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9 Attorneys for Heller Ehrman LLP,
Debtor and Debtor in Possession

10 **UNITED STATES BANKRUPTCY COURT**
11 **NORTHERN DISTRICT OF CALIFORNIA**
12 **SAN FRANCISCO DIVISION**

13 In re:
14 Heller Ehrman LLP,¹
15 Debtor.

Case No.: 08-32514

Chapter 11

**REPLY TO UNITED STATES
TRUSTEE OBJECTION TO
APPLICATION TO EMPLOY ADLER
LAW FIRM AS DEBTOR'S
COLLECTIONS COUNSEL**

[No Hearing Set]

19 Heller Ehrman LLP, debtor and debtor in possession in the above-referenced case (the
20 "Debtor"), hereby replies to the United State Trustee's Objection to Employ Adler Law Firm
21 ("Objection") as follows:

22 1. On April 15, 2009, the Debtor filed an Application to Employ Adler Law Firm
23 ("Adler") As Special Collections Counsel and to Authorize Payment of Contingency Fees
24 ("Application"). By way of the Application, the Debtor sought Court approval to retain Adler, at the
25 expense of the Debtor's estate, on a percentage fee basis, to collect Debtor's past-due receivables.
26 The Debtor also sought approval to pay Adler's contingency fees and expenses without further order
27 of the Court.

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¹ The Debtor's address is 333 Bush Street, San Francisco, CA 94104, Federal Tax I.D. No. 94-1217308.

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13 In re:

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15 Debtor.

Case No.: 08-32514

Chapter 11

**DECLARATION OF MIRIAM
KHATIBLOU IN SUPPORT OF
REPLY TO UNITED STATES
TRUSTEE OBJECTION TO
APPLICATION TO EMPLOY ADLER
LAW FIRM AS DEBTOR'S
COLLECTIONS COUNSEL**

[No Hearing Set]

20 I, Miriam Khatiblou, hereby declare and state as follows:

21 1. I am an attorney duly admitted to practice law in the State of California. I am an
22 attorney in the law firm of Pachulski Stang Ziehl & Jones LLP (the "Firm"), general bankruptcy
23 counsel for Heller Ehrman, LLP (the "Debtor").

24 2. On April 21, 2009, I spoke with Ms. Minnie Loo regarding the *Acting United States*
25 *Trustee's Objection To Application to Employ Adler Law Firm* to address the objections raised
26 therein. I explained that the Debtor did intend to provide parties in interest with notice of any
27 proposed payment to Adler of its contingency fees and expenses. I explained that the notice of such
28

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1 payment would be set forth in the notice of compromise of controversy that our firm files in
2 connection with any collection matter that Adler settled because the proceeds of such settlement
3 would be used to pay Adler's contingency fees and expenses.

4 3. In an effort to ease the administrative burden on Adler and the estate, I advised that
5 Debtor has requested that the Court waive the requirement that Adler file an application for
6 compensation for payment of its contingency fees as the amount of such fees is fixed at either 30%
7 or 35% depending on whether the matter is routine or non-routine (as more fully described in the
8 Application) and that payment of such fees and expenses are to be paid from the proceeds of the
9 Court approved settled collection matter.

10 4. From my conversations with Mr. Adler, I understand that the Court did not require
11 Adler to file applications for compensation for payment of its contingency fees in both the Brobeck,
12 Phleger & Harrison and Landels Ripley & Diamond bankruptcy cases.²

13 I declare under penalty of perjury that the foregoing is true and correct.

14 Executed this 22nd day of April 2009, at San Francisco, California.

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17 /s/ Miriam Khatiblou
18 Miriam Khatiblou

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28 ² I also understand that Adler filed applications for reimbursement of its expenses in both the Brobeck and Landels cases. Such procedures with respect to expense reimbursements are not objectionable if applied to this case.

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13 In re:

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Debtor.

Case No.: 08-32514

Chapter 11

CERTIFICATE OF SERVICE

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PROOF OF SERVICE

STATE OF CALIFORNIA)
)
CITY OF SAN FRANCISCO)

I, Katherine Suk, am employed in the city and county of San Francisco, State of California. I am over the age of 18 and not a party to the within action; my business address is 150 California Street, 15th Floor, San Francisco, California 94111-4500.

On April 22, 2009, I caused to be served the

REPLY TO UNITED STATES TRUSTEE OBJECTION TO APPLICATION TO EMPLOY ADLER LAW FIRM AS DEBTOR'S COLLECTIONS COUNSEL

DECLARATION OF MIRIAM KHATIBLOU IN SUPPORT OF REPLY TO UNITED STATES TRUSTEE OBJECTION TO APPLICATION TO EMPLOY ADLER LAW FIRM AS DEBTOR'S COLLECTIONS COUNSEL

in this action by placing a true and correct copy of said document(s) in sealed envelopes addressed as follows:

Please see attached Service List

(BY MAIL) I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at San Francisco, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

(BY EMAIL) I caused to be served the above-described document by email to the parties indicated on the attached service list at the indicated email address.

I declare under penalty of perjury, under the laws of the State of California and the United States of America that the foregoing is true and correct.

Executed on April 22, 2009, at San Francisco, California.

/s/ Katherine Suk
Katherine Suk

Service List

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