

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
))
REAL MEX RESTAURANTS, INC., *et al.*¹) Case No. 11-13122 (BLS)
) (Jointly Administered)
Debtors.))
Objection Deadline: May 21, 2012 at 4:00 p.m.
Hearing Date: Scheduled only if Necessary

FIFTH MONTHLY APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES LLP, AS CO-COUNSEL TO THE DEBTORS AND DEBTORS IN POSSESSION, FOR THE PERIOD FROM FEBRUARY 1, 2012 THROUGH FEBRUARY 29, 2012

Name of Applicant:	Pachulski Stang Ziehl & Jones LLP
Authorized to Provide Professional Services to:	Debtors and debtors in possession
Date of Retention:	<i>Nunc Pro Tunc</i> to October 4, 2011 by order entered on November 2, 2011
Period for which Compensation and Reimbursement is Sought:	February 1, 2012 through February 29, 2012 ²
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$74,233.00
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$33,842.98

This is a: x monthly ___ interim ___ final application.

The total time expended for fee application preparation is approximately 3.0 hours

and the corresponding compensation requested is approximately \$1,000.00.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each of the Debtors' federal tax identification numbers, are: Real Mex Restaurants, Inc. (2902); RM Restaurant Holding Corp. (2217); Acapulco Mark Corp. (3570); Acapulco Restaurant of Downey, Inc. (2910); Acapulco Restaurant of Moreno Valley, Inc. (4606); Acapulco Restaurant of Ventura, Inc. (3626); Acapulco Restaurant of Westwood, Inc. (1162); Acapulco Restaurants, Inc. (4897); ALA Design, Inc. (8584); Chevys Restaurants, LLC (2992); CKR Acquisition Corp. (8287); El Paso Cantina, Inc. (0112); El Torito Franchising Company (2754); El Torito Restaurants, Inc. (7059); Murray Pacific (1596); Real Mex Foods, Inc. (8585); and TARV, Inc. (8081). The Debtors' headquarters and mailing address is: 5660 Katella Avenue, Suite 100, Cypress, CA 90630.

² The applicant reserves the right to include any time expended in the time period indicated above in future application(s) if it is not included herein.

PRIOR APPLICATIONS FILED

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
01/30/12	10/04/11 – 10/31/11	\$82,029.50	\$51,598.85	\$82,029.50	\$51,598.85
01/31/12	11/01/11 – 11/30/11	\$82,297.50	\$30,019.39	\$82,297.50	\$30,019.39
02/06/12	12/01/11 – 12/31/11	\$74,100.00	\$10,154.29	\$74,100.00	\$10,154.29
03/27/12	01/01/12 – 01/31/12	\$56,463.50	\$15,788.41	\$45,170.80	\$15,788.41

PSZ&J PROFESSIONALS

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Laura Davis Jones	Partner 2000; Joined Firm 2000; Member of DE Bar since 1986	\$955.00	7.30	\$ 6,971.50
James E. O'Neill	Partner 2005; Member of PA Bar since 1985; Member of DE Bar since 2001	\$675.00	2.50	\$ 1,687.50
Curtis A. Hehn	Partner 2006; Member of PA and NJ Bars since 1997; Member of DE Bar since 2002	\$595.00	67.80	\$40,341.00
Kathleen P. Makowski	Of Counsel 2008; Member of PA Bar since 1996; Member of DE Bar since 1997	\$495.00	3.50	\$ 1,732.50
Karina K. Yee	Paralegal 2000	\$275.00	62.80	\$17,270.00
Cheryl A. Knotts	Paralegal 2000	\$265.00	1.80	\$ 477.00
Sheryle L. Pitman	Case Management Assistant 2001	\$185.00	2.30	\$ 425.50
Charles J. Bouzoukis	Case Management Assistant 2001	\$185.00	25.60	\$ 4,736.00
Karen S. Neil	Case Management Assistant 2003	\$185.00	0.30	\$ 55.50
Beatrice M. Koveleski	Case Management Assistant 2009	\$185.00	2.10	\$ 388.50
Dina K. Whaley	Case Management Assistant 2010	\$185.00	0.80	\$ 148.00

