

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re: :
: Case Nos. 07-20412 through 07-20417, and
NEUMANN HOMES, INC., et al.,¹ : 07-21468 through 07-21470
: (Jointly Administered)
: :
Debtors. : Chapter 11
: Hon. Eugene R. Wedoff
: Hearing Date: October 28, 2009
: Hearing Time: 10:00 a.m.
: Objection Deadline: October 23, 2009
:

NOTICE OF APPLICATION

PLEASE TAKE NOTICE that on October 28, 2009, at 10:00 a.m. Central time or, as soon as thereafter as counsel may be heard, we shall appear before the Honorable Eugene R. Wedoff in United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, 219 South Dearborn Street, Chicago, Illinois 60604, Courtroom 744 or, in his absence, before such other Judge who may be sitting in his place and stead and hearing bankruptcy motions, at which time and place you may appear as you see fit, and shall then and there present the **First Interim Application of Bracewell & Giuliani LLP, as special counsel to the Debtors, for Allowance of Compensation for Services Rendered and Reimbursement of Expenses for the Period from April 1, 2009 through June 30, 2009 (the "Application")**.

Dated: September 15, 2009
Houston, Texas

By: /s/ Ross D. Kennedy

BRACEWELL & GIULIANI LLP
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ATTORNEYS FOR DEBTORS

¹ The Debtors are Neumann Homes, Inc. (EIN: 36-3372185); NDC Fabrications, LLC (EIN: 20-3927889); Neumann Homes of Colorado, LLC (EIN: 30-0016357); Neumann Homes of Wisconsin, LLC (EIN: 13-4233135); New Pro Co., LLC (EIN: 20-3927922); Precision Framing Systems, LLC (EIN: 61-1404308); Neumann Homes of Michigan (EIN: 20-0266804); NHI Sky Ranch, LLC (EIN: 20-2680457); and Sky Ranch, LLC (EIN: 20-2680547).

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**FIRST INTERIM APPLICATION OF BRACEWELL & GIULIANI LLP
AS SPECIAL COUNSEL TO THE DEBTORS FOR ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT
OF EXPENSES FOR THE PERIOD
FROM APRIL 1, 2009 THROUGH JUNE 30, 2009**

Name of Applicant: Bracewell & Giuliani LLP as Special Counsel to the Debtors

Date of Retention: Retention Order entered on May 20, 2009 effective as of April 17, 2009 (Docket No. 1718)

Authorized to provide professional services to: Debtors-in-Possession

Period for which compensation and reimbursement are sought: April 1, 2009 through June 30, 2009

Amount of Compensation sought by Bracewell & Giuliani LLP as actual, reasonable, and necessary: \$7,507.50

Amount of Expense Reimbursement sought by Bracewell & Giuliani LLP as actual, reasonable, and necessary: \$1,257.63

THIS IS AN: X INTERIM FINAL APPLICATION

² The Debtors are Neumann Homes, Inc. (EIN: 36-3372185); NDC Fabrications, LLC (EIN: 20-3927889); Neumann Homes of Colorado, LLC (EIN: 30-0016357); Neumann Homes of Wisconsin, LLC (EIN: 13-4233135); New Pro Co., LLC (EIN: 20-3927922); Precision Framing Systems, LLC (EIN: 61-1404308); Neumann Homes of Michigan (EIN: 20-0266804); NHI Sky Ranch, LLC (EIN: 20-2680457); and Sky Ranch, LLC (EIN: 20-2680547).

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Bracewell & Giuliani LLP, Special Counsel to the Debtors in the chapter 11 cases of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), pursuant to sections 330(a) and 331 of title 11, United States Code (the "Bankruptcy Code") and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), respectfully submits this application (the "Application") for (a) allowance of compensation for professional services rendered during the period from April 1, 2009 through and including June 30, 2009 (the "Compensation Period"), and (b) reimbursement of the actual and necessary expenses incurred by Bracewell & Giuliani LLP during the Compensation Period. In support of this Application, Bracewell & Giuliani LLP respectfully states as follows:

³ The Debtors are Neumann Homes, Inc. (EIN: 36-3372185); NDC Fabrications, LLC (EIN: 20-3927889); Neumann Homes of Colorado, LLC (EIN: 30-0016357); Neumann Homes of Wisconsin, LLC (EIN: 13-4233135); New Pro Co., LLC (EIN: 20-3927922); Precision Framing Systems, LLC (EIN: 61-1404308); Neumann Homes of Michigan (EIN: 20-0266804); NHI Sky Ranch, LLC (EIN: 20-2680457); and Sky Ranch, LLC (EIN: 20-2680547).

BACKGROUND

1. On November 1, 2007, Neumann Homes, Inc. and five of its subsidiaries and affiliates commenced their respective cases by filing voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code. On November 15, 2007, Neumann Homes of Michigan, LLC, NHI Sky Ranch, LLC, and Sky Ranch, LLC each filed a voluntary petition in this Court for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

2. The Debtors' cases are being jointly administered by the Court.

3. No trustee or examiner has been appointed in the Debtors' chapter 11 cases.

4. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory predicates for the relief requested herein are §§ 330 and 331 of the Bankruptcy Code.

