN.	0.3	\$139.50
1/23/2017	REED S. WADDELL TELEPHONE MS. HEINZ RE SERVICE OF SUBPOENA'S AND DETAILS OF CASE.	0.3	\$139.50
1/23/2017	RONNIE AUCEDA E-FILED WITH THE U.S. BANKRUPTCY COURT: NOTICES OF DEPOSITION.	0.5	\$97.50
1/23/2017	RONNIE AUCEDA PREPARED REVISED DEPOSITION SUBPOENA AND NOTICE RE: HEINZ & FEINBERG.	0.4	\$78.00
1/23/2017	RONNIE AUCEDA PREPARED REVISED DEPOSITION SUBPOENA AND NOTICE RE: JEAN M. HEINZ.	0.4	\$78.00
1/23/2017	RONNIE AUCEDA PREPARED SERVICE INSTRUCTIONS AND SENT OUT THREE SUBPOENAS FOR PERSONAL SERVICE RE: JEAN M. HEINZ.	0.6	\$117.00
1/23/2017	RONNIE AUCEDA PREPARED TRIAL SUBPOENA RE: JEAN M. HEINZ.	0.3	\$58.50
1/23/2017	RONNIE AUCEDA REQUESTED COURT REPORTER FOR LIVE DEPOSITIONS OF JEAN HEINZ AND CUSTODIAN OF RECORDS OF HEINZ & FEINBERGER.	0.2	\$39.00
1/23/2017	RONNIE AUCEDA REVIEWED CONFIRMATION FROM COURT REPORTER RE: 2/2/17 DEPOSITIONS.	0.1	\$19.50
1/23/2017	RONNIE AUCEDA SERVED VIA MAIL: NOTICES OF DEPOSITION.	0.3	\$58.50
1/24/2017	CRAIG A. WELIN ANALYSIS RE CONFIRMATION ISSUES/STRATEGY]. CONFERENCE CALL WITH CLIENT.	2.1	\$1,039.50

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Date	Description	Time	Amount
1/24/2017	CRAIG A. WELIN MEETING WITH ZELLE RE [REDACTED TEXT] REVIEW OF STATUS OF [REDACTED TEXT]	0.8	\$396.00
1/24/2017	CRAIG A. WELIN PREPARATION OF THE INITIAL DRAFT OF THE CLIENT DECLARATION IN SUPPORT OF THE OBJECTION TO THE PLAN.	1.6	\$792.00
1/24/2017	MICHAEL J. GOMEZ PREPARE WITH EXPERT FOR EXPERT TESTIMONY TO SUBMIT BY DECLARATION.	2.7	\$1,107.00
1/24/2017	REED S. WADDELL ANALYSIS RE CLAIM TO WORKOUT FEE UNDER THE LOAN DOCUMENTS	0.2	\$93.00
1/24/2017	REED S. WADDELL ANALYSIS RE PROPER METHOD FOR CALCULATING REINSTATEMENT AMOUNT REGARDING FF&E RESERVE ACCOUNT AND REASONS FOR CONFLICTING PROVISIONS IN DIFFERENT VERSIONS OF THE LOAN AGREEMENT.	0.9	\$418.50
1/24/2017	REED S. WADDELL EMAIL TO DEBTOR'S COUNSEL REQUESTING SOLICITATION PACKAGE AND NOTIFYING THEM OF NOTICE AND SERVICE DEFECTS THAT WILL BE THE SUBJECT OF THURSDAY'S HEARINGS; REVIEW AN ANALYSIS OF [REDACTED TEXT];	0.5	\$232.50
1/24/2017	REED S. WADDELL MULTIPLE CALLS WITH HUNTON & WILLIAMS RE LOCATION AND CONTENT OF LOAN FILES AND BARCLAY'S LOAN OFFICER WHO WORKED ON AND PUT TOGETHER OUR LOAN ORIGATION FILES.	0.3	\$139.50
1/24/2017	REED S. WADDELL MULTIPLE IN-OFFICE MEETINGS WITH MR. ZELLE RE [REDACTED TEXT].	1.6	\$744.00
1/24/2017	REED S. WADDELL TELEPHONE CALLS WITH HUNTON & WILLIAMS LAWYERS RE TIMETABLE FOR LOCATING LOAN FILES.	0.2	\$93.00
1/24/2017	REED S. WADDELL WORK ON OPPOSITION BRIEF RE CONFIRMATION.	2.1	\$976.50
1/25/2017	CRAIG A. WELIN REDACTION OF INVOICES FOR THE WELIN DECLARATION.	1.6	\$792.00
1/25/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS RE THE CONFIRMATION HEARING.	0.1	\$49.50

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Disallowed Fees Related to Plan Litigation

Court Category 6

Date	Description	Time	Amount
1/25/2017	MICHAEL J. GOMEZ CONTINUE PREPARING DECLARATION OF RICHARD ZELLE.	3.8	\$1,558.00
1/25/2017	REED S. WADDELL ANALYSIS RE [REDACTED TEXT]; EMAIL MR. BORNHEIMER RE SAME.	0.4	\$186.00
1/25/2017	REED S. WADDELL ANALYSIS RE EVIDENTIARY AND DOCUMENTARY BACK—UP FOR REINSTATEMENT CALCULATIONS TO BE PROVEN UP IN OBJECTION TO CONFIRMATION BRIEF AND DECLARATIONS;	0.9	\$418.50
1/25/2017	REED S. WADDELL LEGAL ANALYSIS RE [REDACTED TEXT].	1.2	\$558.00
1/25/2017	REED S. WADDELL MULTIPLE CONFERENCES THROUGHOUT THE DAY WITH MR. ZELLE RE [REDACTED TEXT]; REVIEW AND REVISE DRAFT STATEMENT OF QUALIFICATIONS AND TESTIMONY.	1.2	\$558.00
1/25/2017	REED S. WADDELL PREPARE FOR TOMORROW'S HEARINGS RE DISCLOSURE STATEMENT, SHERATON RFS MOTION AND CONFIRMATION SCHEDULING.	1.1	\$511.50
1/26/2017	CRAIG A. WELIN ANALYSIS RE [REDACTED TEXT]. REVIEW/ANALYSIS OF THE RESULTS OF THE HEARINGS.	1.7	\$841.50
1/26/2017	CRAIG A. WELIN MULTIPLE TELEPHONE CALLS WITH CLIENT RE DOCUMENTATION ISSUES.	0.2	\$99.00
1/26/2017	CRAIG A. WELIN MULTIPLE TELEPHONE CALLS WITH CLIENT RE CONFIRMATION ISSUES.	0.8	\$396.00
1/26/2017	CRAIG A. WELIN PREPARATION OF THE INITIAL DRAFT OF THE WELIN DECLARATION.	0.5	\$247.50
1/26/2017	CRAIG A. WELIN REVIEW OF UPDATED REINSTATEMENT INFORMATION FROM THE CLIENT.	0.3	\$148.50
1/26/2017	CRAIG A. WELIN REVIEW OF/REVISIONS TO THE VARIOUS PLEADINGS OBJECTING TO CONFIRMATION OF THE PLAN.	1.8	\$891.00

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Court Category 6

Date	Description	Time	Amount
1/26/2017	REED S. WADDELL ANALYSIS RE ADMISSIBILITY OF OPINION LETTER GIVEN BY DEBTOR'S COUNSEL IN CONNECTION WITH ORIGINAL LOAN ISSUANCE AND ITS IMPACT ON "REASONABLENESS" OF DEFAULT INTEREST RATE IF IT IS	0.6	\$279.00
1/26/2017	REED S. WADDELL PREPARE FOR HEARING ON FINAL OBJECTIONS TO DISCLOSURE STATEMENT, PRE-TRIAL STATUS/SCHEDULING CONFERENCE AND SHERATON RFS MOTION.	1.4	\$651.00
1/26/2017	REED S. WADDELL TRAVEL TO AND APPEAR IN US BANKRUPTCY COURT IN SAN DIEGO FOR PRE-TRIAL SCHEDULING CONFERENCE, FINAL HEARING ON DISCLOSURE STATEMENT OBJECTIONS AND SHERATON RFS MOTION.	4.4	\$2,046.00
1/27/2017	REED S. WADDELL ANALYSIS RE DISCOVERY PLAN FOR TRIAL ON CONFIRMATION OF 8110 AERO'S PROPOSED CHAPTER 11 PLAN	0.5	\$232.50
1/27/2017	REED S. WADDELL ANALYSIS RE RESULTS OF YESTERDAY'S HEARINGS; PREPARE DISCOVERY PLAN FOR CONTINUED TRIAL.	0.3	\$139.50
1/27/2017	REED S. WADDELL ANALYSIS RE SECOND AMENDED PLAN OF REORGANIZATION FILED YESTERDAY BY THE DEBTOR FOLLOWING THE HEARING BEFORE JUDGE MANN.	0.7	\$325.50
1/27/2017	REED S. WADDELL REVIEW AND PROVIDE COMMENTS ON DEBTOR'S DRAFT ORDER & BRIEFING SCHEDULE STEMMING FROM YESTERDAY'S HEARING; REVIEW COURT'S MINUTE ORDER; EMAIL DEBTOR'S COUNSEL RE PROBLEMS WITH PROPOSED ORDER AND NEED FOR REDLINES OF DOCUMENTS TO BE FILED BASED ON JUDGE MANN'S COMMENTS.	0.9	\$418.50
1/27/2017	RONNIE AUCEDA REVIEWED AND PROCESSED RETURN OF PROOFS OF SERVICE RE: (3) SUBPOENAS FOR JEAN HEINZ.	0.3	\$58.50
1/30/2017	REED S. WADDELL ANALYSIS RE DISCOVERY NEEDED TO CONFIRM REASONABLENESS OF SECURED CREDITOR'S DEFAULT INTEREST AND LATE CHARGE PROVISIONS FOUND IN THE LOAN DOCUMENTS.	0.7	\$325.50

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Disallowed Fees Related to Plan Litigation

Court Category 6

Date	Description	Time	Amount
1/30/2017	REED S. WADDELL ANALYSIS RE NAME AND LOCATION OF BROKER WHO OBTAINED BARCLAYS ON DEBTOR'S BEHALF IN CONNECTION WITH ORIGATION OF THE LOAN AT ISSUE.	0.4	\$186.00
1/30/2017	REED S. WADDELL EMAIL TO MS. HEINZ DOCUMENTING HER AGREEMENT TO DELIVER DOCUMENTS AND TO POSTPONE HER DEPOSITION AS REQUIRED IN THE SUBPOENA'S SERVED ON HER.	0.6	\$279.00
1/30/2017	REED S. WADDELL REVISE BRIEF RE ENFORCEABILITY OF DEFAULT INTEREST.	0.9	\$418.50
1/30/2017	REED S. WADDELL TELEPHONE BARRY SCHORTT, COUNSEL FOR BARCLAY'S AT HUNTON & WILLIAMS, RE STATUS OF HUNTON'S FILES REGARDING THE NEGOTIATION OF THE LOAN WITH 8110 AFRO AND ITS COUNSEL.	0.2	\$93.00
1/30/2017	REED S. WADDELL TELEPHONE MS. HEINZ REGARDING RESCHEDULING THE DEPOSITIONS BASED ON NEW TRIAL TIMETABLE AND FOR DELIVERY OF HER FIRM'S FILES REGARDING THE DEBTOR.	0.3	\$139.50
1/31/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS RE EVIDENTIARY ISSUES. ANALYSIS RE EVIDENTIARY ISSUES.	0.5	\$247.50
1/31/2017	CRAIG A. WELIN TELEPHONE CALL FROM CLIENT RE REINSTATEMENT INFORMATION.	0.2	\$99.00
1/31/2017	MICHAEL J. GOMEZ REVISE RICHARD ZELLE DECLARATION.	1.6	\$656.00
1/31/2017	REED S. WADDELL ANALYSIS RE REVISIONS TO ORDER PREPARED BY DEBTOR'S COUNSEL.	0.2	\$93.00
1/31/2017	REED S. WADDELL ANALYZED AND REVISE DRAFT DECLARATION OF R. ZELLE FOR USE IN CONFIRMATION OBJECTION.	0.8	\$372.00
1/31/2017	REED S. WADDELL DRAFT DECLARATION OF JEAN M. HEINZ RE PRODUCTION OF DOCUMENTS; DRAFT DECLARATION OF CUSTODIAN OF RECORDS FOR HEINZ & FEINBERG RE PRODUCTION OF DOCUMENTS.	0.9	\$418.50