Grand Total: \$ 74,233.00
Total Hours: 176.80
Blended Rate: \$ 419.87

COMPENSATION BY CATEGORY

Project Categories	Total Hours	Total Fees
Asset Disposition	47.20	\$27,856.00
Bankruptcy Litigation	35.70	\$13,445.50
Case Administration	45.40	\$ 9,685.00
Claims Admin/Objections	0.90	\$ 503.50
Compensation of Professional	10.60	\$ 5,846.00
Compensation of Prof./Others	5.20	\$ 1,910.00
Employee Benefit/Pension	0.30	\$ 178.50
Executory Contracts	14.40	\$ 6,072.00
Financing Filings	0.20	\$ 119.00
Retention of Prof./Other	15.10	\$ 7,546.50
Stay Litigation	1.80	\$ 1,071.00

EXPENSE SUMMARY

Expense Category	Service Provider³ (if applicable)	Total Expenses
Auto Travel Expense	Eagle Transportation; DE Express Car	\$ 266.00
Working Meals	Sugarfoot Fine Food; The Rodney Grill	\$ 314.93
Conference Call	CourtCall	\$ 184.00
Delivery/Courier Service	Digital Legal	\$4,605.15
Express Mail	DHL and Federal Express	\$2,095.65
Fax Transmittal	Outgoing only	\$1,388.00
Outside Services	Digital Legal Services	\$7,856.95
Court Research	Pacer	\$ 396.40
Postage	US Mail	\$6,545.60
Reproduction Expense		\$8,837.90
Reproduction/Scan Copy		\$ 845.90
Transcript	Veritext NY Reporting	\$ 506.50

³ PSZ&J may use one or more service providers. The service providers identified herein below are the primary service providers for the categories described.

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**FIFTH MONTHLY APPLICATION FOR COMPENSATION
AND REIMBURSEMENT OF EXPENSES OF
PACHULSKI STANG ZIEHL & JONES LLP, AS CO-COUNSEL
TO THE DEBTORS AND DEBTORS IN POSSESSION, FOR
THE PERIOD FROM FEBRUARY 1, 2012 THROUGH FEBRUARY 29, 2012**

Pursuant to sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (collectively, the “Bankruptcy Rules”), and the Court’s “Administrative Order Under 11 U.S.C. §§ 105(A) and 331 Establishing Procedures for Interim Compensation and Expense Reimbursement of Professionals and Committee Members,” signed on or about November 2, 2011 (the “Administrative Order”), Pachulski Stang Ziehl & Jones LLP (“PSZ&J” or the “Firm”), counsel to the debtors and debtors in possession (“Debtors”), hereby submits its Fifth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from February 1, 2012 through February 29, 2012 (the “Application”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each of the Debtors’ federal tax identification numbers, are: Real Mex Restaurants, Inc. (2902); RM Restaurant Holding Corp. (2217); Acapulco Mark Corp. (3570); Acapulco Restaurant of Downey, Inc. (2910); Acapulco Restaurant of Moreno Valley, Inc. (4606); Acapulco Restaurant of Ventura, Inc. (3626); Acapulco Restaurant of Westwood, Inc. (1162); Acapulco Restaurants, Inc. (4897); ALA Design, Inc. (8584); Chevys Restaurants, LLC (2992); CKR Acquisition Corp. (8287); El Paso Cantina, Inc. (0112); El Torito Franchising Company (2754); El Torito Restaurants, Inc. (7059); Murray Pacific (1596); Real Mex Foods, Inc. (8585); and TARV, Inc. (8081). The Debtors’ headquarters and mailing address is: 5660 Katella Avenue, Suite 100, Cypress, CA 90630.

By this Application PSZ&J seeks a monthly interim allowance of compensation in the amount of \$74,233.00 and actual and necessary expenses in the amount of \$33,842.98 for a total allowance of \$108,075.98 and payment of \$59,386.40 (80% of the allowed fees) and reimbursement of \$33,842.98 (100% of the allowed expenses) for a total payment of \$93,229.38 for the period February 1, 2012 through February 29, 2012 (the "Interim Period"). In support of this Application, PSZ&J respectfully represents as follows:

Background

1. On October 4, 2011 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continued in possession of their properties and continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. A Committee of Unsecured Creditors ("Committee") was appointed on or about October 14, 2011. No trustee or examiner has been appointed in the Debtors' chapter 11 cases.

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

3. On or about November 2, 2011, the Court signed the Administrative Order, authorizing certain professionals ("Professionals") to submit monthly applications for interim compensation and reimbursement for expenses, pursuant to the procedures specified therein. The Administrative Order provides, among other things, that a Professional may submit monthly fee applications. If no objections are made within twenty (20) days after service of the monthly fee application the Debtors are authorized to pay the Professional eighty percent (80%) of the requested fees and one hundred percent (100%) of the requested expenses. Beginning

with the period ending December 31, 2011, at three-month intervals, each of the Professionals must file with the court and serve an interim application for allowance of the amounts sought in its monthly fee applications for that period. All fees and expenses paid are on an interim basis until final allowance by the Court.