RETENTION OF BRACEWELL & GIULIANI LLP

5. On May 20, 2009, the Court entered the "Order Pursuant to 11 U.S.C. §§ 327(a) and 328(a) Authorizing Employment and Retention of Bracewell & Giuliani LLP as Special Counsel for the Debtors-In-Possession" (the "Retention Order") (Docket No. 1718).

6. The Retention Order authorizes the Debtors and their estates to compensate Bracewell & Giuliani LLP, as delineated in the Engagement Agreement and in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, and such Bankruptcy Rules, and Local Rules as may then be applicable, and such procedures as may be fixed by order of this Court, including the "Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures

for Interim Compensation and Reimbursement of Expenses of Professionals" (Docket No. 202) (the "Interim Compensation Order").

7. Bracewell & Giuliani LLP has represented the Debtors in this matter since April 2009. Bracewell & Giuliani LLP performed the services for which it seeks compensation on behalf of the Debtors.

8. Bracewell & Giuliani LLP has not received any payment or promise for payment from any source for services rendered or expenses incurred on the Debtors' behalf during the Compensation Period. Under Rule 201(b), Bracewell & Giuliani LLP has not shared, nor agreed to share, (a) any compensation it has received or may receive in these cases with another person or party other than the Bracewell & Giuliani LLP partners, of counsel, associates, and other employees, or (b) any compensation another person or party has received or may receive in these cases.

COMPENSATION AND REIMBRUSEMENT REQUEST

9. This is Bracewell & Giuliani LLP's first interim application. Pursuant to the Retention Order and the Interim Compensation Order, Bracewell & Giuliani LLP respectfully seeks allowance of interim compensation for professional services rendered to the Debtors during the Compensation Period in the aggregate amount of \$7,507.50, and for reimbursement of expenses incurred in connection with rendering such services in the aggregate amount of \$1,257.63. During the Compensation Period, Bracewell & Giuliani LLP attorneys expended a total of 18.65 hours for which compensation is requested.

10. The fees charged by Bracewell & Giuliani LLP are billed in accordance with its existing billing rates and procedures in effect during the Compensation Period. The rates Bracewell & Giuliani LLP charges for the services rendered in this case are agreed upon by the

Debtor and the customary rates by Bracewell & Giuliani LLP charges for such services rendered in comparable nonbankruptcy matters. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable nonbankruptcy cases in a competitive national legal market.

11. This Application has been prepared in accordance with the Local Rules of the United States Bankruptcy Court for the Northern District of Illinois and the Interim Compensation Order (together, the "Guidelines"). To the extent necessary, Bracewell & Giuliani LLP requests a waiver for cause shown of any Guideline requirement not met by this Application.

12. Attached hereto as Exhibit "A" is a schedule setting forth all Bracewell & Giuliani LLP professionals and paraprofessionals who have performed services in this case during the Compensation Period, the capacity in which each such individual is employed by Bracewell & Giuliani LLP, the department in which each individual practices, the hourly billing rates charged by Bracewell & Giuliani LLP for services performed by such individual, the aggregate number of hours expended in this matter and fees billed and the year in which each professional was first licensed to practice law.

13. Attached hereto as Exhibit "B" is a schedule specifying the categories of expenses for which Bracewell & Giuliani LLP seeks reimbursement, and the total amount for each expense category.

14. Attached hereto as Exhibit "C" is a summary of Bracewell & Giuliani LLP services rendered during the Compensation Period for the specific matter addressed in this Application.

15. Bracewell & Giuliani LLP maintains computerized records in the form of monthly statements of the time spent by all Bracewell & Giuliani LLP's attorneys and paraprofessionals in connection with the services rendered on the Debtors' behalf. Attached hereto as Exhibit "D" is a copy of the monthly statements for services rendered during the Compensation Period.

16. To the extent that time or disbursement charges for services rendered or disbursements incurred relate to the Compensation Period, but were not processed prior to the preparation of this Application, Bracewell & Giuliani LLP reserves the right to request additional compensation for such services, and reimbursement of such expenses in a future application.

SUMMARY OF SERVICES

17. During the Compensation Period, Bracewell & Giuliani LLP rendered professional services in furtherance of the Debtors' efforts. The significant professional services rendered by Bracewell & Giuliani LLP for this matter during the Compensation Period are described below.

18. During the Compensation Period, Bracewell & Giuliani LLP counseled the Debtors on issues relating to the ownership of estate assets known as the NeuDearborn properties. These services involved reviewing and analyzing various pleadings, records, and client documents, participating in meetings regarding the status of issues related to the NeuDearborn properties, conducting legal research and analyzing legal issues related to the NeuDearborn properties, advising the Debtor regarding potential legal actions, and drafting pleadings related to the ownership and possession of the NeuDearborn properties.