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Date	Description	Time	Amount
1/31/2017	REED S. WADDELL EMAIL DEBTOR'S COUNSEL RE FINANCIALS AND STAR REPORT.	0.1	\$46.50
1/31/2017	REED S. WADDELL EMAIL EXCHANGE WITH DEBTOR'S COUNSEL RE COMMENTS ON ORDER TO BE LODGED WITH COURT AND DISCOVERY SCHEDULE.	0.4	\$186.00
1/31/2017	REED S. WADDELL LETTER TO MS. HEINZ SETTING FORTH DEPOSITION PRODUCTION AND DEPOSITION AGREEMENTS	0.4	\$186.00
1/31/2017	REED S. WADDELL MULTIPLE CALLS WITH MS. HEINZ RE POSTPONEMENT OF DEPOSITIONS AND CONFIRMATION OF DOCUMENT PRODUCTION BY HER LAW FIRM.	0.3	\$139.50
1/31/2017	REED S. WADDELL REVIEW AND ANALYSIS OF DEBTOR'S FINAL REVISION TO PROPOSED SECOND AMENDED DISCLOSURE STATEMENT AND PLAN.	0.9	\$418.50
1/31/2017	RONNIE AUCEDA CONTACTED APTUS TO CANCEL COURT REPORTER FOR DEPOSITIONS OF JEAN HEINZ AND HEINZ & FEINBERG.	0.1	\$19.50
1/31/2017	RONNIE AUCEDA PREPARED TWO (2) DECLARATIONS OF CUSTODIAN OF RECORDS RE: JEAN HEINZ AND HEINZ & FEINBERG.	0.5	\$97.50
2/1/2017	REED S. WADDELL ANALYSIS RE LOAN PAY OFF AND REINSTATEMENT NUMBERS PROVIDED BY CLIENT RE THEIR BEST USE IN OPPOSING CONFIRMATION.	0.7	\$325.50
2/1/2017	REED S. WADDELL ANALYSIS RE STATUS OF INFORMATION NEEDED FROM CLIENT RE RECORDING NOD.	0.3	\$139.50
2/2/2017	CRAIG A. WELIN CONFERENCE CALL WITH CLIENT RE REINSTATEMENT ISSUES AND A POSSIBLE MEDIATION.	0.4	\$198.00
2/2/2017	CRAIG A. WELIN REVIEW OF PLEADINGS FILED IN THE BANKRUPTCY.	0.2	\$99.00

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Date	Description	Time	Amount
2/2/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS RE VARIOUS BANKRUPTCY ISSUES. ANALYSIS A POSSIBLE MEDIATION. ANALYSIS RE REINSTATEMENT INFORMATION	0.9	\$445.50
2/2/2017	CRAIG A. WELIN TELEPHONE CALL TO THE POSSIBLE APPRAISER.	0.2	\$99.00
2/2/2017	REED S. WADDELL ANALYSIS RE COURT'S NEW ORDER AMENDING DEADLINES RE CONFIRMATION HEARING AND RELATED MATTERS.	0.2	\$93.00
2/2/2017	REED S. WADDELL ANALYSIS RE COURT'S ORDER AMENDING NOTICES RE CONFIRMATION AND BRIEFING LEADING UP TO SAME.	0.2	\$93.00
2/2/2017	REED S. WADDELL ANALYSIS RE STATUS OF NOD APPLICATION REMAINING INFORMATION NEEDED TO RECORD SAME.	0.3	\$139.50
2/2/2017	SANDRA BARNETT EMAIL REGARDING YIELD MAINTENANCE PREMIUMS AND COLLECTION IN NON—JUDICIAL FORECLOSURES.	0.2	\$39.00
2/3/2017	REED S. WADDELL ANALYSIS RE WHETHER YMC IS INCLUDED IN NOD UR NOT UNDER CALIFORNIA LAW.	0.5	\$232.50
2/3/2017	REED S. WADDELL MULTIPLE CALLS WITH HEINZ RE DOCUMENTS TO BE PRODUCED VIA SUBPOENA AND AVAILABILITY TO TESTIFY AT TRIAL.	0.4	\$186.00
2/3/2017	SANDRA BARNETT EMAIL REGARDING STATUS OF NOD \$139.50 APPLICATION REMAINING INFORMATION NEEDED TO RECORD SAME.	0.2	\$39.00
2/6/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMO FROM ZELLE. PREPARATION OF MEMO TO CLIENT.	0.1	\$49.50
2/6/2017	MICHAEL J. GOMEZ REVIEW AND REVISE ZELLE DECLARATION.	0.1	\$41.00
2/6/2017	REED S. WADDELL ANALYSIS RE MEANING OF "UNIMPAIRED" IN THE CONTEXT OF SECTION 1123 AND 1124 AS IT APPLIES TO LENDER'S TREATMENT IN PROPOSED SECOND AMENDED PLAN.	0.9	\$418.50

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Date	Description	Time	Amount
2/6/2017	REED S. WADDELL DETAILED REVIEW AND ANALYSIS OF DEBTOR'S SECOND AMENDED DISCLOSURE STATEMENT SET FOR CONFIRMATION ON MARCH 30, 2017.	1.1	\$511.50
2/6/2017	REED S. WADDELL REVIEW AND ANALYZE WHETHER THERE IS ANY STRATEGIC ADVANTAGE TO SUBMITTING A BALLOT RE DEBTOR'S SECOND AMENDED PLAN NOTWITHSTANDING DESIGNATION OF LENDER AS "UNIMPATR-II" IN THE PLAN.	0.8	\$372.00
2/7/2017	CRAIG A. WELIN ANALYSIS RE REINSTATEMENT ISSUES.	0.2	\$99.00
2/7/2017	REED S. WADDELL ANALYSIS RE IMPAIRMENT ISSUES TO BE ADDRESSED IN CONFIRMATION OBJECTION.	0.7	\$325.50
2/7/2017	REED S. WADDELL DETAILED REVIEW OF SECOND AMENDED PLAN AND DISCLOSURE STATEMENT; PREPARE OUTLINE OF OPPOSITION TO SAME.	1.2	\$558.00
2/7/2017	REED S. WADDELL PREPARE OUTLINE OF TESTIMONY [REDACTED TEXT]	1.3	\$604.50
2/7/2017	REED S. WADDELL RESEARCH AND ANALYSIS RE ARGUMENTS ASSERTED BY DEBTOR RE DEFAULT INTEREST, LATE CHARGES AND OTHER DISPUTED CHARGES AS ASSERTED BY DEBTOR IN SECOND AMENDED DISCLOSURE STATEMENT AND SECOND AMENDED PLAN.	1.9	\$883.50
2/8/2017	REED S. WADDELL TELEPHONE MS. HEINZ RE OPINION LETTER AND DOCUMENTS TO BE PRODUCED IN CONJUNCTION WITH SUBPOENA.	0.4	\$186.00
2/9/2017	CRAIG A. WELIN TELEPHONE CALL FROM THE POSSIBLE APPRAISER. PREPARATION OF MEMO TO CLIENT.	0.3	\$148.50
2/9/2017	REED S. WADDELL ANALYSIS RE DOCUMENTS PRODUCED BY HEINZ AND STRATEGIES FOR USING THEM IN CONFIRMATION BATTLE.	1.2	\$558.00
2/9/2017	REED S. WADDELL TELEPHONE MS. HEINZ RE DOCUMENTS PRODUCED VIA SUBPOENA AND AVAILABILITY FOR CONFIRMATION HEARING.	0.2	\$93.00

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Date	Description	Time	Amount
2/10/2017	REED S. WADDELL ANALYSIS AND FOLLOW UP RE CONFLICTING SCHEDULING NOTICES RECEIVED FROM COURT.	0.4	\$186.00
2/10/2017	REED S. WADDELL MULTIPLE CALLS WITH EXPERT TESTIMONY RE FOLLOW UP ON HIS DRAFT DECLARATION.	0.3	\$139.50
2/10/2017	REED S. WADDELL TELEPHONE SHERATON'S COUNSEL RE STATUS OF DEAL WITH DEBTOR AND RE WHETHER THEY WILL BE FILING ANYTHING RE CONFIRMATION.	0.2	\$93.00
2/13/2017	CRAIG A. WELIN ANALYSIS RE CMBS INDUSTRY STANDARDS RE LOAN DOCUMENTATION.	0.2	\$99.00
2/13/2017	CRAIG A. WELIN REVIEW OF PLEADINGS/NOTICES FILED IN THE BANKRUPTCY.	0.2	\$99.00
2/13/2017	CRAIG A. WELIN REVIEW OF THE STATUS OF VARIOUS PLEADINGS RE CONFIRMATION ISSUES.	0.2	\$99.00
2/13/2017	CRAIG A. WELIN TELEPHONE CALL FROM CLIENT RE APPRAISAL ISSUES.	0.2	\$99.00
2/14/2017	CRAIG A. WELIN ANALYSIS RE ISSUES FOR THE BURNI DEPOSITION.	0.2	\$99.00
2/14/2017	CRAIG A. WELIN REVIEW OF DEADLINES FOR THE CONFIRMATION PROCESS.	0.1	\$49.50
2/14/2017	CRAIG A. WELIN REVIEW OF THE APPRAISER'S DRAFT ENGAGEMENT AGREEMENT. PREPARATION OF MEMO TO CLIENT.	0.3	\$148.50
2/14/2017	CRAIG A. WELIN TELEPHONE CALL TO CLIENT RE EXPERT ISSUES. REVIEW OF MEMO FROM CLIENT.	0.3	\$148.50
2/14/2017	MICHAEL J. GOMEZ CONTACT POTENTIAL MEDIATOR FOR AVAILABLE MEDIATION DATES.	0.2	\$82.00
2/14/2017	MICHAEL J. GOMEZ FOLLOW UP WITH EXPERT REGARDING FINALIZING DECLARATION.	0.1	\$41.00
2/14/2017	REED S. WADDELL ANALYSIS RE CMBS INDUSTRY STANDARDS RE LOAN DOCUMENTATION AND DEFAULT INTEREST	0.8	\$372.00

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Date	Description	Time	Amount
2/14/2017	REED S. WADDELL ANALYSIS RE NEW INVESTMENTS CASE AND WHETHER IT IS BEING FURTHER APPEALED.	0.4	\$186.00
2/14/2017	REED S. WADDELL EMAIL POTENTIAL MEDIATORS RE SCHEDULES AND INTEREST IN MEDIATING.	0.4	\$186.00
2/14/2017	REED S. WADDELL MULTIPLE CALLS RE POSSIBLE MEDIATION AND SCHEDULING OF SAME.	0.6	\$279.00
2/14/2017	REED S. WADDELL REVISE ZELLE DECLARATION AND BORNHEIMER DECLARATION.	1.9	\$883.50
2/15/2017	CRAIG A. WELIN REVIEW OF/REVISIONS TO THE DRAFT BORNHEIMER REINSTATEMENT LETTER. PREPARATION OF MEMO TO CLIENT RE [REDACTED TEXT]	0.5	\$247.50
2/16/2017	CRAIG A. WELIN ANALYSIS RE EVIDENTIARY ISSUES FOR THE CONFIRMATION HEARING.. REVIEW OF/RESPONSE TO MEMOS RE REINSTATEMENT ISSUES.	0.6	\$297.00
2/16/2017	CRAIG A. WELIN REVIEW OF PLEADINGS FILED IN THE BANKRUPTCY. ANALYSIS RE [REDACTED TEXT]	0.2	\$99.00
2/16/2017	REED S. WADDELL ANALYSIS RE CMBS INDUSTRY STANDARDS RE DEFAULT INTEREST AND LATE CHARGES.	0.8	\$372.00
2/16/2017	REED S. WADDELL ANALYSIS AND FOLLOW UP RE COURT'S SCHEDULING ORDERS AND CONFLICTS FOUND IN SAME.	0.3	\$139.50
2/16/2017	REED S. WADDELL ANALYZE, REVISE AND FINALIZE LETTER TO RATHBONE RE REINSTATEMENT BALANCES AS OF JANUARY 31, 2017.	0.6	\$279.00
2/16/2017	REED S. WADDELL EMAILS RE SCHEDULING FOLLOW UP WITH EXPERT WITNESS..	0.2	\$93.00
2/17/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS FROM CLIENT RE THE APPRAISER. PREPARATION OF MEMO THE APPRAISER.	0.2	\$99.00
2/17/2017	REED S. WADDELL MULTIPLE CALLS AND EMAILS RE POSSIBLE MEDIATION BEFORE HARGROVE.	0.6	\$279.00

