

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

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

**SECOND INTERIM APPLICATION OF ATTORNEYS FOR CHAPTER 7 TRUSTEE
JOSEPH SARACHEK (ELDERKIN & PIRNIE, PLC)
FOR ATTORNEYS' FEES AND 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, P.L.C. 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 \$146,305.50 and expenses and advances in the amount of \$2,802.46 totaling \$149,107.96 for the period January 1, 2010 through March 31, 2010 that have not been previously applied for or approved.

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 identify and recover avoidable transfers and to finish the liquidation of assets and the assessment of claims. That process also involves some continued involvement of the Trustee and his counsel in the pending criminal action against the company and some of its officers. Because of that complication, applicants' work has been compounded not only by the necessity to give attention to the pending criminal action, but also by the need to communicate with the office of the United States Attorney and various defense counsel. Applicant's work for the Trustee during the period covered by this application may be summarized into three (3) broad categories.

General Counsel Services

Some of applicants work over the period of this application has been of a general services nature. Applicant has provided advice and support for the Trustee's efforts since the conversion of the case to Chapter 7. Applicant has provided Trustee with advice and logistical support regarding document preparation, court filings, noticing of hearings and many other matters that are currently pending or that have been resolved in the past three months. Applicant has appeared on behalf of the Trustee at all hearings since the conversion of the case to Chapter 7. Applicant has handled all of the day-to-day legal business of the Trustee since the conversion because New York counsel is no longer involved in the case. In all of these matters, applicant has assigned duties to various personnel based upon the central idea that the lowest cost provider who is competent to provide the service should perform the task. In some cases, junior attorneys or paralegal personnel have been assigned to perform tasks not requiring the services of more senior personnel. Due to the nature of the services required by the Trustee and the urgency of many of the tasks assigned, it has not always been possible to apply the lowest cost concept to the services that have been provided during the period of this application, but applicant continues to strive to apply the concept whenever possible.

Criminal Case Monitoring

Applicant has and continues to provide to the Trustee the primary monitoring of the ongoing criminal case against the Debtor corporation. The Trustee believes that the bankruptcy estate is not authorized to provide criminal defense counsel to the corporation, but does have an interest in the proceeding to the extent that a criminal forfeiture allegation has been made against the corporation that could impact the

property of the bankruptcy estate. Applicant has been engaged in the criminal proceedings only to the extent deemed necessary to protect the bankruptcy estate's interest, and will continue to that same extent so long as the Trustee deems such involvement prudent.

Avoidable Transfers

Counsel has reviewed records and worked closely with Trustee's experts, Triax, to identify all potentially avoidable transfers and to prioritize the pursuit of their recovery. Counsel has communicated with potential defendants of preference actions and has, in some cases, identified parties who appear to have complete defenses to recovery. In many cases, counsel has received documentation regarding possible affirmative defenses raised by defendants and is evaluating the advisability of settlements or suits to recover from those parties. The process is ongoing and very labor intensive.

7. The undersigned attorney represents to the Court that services and expense advancements provided during the period covered by this application were ordinary and necessary for a case of the nature and complexity of the instant case and no work was excessive or detrimental to the estate.

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

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 \$149,107.96 for the period covered in this application and authorize the Trustee to pay that amount pursuant to his discretion.

Respectfully submitted,



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