4. The retention of PSZ&J, as counsel to the Debtors, was approved effective as of the October 4, 2011 by this Court's "Order Pursuant to Section 327(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014-1 Authorizing the Employment and Retention of Pachulski Stang Ziehl & Jones LLP as Co-Counsel for the Debtors and Debtors in Possession *Nunc Pro Tunc* to the Petition Date", signed on or about November 2, 2011 (the "Retention Order"). The Retention Order authorized PSZ&J to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

**PSZ&J's APPLICATION FOR COMPENSATION AND
FOR REIMBURSEMENT OF EXPENSES**

Compensation Paid and Its Source

5. All services for which PSZ&J requests compensation were performed for or on behalf of the Debtors.

6. PSZ&J has received no payment and no promises for payment from any source other than the Debtors for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between PSZ&J and any other person other than the partners of PSZ&J for the sharing of compensation to be received for services rendered in these cases. PSZ&J has received

payments from the Debtors during the year prior to the Petition Date in the amount of \$117,663.00 including the Debtors' aggregate filing fees for these cases, in connection with the preparation of initial documents and its prepetition representation of the Debtors. PSZ&J was current as of the Petition Date. Upon final reconciliation of the amount actually expended prepetition, any balance remaining from the prepetition payments to PSZ&J was credited to the Debtors and utilized as PSZ&J's retainer to apply to postpetition fees and expenses pursuant to the compensation procedures approved by this Court and the Bankruptcy Code.

Fee Statements

7. The fee statements for the Interim Period are attached hereto as Exhibit A. These statements contain daily time logs describing the time spent by each attorney and paraprofessional during the Interim Period. To the best of PSZ&J's knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules and the Administrative Order. PSZ&J's time reports are initially handwritten by the attorney or paralegal performing the described services. The time reports are organized on a daily basis. PSZ&J is particularly sensitive to issues of "lumping" and, unless time was spent in one time frame on a variety of different matters for a particular client, separate time entries are set forth in the time reports. PSZ&J's charges for its professional services are based upon the time, nature, extent and value of such services and the cost of comparable services other than in a case under the Bankruptcy Code. PSZ&J has reduced its charges related to any non-working "travel time" to fifty percent (50%) of PSZ&J's standard hourly rate. To the extent it is feasible, PSZ&J professionals attempt to work during travel.

Actual and Necessary Expenses

8. A summary of actual and necessary expenses incurred by PSZ&J for the Interim Period is attached hereto as part of Exhibit A. PSZ&J customarily charges \$0.10 per page for photocopying expenses related to cases, such as these, arising in Delaware. PSZ&J's photocopying machines automatically record the number of copies made when the person that is doing the copying enters the client's account number into a device attached to the photocopier. PSZ&J summarizes each client's photocopying charges on a daily basis.

9. PSZ&J charges \$1.00 per page for out-going facsimile transmissions. There is no additional charge for long distance telephone calls on faxes. The charge for outgoing facsimile transmissions reflects PSZ&J's calculation of the actual costs incurred by PSZ&J for the machines, supplies and extra labor expenses associated with sending telecopies and is reasonable in relation to the amount charged by outside vendors who provide similar services. PSZ&J does not charge the Debtors for the receipt of faxes in these cases.

10. With respect to providers of on-line legal research services (e.g., LEXIS and WESTLAW), PSZ&J charges the standard usage rates these providers charge for computerized legal research. PSZ&J bills its clients the actual amounts charged by such services, with no premium. Any volume discount received by PSZ&J is passed on to the client.

11. PSZ&J believes the foregoing rates are the market rates that the majority of law firms charge clients for such services. In addition, PSZ&J believes that such charges are in accordance with the American Bar Association's ("ABA") guidelines, as set forth in the ABA's Statement of Principles, dated January 12, 1995, regarding billing for disbursements and other charges.

Summary of Services Rendered

12. The names of the partners and associates of PSZ&J who have rendered professional services in these cases during the Interim Period, and the paralegals and case management assistants of PSZ&J who provided services to these attorneys during the Interim Period, are set forth in the attached Exhibit A.