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Date	Description	Time	Amount
2/17/2017	REED S. WADDELL TELEPHONE AND EMAIL DEBTOR'S COUNSEL RE POSSIBLE MEDIATION DATES AND RE NEED TO RESCHEDULE CONFIRMATION IN CONJUNCTION THEREWITH.	0.3	\$139.50
2/20/2017	CRAIG A. WELIN REVIEW OF REVISED APPRAISAL PROPOSAL PREPARATION OF MEMO TO CLIENT.	0.3	\$148.50
2/21/2017	REED S. WADDELL ANALYSIS RE [REDACTED TEXT]; WORK ON OPPOSITION TO CONFIRMATION PAPERS.	1.6	\$744.00
2/21/2017	REED S. WADDELL CALLS AND EMAILS RE NEXT MEETING WITH INTEREST RATE EXPERT.	0.3	\$139.50
2/21/2017	REED S. WADDELL WORK ON OPPOSITION PAPERS RE CONFIRMATION.	2.2	\$1,023.00
2/22/2017	REED S. WADDELL ANALYSIS RE NOTICE DELIVERED TO CLIENT RE HEARING SCHEDULES; EMAILS RE SAME..	0.2	\$93.00
2/22/2017	REED S. WADDELL WORK ON CONFIRMATION OBJECTION.	3.1	\$1,441.50
2/23/2017	CRAIG A. WELIN PREPARATION OF MEMO TO CLIENT RE THE APPRAISER ENGAGEMENT AGREEMENT.	0.1	\$49.50
2/23/2017	CRAIG A. WELIN REVIEW OF NOTICES FROM THE COURT.	0.1	\$49.50
2/23/2017	CRAIG A. WELIN TELEPHONE CALLS WITH FLOOD RE INTEREST RATE ISSUES REVIEW OF/RESPONSE TO MEMO FROM FLOOD.	0.5	\$247.50
2/23/2017	MICHAEL J. GOMEZ ANALYZE ANALYZE EIGHT [SIC] CIRCUIT CASE AND UNDERLYING TESTIMONY ON DEFAULT INTEREST	0.4	\$164.00
2/23/2017	REED S. WADDELL ANALYSIS RE MOST RECENT PAYOFF QUOTE.	0.4	\$186.00
2/23/2017	REED S. WADDELL ANALYZE AND REVISE BORNHEIMER DECLARATION RE REINSTATEMENT NUMBERS AND NECESSARY DOCUMENTS TO BE INCLUDED IN CONFIRMATION PROCEEDING.	0.7	\$325.50
2/23/2017	REED S. WADDELL MULTIPLE COMMUNICATIONS WITH ZELLE RE STATUS OF DECLARATION.	0.2	\$93.00

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Date	Description	Time	Amount
2/23/2017	REED S. WADDELL WORK ON CONFIRMATION OBJECTION AND RELATED DECLARATIONS.	1.2	\$558.00
2/24/2017	CRAIG A. WELIN ANALYSIS RE CONFIRMATION HEARING ISSUES, INCLUDING DEFAULT INTEREST RATE AND EXPERT TESTIMONY ISSUES.	1.1	\$544.50
2/24/2017	CRAIG A. WELIN MULTIPLE TELEPHONE CALLS WITH CLIENT RE CONFIRMATION HEARING ISSUES.	0.4	\$198.00
2/24/2017	REED S. WADDELL ANALYSIS RE [REDACTED TEXT]; REVISE INTEREST RATE DECLARATION.	2.6	\$0.00
2/24/2017	REED S. WADDELL WORK ON CONFIRMATION OPPOSITION PAPERS.	1.2	\$558.00
2/25/2017	CRAIG A. WELIN REVIEW OF PLEADINGS FILED IN THE BANKRUPTCY.	0.2	\$99.00
2/25/2017	REED S. WADDELL PREPARATION OF CONFIRMATION OPPOSITION PAPERS, INCLUDING DECLARATIONS.	1.1	\$511.50
2/26/2017	CRAIG A. WELIN ANALYSIS RE CONFIRMATION ISSUES.	0.5	\$247.50
2/26/2017	CRAIG A. WELIN ANALYSIS RE ISSUES FOR BURNI DEPOSITION.	0.3	\$148.50
2/26/2017	CRAIG A. WELIN INITIAL REVIEW OF THE ZELLE DECLARATION.	0.4	\$198.00
2/26/2017	CRAIG A. WELIN REVISION OF/UPDATING THE CLIENT DECLARATION IN SUPPORT OF THE CONFIRMATION OBJECTION.	0.7	\$346.50
2/26/2017	MICHAEL J. GOMEZ BEGIN PREPARING CERTAIN AREAS OF THE CONFIRMATION OBJECTIONS.	3.4	\$1,394.00
2/27/2017	CRAIG A. WELIN REVIEW OF/REVISIONS TO THE CLIENT DECLARATION. PREPARATION OF MEMO TO CLIENT.	0.3	\$148.50
2/27/2017	CRAIG A. WELIN REVIEW OF/REVISIONS TO THE ZELL DECLARATION.	0.3	\$148.50

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Date	Description	Time	Amount
2/27/2017	CRAIG A. WELIN TELEPHONE CALL FROM THE APPRAISER. REVIEW OF/RESPONSE TO MEMOS FROM THE APPRAISER PREPARATION OF MEMO TO CLIENT. PREPARATION OF INSTRUCTIONS RE INFORMATION REQUESTED BY THE APPRAISER.	0.4	\$198.00
2/27/2017	MICHAEL J. GOMEZ CONTINUE PREPARING CONFIRMATION OBJECTIONS.	1.2	\$492.00
2/27/2017	REED S. WADDELL MULTIPLE EMAILS WITH ZELLE RE DECLARATION.	0.3	\$139.50
2/27/2017	REED S. WADDELL PREPARATION OF INTEREST RATE EXPERT'S DECLARATION.	2.1	\$976.50
2/27/2017	REED S. WADDELL PREPARATION OF OPPOSITION PAPERS RE CONFIRMATION.	1.6	\$744.00
2/28/2017	CRAIG A. WELIN ANALYSIS RE DEFAULT RATE ANALYSIS/ISSUES FOR THE ZELLE DECLARATION.	0.6	\$297.00
2/28/2017	CRAIG A. WELIN PREPARATION OF MEMO TO CLIENT RE HIS DECLARATION.	0.1	\$49.50
2/28/2017	REED S. WADDELL ANALYSIS RE INTEREST RATE ISSUES AND CASES TO BE DEALT WITH IN CONFIRMATION OBJECTION.	1.2	\$558.00
2/28/2017	REED S. WADDELL CONFERENCE WITH ROBBINS RE [REDACTED TEXT]	0.4	\$186.00
2/28/2017	REED S. WADDELL FURTHER REVISIONS TO ZELLE DECLARATION	1.2	\$558.00
2/28/2017	REED S. WADDELL REVISIONS TO ZELLE DECLARATION RE CONFIRMATION OBJECTION.	1.7	\$790.50
2/28/2017	REED S. WADDELL WORK ON OPPOSITION BRIEF RE CONFIRMATION OF SECOND AMENDED PLAN.	1.2	\$558.00
2/28/2017	THOMAS M. ROBBINS III REVIEW OF AND COMMENT ON ZELLE EXPERT DECLARATION	1.8	\$963.00
Grand Total		261.7	\$119,226.50

Appendix D

March 2017 Fees Allowed

Date	Description	Time	Technical Objection	Court Analysis	Court Category	Amount
3/10/2017	REED S. WADDELL DRAFT STATUS CONFERENCE REPORT FOR RECEIVERSHIP ACTION; MEMO RE SAME.	0.3	State court action	Overruled	1	\$139.50
3/11/2017	REVIEW OF/RESPONSE TO THE MEMO RE THE STATE COURT RECEIVERSHIP STATUS CONFERENCE	0.1	State court action	Overruled	1	\$49.50
3/24/2017	CRAIG A. WELIN REVIEW OF THE RESULTS OF THE STATUS CONFERENCE IN THE STATE COURT RECEIVERSHIP PROCEEDING.	0.1	State court action	Overruled	1	\$49.50
3/29/2017	CRAIG A. WELIN REVIEW OF ORDER VACATING A PRIOR FINANCING ORDER.	0.1	Unrecoverable	Overruled	3	\$49.50
Grand Total						\$288.00

Appendix E

Disallowed Fees Court Was Unable to Categorize

Date	Description	Time	Amount
9/30/2016	REED S. WADDELL ANALYSIS OF [REDACTED TEXT]; TELEPHONE RATHBONE RE FOLLOW UP INQUIRIES.	0.5	\$225.00
10/4/2016	REED S. WADDELL ANALYSIS RE [REDACTED TEXT]	0.4	\$180.00
10/21/2016	REED S. WADDELL DETAILED REVIEW OF LENDER'S [REDACTED TEXT]	0.6	\$270.00
11/7/2016	REED S. WADDELL ANALYSIS RE [REDACTED TEXT]	0.9	\$405.00
11/15/2016	REED S. WADDELL REVIEW AND ANALYZE [REDACTED TEXT]	0.3	\$135.00
11/21/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED TEXT]	0.4	\$134.00
12/2/2016	HAL D. GOLDFLAM ANALYSIS OF [REDACTED TEXT]	0.6	\$255.00
12/5/2016	HAL D. GOLDFLAM ANALYSIS OF [REDACTED TEXT]	1.2	\$510.00
12/6/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED TEXT]	0.2	\$67.00
12/6/2016	HAL D. GOLDFLAM [REDACTED TEXT]	0.8	\$340.00
12/6/2016	HAL D. GOLDFLAM ANALYSIS OF [REDACTED TEXT]	0.6	\$255.00
12/6/2016	REED S. WADDELL ANALYSIS RE [REDACTED TEXT]	0.3	\$135.00
12/6/2016	REED S. WADDELL REVIEW AND ANALYZE [REDACTED TEXT]	0.5	\$225.00
12/9/2016	REED S. WADDELL MULTIPLE COMMUNICATIONS WITH MR. BORNHEIMER RE [REDACTED TEXT]	0.3	\$135.00
12/14/2016	HAL D. GOLDFLAM ANALYSIS RE [REDACTED TEXT]	0.1	\$42.50
12/14/2016	REED S. WADDELL ANALYSIS RE [REDACTED TEXT]; TELEPHONE RATHBONE RE SAME.	0.3	\$135.00
1/6/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMO FROM CLIENT RE	0.1	\$49.50
1/6/2017	REED S. WADDELL ANALYSIS AND MULTIPLE COMMUNICATIONS RE [REDACTED TEXT] .	0.6	\$279.00
1/20/2017	HAL D. GOLDFLAM ANALYSIS RE [REDACTED TEXT]	0.2	\$87.00
1/20/2017	MICHAEL J. GOMEZ ANALYZE O[REDACTED TEXT]	0.8	\$328.00
1/21/2017	MICHAEL J. GOMEZ ANALYZE IMPACT OF [REDACTED TEXT]	0.9	\$369.00

