

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK

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IN RE:

HOTEL SYRACUSE, INC.  
  
Debtor  
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CASE NO. 90-02921  
  
Chapter 11

APPEARANCES:

SHAW, LICITRA, PARENTE,  
ESERNIO & SCHWARTZ, P.C.  
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Of Counsel

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Accountants and Consultants to Debtor  
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STEPHEN D. GERLING, U.S. Bankruptcy Judge

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

On June 29, 1993, the Court held a hearing on the Final Application of Pannell Kerr Forster ("PKF") for compensation and reimbursement of expenses in connection with PKF's accounting and consulting services rendered on behalf of the Hotel Syracuse, Inc. ("Debtor"), during the period of January 11, 1991 and February 29, 1992. The Final Application sought a fee of \$95,746.00 and reimbursement of expenses in the sum of \$3,973.00.

At the hearing, the United States Trustee ("UST") appeared in support of its previously filed objection. Following the hearing, the Court directed PKF to provide supplemental time records structured in tenth of an hour increments in accordance with Local Rule 17(a)(4) of the Local Rules of this Court.

On July 26, 1993, PKF filed the affidavit of John L. Baldante ("Baldante Affidavit"), which indicates that accounting and auditing services are "generally rendered in periods of days, weeks or months," and that it is a standard billing practice of accounting firms to utilize time increments of not less than thirty minutes. (See Baldante Affidavit at ¶4).

The Local Rules of this Court require time records to be structured

in tenth of an hour increments to accurately reflect time consumed by professionals. The use of half-hour increments necessarily leads to an overestimation of time consumed.

Thus, while this Court can appreciate what may be standard practice in maintaining time records in the accounting profession, its concern must be grounded in maximizing return to pre-petition creditors.

In reviewing PKF's time records, the Court notes errors in the total hours and disbursements credited to Michael McVetty ("McVetty"). The Court corrects the total hours as follows: 209 hours @ \$70.00 per hour, plus 70.50 hours @ \$72.00 per hour for a total of \$19,706.00 and McVetty disbursements totalling \$726.00.

In recognition of the validity of the UST's objection and in light of PKF's inability to comply with Local Rule 17(a)(4), the Court will further reduce the Final Application by an amount equal to 10% of the correct fee request, approving a fee in the sum of \$84,660.00. The Court will further approve reimbursement of PKF's expenses in the sum of \$3,951.00

IT IS SO ORDERED.

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

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STEPHEN D. GERLING  
U.S. Bankruptcy Judge