

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF IOWA**

IN RE:) CHAPTER 7
) BANKRUPTCY NO. 08-2751
AGRIPROCESSORS, INC.,)
)
Debtor.)

**ELEVENTH INTERIM APPLICATION OF ATTORNEYS FOR CHAPTER 7 TRUSTEE
JOSEPH SARACHEK (ELDERKIN & PIRNIE, PLC) FOR ATTORNEYS' FEES & EXPENSES**

Elderkin & Pirnie, PLC (“Applicant”), pursuant to 11 U.S.C. Section 331, hereby requests an Order approving the attorneys’ fees and expenses incurred in connection with this Chapter 7 case on behalf of Trustee Joseph E. Sarachek. In support thereof Applicant respectfully represents:

1. Applicant is an attorney of record for Trustee Joseph E. Sarachek (“Trustee”) in the above-named case, and has acted as such during all of the proceedings to date.
2. Elderkin & Pirnie, PLC is a law firm with members who specialize in bankruptcy cases and is recognized as a firm whose members handle complex financial matters. Those firm members with such special expertise have performed all of the work done for the Trustee in this case or have directed and supervised work performed by other attorneys or paraprofessionals. A brief professional biography of each of the persons in the firm performing services described in this application is attached as Exhibit “A.”
3. Applicant has expended time in the form of attorney and professional services. This time has been itemized on records which reflect on a day-to-day basis the work performed by each attorney or paraprofessional during the period covered by this application. Copies of the time records are attached as Exhibit “B.” A list setting forth the letter designations, name, employment category, and normal hourly

rate charges attributable to each individual performing the services rendered herein, is attached as Exhibit “C.”

4. Counsel has advanced on behalf of the client certain expenses as shown on Exhibit “B,” which expense advancements were made directly in connection with this case and were necessary in connection with counsel’s representation of the Debtor.

5. This interim application includes fees in the amount of \$574,453.50 and expenses and advances in the amount of \$74,180.82 totaling \$648,634.32 for the period October 1, 2012, through May 31, 2013, that have not been previously applied for or approved. Pursuant to Bankruptcy Rule 2016(a), the undersigned states the Chapter 7 fees and expenses approved by the Court in the ten (10) previous Applications are as follows:

Application	Attorneys’ Fees	Expenses	Total	Fee Approved
1 st Interim	\$112,798.50	\$2,534.45	\$115,332.95	\$115,332.95
2 nd Interim	\$146,305.50	\$2,802.46	\$149,107.96	\$149,107.96
3 rd Interim	\$171,617.50	\$4,985.50	\$176,603.00	\$176,603.00
4 th Interim	\$138,204.50	\$4,192.37	\$142,396.87	\$142,396.87
5 th Interim	\$180,337.00	\$3,881.54	\$184,218.54	\$184,218.54
6 th Interim	\$314,344.50	\$1,650.51	\$315,995.01	\$315,995.01
7 th Interim	\$344,107.50	\$15,341.05	\$359,448.55	\$359,448.55
8 th Interim	\$299,734.50	\$35,702.70	\$335,437.20	\$335,437.20
9 th Interim	\$475,876.50	\$43,488.71	\$519,365.21	\$466,365.21
10 th Interim	\$364,898.00	\$49,667.89	\$414,565.89	\$414,565.89

The undersigned counsel certifies that all previously ordered fees have been paid (except those subject to “holdback” as previously agreed) and that all fees paid or to be paid have come from funds on hand that the Trustee, in his discretion, has paid to Applicant.

6. Work on this case, to date, has involved extensive action by the firm and several of its attorneys and support staff in furtherance of the Trustee’s attempts to recover avoidable transfers and to finish the liquidation of assets and the assessment of claims. Applicant’s work for the Trustee during the period covered by this application may be summarized as follows:

During the time period covered by this application, counsel for the Trustee continued to perform all of the general representation functions that the Trustee required in the execution of his duties in this case. The vast majority of the work, however, was concentrated in the management of avoidance action litigation. That management work was mainly concentrated in five broad areas: Discovery, trial preparation, trials, negotiation and court approval of settlements, and collection efforts for judgments obtained.

Although every pending avoidance action was filed at least three and one-half years ago, discovery is still on-going in several actions. Many defendants prolonged the discovery process by use of various tactics, including multiple requests for extension of time, filing of various motions, changing or adding counsel and, in some cases, simply ignoring the action until the Trustee sought default judgments and then asking for more time to obtain counsel. In an attempt to complete discovery in a timely manner and without the need to have lengthy delays to resolve discovery disputes, Trustee's counsel has traveled to various locations, most frequently to New York City, to participate in depositions. Paper discovery in the form of documents produced has been very voluminous and the review of documents represents a very significant portion of counsel's time in this application.

In those cases where discovery proceeded more normally, counsel's time for this application was spent in the review of documents and the preparation of cases for trial. In many of those cases, trial preparations were essentially completed prior to the time that defendants began to tender offers of settlement. In several instances, defendants sought extensions of time to allow negotiations to continue. During the period covered by this application, a number of matters were settled and court approval for those settlements was obtained by Trustee's counsel, after proper application and notice.

A few matters have proceeded to trial and in all but one matter, Wahls/Garnavillo, the Trustee obtained judgment against the defendant. For those judgments, and others previously obtained, the

Trustee's counsel has engaged in substantial efforts to collect against those defendants. Success has been mixed to date, but the estate has made some substantial recoveries and is continuing the effort.

The single most significant matter that required substantial effort during the period of this application was the preference action against the Luana Savings Bank. Very significant amounts of time were devoted to various discovery and pretrial preparation matters. Expert opinions were obtained and reviewed and the Court handed down a long and complicated summary judgment ruling that significantly changed the focus of the Trustee's case and the analysis of the defenses available to the bank.

Many defendants filed summary judgment motions with regard to some or all of the elements of the Trustee's case. This required the trustee to respond vigorously and in detail to each such motion, regardless of the amount in controversy, because of the possible preclusive effect that an adverse ruling might have on all other pending actions. To date, no significant issue has been decided adversely to the Trustee in the rulings on those motions.

The nominal amount sought in the complaints for the cases still pending is in excess of \$32,000,000 in pre-petition payments. Counsel for the Trustee continues to prosecute those actions while also negotiating reasonable settlements based upon information provided by Defendants or obtained through the discovery process. A number of cases have now been set for trial and a few of the cases may progress towards likely settlement. Additional trials will be scheduled throughout 2014 and 2015, and additional settlements are likely.

7. Counsel represents that all of the work represented by this application was done for the benefit of the bankruptcy estate, with the knowledge and approval of the Trustee and that no action was undertaken which counsel thought was unnecessary or of no value to the estate. Further, to the extent possible, counsel has attempted to avoid unnecessary duplication of effort by the personnel involved and has, whenever possible, adhered to the principle that each task should be assigned to the attorney or

paraprofessional person who is capable of performing the work for the lowest cost. The exigencies of any given matter, or the uncertainty of the complexity that may be involved, have sometimes prevented the application of this principle.

8. Applicant requests that the Court approve the allowance requested in this application and authorize the Trustee to pay any allowance from available funds.

WHEREFORE, Applicant requests that the Court, pursuant to 11 U.S.C. Section 331, enter appropriate orders awarding compensation for services rendered and expenses advanced in the amount of \$648,634.32 for the period covered in this application and authorize the Trustee to pay that amount from available funds.

Respectfully submitted,

/s/ Dan Childers

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