Appendix E

Disallowed Fees Court Was Unable to Categorize

Date	Description	Time	Amount
1/21/2017	MICHAEL J. GOMEZ BEGIN ANALYZING [REDACTED TEXT]	0.7	\$287.00
1/22/2017	MICHAEL J. GOMEZ ANALYZE [REDACTED TEXT].	0.8	\$328.00
1/23/2017	MICHAEL J. GOMEZ ANALYZE [REDACTED TEXT].	0.5	\$205.00
1/23/2017	MICHAEL J. GOMEZ CONTINUE ANALYZING [REDACTED TEXT].	2.9	\$1,189.00
1/25/2017	CRAIG A. WELIN ANALYSIS RE [REDACTED TEXT]	2.1	\$1,039.50
1/25/2017	MICHAEL J. GOMEZ ANALYZE [REDACTED TEXT].	2.1	\$861.00
1/25/2017	REED S. WADDELL ANALYSIS RE [REDACTED TEXT].	1	\$465.00
1/26/2017	MICHAEL J. GOMEZ ANALYZE WHETHER [REDACTED TEXT].	1.3	\$533.00
1/26/2017	MICHAEL J. GOMEZ ANALYZE [REDACTED TEXT]	0.6	\$246.00
1/27/2017	MICHAEL J. GOMEZ ANALYZE [REDACTED TEXT]	0.9	\$369.00
2/7/2017	MICHAEL J. GOMEZ ANALYZE [REDACTED TEXT]	0.8	\$328.00
2/15/2017	CRAIG A. WELIN TELEPHONE CALL TO CLIENT RE [REDACTED TEXT]. PREPARATION OF MEMO TO ATTORNEY RATHBONE.	0.3	\$148.50
2/17/2017	MICHAEL J. GOMEZ ANALYZE [REDACTED TEXT]	0.2	\$82.00
2/21/2017	MICHAEL J. GOMEZ ANALYZE [REDACTED TEXT]	0.4	\$164.00
2/24/2017	MICHAEL J. GOMEZ ANALYZE [REDACTED TEXT]	0.6	\$246.00
Grand Total		25.8	\$11,052.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
2/22/2016	CRAIG A. WELIN TELEPHONE CALL TO CLIENT RE [REDACTED]	Admin Tasks	1	Overruled	0.2	\$93.00	\$0.00
2/28/2016	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMO FROM CLIENT RE [REDACTED]	State court action	1	Overruled	0.1	\$46.50	\$0.00
3/8/2016	ANALYSIS RE [REDACTED] [REDACTED]	State court action	1	Overruled	0.3	\$139.50	\$0.00
3/11/2016	CRAIG A. WELIN TELEPHONE CALL FROM CLIENT RE [REDACTED]	State court action	1	Overruled	0.3	\$139.50	\$0.00
3/14/2016	CRAIG A. WELIN PREPARATION OF INSTRUCTIONS RE [REDACTED]	Duplicative	1	Overruled	0.4	\$186.00	\$0.00
3/16/2016	BRUCE D. POLTROCK PREPARATION OF INSTRUCTIONS RE [REDACTED]	Duplicative; Administrative	1	Overruled	0.1	\$39.50	\$0.00
3/16/2016	SANDRA BARNETT OBTAIN A UNIFORM COMMERCIAL CODE LIEN SEARCH.	Administrative Tasks	1	Overruled	0.2	\$39.00	\$0.00
3/17/2016	BRUCE D. POLTROCK ANALYSIS RE [REDACTED] [REDACTED]	State court action	1	Overruled	0.2	\$79.00	\$0.00
3/17/2016	BRUCE D. POLTROCK ANALYSIS RE [REDACTED]	Duplicative	1	Overruled	0.2	\$79.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
3/17/2016	SANDRA BARNETT PROCESSING OF THE UNIFORM COMMERCIAL CODE LIEN SEARCH RESULTS.	Administrative Tasks		1 Overruled	0.2	\$39.00	\$0.00
3/18/2016	BRUCE D. POLTROCK ANALYSIS AND STRATEGY RE [REDACTED] [REDACTED]	State court action		1 Overruled	0.4	\$158.00	\$0.00
3/18/2016	BRUCE D. POLTROCK FURTHER DRAFTING OF ALLEGATIONS AND CAUSES OF ACTION TO COMPLAINT	State Court Action		1 Overruled	1	\$395.00	\$0.00
3/18/2016	BRUCE D. POLTROCK PREPARATION OF INITIAL DRAFT COMPLAINT FOR SPECIFIC PERFORMANCE AND JUDICIAL FORECLOSURE	State Court Action		1 Overruled	1.1	\$434.50	\$0.00
3/21/2016	BRUCE D. POLTROCK ANALYSIS RE [REDACTED] [REDACTED]	State court action; duplicative		1 Overruled	0.3	\$118.50	\$0.00
3/21/2016	BRUCE D. POLTROCK PREPARATION OF ADDITIONAL CAUSE OF ACTION AGAINST THE BORROWER FOR CLAIM AND DELIVERY; FINALIZE ALLEGATIONS	State Court Action		1 Overruled	0.4	\$158.00	\$0.00
3/21/2016	BRUCE D. POLTROCK REVIEW OF VENUE FOR LAWSUIT	State Court Action		1 Overruled	0.1	\$39.50	\$0.00
3/21/2016	CRAIG A. WELIN PREPARATION OF INSTRUCTIONS RE [REDACTED]	State court action; duplicative		1 Overruled	0.2	\$93.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
3/21/2016	CRAIG A. WELIN REVIEW OF AND REVISIONS TO THE DRAFT COMPLAINT. PREPARATION OF MEMO TO CLIENTS. REVIEW OF AND RESPONSE TO MEMOS FROM CLIENT.	State Court Action	1	Overruled	0.6	\$279.00	\$0.00
3/22/2016	BRUCE D. POLTROCK ANALYSIS AND AGGLOMERATE MULTIPLE EXHIBITS FOR COMPLAINT; PREPARATION OF INSTRUCTION RE SUBMISSION OF THE LAWSUIT; INSTRUCTION RE CASE ASSIGNMENT DOCUMENTS	State Court Action	1	Overruled	0.6	\$237.00	\$0.00
3/22/2016	BRUCE D. POLTROCK EMAILS WITH D. LAFON RE [REDACTED] [REDACTED]	State Court Action; Administrative	1	Overruled	0.1	\$39.50	\$0.00
3/22/2016	BRUCE D. POLTROCK PREPARATION OF STRATEGY RE [REDACTED TEXT]	State Court Action; Administrative	1	Overruled	0.1	\$39.50	\$0.00
3/22/2016	BRUCE D. POLTROCK UPDATE TO COMPLAINT RE PRINCIPAL AMOUNT OWED	State Court Action	1	Overruled	0.1	\$39.50	\$0.00
3/23/2016	BRUCE D. POLTROCK ANALYSIS RE [REDACTED] [REDACTED]	State Court Action; Administrative	1	Overruled	0.2	\$79.00	\$0.00
3/23/2016	BRUCE D. POLTROCK ANALYSIS RE [REDACTED] [REDACTED]	State court action	1	Overruled	0.1	\$39.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
3/23/2016	BRUCE D. POLTROCK REVIEW OF NOTICE FORM COURT RE CASE ASSIGNMENT	State Court Action		1 Overruled	0.1	\$39.50	\$0.00
3/23/2016	BRUCE D. POLTROCK REVIEW OF STATUS OF CONFORMED COMPLAINT	State Court Action		1 Overruled	0.1	\$39.50	\$0.00
3/23/2016	BRUCE D. POLTROCK REVIEW OF THE MEMOS RE [REDACTED] [REDACTED]	State court action		1 Overruled	0.1	\$39.50	\$0.00
3/23/2016	CRAIG A. WELIN MULTIPLE TELEPHONE CALLS WITH CLIENT RE [REDACTED]	State court action		1 Overruled	0.2	\$93.00	\$0.00
3/23/2016	CRAIG A. WELIN PREPARATION OF INSTRUCTIONS RE [REDACTED] [REDACTED] PREPARATION OF INSTRUCTIONS RE [REDACTED]	State court action		1 Overruled	4	\$186.00	\$0.00
3/23/2016	SANDRA BARNETT PREPARATION OF SUMMONS AND CIVIL CASE COVER SHEET AND ASSEMBLY OF THE SUMMONS, COMPLAINT AND CIVIL CASE OVER SHEET FOR FILING WITH THE COURT.	Administrative Tasks		1 Overruled	1.1	\$214.50	\$0.00
3/23/2016	SANDRA BARNETT PROCESSING THE FILED SUMMONS AND COMPLAINT.	Administrative Tasks		1 Overruled	0.7	\$136.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
3/23/2016	SANDRA BARNETT REVIEW FILE DOCUMENTS CONCERNING UNIFORM COMMERCIAL CODE LIEN SEARCHES.	Administrative Tasks		1 Overruled	0.2	\$39.00	\$0.00
3/24/2016	BRUCE D. POLTROCK ANALYSIS RE [REDACTED]	State court action		1 Overruled	0.1	\$39.50	\$0.00
3/24/2016	BRUCE D. POLTROCK REVIEW OF BIO ON ASSIGNED JUDGE PRESSMAN IN ADVANCE OF EX PARTE HEARING	State Court Action		1 Overruled	0.1	\$39.50	\$0.00
3/24/2016	BRUCE D. POLTROCK WORK ON REIVERSHIP PLEADINGS INCLUDING CONTINUATION OF CLIENT DECLARATION RE EX PARTE GROUNDS	State Court Action		1 Overruled	1.1	\$434.50	\$0.00
3/24/2016	BRUCE D. POLTROCK TELEPHONE CALL TO COURT CLERK FOR JUDGE PRESSMAN RE POTENTIALLY OBTAINING PERSONAL APPEARANCE IF STIPULATION AND ORDER PRESENTED AND TIME FRAME THEREON	State Court Action		1 Overruled	0.1	\$39.50	\$0.00
3/24/2016	CRAIG A. WELIN MULTIPLE TELEPHONE CALLS WITH CLIENT RE [REDACTED]	State court action		1 Overruled	0.5	\$232.50	\$0.00
3/24/2016	SANDRA BARNETT PREPARATION OF DECLARATION OF DEFAULT AND DEMAND FOR FORECLOSURE SALE.	Administrative Tasks		1 Overruled	0.7	\$136.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
3/25/2016	BRUCE D. POLTROCK ANALYSIS RE [REDACTED]	State court action; duplicative	1	Overruled	0.1	\$39.50	\$0.00
3/25/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	State court action; duplicative	1	Overruled	0.3	\$139.50	\$0.00
3/25/2016	CRAIG A. WELIN REVIEW OF DOCUMENTATION FROM THE COURT RE THE ASSIGNMENT OF THE CASE.	State Court Action	1	Overruled	0.2	\$93.00	\$0.00
3/28/2016	BRUCE D. POLTROCK ANALYSIS RE [REDACTED]	State court action	1	Overruled	0.3	\$118.50	\$0.00
3/28/2016	BRUCE D. POLTROCK ANALYSIS RE [REDACTED]	State court action; duplicative	1	Overruled	0.1	\$39.50	\$0.00
3/28/2016	CRAIG A. WELIN REVIEW OF THE DOCUMENTATION FROM THE CLIENT RE [REDACTED]	State court action	1	Overruled	0.3	\$139.50	\$0.00
3/29/2016	BRUCE D. POLTROCK ANALYSIS RE [REDACTED]	State court action	1	Overruled	0.3	\$118.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
3/29/2016	BRUCE D. POLTROCK REVIEW OF THE MULTIPLE MEMOS RE RERMS OF ORDER, MANAGEMENT COMPANY SPECIFICS AND RECEIVERSHIP STRATEGY	Duplicative		1 Overruled	0.3	\$118.50	\$0.00
3/29/2016	BRUCE D. POLTROCK TELEPHONE CALL TO JUDGE PRESSMAN'S CLERK RE TIME FRAMES ON MOTIONS	State Court Action		1 Overruled	0.1	\$39.50	\$0.00
3/30/2016	SANDRA BARNETT PREPARATION OF EMAIL REGARDING THE DECLARATION OF DEFAULT AND DEMAND FOR FORECLOSURE SALE.	Administrative Tasks		1 Overruled	0.1	\$19.50	\$0.00
3/31/2016	BRUCE D. POLTROCK PREPARATION OF PLEADINGS RE NOTICE OF CASE MANAGEMENT CONFERENCE SET BY THE COURT	State Court Action		1 Overruled	0.3	\$118.50	\$0.00
3/31/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	State court action		1 Overruled	0.8	\$372.00	\$0.00
3/31/2016	CRAIG A. WELIN MULTIPLE TELEPHONE CALLS WITH CLIENT RE [REDACTED]	State court action		1 Overruled	0.6	\$279.00	\$0.00
4/1/2016	BRUCE D. POLTROCK 0.1 TELEPHONE CALL WITH CLIENT D. LAFON RE [REDACTED]	State court action		1 Overruled	0.1	\$39.50	\$0.00
4/1/2016	BRUCE D. POLTROCK ANALYSIS RE [REDACTED] [REDACTED]	State court action; duplicative		1 Overruled	0.3	\$118.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
4/1/2016	BRUCE D. POLTROCK TELEPHONE CALL TO JUDGE PRESSMAN COURT TO SEEK RESERVATION OF EX PARTE DATE	State Court Action	1	Overruled	0.1	\$39.50	\$0.00
4/1/2016	BRUCE D. POLTROCK TELEPHONE CALL WITH CLIENT D. LAFON RE [REDACTED] [REDACTED]	State court action	1	Overruled	0.1	\$39.50	\$0.00
4/6/2016	BRUCE D. POLTROCK EMAILS TO AND WITH D. LAFON RE [REDACTED]	State court action	1	Overruled	0.1	\$39.50	\$0.00
4/6/2016	BRUCE D. POLTROCK EMAILS WITH CLIENT RE [REDACTED] [REDACTED]	State court action	1	Overruled	0.1	\$39.50	\$0.00
4/6/2016	BRUCE D. POLTROCK REVIEW OF THE SIGNED SIGNATURE PAGE ON THE RECEIVERSHIP STIPULATION; EMAIL TO D. LAFON RE [REDACTED TEXT]	Administrative	1	Overruled	0.1	\$39.50	\$0.00
4/6/2016	SANDRA BARNETT ASSEMBLY OF THE STIPULATION FOR IMMEDIATE APPOINTMENT OF RECEIVER FOR FILING IN SAN DIEGO SUPERIOR COURT.	Administrative Tasks	1	Overruled	0.6	\$117.00	\$0.00
4/7/2016	BRUCE D. POLTROCK TELEPHONE CALL TO COURT RE TIMING ON COURT'S REVIEW OF STIPULATION	Administrative	1	Overruled	0.1	\$39.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
4/7/2016	CRAIG A. WELIN REVIEW OF/RESPONSE TO VARIOUS MEMOS RE THE RECEIVERSHIP.	Duplicative	1	Overruled	0.2	\$93.00	\$0.00
4/8/2016	SANDRA BARNETT TELEPHONE CONFERENCE WITH THE CLERK IN DEPARTMENT 66 TO CONFIRM RECEIPT OF THE STIPULATION FOR IMMEDIATE APPOINTMENT OF RECEIVER.	Administrative Tasks	1	Overruled	0.1	\$19.50	\$0.00
4/11/2016	BRUCE D. POLTROCK ANALYSIS RE TIMING ON COURT ENTRY OF ORDER; CALL TO COURT	Administrative	1	Overruled	0.1	\$0.00	\$0.00
4/12/2016	BRUCE D. POLTROCK PREPARATION OF ISSUES RE [REDACTED]	State court action	1	Overruled	0.1	\$39.50	\$0.00
4/12/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED].	State court action; duplicative	1	Overruled	0.2	\$93.00	\$0.00
4/12/2016	SANDRA BARNETT CONDUCT ONLINE DOCKET SEARCH TO ASCERTAIN STATUS OF THE REQUESTED STIPULATION FOR APPOINTMENT OF RECEIVER.	Administrative Tasks	1	Overruled	0.1	\$19.50	\$0.00
4/12/2016	SANDRA BARNETT PREPARATION OF EMAIL REGARDING THE DECLARATION OF DEFAULT AND DEMAND FOR FORECLOSURE SALE.	Administrative Tasks	1	Overruled	0.1	\$19.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
4/13/2016	BRUCE D. POLTROCK REVIEW OF POTENTIAL NEED FOR EX PARTE TO COURT TO HAVE IT MOVE ON STIPULATION; DOCKET CHECK RE STATUS OF ORDER	Administrative	1	Overruled	0.1	\$39.50	\$0.00
4/13/2016	BRUCE D. POLTROCK TELEPHONE CALL TO JUDGE PRESSMAN'S CLERK RE NEED FOR UPDATE AS TO ENTRY OF STIPULATION AND RECEIVER ORDER; CLERK STATES ORDER SIGNED AND TO BE UPLOADED	Administrative	1	Overruled	0.1	\$39.50	\$0.00
4/13/2016	SANDRA BARNETT TELEPHONE CONVERSATION WITH ONELEGAL, CONDUCT ONLINE SEARCH TO OBTAIN A COPY OF THE ENTERED STIPULATION FOR APPOINTMENT OF RECEIVER, AND PREPARATION OF EMAIL THEREON.	Administrative Tasks	1	Overruled	0.3	\$58.50	\$0.00
4/14/2016	BRUCE D. POLTROCK ANALYSIS RE [REDACTED]	State court action	1	Overruled	0.1	\$39.50	\$0.00
4/14/2016	BRUCE D. POLTROCK REVIEW OF COURT'S DELAY IN UPLOADING ORDER	Administrative	1	Overruled	0.1	\$39.50	\$0.00
4/14/2016	BRUCE D. POLTROCK UPDATE TO D. LAFON RE [REDACTED]	State court action	1	Overruled	0.1	\$39.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
4/14/2016	CRAIG A. WELIN REVIEW OF THE ENTERED RECEIVERSHIP ORDER/STIPULATION. REVIEW OF MEMOS RE THE DOCUMENTATION.	Duplicative	1	Overruled	0.4	\$186.00	\$0.00
4/14/2016	CRAIG A. WELIN REVIEW OF THE STATUS OF HE COURT'S APPROVAL OF THE RECEIVERSHIP STIPULATION.	Duplicative	1	Overruled	0.1	\$46.50	\$0.00
4/14/2016	SANDRA BARNETT OBTAIN A COPY OF THE ENTERED STIPULATION AND ORDER FOR IMMEDIATE APPOINTMENT OF RECEIVER AND PREPARATION OF EMAIL WITH THE BONDING COMPANY TO OBTAIN THE PLAINTIFF'S PRELIMINARY INJUNCTION BOND.	Administrative Tasks	1	Overruled	0.6	\$117.00	\$0.00
4/14/2016	SANDRA BARNETT TELEPHONE CONVERSATION WITH THE SAN DIEGO SUPERIOR COURT BUSINESS OFFICE, CONDUCT ONLINE SEARCH TO OBTAIN A COPY OF THE ENTERED STIPULATION FOR APPOINTMENT OF RECEIVER, AND PREPARATION OF EMAIL THEREON.	Administrative Tasks; State Court Action	1	Overruled	0.2	\$39.00	\$0.00
4/15/2016	BRUCE D. POLTROCK PREPARATION OF INSTRUCTION RE [REDACTED]	State Court Action; Administrative	1	Overruled	0.1	\$39.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
4/15/2016	CRAIG A. WELIN PREPARATION OF INSTRUCTIONS RE THE [REDACTED TEXT] REVIEW OF/RESPONSE TO MEMOS RE VARIOUS RECEIVERSHIP ISSUES.	Duplicative	1	Sustained - Duplicative of Poltrock	0.6	\$279.00	\$279.00
4/15/2016	ELEANE PANG ANALYSIS REGARDING PREMIUM NOTICE FOR UNDERTAKING FOR TEMPORARY RESTRAINING ORDER; PROCESSING AND PAYMENT OF SAME.	Administrative; Duplicative	1	Overruled	0.3	\$58.50	\$0.00
4/15/2016	SANDRA BARNETT PREPARATION OF EMAIL WITH NATIONWIDE TO OBTAIN THE ISSUED PLAINTIFF'S PRELIMINARY INJUNCTION BOND.	Administrative Tasks	1	Overruled	0.2	\$39.00	\$0.00
4/15/2016	SANDRA BARNETT PREPARATION OF NOTICE AND ACKNOWLEDGMENT OF RECEIPT AND PROOF OF SERVICE OF SUMMONS, COMPLAINT, AND STIPULATION AND ORDER FOR APPOINTMENT OF RECEIVER.	Administrative Tasks	1	Overruled	0.9	\$175.50	\$0.00
4/18/2016	BRUCE D. POLTROCK MULTIPLE CORRESPONDENCE WITH D. LAFON RE [REDACTED]	State court action	1	Overruled	0.3	\$118.50	\$0.00
4/18/2016	BRUCE D. POLTROCK REVIEW OF SERVICE COMPLETION IN LIGHT OF CHIN RETURN OF NOTICE AND ACKNOWLEDGMENT AND RECEIPT	Administrative	1	Overruled	0.1	\$39.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