13. PSZ&J, by and through such persons, has prepared and assisted in the preparation of various motions and orders submitted to the Court for consideration, advised the Debtors on a regular basis with respect to various matters in connection with the Debtors' bankruptcy cases, and performed all necessary professional services which are described and narrated in detail below. PSZ&J's efforts have been extensive due to the size and complexity of the Debtors' bankruptcy cases.

Summary of Services by Project

14. The services rendered by PSZ&J during the Interim Period can be grouped into the categories set forth below. PSZ&J attempted to place the services provided in the category that best relates to such services. However, because certain services may relate to one or more categories, services pertaining to one category may in fact be included in another category. These services performed, by categories, are generally described below, with a more detailed identification of the actual services provided set forth on the attached Exhibit A. Exhibit A identifies the attorneys and paraprofessionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category.

A. Asset Disposition

15. During the Interim Period, the Firm, among other things: (1) attended to deadline issues; (2) performed work regarding a notice of adjournment of auction; (3) performed work regarding a notice of successful bidder at auction; (4) performed work regarding a reply to sale objections; (5) performed work regarding a notice of sale; (6) performed work regarding declarations; (7) performed work regarding a notice of filing of asset purchase agreement; (8) performed work regarding orders; (9) reviewed and analyzed an asset purchase agreement; (10) reviewed and analyzed the Committee's objection to sale; (11) performed work regarding Agenda Notices; (12) reviewed and analyzed the note-holders response to Committee objection to sale; (13) prepared for and attended a sale hearing on February 12, 2012; and (14) corresponded and conferred regarding asset disposition issues.

Fees: \$27,856.00; Hours: 47.20

B. Bankruptcy Litigation

16. During the Interim Period, the Firm, among other things: (1) performed work regarding Agenda Notices and Hearing Binders; (2) performed work regarding orders; (3) attended to scheduling issues; (4) attended to service and filing issues; and (5) corresponded and conferred regarding bankruptcy litigation matters.

Fees: \$13,445.50; Hours: 35.70

C. Case Administration

17. During the Interim Period, the Firm, among other things: (1) maintained document control; (2) reviewed documents and pleadings and forwarded them to appropriate

persons; (3) maintained a memorandum of Critical Dates; (4) maintained service lists; and (5) prepared Hearing Binders.

Fees: \$9,685.00; Hours: 45.40

D. Claim Administration and Objections

18. During the Interim Period, the Firm, among other things: (1) reviewed and analyzed claims and related documents; and (2) corresponded regarding claim issues.

Fees: \$503.50; Hours: 0.90

E. Compensation of Professionals

19. This category includes work related to compensation of the Firm. During the Interim Period, the Firm, among other things: (1) performed work regarding its October, November and December 2012 monthly and First quarterly fee applications; and (2) monitored the status and filing of fee applications.

Fees: \$5,846.00; Hours: 10.60

F. Compensation of Professionals--Others

20. This category includes work related to compensation of professionals, other than the Firm. During the Interim Period, the Firm, among other things: (1) attended to reservation of rights issues; (2) performed work regarding the Milbank and Ernst Young fee matters; and (3) corresponded and conferred regarding fee issues.

Fees: \$1,910.00; Hours: 5.20

G. Employee Benefits and Pensions

21. This category includes work related to employee benefits and pension plans. During the Interim Period, the Firm, among other things, corresponded and conferred regarding employee issues.

Fees: \$178.50; Hours: 0.30

H. Executory Contracts

22. This category includes work related to executory contracts and unexpired leases. During the Interim Period, the Firm, among other things: (1) performed work regarding the Monrovia lease rejection motion; (2) attended to objection issues; (3) performed work regarding the Pasadena lease rejection motion; (4) attended to cure notice issues; (5) performed work regarding orders; (6) performed work regarding the Thousand Oaks lease rejection motion (7) performed work regarding a Fifth Omnibus contract rejection motion; (8) performed work regarding a motion to reject Hormel Trademark License Agreement; (9) performed work regarding a Sixth Omnibus motion to reject lease; and (10) corresponded and conferred regarding executory contract and lease matters.

Fees: \$6,072.00; Hours: 14.40

I. Financial Filings

23. This category includes work related to compliance with reporting requirements. During the Interim Period, the Firm, among other things, attended to United States Trustee quarterly fee issues.

Fees: \$119.00; Hours: 0.20

J. Retention of Professionals--Others

24. This category includes work related to retention of professionals, other than the Firm. During the Interim Period, the Firm, among other things, performed work regarding the Imperial, JAI, and CRG matters.

