

1 STEVEN H. FELDERSTEIN, State Bar No. 056978
THOMAS A. WILLOUGHBY, State Bar No. 137597
2 FELDERSTEIN FITZGERALD WILLOUGHBY &
PASCUZZI LLP
3 400 Capitol Mall, Suite 1450
Sacramento, CA 95814
4 Telephone: (916) 329-7400
Facsimile: (916) 329-7435

5 Attorneys for The Official Committee of Unsecured
6 Creditors

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8 UNITED STATES BANKRUPTCY COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION

11 In re:	CASE NO.: 08-32514
12 HELLER EHRMAN LLP,	Chapter 11
13 Debtors.	

14 **OFFICIAL COMMITTEE OF UNSECURED CREDITORS' OPPOSITION TO**
15 **DEBTOR'S APPLICATION TO EMPLOY CLARS AUCTION GALLERY AS**
16 **DEBTOR'S ART APPRAISERS AND REQUEST FOR HEARING**

17 The Official Committee of Unsecured Creditors (the "Committee") hereby files its
18 opposition (the "Opposition") to the Debtor's Application to Employ Clars Auction Gallery as
19 Debtor's Art Appraisers (the "Application") and respectfully represents the following:

- 20 1. The Committee opposes the employment of an art appraiser because it believes
21 that an appraisal is not a necessary cost of liquidating the Debtor's art work.
- 22 2. The Committee has been informed that the Debtor is currently considering an
23 auction procedure for the sale of all the artwork and the Committee would like to avoid the
24 duplicate cost of appraising the artwork and paying an auctioneer to sell it.
- 25 3. The Committee understands that the appraisal may also be used to provide a
26 framework or guide post for selling individual or groups of art separate from the auction, but the
27 Committee is opposed to that process.
- 28 4. Based on advice received from the Committee's financial advisor, the Committee
believes that all the artwork should be included in the auction and as such the appraisal is not a

1 necessary expense of liquidating that asset.

2 5. As a broader point, the Committee is very concerned about the potential level of
3 professional fees and expenses in this relatively straightforward liquidation case.

4 6. The Committee has just recently received a draft wind down budget,¹ which still
5 fails to include budgets for the majority of the professionals approved for employment in this case
6 notwithstanding the Committee and the Dissolution Committee's agreement in January of 2009
7 that all the professionals would be required to submit such budgets to the Committee's and the
8 Debtor's financial advisor within thirty days from mid January. This budget is now a month late.

9 7. The Committee understands that the cost is a relatively minor expense in the
10 overall professional cost of this case, but absent a budget, it is very difficult for the Committee to
11 consent to additional professional expenditures that on the face do not appear to be necessary or
12 even warranted given the anticipated auction procedure.

13 8. The Committee respectfully requests that the Court delay ruling on this
14 Application and set this matter for hearing on its March 27, 2009, 2:30 p.m. calendar so that the
15 Committee and the Debtor can have further discussions to see if this objection may be resolved.

16 WHEREFORE, the Committee respectfully requests that the Court delay ruling on this
17 Application and set the matter for hearing on its March 27, 2009, 2:30 p.m. calendar.

18 Dated: March 12, 2009

19 FELDERSTEIN FITZGERALD
20 WILLOUGHBY & PASCUZZI LLP

21 By /s/ Thomas A. Willoughby
22 THOMAS A. WILLOUGHBY
23 Attorneys for the Official Committee
24 of Unsecured Creditors
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27

28 ¹ The wind down budget will likely be attached to a 2d Interim Status Report from the
Committee as soon as it is finalized with the professional fee budget included.