4/18/2016	CRAIG A. WELIN REVIEW OF MEMOS/DOCUMENTATION RE [REDACTED]	Lacks information; duplicative		1 Overruled	0.3	\$139.50	\$0.00
4/18/2016	SANDRA BARNETT ASSEMBLY OF THE PROOF OF SERVICE OF SUMMONS, COMPLAINT, AND RECEIVERSHIP STIPULATION AND ORDER FOR FILING WITH THE COURT; ASSEMBLY OF THE RECEIVER'S OATH AND BOND FOR FILING WITH THE COURT; AND REVISION OF THE DECLARATION OF DEFAULT IN ORDER TO COMMENCE NON-JUDICIAL FORECLOSURE PROCEEDINGS.	Administrative Tasks		1 Overruled	2.3	\$448.50	\$0.00
4/19/2016	BRUCE D. POLTROCK ANALYSIS RE [REDACTED]	Irrelevant		1 Overruled	0.1	\$39.50	\$0.00
4/19/2016	BRUCE D. POLTROCK REVIEW OF FILING OF RECEIVER'S OATH, BOND AND TIMING ON TAKEOVER	Duplicative		1 Overruled	0.1	\$39.50	\$0.00
4/20/2016	BRUCE D. POLTROCK REVIEW AND ANALYSIS OF [REDACTED]	Irrelevant		1 Overruled	0.3	\$118.50	\$0.00
4/21/2016	BRUCE D. POLTROCK REVIEW OF FILED AND CONFORMED RECEIVER'S OATH AND BOND; CORRESPONDENCE TO KOLESSAR AND TALTY RE SAME	Duplicative		1 Overruled	0.1	\$39.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
4/21/2016	BRUCE D. POLTROCK TELEPHONE CALL WITH D. LAFON RE [REDACTED]	Irrelevant; State court action	1	Overruled	0.2	\$79.00	\$0.00
4/21/2016	BRUCE D. POLTROCK REVIEW OF PROOF OF SERVICE ON ACKNOWLEDGMENT RECEIVED FROM CHIN RE COMPLETION	Duplicative	1	Sustained - Duplicative of Sandara Barnett Time	0.1	\$39.50	\$39.50
4/21/2016	SANDRA BARNETT PROCESSING THE COURT FILED RECEIVER'S OATH AND BOND.	Administrative Tasks	1	Sustained	0.2	\$39.00	\$39.00
4/22/2016	SANDRA BARNETT PREPARATION OF EMAILS REGARDING STATUS OF THE PLAINTIFF'S RECEIVER BOND AND REGARDING STATUS OF THE NON-JUDICIAL FORECLOSURE.	Administrative Tasks	1	Overruled	0.2	\$39.00	\$0.00
4/24/2016	CRAIG A. WELIN REVIEW OF MEMOS RE RECEIVERSHIP ISSUES.	Duplicative	1	Overruled	0.2	\$93.00	\$0.00
4/27/2016	SANDRA BARNETT PREPARATION OF EMAIL WITH NATIONWIDE LEGAL REGARDING STATUS OF THE PLAINTIFF'S RECEIVER BOND.	Administrative Tasks	1	Overruled	0.1	\$19.50	\$0.00
4/28/2016	BRUCE D. POLTROCK MEMO TO D. LAFON RE [REDACTED]	State court action; duplicative	1	Overruled	0.1	\$39.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
4/28/2016	BRUCE D. POLTROCK MULTIPLE ADDITIONAL CORRESPONDENCE FROM AND WITH D. LAFON RE [REDACTED]	State court action	1	Overruled	0.2	\$79.00	\$0.00
4/28/2016	BRUCE D. POLTROCK TELEPHONE CALL WITH D. LAFON RE R [REDACTED]	State court action	1	Overruled	0.5	\$197.50	\$0.00
4/28/2016	CRAIG A. WELIN REVIEW OF MEMOS RE LIQUOR LICENSE ISSUES. REVIEW OF MEMO RE A POSSIBLE REINSTATEMENT.	Duplicative	1	Overruled	0.2	\$93.00	\$0.00
5/4/2016	BRUCE D. POLTROCK REVIEW OF DATE FOR COURT'S CASE MANAGEMENT CONFERENCE	Administrative	1	Overruled	0.1	\$39.50	\$0.00
5/9/2016	BRUCE D. POLTROCK ANALYSIS OF [REDACTED]	State court action	1	Overruled	0.3	\$118.50	\$0.00
5/10/2016	BRUCE D. POLTROCK ANALYSIS OF MULTIPLE MEMOS RE KOLESSAR HANDLING OF FEES	Administrative	1	Overruled	0.2	\$79.00	\$0.00
5/11/2016	SANDRA BARNETT PREPARATION OF EMAIL WITH NATIONWIDE LEGAL REGARDING STATUS OF THE PLAINTIFF'S RECEIVER BOND.	Administrative Tasks	1	Overruled	0.1	\$19.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
5/20/2016	CRAIG A. WELIN TELEPHONE CALL FROM CLIENT RE [REDACTED]	Lacks information	1	Overruled	0.1	\$46.50	\$0.00
5/24/2016	SANDRA BARNETT PREPARATION OF EMAIL WITH NATIONWIDE LEGAL REGARDING STATUS OF THE PLAINTIFF'S RECEIVER BOND.	Administrative Tasks	1	Overruled	0.1	\$19.50	\$0.00
5/26/2016	CHRISTOPHER CROWELL INITIAL REVIEW OF STATE COURT AND BANKRUPTCY COURT PLEADINGS, AS NECESSARY TO RESPOND TO BANKRUPTCY FILING.	Duplicative	3	Overruled	0.8	\$268.00	\$0.00
5/26/2016	CHRISTOPHER CROWELL PREPARE NOTICE OF BANKRUPTCY FILING TO BE FILED WITH SAN DIEGO COUNTY SUPERIOR COURT.	Administrative	3	Overruled	0.4	\$134.00	\$0.00
5/26/2016	CHRISTOPHER CROWELL PREPARE NOTICES OF APPEARANCE AND REQUESTS FOR SPECIAL NOTICE TO BE FILED WITH BANKRUPTCY COURT.	Administrative	3	Overruled	0.3	\$100.50	\$0.00
5/27/2016	CHRISTOPHER CROWELL CONSIDER [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	Irrelevant	3	Overruled	0.3	\$100.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
5/27/2016	CHRISTOPHER CROWELL DETAILED REVIEW OF LOAN DOCUMENTS, AS NECESSARY TO DEFEND CLIENT'S INTERESTS IN NEWLY- FILED BANKRUPTCY CASE.	Duplicative	3	Overruled	1.2	\$402.00	\$0.00
5/27/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED] [REDACTED] CONFERENCE CALL WITH CLIENT.	State court action	3	Overruled	1.3	\$604.50	\$0.00
5/29/2016	CRAIG A. WELIN REVIEW OF MEMOS RE RECEIVERSHIP/BANKRUPTCY ISSUES.	Duplicative	3	Overruled	0.6	\$279.00	\$0.00
5/30/2016	CRAIG A. WELIN REVIEW/ANALYSIS OF THE DEBTOR'S VARIOUS FIRST DAY MOTIONS. REVIEW OF AND REVISIONS TO THE REPLY BRIEF.	Duplicative	3	Overruled	1.6	\$744.00	\$0.00
5/31/2016	CHRISTOPHER CROWELL ASSIST WITH PREPARATIONS FOR THIS MORNING'S HEARINGS. 	Administrative	3	Sustained	0.6	\$201.00	\$201.00
5/31/2016	CHRISTOPHER CROWELL [REDACTED] [REDACTED]	Duplicative	3	Overruled	0.3	\$100.50	\$0.00
5/31/2016	CHRISTOPHER CROWELL INVESTIGATION RE: [REDACTED] [REDACTED]	Administrative	1	Overruled	0.3	\$100.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
5/31/2016	CHRISTOPHER CROWELL WORK TO DETERMINE [REDACTED] [REDACTED]	Administrative	1	Overruled	0.2	\$67.00	\$0.00
5/31/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED] [REDACTED] PREPARATION OF INSTRUCTIONS RE [REDACTED]. REVIEW/ANALYSIS OF THE RESULTS OF THE HEARING.	Duplicative	3	Overruled	1.7	\$790.50	\$0.00
5/31/2016	REED S. WADDELL ANALYSIS RE [REDACTED] [REDACTED]	Administrative	5	Overruled	0.2	\$90.00	\$0.00
5/31/2016	SANDRA BARNETT CONDUCT ONLINE REAL PROPERTY SEARCH AND PREPARATION OF EMAIL THEREON.	Administrative Tasks	3	Overruled	0.4	\$78.00	\$0.00
6/1/2016	CHRISTOPHER CROWELL LOCATE AND REVIEW RECEIVER'S INITIAL REPORT FILED IN STATE COURT ACTION.	Duplicative	1	Overruled	0.3	\$100.50	\$0.00
6/1/2016	CHRISTOPHER CROWELL REVIEW COURT'S STATUS CONFERENCE ORDER.	State Court Action	1	Overruled	0.1	\$33.50	\$0.00
6/1/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED] [REDACTED]	Duplicative	3	Overruled	0.8	\$372.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
6/1/2016	REED S. WADDELL REVIEW AND ANALYZE [REDACTED]	Duplicative	3	Overruled	0.4	\$180.00	\$0.00
6/1/2016	REED S. WADDELL WORK ON SUPPORT [REDACTED]	Duplicative	3	Overruled	1.2	\$540.00	\$0.00
6/1/2016	SANDRA BARNETT OBTAIN THE RECEIVER'S REPORT AND INVENTORY.	Administrative Tasks	1	Overruled	0.1	\$19.50	\$0.00
6/2/2016	CHRISTOPHER CROWELL COMMUNICATE WITH COURT STAFF TO DETERMINE WHETHER JUNE 9 HEARING WILL BE EVIDENTIARY HEARING.	Administrative	3	Overruled	0.2	\$67.00	\$0.00
6/2/2016	CRAIG A. WELIN REVIEW OF MEMOS RE RECEIVERSHIP/BANKRUPTCY ISSUES.	Duplicative	3	Sustained	0.4	\$186.00	\$186.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
6/2/2016	REED S. WADDELL ANALYSIS OF [REDACTED] [REDACTED] [REDACTED] [REDACTED]	Excessive	1	Overruled	2.2	\$990.00	\$0.00
6/2/2016	REED S. WADDELL CONFERENCE CALL WITH CLIENT AND C. WELIN RE [REDACTED TEXT]	Duplicative	1	Overruled	0.5	\$225.00	\$0.00
6/6/2016	CHRISTOPHER CROWELL REVIEW ENTERED ORDER ON "FIRST- DAY" MOTIONS.	Duplicative	3	Overruled	0.1	\$33.50	\$0.00
6/6/2016	REED S. WADDELL ANALYSIS RE [REDACTED] [REDACTED] [REDACTED]	Duplicative	3	Overruled	0.3	\$135.00	\$0.00
6/6/2016	REED S. WADDELL DETAILED ANALYSIS OF [REDACTED] [REDACTED] [REDACTED]	Duplicative	1	Overruled	0.9	\$405.00	\$0.00
6/7/2016	REED S. WADDELL ANALYSIS OF REVISED PROPERTY MANAGEMENT AGREEMENT; MULTIPLE CALLS RE PUSHING PEOPLE TO FINALIZE SAME.	Administrative	3	Overruled	0.4	\$180.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
6/8/2016	CHRISTOPHER CROWELL ANALYSIS OF [REDACTED]	Lacks information		1 Overruled	0.1	\$33.50	\$0.00
6/9/2016	CRAIG A. WELIN REVIEW OF MEMOS RE THE MANAGEMENT AGREEMENT.	Duplicative		3 Overruled	0.1	\$46.50	\$0.00
6/9/2016	CRAIG A. WELIN REVIEW OF THE RESULTS OF HEARING ON VARIOUS ISSUES.	Duplicative		3 Overruled	0.2	\$93.00	\$0.00
6/10/2016	CHRISTOPHER CROWELL CONSIDER RESULTS OF YESTERDAY'S BANKRUPTCY COURT HEARINGS.	Duplicative		3 Overruled	0.1	\$33.50	\$0.00
6/10/2016	CRAIG A. WELIN REVIEW OF MEMOS RE THE PROPERTY MANAGEMENT AGREEMENT.	Duplicative		3 Overruled	0.2	\$93.00	\$0.00
6/10/2016	REED S. WADDELL REVIEW FINAL PROPERTY MANAGEMENT AGREEMENT; MULTIPLE CALLS AND EMAILS RE EXECUTION.	Duplicative		3 Overruled	0.6	\$270.00	\$0.00
6/14/2016	REED S. WADDELL ANALYSIS OF [REDACTED]	Duplicative		1 Overruled	1.2	\$540.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
6/14/2016	REED S. WADDELL TELEPHONE MR. MARTINEZ RE STALLED STATUS IN RELEASE AGREEMENT NEGOTIATIONS.	State court action	1	Overruled	0.2	\$90.00	\$0.00
6/15/2016	REED S. WADDELL MULTIPLE CALLS AND EMAILS WITH TALTY & KOLESSAR RE TODAY'S CHECK RUN AND WHAT EXPENSES COURT APPROVED AND DISAPPROVED AT LAST WEEK'S INTERIM HEARING.	Administrative	3	Overruled	0.6	\$270.00	\$0.00
6/16/2016	SANDRA BARNETT REVIEW OF COURT DOCKET REGARDING THE PLAINTIFF'S BOND.	Administrative Tasks	1	Overruled	0.1	\$19.50	\$0.00
6/17/2016	CRAIG A. WELIN REVIEW OF/RESPONSE TO MULTIPLE MEMOS RE PAYING FOR CARPET IMPROVEMENTS.	Duplicative	3	Overruled	0.3	\$139.50	\$0.00
6/17/2016	REED S. WADDELL MULTIPLE CALLS AND EMAILS WITH RECEIVER, CLIENT AND DEBTOR'S COUNSEL RE CARPET INVOICE AND PAYMENT OF SAME.	Duplicative	3	Overruled	0.6	\$270.00	\$0.00
6/19/2016	CRAIG A. WELIN REVIEW OF PLEADINGS FILED IN THE BANKRUPTCY.	Duplicative	3	Overruled	0.4	\$186.00	\$0.00
6/23/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	Lacks information	3	Overruled	0.4	\$186.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
6/23/2016	REED S. WADDELL COURTROOM DISCUSSIONS WITH COUNSEL FOR DEBTOR, UST, SHERATON AND CITY RE STATUS OF CHAPTER 11 AND ISSUES MOVING FORWARD.	Duplicative		3 Overruled	0.5	\$225.00	\$0.00
6/24/2016	CHRISTOPHER CROWELL CONSIDER RESULTS OF YESTERDAY'S BANKRUPTCY COURT HEARINGS.	Duplicative		3 Overruled	0.1	\$33.50	\$0.00
6/24/2016	CRAIG A. WELIN REVIEW OF/ANALYSIS OF [REDACTED] [REDACTED]	Duplicative		3 Overruled	0.2	\$93.00	\$0.00
6/25/2016	CRAIG A. WELIN REVIEW OF PLEADINGS FILED IN THE BANKRUPTCY, INCLUDING THE SCHEDULES AND STATEMENT OF AFFAIRS.	Duplicative		3 Overruled	0.7	\$325.50	\$0.00
6/27/2016	SANDRA BARNETT OBTAIN A COPY OF THE UCC3 FINANCING STATEMENT ASSIGNMENT TO WELLS.	Administrative Tasks		1 Overruled	0.2	\$39.00	\$0.00
7/6/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED] [REDACTED]. CONFERENCE CALL WITH CLIENT RE [REDACTED] [REDACTED] REVIEW OF MEMOS RE INSURANCE PAYMENT ISSUES. REVIEW OF MEMOS FROM DEBTOR'S COUNSEL RE VARIOUS ISSUES.	Lacks information; administrative		3 Overruled	1.9	\$883.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
7/7/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	Duplicative	3	Overruled	0.3	\$139.50	\$0.00
7/7/2016	REED S. WADDELL REVIEW AND ANALYZE [REDACTED]	State court action	3	Overruled	0.5	\$225.00	\$0.00
7/11/2016	BRUCE D. POLTROCK REVIEW OF DATE SET BY COURT FOR SERVICE COMPLETION	State court action	1	Overruled	0.1	\$39.50	\$0.00
7/12/2016	CRAIG A. WELIN REVIEW OF MEMOS RE BUDGET/MEETING ISSUES.	Duplicative	3	Overruled	0.1	\$46.50	\$0.00
7/12/2016	REED S. WADDELL MULTIPLE CALLS AND EMAILS WITH KOLESSAR & TALTY RE WIND DOWN OF RECEIVERSHIP AND DEBTOR'S CLAIMS THAT THEY DOUBLE PAID INSURANCE PREMIUM.	State court action	1	Overruled	0.4	\$180.00	\$0.00
7/18/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	Lacks information	3	Overruled	0.5	\$232.50	\$0.00
7/19/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED] [REDACTED]. TELEPHONE CALL TO CLIENT.	Duplicative	3	Overruled	0.5	\$232.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
7/21/2016	REED S. WADDELL REVIEW FILES AND DOCKET; PREPARE STATUS REPORT MEMO TO CLIENT RE [REDACTED]	Duplicative	3	Overruled	0.8	\$360.00	\$0.00
7/24/2016	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMO FROM ATTORNEY TALTY.	State court action	1	Overruled	0.1	\$46.50	\$0.00
7/26/2016	ELEANE PANG PREPARATION OF ONLINE SEARCH OF PROBATE COURT RECORDS TO ASCERTAIN [REDACTED]	Administrative; Duplicative	1	Overruled	0.3	\$58.50	\$0.00
7/27/2016	REED S. WADDELL REVIEW BAR DATE NOTICE AND CALENDAR DEADLINES.	Administrative	3	Overruled	0.1	\$45.00	\$0.00
8/16/2016	CRAIG A. WELIN REVIEW OF MEMOS RE THE STATUS OF VARIOUS ISSUES.	Duplicative	3	Overruled	0.2	\$93.00	\$0.00
8/23/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	Duplicative	3	Overruled	0.3	\$100.50	\$0.00
8/23/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	Duplicative	3	Overruled	0.8	\$268.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
8/23/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	Duplicative; state court action	3	Sustained in part - disallowed by 1/2	0.6	\$279.00	\$139.50
8/23/2016	REED S. WADDELL ANALYSIS RE AND MEMO'S REGARDING [REDACTED]	Duplicative	3	Overruled	0.8	\$360.00	\$0.00
8/23/2016	SANDRA BARNETT CONDUCT ONLINE LEXIS UNIFORM COMMERCIAL CODE LIEN SEARCH [REDACTED]	Administrative Tasks; Lacks Information	3	Overruled	0.2	\$39.00	\$0.00
9/1/2016	CHRISTOPHER CROWELL CONFIRM UPCOMING CASE MANAGEMENT CONFERENCE IS OFF CALENDAR AND SO NO NEED TO PREPARE CASE MANAGEMENT STATEMENT	State Court Action; Administrative	1	Sustained	0.2	\$67.00	\$67.00
9/2/2016	REED S. WADDELL TELEPHONE BANKRUPTCY COURT RE APPEARING TELEPHONICALLY AT HEARING RE EXTENSION OF DEADLINE TO ASSUME GROUND LEASE; AND RE LENDER'S SUPPORT FOR UNDERLYING MOTION AND REQUEST FOR SHORTENED NOTICE.	Administrative	3	Overruled	0.2	\$90.00	\$0.00
9/6/2016	CRAIG A. WELIN TELEPHONE CALLS WITH THE CLIENTS RE VARIOUS ISSUES	Lacks information	3	Overruled	0.6	\$279.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
9/6/2016	REED S. WADDELL TELEPHONE AND EMAIL COURT CLERK FORMALLY REQUESTING PERMISSION TO APPEAR TELEPHONICALLY AT 9/8 HEARING.	Administrative	3	Overruled	0.3	\$135.00	\$0.00
9/6/2016	REED S. WADDELL TELEPHONE DAVID BORNHEIMER W/CRAIG RE [REDACTED]	Lacks information; duplicative	3	Overruled	0.4	\$180.00	\$0.00
9/12/2016	CRAIG A. WELIN REVIEW OF PLEADINGS/NOTICES FILED IN THE BANKRUPTCY.	Duplicative	3	Overruled	0.1	\$46.50	\$0.00
9/12/2016	CRAIG A. WELIN REVIEW OF THE RESULTS OF THE VARIOUS HEARINGS.	Duplicative	3	Overruled	0.2	\$93.00	\$0.00