Fees: \$7,546.50; Hours: 15.10

K. Stay Litigation

25. This category includes work related to the automatic stay and relief from stay motions. During the Interim Period, the Firm, among other things, performed work regarding the Sanbag and De La Cruz matters.

Fees: \$1,071.00; Hours: 1.80

Valuation of Services

26. Attorneys and paraprofessionals of PSZ&J expended a total 176.80 hours in connection with their representation of the Debtors during the Interim Period, as follows:

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Laura Davis Jones	Partner 2000; Joined Firm 2000; Member of DE Bar since 1986	\$955.00	7.30	\$ 6,971.50
James E. O'Neill	Partner 2005; Member of PA Bar since 1985; Member of DE Bar since 2001	\$675.00	2.50	\$ 1,687.50
Curtis A. Hehn	Partner 2006; Member of PA and NJ Bars since 1997; Member of DE Bar since 2002	\$595.00	67.80	\$40,341.00
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Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Cheryl A. Knotts	Paralegal 2000	\$265.00	1.80	\$ 477.00
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Charles J. Bouzoukis	Case Management Assistant 2001	\$185.00	25.60	\$ 4,736.00
Karen S. Neil	Case Management Assistant 2003	\$185.00	0.30	\$ 55.50
Beatrice M. Koveleski	Case Management Assistant 2009	\$185.00	2.10	\$ 388.50
Dina K. Whaley	Case Management Assistant 2010	\$185.00	0.80	\$ 148.00

Grand Total: \$ 74,233.00
Total Hours: 176.80
Blended Rate: \$ 419.87

27. The nature of work performed by these persons is fully set forth in Exhibit A attached hereto. These are PSZ&J's normal hourly rates for work of this character. The reasonable value of the services rendered by PSZ&J for the Debtors during the Interim Period is \$74,233.00.

28. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by PSZ&J is fair and reasonable given (a) the complexity of the case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under the Bankruptcy Code. Moreover, PSZ&J has reviewed the requirements of Del. Bankr. LR 2016-2 and the Administrative Order and believes that this Application complies with such Rule and Order.

WHEREFORE, PSZ&J respectfully requests that, for the period February 1, 2012 through February 29, 2012, an interim allowance be made to PSZ&J for compensation in the amount of \$74,233.00 and actual and necessary expenses in the amount of \$33,842.98 for a total

allowance of \$108,075.98 and payment of \$59,386.40 (80% of the allowed fees) and reimbursement of \$33,842.98 (100% of the allowed expenses) be authorized for a total payment of \$93,229.38 and for such other and further relief as this Court may deem just and proper.

Dated: May 1, 2012

PACHULSKI STANG ZIEHL & JONES LLP



Laura Davis Jones (Bar No. 2436)

Curtis A. Hehn (Bar No. 4264)

919 North Market Street, 17th Floor

P.O. Box 8705

Wilmington, DE 19899-8705 (Courier 19801)

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Facsimile: (302) 652-4400

Email: ljones@pszjlaw.com

chehn@pszjlaw.com

Counsel for the Debtors and Debtors in Possession

VERIFICATION

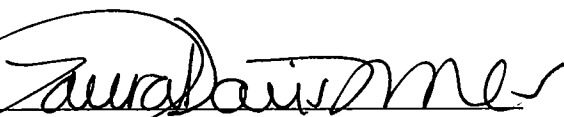
STATE OF DELAWARE :
 :
COUNTY OF NEW CASTLE :

Laura Davis Jones, after being duly sworn according to law, deposes and says:

- a) I am a partner of the applicant law firm Pachulski Stang Ziehl & Jones LLP, and have been admitted to appear before this Court.

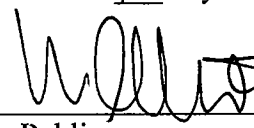
- b) I am familiar with the work performed on behalf of the Debtors by the lawyers and paraprofessionals of PSZ&J.

- c) I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Del. Bankr. LR 2016-2 and the Administrative Order signed on or about November 2, 2011, and submit that the Application substantially complies with such Rule and Order.



Laura Davis Jones

SWORN AND SUBSCRIBED
before me this 15th day of May, 2012.



Notary Public
My Commission Expires:

MONICA ANGELA MOLITOR
NOTARY PUBLIC
STATE OF DELAWARE
My commission expires July 20, 2012