

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

IN RE:

MEGAN-RACINE ASSOCIATES, INC.

CASE NO. 92-00860

Debtor

Chapter 11

APPEARANCES:

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STEPHEN D. GERLING, U.S. Bankruptcy Judge

MEMORANDUM-DECISION, FINDINGS OF FACT,
CONCLUSIONS OF LAW AND ORDER

The Court considers herein the Second Interim Application for Allowance ("Second Fee Application") filed by Jefferson Craft, C.P.A. ("Craft") which seeks compensation in the sum of \$10,000 and covers the period September 22, 1992 through January 19, 1993.

A hearing on the Second Fee Application was held before this Court on March 23, 1993. Appearances at said hearing were entered by the Debtor, the Creditors' Committee, Hudson Engineering Corporation ("Hudson") and the United States Trustee ("UST"). The latter two parties filed objections to the Second Fee Application.

Both Hudson and the UST object to the Second Fee Application on the ground that the entries in the contemporaneous time records which support the Fee Application are "lumped", thus making it difficult to analyze Craft's services on an individual basis. Additionally, Hudson asserts that Craft has chosen to ignore Local Rule 17(a) of this Court in that the time records have not been structured in tenth of an hour increments. The UST contends that a Craft

employee is billing her time at \$60.00 per hour while rendering clerical services.

In response, Craft, by letter dated March 19, 1993, which does not appear to have been served upon either Hudson or the UST, advises the Court that the failure to recover the requested fee will cause him a financial hardship and that the person allegedly performing clerical services is in fact a licensed CPA in Florida.

A review of Craft's handwritten contemporaneous time records would seem to support the objections of both Hudson and the UST. Additionally, the Court notes that the time entries are cursory at best, and while perhaps adequate for Craft's internal control, fail completely to inform either creditors or this Court as to the nature or need for the service allegedly rendered, and more importantly, their actual benefit to the estate.

If the Court can draw any conclusion from the services rendered by Craft, it is that in significant part, they appear to benefit "J.Megan" rather than the Debtor, and, therefore, are not compensable from the Debtor's estate.

The Court will, therefore, deny the Second Fee Application of Craft in its entirety, without prejudice to the filing and service by Craft within twenty (20) days of the date of entry of this Order, of contemporaneous time records prepared in accordance with Local Rule 17(a) and served upon all of the parties who appeared at the March 23, 1993 hearing. The Court further requires that the time records be in typewritten form. The parties appearing at the March 23, 1993 hearing shall have a period of ten (10) days from receipt of Craft's revised time records to file and serve a response. The Court will thereafter reconsider Craft's Second Fee Application.

IT IS SO ORDERED.

Dated at Utica, New York
this day of May, 1993

STEPHEN D. GERLING
U.S. Bankruptcy Judge