9/13/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	Irrelevant	1	Overruled	0.8	\$372.00	\$0.00
9/13/2016	CRAIG A. WELIN REVIEW OF/REVISIONS TO THE [REDACTED]	Irrelevant; Duplicative	1	Overruled	0.5	\$232.50	\$0.00
9/13/2016	CRAIG A. WELIN TELEPHONE CALL FROM CLIENT RE [REDACTED]	Lacks information	3	Sustained in part - disallowed by 1/2	0.4	\$186.00	\$93.00
9/14/2016	CRAIG A. WELIN REVIEW OF PLEADINGS/NOTICES FILED IN THE BANKRUPTCY.	Duplicative	3	Overruled	0.1	\$46.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
9/19/2016	CRAIG A. WELI REVIEW OF/RESPONSE TO MEMOS RE VARIOUS ISSUES.	Duplicative	3	Overruled	0.2	\$93.00	\$0.00
9/19/2016	CRAIG A. WELIN REVIEW OF PLEADINGS FILED IN THE BANKRUPTCY.	Duplicative	3	Overruled	0.3	\$139.50	\$0.00
9/21/2016	CRAIG A. WELIN REVIEW OF MEMOS RE BANKRUPTCY ISSUES. ANALYSIS RE [REDACTED]	Lacks information; duplicative	3	Sustained in part - disallowed by 1/2	0.6	\$279.00	\$139.50
9/21/2016	REED S. WADDELL ANALYSIS OF [REDACTED]	Duplicative; Excessive	3	Overruled	0.3	\$135.00	\$0.00
9/21/2016	ANALYSIS RE [REDACTED]	Lacks information	3	Sustained in part - disallowed by 1/2	0.4	\$180.00	\$90.00
9/23/2016	CRAIG A. WELIN REVIEW OF PLEADINGS FILED IN THE BANKRUPTCY.	Duplicative	3	Overruled	0.5	\$232.50	\$0.00
9/25/2016	CRAIG A. WELIN REVIEW OF PLEADINGS FILED IN THE BANKRUPTCY.	Duplicative	3	Overruled	0.5	\$232.50	\$0.00
9/26/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED] [REDACTED] PREPARATION OF INSTRUCTIONS RE [REDACTED] [REDACTED] REVIEW OF MEMOS RE THE VARIOUS ISSUES.	Lacks information; duplicative	3	Overruled	0.6	\$279.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
10/3/2016	CHRISTOPHER CROWELL REVIEW DEBTOR'S CHAPTER 11 STATUS CONFERENCE STATEMENT.	State court action		3 Overruled	0.1	\$33.50	\$0.00
10/3/2016	CRAIG A. WELIN REVIEW OF PLEADINGS FILED IN THE BANKRUPTCY.	Duplicative		3 Overruled	0.2	\$93.00	\$0.00
10/5/2016	RONNIE AUCEDA PROCESSED [REDACTED]	Administrative		1 Overruled	0.2	\$39.00	\$0.00
10/10/2016	CHRISTOPHER CROWELL REVIEW AND ANALYSIS OF [REDACTED]	Administrative		3 Overruled	0.4	\$134.00	\$0.00
10/17/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	State court action		3 Sustained in part - disallowed by 1/2	0.2	\$67.00	\$33.50
10/17/2016	CHRISTOPHER CROWELL BEGIN PREPARING [REDACTED]	State court action		3 Overruled	0.3	\$100.50	\$0.00
10/17/2016	CHRISTOPHER CROWELL REVIEW AND ANALYSIS OF [REDACTED]	Duplicative		5 Overruled	0.4	\$134.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
10/17/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	Lacks information	3	Overruled	0.8	\$372.00	\$0.00
10/18/2016	CHRISTOPHER CROWELL CONTINUE PREPARING [REDACTED]	State court action	3	Overruled	1.1	\$368.50	\$0.00
10/18/2016	CHRISTOPHER CROWELL FURTHER ANALYSIS RE: [REDACTED]	State court action	5	Overruled	0.1	\$33.50	\$0.00
10/19/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	Unnecessary; duplicative	3	Overruled	0.4	\$134.00	\$0.00
10/19/2016	CHRISTOPHER CROWELL REVIEW AND ANALYSIS OF [REDACTED]	Duplicative	5	Overruled	0.2	\$67.00	\$0.00
10/19/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	Lacks information	3	Overruled	0.9	\$418.50	\$0.00
10/19/2016	REED S. WADDELL ANALYSIS RE [REDACTED]	Duplicative	5	Overruled	0.9	\$405.00	\$0.00
10/21/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	Lacks information	3	Overruled	0.3	\$139.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
10/21/2016	REED S. WADDELL MULTIPLE COMMUNICATIONS [REDACTED]	State court action	5	Overruled	0.4	\$180.00	\$0.00
10/24/2016	CRAIG A. WELIN REVIEW/ANALYSIS OF [REDACTED]	State court action	5	Overruled	0.6	\$279.00	\$0.00
10/24/2016	REED S. WADDELL MULTIPLE CALLS AND EMAILS RE ORGANIZING CONFERENCE CALL	Administrative	3	Overruled	0.2	\$90.00	\$0.00
10/25/2016	CHRISTOPHER CROWELL ANALYSIS RE: INCLUDING APPRAISAL IN PLEADINGS [REDACTED]	State court action; admin/inter-office; duplicative	5	Overruled	0.1	\$33.50	\$0.00
10/25/2016	CHRISTOPHER CROWELL PREPARE [REDACTED]	State court action	5	Overruled	0.6	\$201.00	\$0.00
10/26/2016	REED S. WADDELL ANALYSIS RE [REDACTED]	Duplicative	5	Overruled	0.5	\$225.00	\$0.00
10/26/2016	REED S. WADDELL CALL WITH CRAIG AND DAVID RE [REDACTED]	Duplicative	5	Overruled	0.3	\$135.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
10/27/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	State court action	5	Overruled	0.1	\$33.50	\$0.00
10/27/2016	REED S. WADDELL REVIEW AND ANALYSIS [REDACTED]	Lacks information	5	Overruled	0.6	\$270.00	\$0.00
10/27/2016	REED S. WADDELL REVIEW AND ANALYZ [REDACTED]	Duplicative	5	Overruled	0.7	\$315.00	\$0.00
10/28/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	Duplicative	5	Overruled	0.1	\$33.50	\$0.00
10/28/2016	REED S. WADDELL ANALYSIS RE [REDACTED]	Duplicative	3	Overruled	0.3	\$135.00	\$0.00
10/28/2016	REED S. WADDELL ANALYZE [REDACTED]	State court action	5	Overruled	0.4	\$180.00	\$0.00
10/31/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	Lacks information	3	Overruled	0.1	\$33.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
11/1/2016	CRAIG A. WELIN REVIEW OF MEMOS RE VARIOUS BANKRUPTCY ISSUES.	Duplicative; lacks information	3	Overruled	0.2	\$93.00	\$0.00
11/1/2016	REED S. WADDELL REVIEW AND ANALYZE [REDACTED]	State court action	3	Overruled	1.1	\$495.00	\$0.00
11/2/2016	CRAIG A. WELIN REVIEW OF PLEADINGS FILED IN THE BANKRUPTCY.	Duplicative; lacks information	3	Overruled	0.4	\$186.00	\$0.00
11/2/2016	REED S. WADDELL ANALYZE [REDACTED]	State court action	5	Overruled	1.2	\$540.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
11/3/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	Duplicative	3	Sustained in part - disallowed by 1/2	0.1	\$33.50	\$16.75
11/3/2016	REED S. WADDELL ANALYSIS OF [REDACTED] MULTIPLE EMAILS RE FAILURE TO INCLUDE ATTACHMENTS.	Lacks information; administrative	3	Overruled	0.3	\$135.00	\$0.00
11/4/2016	CHRISTOPHER CROWELL FURTHER ANALYSIS RE: [REDACTED]	State court action	5	Overruled	0.4	\$134.00	\$0.00
11/7/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	Lacks information	3	Overruled	0.4	\$134.00	\$0.00
11/7/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	Lacks information	3	Overruled	0.4	\$186.00	\$0.00
11/7/2016	REED S. WADDELL ANALYSIS RE [REDACTED] [REDACTED]; MULTIPLE EMAILS RE SAME.	Duplicative	3	Overruled	0.6	\$270.00	\$0.00
11/9/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	State court action	3	Overruled	0.2	\$67.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
11/9/2016	REED S. WADDELL FURTHER ANALYSIS RE [REDACTED]	Lacks information; unnecessary	3	Overruled	0.4	\$180.00	\$0.00
11/10/2016	CHRISTOPHER CROWELL ASSIST R. WADDELL WITH PREPARATIONS FOR TODAY'S HEARINGS, SPECIFICALLY WITH REGARD TO [REDACTED TEXT]	(blank)	3	Sustained - vague	0.2	\$67.00	\$67.00
11/10/2016	CHRISTOPHER CROWELL REVIEW AND ANALYSIS OF [REDACTED]	Duplicative	3	Overruled	0.1	\$33.50	\$0.00
11/11/2016	CHRISTOPHER CROWELL ANALYSIS RE: [REDACTED]	Duplicative	3	Overruled	0.3	\$100.50	\$0.00
11/11/2016	CHRISTOPHER CROWELL REVIEW AND ANALYSIS OF [REDACTED]	State court action	5	Overruled	0.2	\$67.00	\$0.00
11/11/2016	REED S. WADDELL ANALYSIS OF [REDACTED]	State court action	5	Overruled	0.9	\$405.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
11/14/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	Duplicative	3	Overruled	0.7	\$325.50	\$0.00
11/14/2016	CRAIG A. WELIN REVIEW/INITIAL ANALYSIS OF [REDACTED]	State court action	3	Overruled	0.8	\$372.00	\$0.00
11/14/2016	REED S. WADDELL ANALYSIS OF AND MEMOS RE [REDACTED]	Unnecessary; duplicative	3	Overruled	0.8	\$360.00	\$0.00
11/14/2016	REED S. WADDELL MULTIPLE CALLS AND EMAILS RE SETTING UP A STRATEGY CALL.	Administrative	3	Overruled	0.1	\$45.00	\$0.00
11/14/2016	REED S. WADDELL PREPARE AGENDA FOR CLIENT CALL RE [REDACTED]	Unnecessary; duplicative	3	Overruled	0.4	\$180.00	\$0.00
11/14/2016	REED S. WADDELL REVIEW AND ANALYSIS OF [REDACTED]	Unnecessary; duplicative	5	Overruled	0.4	\$180.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
11/15/2016	CRAIG A. WELIN REVIEW OF [REDACTED]	Lacks information	3	Overruled	0.4	\$186.00	\$0.00
11/15/2016	CRAIG A. WELIN REVIEW/ANALYSIS OF [REDACTED] [REDACTED]. PREPARATION FOR CONFERENCE CALL WITH CLIENT.	Lacks information; duplicative	3	Overruled	0.8	\$372.00	\$0.00
11/15/2016	REED S. WADDELL PREPARE FOR CLIENT CONFERENCE CALL; ANALYSIS RE [REDACTED]	Lacks information; duplicative	3	Overruled	0.6	\$270.00	\$0.00
11/16/2016	CRAIG A. WELIN INITIAL REVIEW OF [REDACTED]	Duplicative	3	Overruled	0.9	\$418.50	\$0.00
11/16/2016	REED S. WADDELL ANALYSIS RE [REDACTED]	Lacks information	3	Overruled	0.6	\$270.00	\$0.00
11/16/2016	REED S. WADDELL ANALYSIS RE [REDACTED]	State court action	5	Overruled	0.8	\$360.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
11/16/2016	REED S. WADDELL MULTIPLE COMMUNICATIONS WITH CLIENT RE [REDACTED]	Duplicative	3	Overruled	0.3	\$135.00	\$0.00
11/18/2016	CHRISTOPHER CROWELL REVIEW AND ANALYSIS OF [REDACTED]	Duplicative	3	Overruled	0.2	\$67.00	\$0.00
11/22/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	State court action	3	Overruled	0.4	\$186.00	\$0.00
11/23/2016	REED S. WADDELL REVIEW AND ANALYZE [REDACTED]	State court action	5	Overruled	0.8	\$360.00	\$0.00
11/28/2016	REED S. WADDELL ANALYSIS RE [REDACTED]	State court action	5	Overruled	0.6	\$270.00	\$0.00
11/28/2016	REED S. WADDELL EMAILS TO CLIENT RE [REDACTED]	State court action	3	Sustained in part - disallowed by 1/2	0.2	\$90.00	\$45.00
11/28/2016	REED S. WADDELL PREPARE STATUS MEMO TO CLIENT RE [REDACTED]	State court action	3	Sustained in part - disallowed by 1/2	0.4	\$180.00	\$90.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
11/30/2016	CRAIG A. WELIN REVIEW OF PLEADINGS FILED IN THE BANKRUPTCY.	Duplicative	3	Overruled	0.1	\$46.50	\$0.00
11/30/2016	CRAIG A. WELIN REVIEW OF THE RESULTS OF THE VARIOUS HEARINGS IN THE BANKRUPTCY.	Duplicative	3	Overruled	0.2	\$93.00	\$0.00
12/1/2016	REED S. WADDELL CONFERENCE CALL WITH CRAIG AND MR. BORNHEIMER [REDACTED]	Lacks information; duplicative	3	Overruled	0.5	\$225.00	\$0.00
12/4/2016	CRAIG A. WELIN REVIEW OF PLEADINGS FILED IN THE BANKRUPTCY.	Duplicative	3	Overruled	0.1	\$46.50	\$0.00
12/8/2016	REED S. WADDELL ANALYSIS RE [REDACTED]	State court action	5	Overruled	0.2	\$90.00	\$0.00
12/8/2016	SANDRA BARNETT REVISION OF THE DECLARATION OF DEFAULT AND ELECTION TO SELL.	Administrative Tasks	1	Overruled	0.3	\$58.50	\$0.00
12/9/2016	REED S. WADDELL ANALYSIS RE [REDACTED]; TELEPHONE COURT CLERK RE SAME.	Lacks information; administrative	3	Overruled	0.1	\$45.00	\$0.00
12/15/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	Lacks information; duplicative	3	Overruled	0.4	\$186.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
12/15/2016	REED S. WADDELL ANALYSIS RE [REDACTED]	Lacks information ; duplicative	3	Overruled	0.4	\$180.00	\$0.00
12/16/2016	CRAIG A. WELIN MULTIPLE TELEPHONE CALLS [REDACTED]	State court action	3	Overruled	0.6	\$279.00	\$0.00
12/19/2016	CRAIG A. WELIN ANALYSIS RE [REDACTED]	State court action	3	Overruled	0.2	\$93.00	\$0.00
12/27/2016	SANDRA BARNETT OBTAIN THE CONFORMED STIPULATION FOR APPOINTMENT OF RECEIVER.	State Court Action, Administrative Tasks	1	Overruled	0.2	\$39.00	\$0.00
1/4/2017	REED S. WADDELL TRAVEL TO AND APPEAR AT CONTINUED HEARING ON DEBTOR'S MOTION FOR APPROVAL OF DISCLOSURE STATEMENT, DEBTOR'S MOTION FOR AUTHORITY TO BORROW, SHERATON RFS MOTION AND CHAPTER 11 STATUS CONFERENCE IN US BANKRUPTCY COURT, SAN DIEGO.	(blank)	3	Sustained in part - disallowed by 1/2	4.3	\$1,999.50	\$999.75
1/5/2017	SANDRA BARNETT PREPARATION OF EMAIL REGARDING STATUS OF THE NON-JUDICIAL FORECLOSURE.	State Court Action, Administrative Tasks	1	Overruled	0.1	\$19.50	\$0.00
1/12/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS FROM CLIENT RE [REDACTED].	Lacks information	3	Overruled	0.2	\$99.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
1/23/2017	BRUCE D. POLTROCK REVIEW OF THE STATE COURT NOTICE OF SETTING STATUS CONFERENCE	State court action	1	Sustained - vague	0.1	\$41.50	\$41.50
1/24/2017	SANDRA BARNETT CONDUCT ONLINE SEARCH TO ASCERTAIN DECEMBER 2016 PROPERTY TAX INSTALLMENT PAID, TELEPHONE CONFERENCE WITH THE TAX COLLECTOR, AND PREPARATION OF EMAIL THEREON.	Administrative Tasks; State Court Action	3	Overruled	0.4	\$78.00	\$0.00
1/31/2017	REED S. WADDELL EMAIL CLIENT RE [REDACTED].	Lacks information	3	Overruled	0.1	\$46.50	\$0.00
1/31/2017	SANDRA BARNETT EMAIL REGARDING STATUS OF THE DECLARATION OF DEFAULT TO PROCEED WITH NON-JUDICIAL FORECLOSURE.	Administrative Tasks; State Court Action	1	Overruled	0.1	\$19.50	\$0.00
2/1/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS RE VARIOUS BANKRUPTCY ISSUES. TELEPHONE CALL TO BORROWER'S COUNSEL RE INSURANCE ISSUES.	Duplicative	3	Overruled	1	\$495.00	\$0.00
2/1/2017	SANDRA BARNETT REVIEW OF FILE DOCUMENTATION REGARDING STATUS OF THE NON- JUDICIAL FORECLOSURE; REVISION OF THE DECLARATION OF DEFAULT AND DEMAND FOR FORECLOSURE SALE FORM.	Administrative Tasks; State Court Action	1	Overruled	0.3	\$58.50	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
2/2/2017	REED S. WADDELL ANALYSIS RE [REDACTED]	Administrative	3	Overruled	0.2	\$93.00	\$0.00
2/2/2017	REED S. WADDELL MULTIPLE CALLS TO JUDICATE WEST RE POTENTIALLY SCHEDULING JUDGE HARGROVE AS MEDIATOR.	Administrative	3	Overruled	0.2	\$93.00	\$0.00
2/2/2017	REED S. WADDELL TELEPHONE MULTIPLE JUDGES CHAMBERS RE WILLINGNESS TO ACT AS MEDIATORS IN THIS MATTER.	Administrative	3	Overruled	0.4	\$186.00	\$0.00
2/2/2017	SANDRA BARNETT REVISION OF THE DECLARATION OF DEFAULT TO COMMENCE NON- JUDICIAL FORECLOSURE PROCEEDINGS.	Administrative Tasks; State Court Action	1	Overruled	0.2	\$39.00	\$0.00
2/3/2017	CRAIG A. WELIN REVIEW OF MEMOS RE THE FORECLOSURE DOCUMENTATION.	State court action; duplicative	1	Overruled	0.2	\$99.00	\$0.00
2/6/2017	CRAIG A. WELIN TELEPHONE CALL TO [REDACTED]	Unnecessary; duplicative	3	Overruled	0.2	\$99.00	\$0.00
2/8/2017	CRAIG A. WELIN REVIEW OF MEMOS RE INSURANCE ISSUES.	Duplicative	3	Overruled	0.1	\$49.50	\$0.00
2/9/2017	REED S. WADDELL MULTIPLE CALLS RE AVAILABILITY OF A MEDIATOR.	Administrative	3	Overruled	0.5	\$232.50	\$0.00
2/10/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS RE [REDACTED]	Duplicative	3	Overruled	0.2	\$99.00	\$0.00