19. The professional services performed by Bracewell & Giuliani LLP on behalf of the Debtors during the Compensation Period for this matter required an aggregate expenditure of

18.65 recorded hours by Bracewell & Giuliani LLP partners and associates. Of the aggregate time expended, 3.90 recorded hours were expended by partners, and 14.75 recorded hours were expended by associates. During the Compensation Period, Bracewell & Giuliani LLP's hourly billing rates were \$450.00 per hour for partners and \$390.00 for associates.

ACTUAL AND NECESSARY DISBURSEMENTS

20. As set forth in Exhibit "B" hereto, Bracewell & Giuliani LLP has disbursed \$1,257.63 as expenses incurred in providing professional services during the Compensation Period. Bracewell & Giuliani LLP charges the Debtors for vendor hosted teleconferences used in conducting teleconferences with the Debtor and other parties in interest based on actual costs charged by the vendor. Travel expenses during the Compensation Period consisted of travel for Bracewell & Giuliani LLP attorneys to and from the Debtors' place of business at the request of the Debtors.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

21. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. 11 U.S.C. §331. Section 330 of the Bankruptcy Code provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered... and reimbursement for actual, necessary expenses." 11 U.S.C. §330(a)(1). Section 330 of the Bankruptcy Code also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded to an Examiner, trustee under Chapter 11, or professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—

- (A) the time spent on such services;

- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(1)(3)

22. Bracewell & Giuliani LLP's services were consistently performed in a timely manner. Additionally, whenever possible, Bracewell & Giuliani LLP sought to minimize the costs of its services by utilizing talented junior attorneys to handle the more routine aspects of the assignments. The same Bracewell & Giuliani LLP attorneys were utilized for all of the work in this case, to minimize costs. As a result, the professional services were performed in an expeditious and efficient manner.

23. Bracewell & Giuliani LLP respectfully submits that the services for which it seeks compensation were necessary for, and in the best interests of, the Debtors, the estate, the Committee, and the creditors. Accordingly, Bracewell & Giuliani LLP submits that the compensation requested herein is reasonable in light of the nature, extent, and value of its services to all parties in interest.

24. Based on the foregoing, Bracewell & Giuliani LLP respectfully submits that approval of the requested compensation is warranted.

25. No previous request for the relief sought herein has been made to this or any other court.

CONCLUSION

Based on the foregoing, Bracewell & Giuliani LLP respectfully requests entry of an order (i) allowing interim compensation for professional services rendered during the Compensation Period in the amount of \$7,507.50; (ii) allowing reimbursement of the actual and necessary expenses that Bracewell & Giuliani LLP incurred during the Compensation Period in the amount of \$1,257.63; (iii) allowing such compensation for professional services and reimbursement of actual and necessary expenses incurred be without prejudice to Bracewell & Giuliani LLP's right to seek such further compensation for the full value of services performed and expenses incurred; and (iv) granting Bracewell & Giuliani LLP such other and further relief as is just.

Dated: September 15, 2009
Houston, Texas

By: /s/ Ross D. Kennedy

BRACEWELL & GIULIANI LLP
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ATTORNEYS FOR DEBTORS

EXHIBIT A

**SUMMARY OF PROFESSIONAL AND PARAPROFESSIONAL SERVICES
RENDERED FROM APRIL 1, 2009 THROUGH JUNE 30, 2009**

<u>Name and Title</u>	<u>Year of Admission</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Ross D. Kennedy, Partner	1996	\$450.00	3.90	\$1,755.00
Kristin A. McLaurin, Associate	2004	\$390.00	14.75	\$5,752.50
TOTAL				\$7,507.50

EXHIBIT B

**ACTUAL AND NECESSARY EXPENSES INCURRED FROM APRIL 1, 2009
THROUGH JUNE 30, 2009**

<u>Description</u>	<u>Total Requested Expenses</u>
Long distance telephone	\$3.30
Travel	\$1,186.03
Airline tickets	\$797.70
Hotel	\$283.88
Meals	\$68.30
Mileage	\$11.70
Taxi/Transportation	\$92.75
TOTAL	\$1,257.63

EXHIBIT C

SUMMARY OF SERVICES FROM APRIL 1, 2009 THROUGH JUNE 30, 2009

Matter	Description	Hours	Amount
NeuDearborn properties (061662.000002)	Reviewing and analyzing various pleadings, records, and client documents, participating in meetings regarding the status of issues related to the NeuDearborn properties, conducting legal research and analyzing legal issues related to the NeuDearborn properties, advising the Debtor regarding potential legal actions, and drafting pleadings related to the NeuDearborn properties.	18.65	\$7,507.50

EXHIBIT D

**MONTHLY STATEMENTS OF BRACEWELL & GIULIANI LLP FOR SERVICES
RENDERED FROM APRIL 1, 2009 THROUGH JUNE 30, 2009**

[see attached]