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
2/15/2017	CRAIG A. WELIN PREPARATION OF [REDACTED]	Unnecessary; duplicative	3	Overruled	0.1	\$49.50	\$0.00
2/17/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMO FROM [REDACTED]	Unnecessary; duplicative	3	Overruled	0.1	\$49.50	\$0.00
2/21/2017	BRUCE D. POLTROCK REVIEW OF STATE COURT DOCKET RE NEXT REQUIRED BANKRUPTCY STATUS HEARING IN THE RECEIVERSHIP ACTION	State court action	1	Overruled	0.1	\$41.50	\$0.00
2/21/2017	CRAIG A. WELIN TELEPHONE CALL TO [REDACTED]	State court action	3	Overruled	0.1	\$49.50	\$0.00
2/21/2017	REED S. WADDELL ANALYSIS RE [REDACTED]	State court action	1	Overruled	0.2	\$93.00	\$0.00
2/22/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS [REDACTED]	Administrative	1	Overruled	0.2	\$99.00	\$0.00
2/24/2017	CRAIG A. WELIN PREPARATION OF MEMO TO [REDACTED]	Unnecessary; duplicative	3	Overruled	0.1	\$49.50	\$0.00
2/25/2017	CRAIG A. WELIN REVIEW OF/RESPONSE TO MEMOS RE RECEIVERSHIP EXPENSE ISSUES.	State Court action	1	Overruled	0.1	\$49.50	\$0.00
2/27/2017	CRAIG A. WELIN ANALYSIS RE [REDACTED]	Duplicative	3	Sustained in part - disallowed by 1/2	0.6	\$297.00	\$148.50

Date	Description	Technical Objection	Court Category	Court Analysis	Time	Amount Requested	Amount Disallowed
2/28/2017	CRAIG A. WELIN TELEPHONE CALL FROM [REDACTED]	Unnecessary; duplicative	3	Overruled	0.2	\$99.00	\$0.00
3/10/2017	REED S. WADDELL DRAFT STATUS CONFERENCE REPORT FOR RECEIVERSHIP ACTION; MEMO RE SAME.	State court action	1	Overruled	0.3	\$139.50	\$0.00
3/11/2017	REVIEW OF/RESPONSE TO THE MEMO RE THE STATE COURT RECEIVERSHIP STATUS CONFERENCE	State court action	1	Overruled	0.1	\$49.50	\$0.00
3/24/2017	CRAIG A. WELIN REVIEW OF THE RESULTS OF THE STATUS CONFERENCE IN THE STATE COURT RECEIVERSHIP PROCEEDING.	State court action	1	Overruled	0.1	\$49.50	\$0.00
3/29/2017	CRAIG A. WELIN REVIEW OF ORDER VACATING A PRIOR FINANCING ORDER.	Unrecoverable	3	Overruled	0.1	\$49.50	\$0.00
Grand Total					117.8	\$46,699.50	\$2,715.50

Appendix G

Total Fees and Costs Requested and Allowed

Time Period	Fees Requested	Costs Requested	Total Fees & Costs Requested for Each Period	Fees Allowed	Costs Allowed	Total Fees & Costs Allowed for Each Period
Period ending February 28, 2017 (Doc. 230 ¶ 3)	\$351,840.50	\$21,014.62	\$372,855.12	\$184,419.50	\$11,015.86	\$195,435.36
March 2017 Fees (Doc. 283 ¶ 22)	\$159,519.50	\$29,716.73	\$189,236.23	\$288.00	\$53.49	\$341.49
April 2017 Fee Estimate (Doc. 283 ¶ 24)	\$45,000.00		\$45,000.00	\$2,065.50		\$2,065.50
Grand Total for All Periods	\$556,360.00	\$50,731.35	\$607,091.35	\$186,773.00	\$12,279.92	\$197,842.35

Notice Recipients

District/Off: 0974-3	User: Admin.	Date Created: 5/8/2017
Case: 16-03135-MM11	Form ID: pdfO1	Total: 3

Recipients of Notice of Electronic Filing:

aty	Jennifer E. Duty	jduty@gordonrees.com
aty	William M. Rathbone	wrathbone@gordonrees.com

TOTAL: 2

Recipients submitted to the BNC (Bankruptcy Noticing Center):

db	8110 Aero Drive Holdings, LLC	8110 Aero Drive	San Diego, CA 92123
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TOTAL: 1